

1H 2020 Results

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According to IFRS, Consolidated, Unaudited

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Explanatory notes

- As of April 1, 2020 MONETA Stavební Spořitelna a.s. (formerly Wüstenrot – stavební spořitelna, a.s.) (“MSS”, Building savings bank) and Wüstenrot hypoteční banka a.s. (“WHB”, Mortgage bank) are consolidated in the MONETA Money Bank’s financial statements using the method of full consolidation. From that reason all financial and non-financial data newly includes acquired entities (starting 2Q 2020, respectively 1H 2020). The transaction is further referred as the “acquisition”. Historical data are not reconciled.
- The aggregate financial and non-financial data on consolidated base are fixed. Detailed data in split overviews may finally be adjusted due to ongoing processes of MSS’s and WHB’s IT systems integration.

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- This presentation and subsequent discussion may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and forward-looking statements with respect to the management’s medium term guidance, profitability, costs, assets, capital position, financial condition, results of operations, dividend and business of the Group (together, “**forward-looking statements**”). The forward-looking statements assume a purely organic growth without regard to any potential acquisition.
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Material assumptions for forward-looking statements

- See slide “Material assumptions for medium term guidance” on page 69.



MONETA - the most awarded bank in 2020



SMARTBANKA

Online application

KAMARÁD+

Building savings



REFINANSO – MORTGAGE FULLY ONLINE

News of the year

SMARTBANKA APPLICATION

Public award

LOAN FULLY ONLINE IN 15 MINUTES

Business loans category



BALÍČEK POMOCI

Social responsibility award

LOAN >3.9% FULLY ONLINE IN SMART BANKA

Public loans category

STAVEBNÍ SPOŘENÍ 55+

Building savings

PRUŽNÁ HYPOTÉKA

Mortgages

SMARTBANKA

Innovation of the year

MONETA'S ESG RATING



MSCI¹ upgraded MONETA's rating for Environmental, Social and Governance to BBB from BB

1H 2020 HIGHLIGHTS



OPERATING
INCOME

CZK 6.6bn



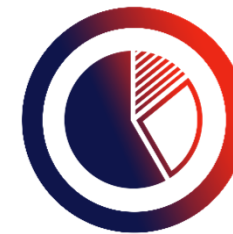
OPERATING
EXPENSES

CZK 2.7bn



PRE-IMPAIRMENT
PROFIT¹

+48.5% YoY



COST OF
RISK

CZK 2.5bn



NET
PROFIT

CZK 1.2bn

1H 2020 HIGHLIGHTS



ACQUISITION
GAIN

CZK 0.9bn



CAPITAL
ADEQUACY

17.4%



LIQUIDITY
COVERAGE

217%



LENDING
GROWTH¹

+47.5% YoY



NON-PERFORMING
LOANS

1.6%

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- Operating Environment and Banking Market Dynamics
- Measures Related to Covid-19 Pandemic
- Guidance 2020 - 2022
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- Balance Sheet Development
- Risk Metrics & Asset Quality
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PROGRESS ON STRATEGIC OBJECTIVES

Growth driven by acquisition as well as organic development

-
- 01 | MAINTAIN & IMPROVE RETAIL FRANCHISE¹**
- **73.8% YoY** increase in retail loan portfolio
 - **135.4% YoY** growth in mortgages² significantly supported by acquisition, market share increase to 6.6%³ as of May'20 (3.3% in FY 2019)
 - **28.2% YoY** growth in consumer loan portfolio driven by acquisition
-
- 02 | DEVELOP SMALL BUSINESS BANKING¹**
- **20.2% YoY** increase in small business loan portfolio
 - **38.3% YoY** decrease in new volumes of instalment lending
-
- 03 | RETAIN & REINFORCE SME BANKING¹**
- **14.1% YoY** increase in SME loan portfolio
 - Commercial yield at **3.8%**⁴
 - Pre-provision incremental RoE on SME portfolio at **20.2%** (21.0% in FY 2019)
-
- 04 | DEVELOP DIGITAL CAPABILITIES**
- **42.8%** share of digital consumer lending on total new production
 - **27.5%** share of digital small business instalment lending on total new production
-
- 05 | SUSTAINABLE RISK MANAGEMENT**
- **144.7%** total NPL coverage, **1.6%** NPL ratio
 - **269bps** Cost of Risk mainly driven by worsening of macroeconomic outlook, loan repayment moratorium and provisioning charges to acquired portfolio
-
- 06 | EFFICIENT CAPITAL STRATEGY**
- **17.4%** maintained strong post acquisition Capital Adequacy Ratio
 - **14.4%** CET1 ratio
 - **43.7%** total RWA density mainly supported by change of portfolio mix and new methodology for SME segment
-
- 07 | COST CONTROL AND OPERATIONAL EXCELLENCE**
- **CZK 500m** reduction of initial guidance⁵ of Operating costs driven by lower marketing expenditures, suspended investments, integration costs savings and accelerating integration synergies
 - **20.2%** reduction of branch square meters in 2Q'20 against 4Q'16
-

PROGRESS ON STRATEGIC OBJECTIVES

Integration accelerated one quarter ahead of initial plan

01 | COMMERCIAL PERFORMANCE

- Strong commercial performance maintained despite Covid-19 situation
- Market share of building savings new production¹ grew from 7.9%² to 12.7% YoY in the first half of 2020

02 | LEGAL MERGER INTO MONETA AND REBRANDING

- Merger into MONETA is in progress and is expected by 1st January 2021, subject to CNB approval (application submitted at the end of June)
- In July legal rebranding of Wüstenrot Building Savings Bank successfully completed, network rebranding planned within 3 months

03 | SYNERGIES EXECUTION

- On track to reduce workforce by 50% by the end of the year
- Acquired distribution network is undergoing sales network optimization (anticipated closure of 4 branches)

04 | WÜSTENROT HQ CONSOLIDATED INTO MONETA HQ

- All employees of Wüstenrot Mortgage Bank & MONETA Building Savings Bank already moved to MONETA HQ in Prague

05 | IT AND DATA CENTER INTEGRATION

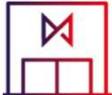





- Both data centers have been moved to MONETA data center by end of July
- IT physical infrastructure to be integrated in 3Q - 4Q 2020. Application integration will continue in following 2 years

06 | RETENTION OF KEY EMPLOYEES

- Key employees from Wüstenrot Mortgage Bank and MONETA Building Savings Bank were identified and covered by retention package

OPERATING PLATFORM

Acquisition brought tied agent network into MONETA's platform

		FY 2019	IH 2020
	BRANCHES	179	160
	• Rented space in thousands m ²	41.9	39.6
	• Branches in new design	36	37
	TIED AGENT NETWORK		
	• Offices ¹	n/a	103
	• Rented space in thousands m ²	n/a	6.4
	ATMs	632	600
	• of which deposit ATMs	81	89
	• of which contactless ATMs ²	456	478
	NUMBER OF PERFORMING CLIENTS (ths)³	999	1,386
	• MONETA perimeter	999	1,041
	• Acquired entities perimeter	n/a	345
	REGISTERED USERS DIGITAL CHANNELS		
	• Smart Banka (ths)	365	403
	• Internet Banka ⁴ (ths)	941	955
	NUMBER OF EMPLOYEES (FTEs)⁵	2,959	3,112
	• MONETA perimeter	2,959	2,832
	• Acquired entities perimeter	n/a	280

Note: (1) Includes regional, area and client centres; (2) FY2019 restated.; (3) Excluding clients with exposures classified as Stage 3 according to IFRS 9; (4) Number of unique clients ; (5) MONETA and Acquired entities FTEs in relevant month.

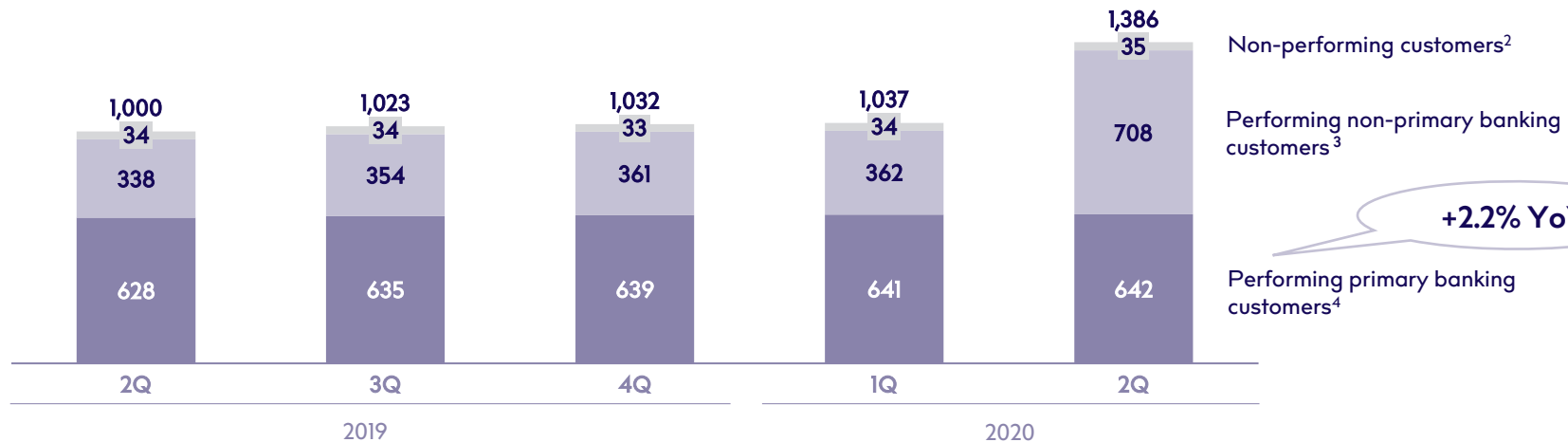
CLIENT BASE EVOLUTION

Client base increased by 38.5% YoY mainly as a result of Wüstenrot acquisition

NET CLIENT ACQUISITION¹ (number of clients in thousands)



CLIENT BASE EVOLUTION (number of clients in thousands)



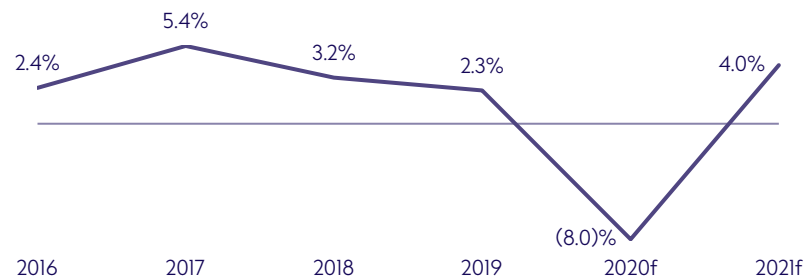
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MACROECONOMIC ENVIRONMENT

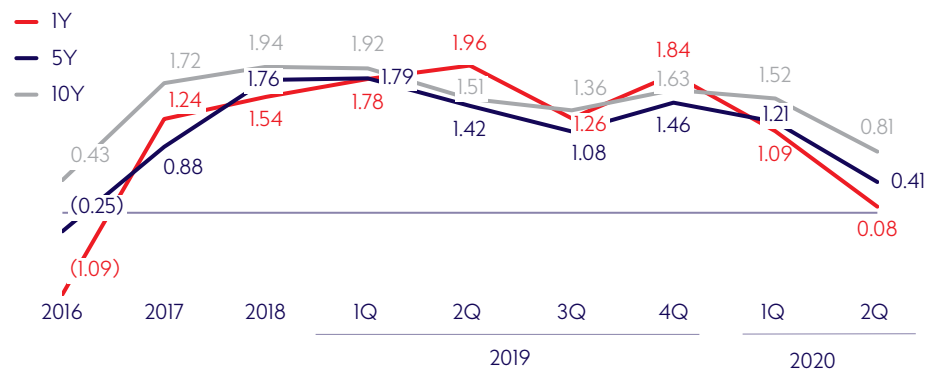
Macroeconomic environment in 2020 significantly impacted by Covid-19, GDP expected to return to pre-Covid-19 level in 2021

GDP OUTLOOK¹ (actual performance, CZSO and CNB)



Czech Republic Country Rating²: Aa3/AA-/AA-. Outlook Positive/Stable/Stable

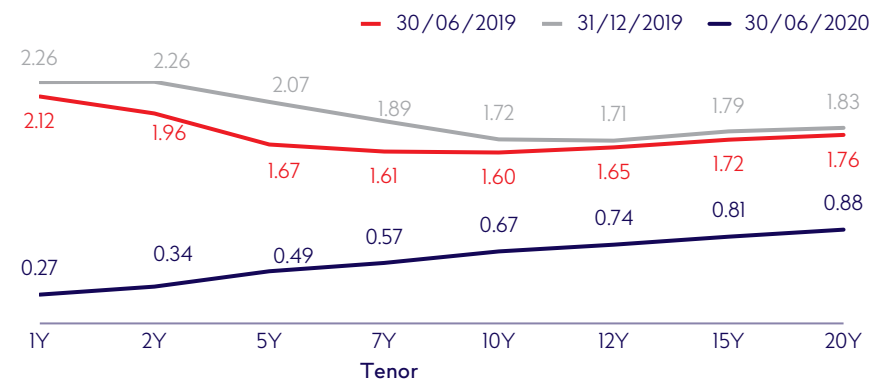
GOVERNMENT BONDS YIELDS (%)



KEY MACROECONOMIC INDICATORS (quarterly averages, excl. EUR/CZK)

INDICATOR	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	2Q'20
Export ³	3.7%	3.4%	4.8%	(3.7)%	(5.1)%	n/a
Industrial production	0.8%	0.9%	(1.0)%	(2.1)%	(5.0)%	(29.7)% ⁴
EUR/CZK (end of period)	25.8	25.4	25.8	25.4	27.2	26.9
Banks' NPL ratio	3.2%	3.0%	2.8%	2.6%	2.4%	2.5% ⁴
Inflation	2.3%	2.5%	2.6%	2.8%	3.1%	3.1%
Unemployment	2.1%	1.9%	2.1%	2.1%	2.0%	2.4%
Wage inflation	7.5%	7.2%	7.0%	6.7%	5.0%	n/a

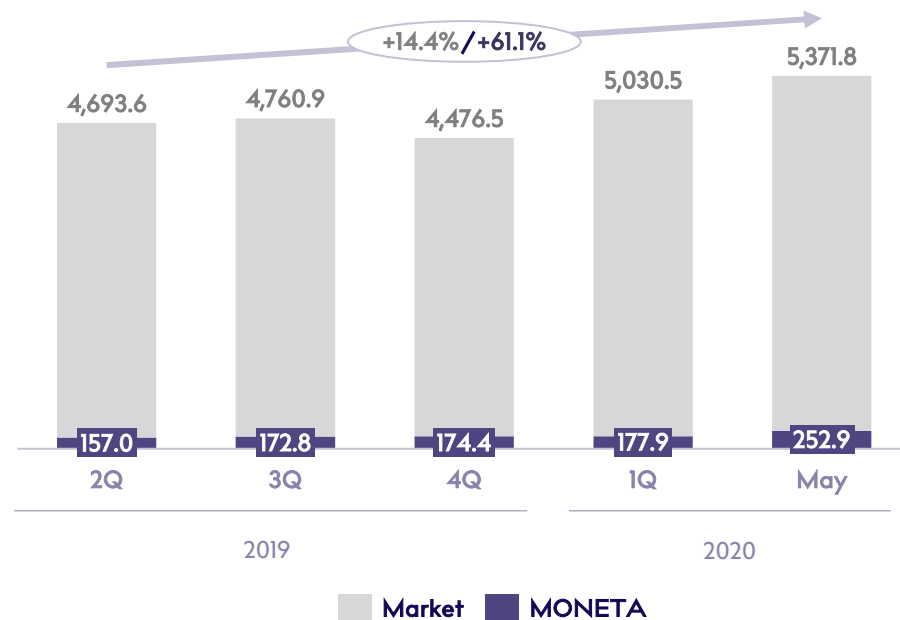
INTEREST RATE SWAPS (%)



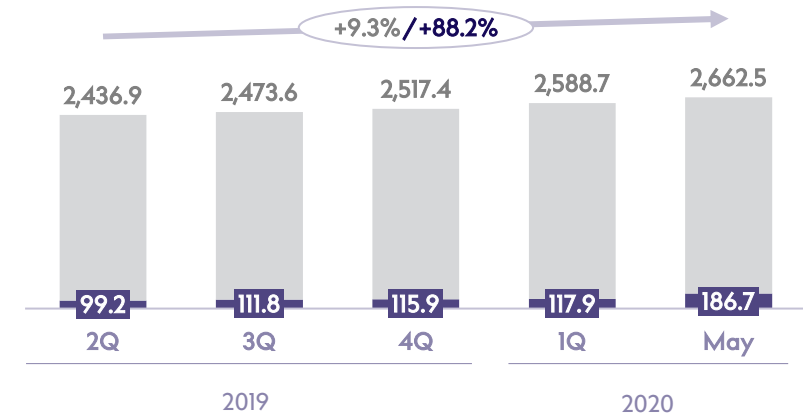
CZECH DEPOSIT MARKET

MONETA continues to significantly outperform deposit market growth due to acquisition and organic expansion

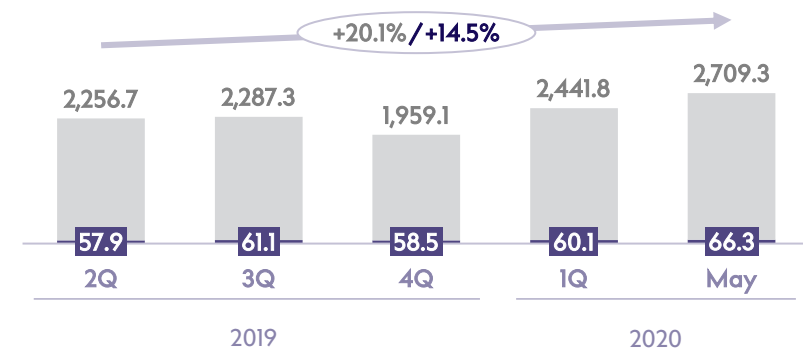
DEPOSIT MARKET (CZK bn)



RETAIL DEPOSITS (CZK bn)



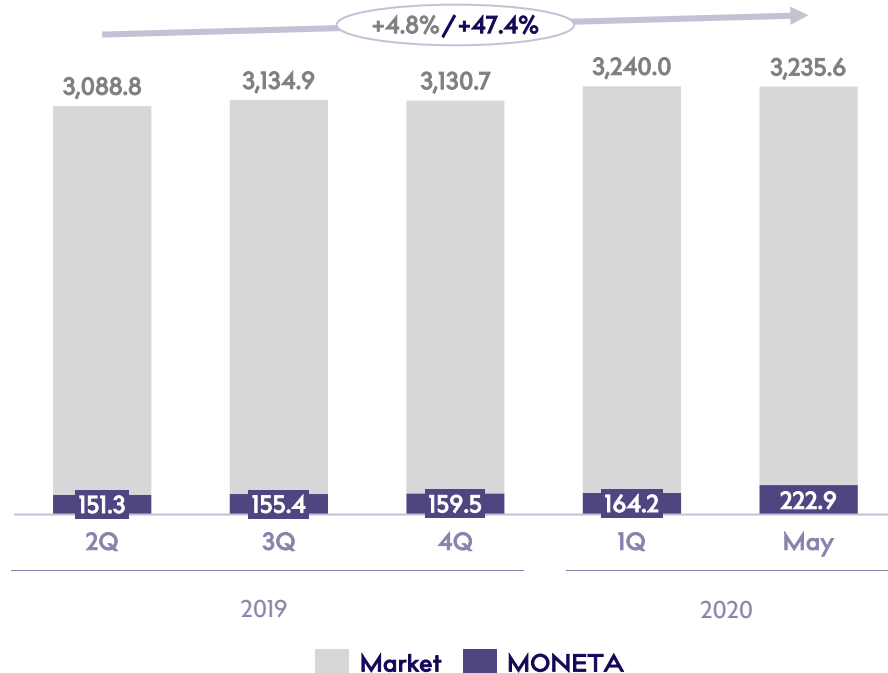
COMMERCIAL DEPOSITS (CZK bn)



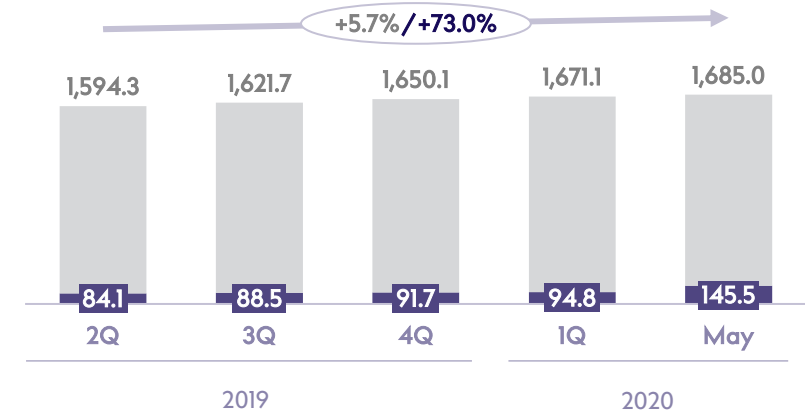
CZECH LENDING MARKET

MONETA also substantially outperformed lending market growth in retail segment

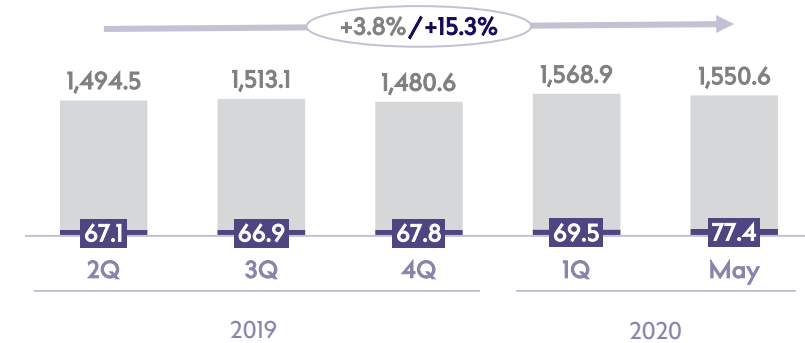
LENDING MARKET - GROSS LOANS (CZK bn)



RETAIL GROSS LOANS (CZK bn)



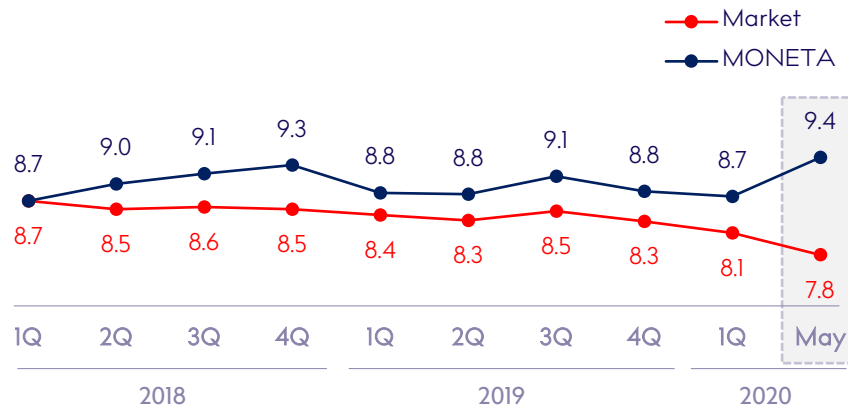
COMMERCIAL GROSS LOANS (CZK bn)



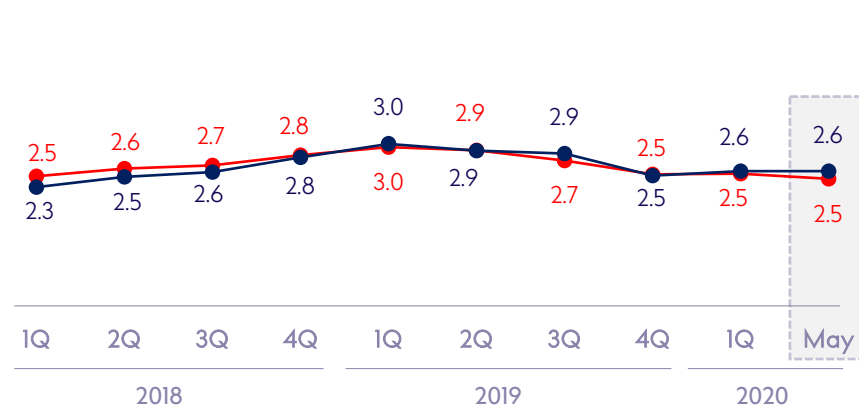
PRICING EVOLUTION IN THE CZECH BANKING MARKET

MONETA operated at pricing premium in retail market and has stable costs of funding

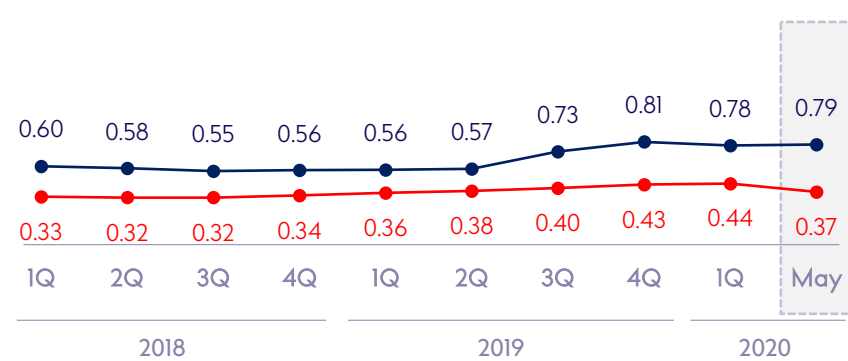
NEW VOLUME PRICING OF CONSUMER LOANS¹ (%)



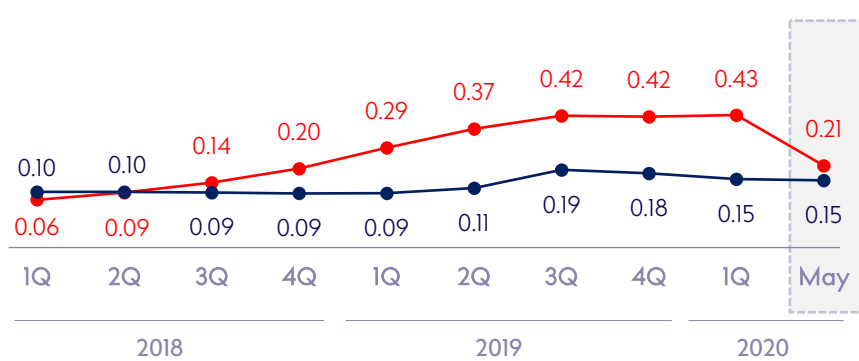
NEW VOLUME PRICING OF MORTGAGE LOANS² (%)



RETAIL DEPOSIT PRICING³ (%)



COMMERCIAL DEPOSIT PRICING³ (%)



MONEY BANK

Source: CNB ARAD, loans and deposits denominated in CZK only; MONETA pricing includes MSS and WHB in all periods; May 2020 data calculated as two-point average; (1) Following CNB definition (includes non-purposed and purposed consumer loans, debt consolidations and American mortgages), MONETA includes WHB American mortgages. New volume pricing represented by annualized weighted average rate for Czech residents; (2) Following CNB definition (loans for house purchase). New volume pricing represented by annualized weighted average rate for Czech residents, MONETA includes MSS and WHB mortgages; (3) Calculated as annualized weighted average rate for deposits, reflects contractual rates and balances as at the end of period. Commercial deposits include non-financial institutions only. MONETA includes MSS and WHB deposits.

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AUTHORITY RESPONSE TO COVID PANDEMIC

Key measures of government and central bank to support economic developments in the Czech Republic

GOVERNMENT

State of Emergency: terminated as of 17 May 2020 with ongoing special conditions at public transport and concrete areas of Czech Republic; borders are open

Loan Re-payment Moratorium: postponement of instalments by three or six months; retail and commercial loans are eligible excluding revolving loans, overdrafts, credit cards; implemented 8% interest rate cap above the CNB's repo rate (in total 8.25% p.a.)

COVID III: guarantee scheme approved by the European Commission, the state guarantees loans for large companies up to 500 employees through the Czech-Moravian Guarantee and Development Bank in cooperation with commercial banks up to CZK 167bn

Compensation Subsidy: CZK 25,000 one-off direct support in April 2020 and CZK 15,000 in May 2020; payment holidays for health and social insurance for self-employed persons, care benefits for parents

Delayed Tax Payments: no sanctions for postponed filling of income tax return and payment of the tax, provided that the filling is submitted, and the payment is made by 18 August 2020 at the latest

CENTRAL BANK

Interest Rate: Reduction of the 2-week repo rate from 2.25% (till 16 March 2020) to 0.25%

Lower Capital Requirements: Lowering of the countercyclical capital buffer rate from the previous 1.75% to 0.5% with effect from 1 July 2020

Suspension of Dividends: strong recommendation for banks to suspend their dividend policy

Liquidity Auctions: higher number of monetary policy operations providing liquidity to banks (three times per week, previously only once)

Loan to value ratio at new mortgage loan recommendation: the LTV was increased from 80% to 90%. Both, debt service to income ratio and debt to income ratio were abolished.

MONETA'S STATUS UPDATE

Measures related to Covid-19 pandemic

01 | LOAN RE-PAYMENT MORATORIUM

- CZK 34bn of underlying loan exposure under moratorium as of 30 June 2020 (CZK 22.5bn in retail segment and CZK 11.5bn in commercial segment)
- CZK 18.2bn¹ of loan portfolio terminates in July 2020 (both voluntary and state sponsored moratorium) and CZK 15.8bn¹ terminates in October 2020² (state sponsored moratorium);
- CZK 2bn total value of deferred instalments under moratorium

02 | COVID II, COVID PRAHA COVID III PROGRAMS

- CZK 1.8bn billion provided guaranteed three years loans in COVID II and COVID Praha program, representing 13% market share³ in number of approved applications
- 4.7% average interest rate⁴ on guaranteed loans under COVID II, COVID Praha and COVID III programs
- CZK 10.8bn of available allocation in COVID III program, CZK 96.4m total signed volume⁵ for SME clients and CZK 75.0m for small business clients

03 | CREDIT POLICY AND LOAN LOSS PROVISIONING

- Tightened credit criteria
- Reviewed and changed IFRS 9 macro input & parameters reflecting worsened macroeconomic outlook
- Designed bottom up monitoring and implemented downgrading of both retail and commercial credit exposures

04 | ANNUAL SHAREHOLDERS MEETING

- Annual Shareholders Meeting is planned on 2 September 2020
- Agenda of the Annual Shareholders Meeting is provided on slide 62

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MEDIUM TERM GUIDANCE

New guidance expects CZK 5.2bn lower cumulative profit on basis of Covid-19 pandemic and full recovery in 2022

METRICS	2020^{1,2}	2021¹	2022¹
TOTAL OPERATING INCOME (CZK)	≥11.8bn	≥10.8bn	≥11.1bn
COST BASE (CZK)	≤5.4bn	≤5.4bn	≤5.3bn
PRE-IMPAIRMENT PROFIT(CZK)	≥6.4bn	≥5.4bn	≥5.9bn
COST OF RISK	185-200bps	80-100bps	40-60bps
EFFECTIVE TAX RATE	-13% ³	-20%	-20%
NET PROFIT (CZK)	≥2.1bn	≥2.7bn	≥3.8bn
EARNINGS PER SHARE (CZK)	≥4.1	≥5.3	≥7.4
RETURN ON TANGIBLE EQUITY⁴	≥8%	≥11%	≥15%

THE BANK CONTINUES TO ACCRUE DIVIDEND AS 80% OF NET PROFIT⁵

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PROFIT AND LOSS STATEMENT

Operating income growth offset by significant, Covid-19 related Cost of Risk charges

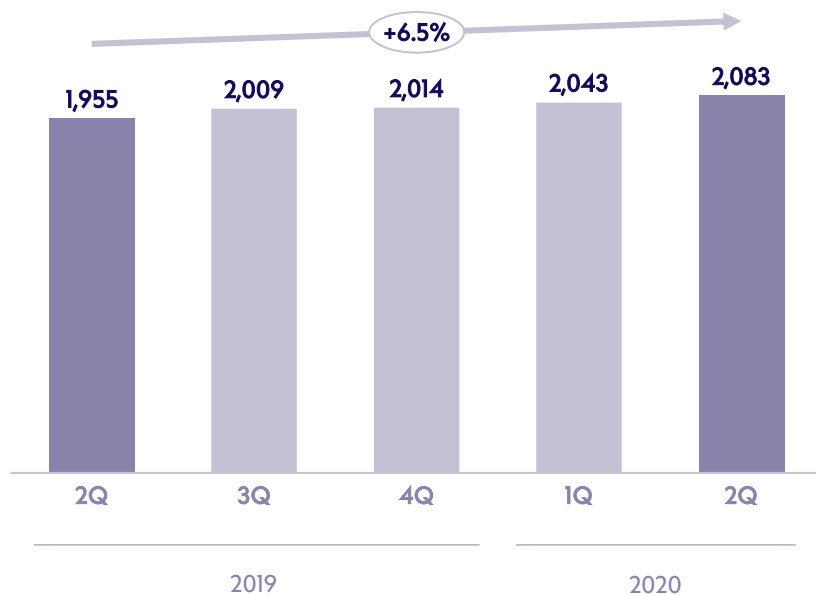
METRICS (CZK m, %)	1H 2019	1H 2020 ⁽¹⁾	CHANGE
NET INTEREST INCOME	3,902	4,126	5.7%
NET FEE AND COMMISSION INCOME	950	943	(0.7)%
INCOME FROM FINANCIAL OPERATIONS	273	382	39.9%
OTHER INCOME	64	1,176	1,737.5%
TOTAL OPERATING INCOME	5,189	6,627	27.7%
TOTAL OPERATING EXPENSES	(2,556)	(2,716)	6.3%
PRE-IMPAIRMENT PROFIT	2,633	3,911	48.5%
COST OF RISK	(133)	(2,533)	1,804.5%
NET PROFIT	2,012	1,200	(40.4)%
RETURN ON TANGIBLE EQUITY	18.2%	10.5%	(7.7)pp
RETURN ON EQUITY	16.7%	9.3%	(7.4)pp

- **CZK 1.1bn in other operating income** as one-off gain from acquisition
- **CZK 285m** gain on bond sales in **income from financial operations**
- **Cost of Risk** impacted mainly by:
 - **CZK 1,895m** due to Covid-19 related provisioning changes, mainly worsening of macroeconomic environment and loan repayment moratorium
 - **CZK 259m** recognised within acquisition accounting
- **41.0% Cost to Income ratio**

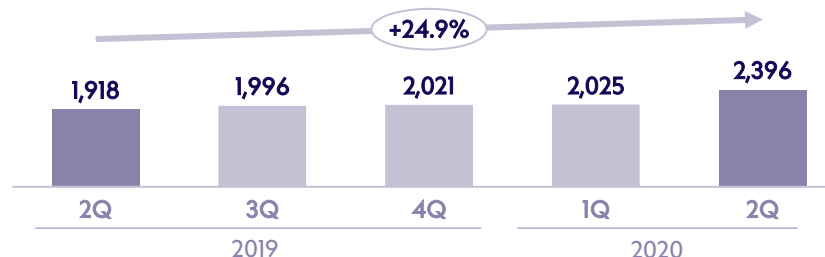
NET INTEREST INCOME DRIVERS

Growth in NII continued, despite lower interest rate environment, CoF expected to decline through significant repricing of deposits

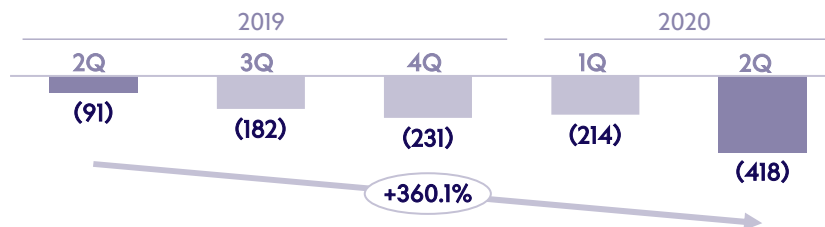
NET INTEREST INCOME (CZK m)



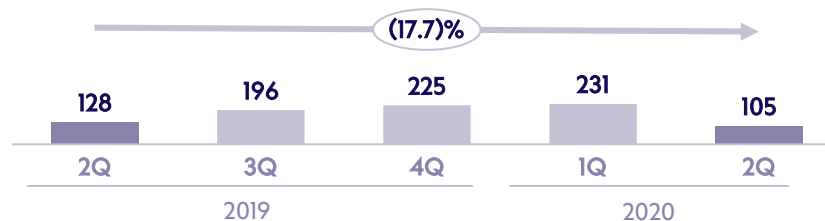
INTEREST INCOME FROM LOANS (CZK m)



INTEREST EXPENSES FROM CUSTOMER DEPOSITS (CZK m)



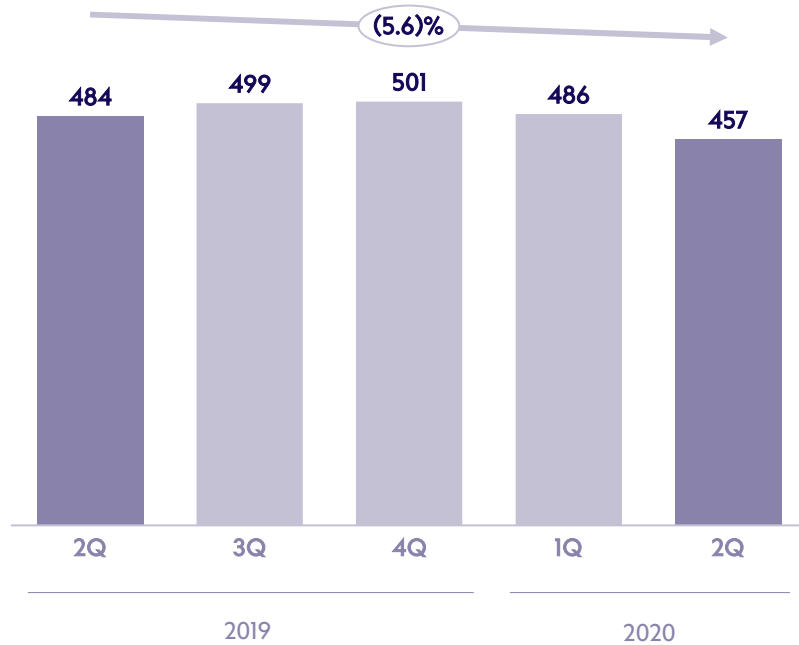
OTHER NET INTEREST INCOME⁽¹⁾ (CZK m)



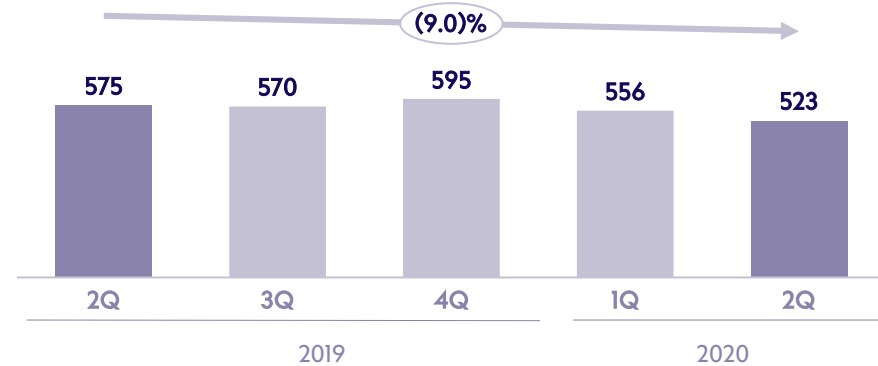
FEE AND COMMISSION INCOME & EXPENSE

Net fee & commission income drop due to Covid-19 impact

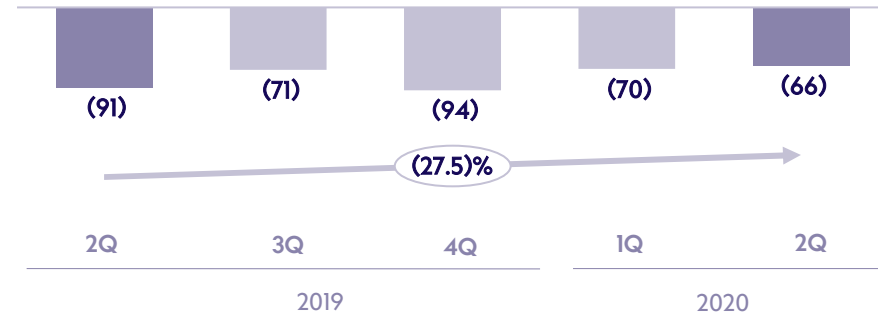
NET FEE & COMMISSION INCOME (CZK m)



FEE & COMMISSION INCOME (CZK m)



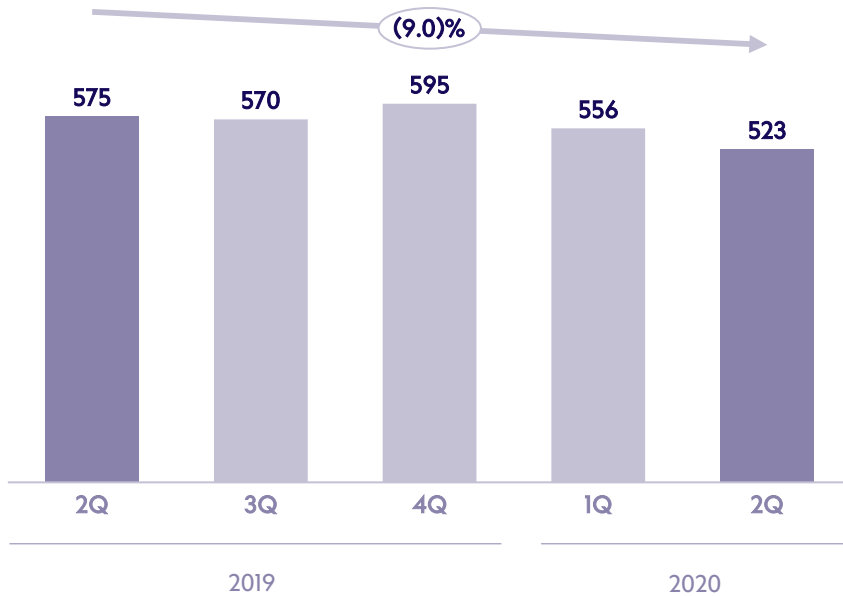
FEE & COMMISSION EXPENSES (CZK m)



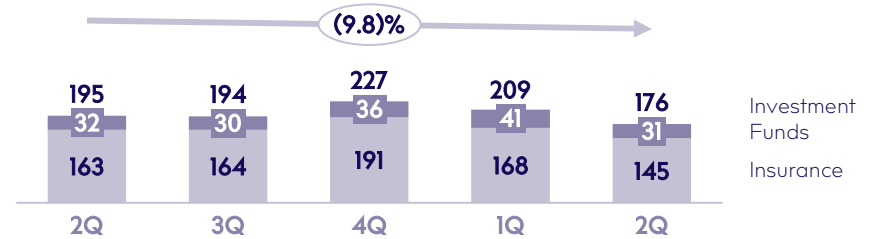
DEVELOPMENT IN FEE & COMMISSION INCOME CATEGORIES

Covid-19 negatively impacted both third party commission income as well as transactional fees

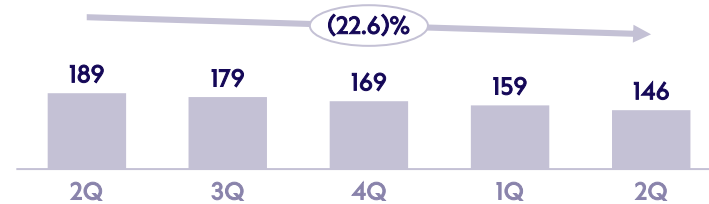
FEE & COMMISSION INCOME (CZK m)



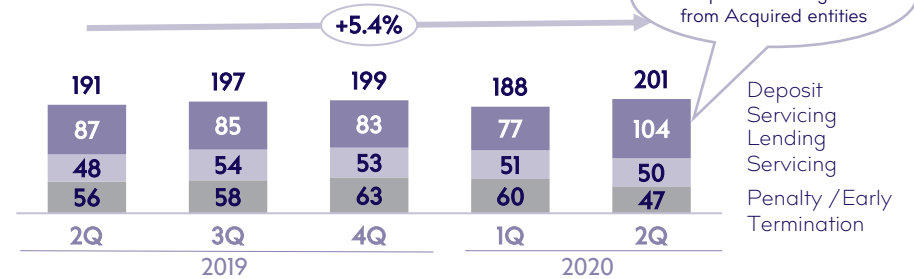
THIRD PARTY COMMISSION INCOME (CZK m)



TRANSACTION & OTHER FEE INCOME (CZK m)



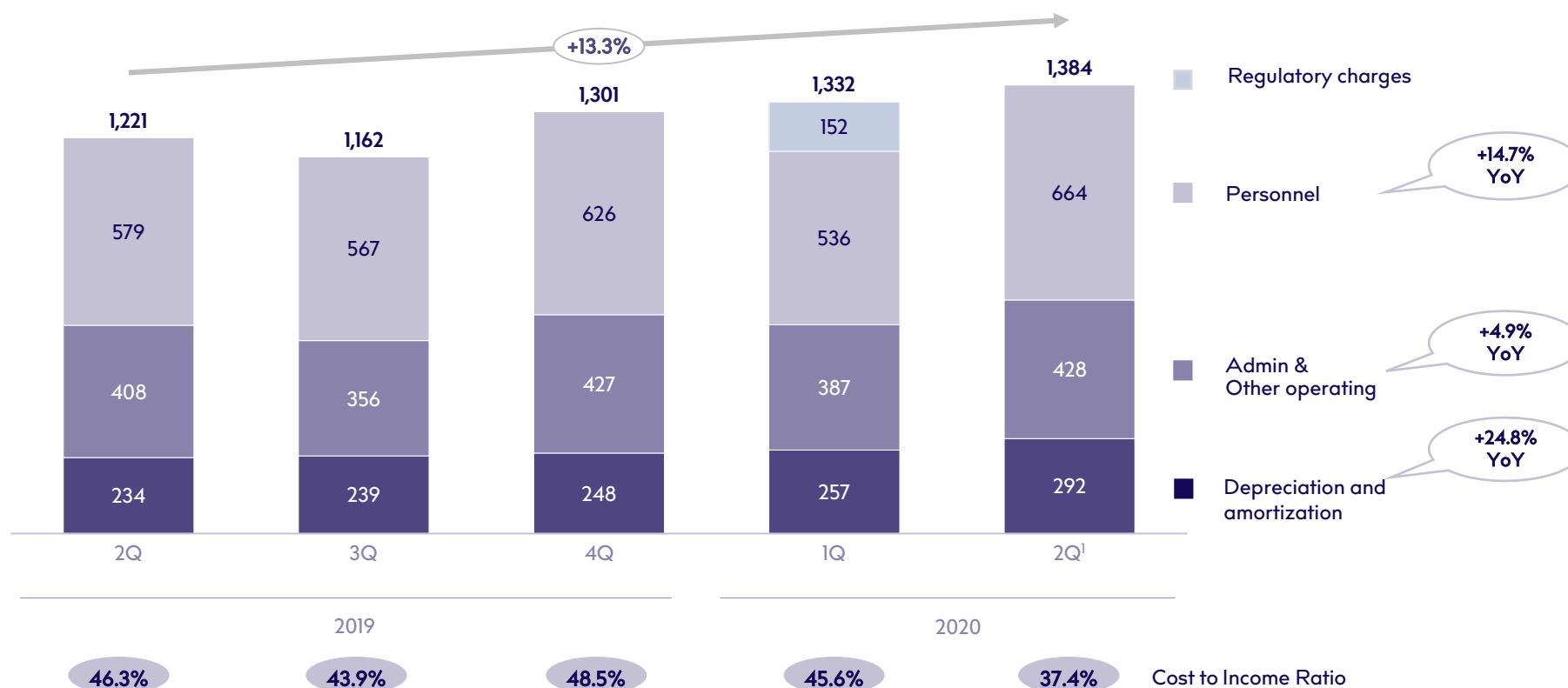
SERVICING AND PENALTY FEE INCOME (CZK m)



OPERATING EXPENSES

Elevated cost base due to acquisition and structural integration costs however cost discipline in place and synergies will be visible in 4Q 2020

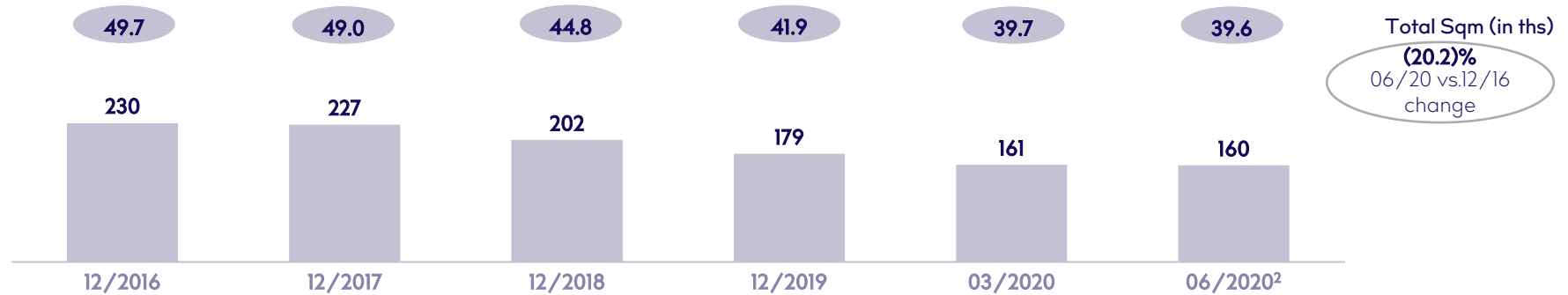
OPERATING EXPENSES (CZK m)



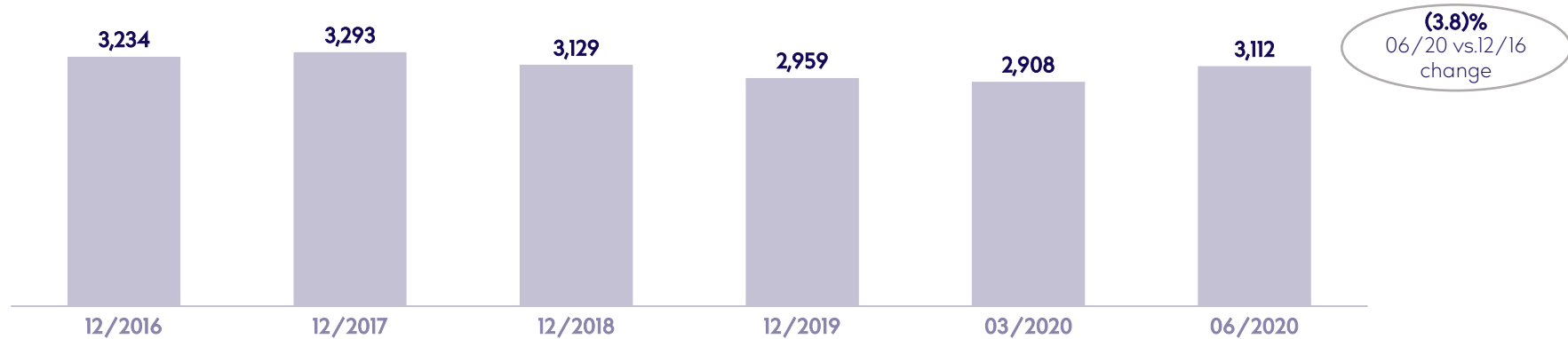
COST DRIVERS

Employment impacted by takeover of nearly 300 employees however underlying productivity is improving

NUMBER OF BRANCHES AND SQUARE METERS¹



NUMBER OF EMPLOYEES³ (FTE's in relevant month)



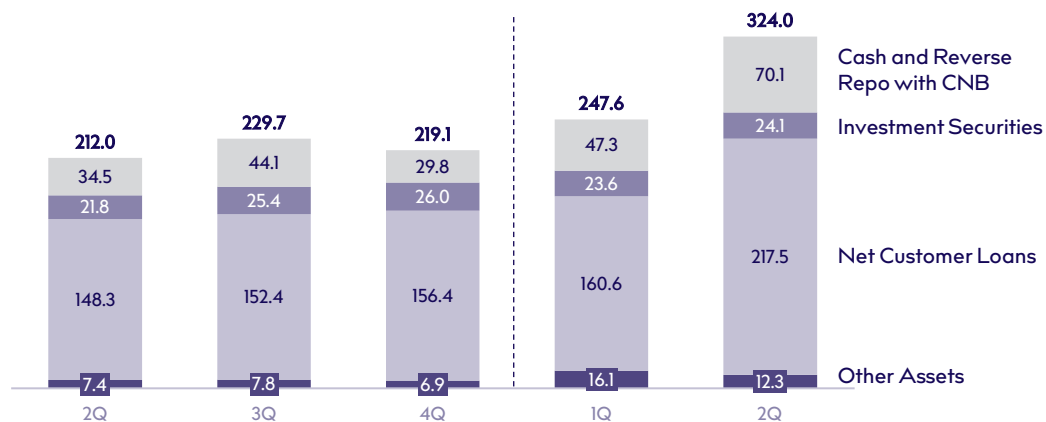
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SOLID BALANCE SHEET FUNDAMENTALS

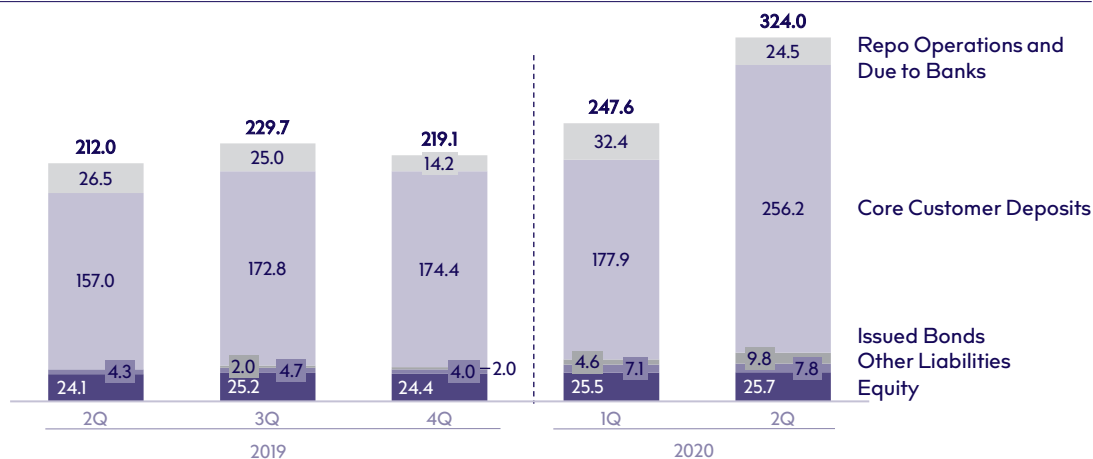
Strong growth of total assets through organic expansion and acquisition

ASSETS (CZK bn)



- **CZK 24.1bn** of investment securities up **10.4% YoY** yielding **0.9%** and **51%** share of portfolio hedged by interest rate swaps
- **CZK 217.5bn** of net customer loans increased by **46.7% YoY**
- **CZK 324.0bn** of total assets increased by **52.9% YoY**

LIABILITIES AND EQUITY (CZK bn)

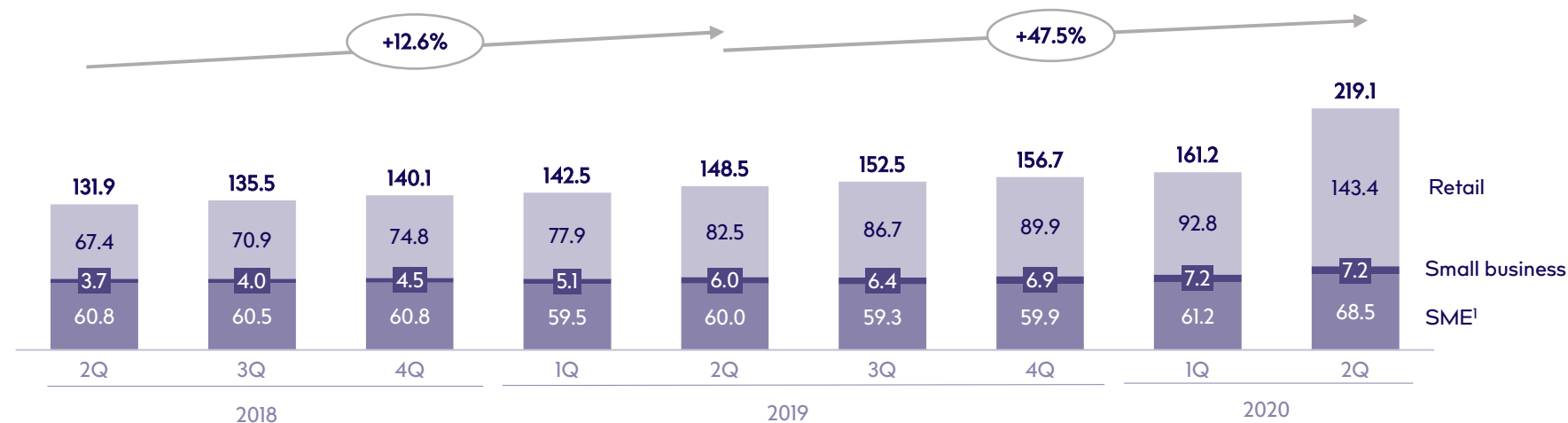


- **CZK 256.2bn** of core customer deposits increased by **63.2% YoY**
- **CZK 9.8bn** of issued bonds out of which: **CZK 5.1bn** mortgage backed bonds¹ and **CZK 4.7bn** subordinated debts
- **CZK 25.7bn** of equity (**+6.5% YoY**)

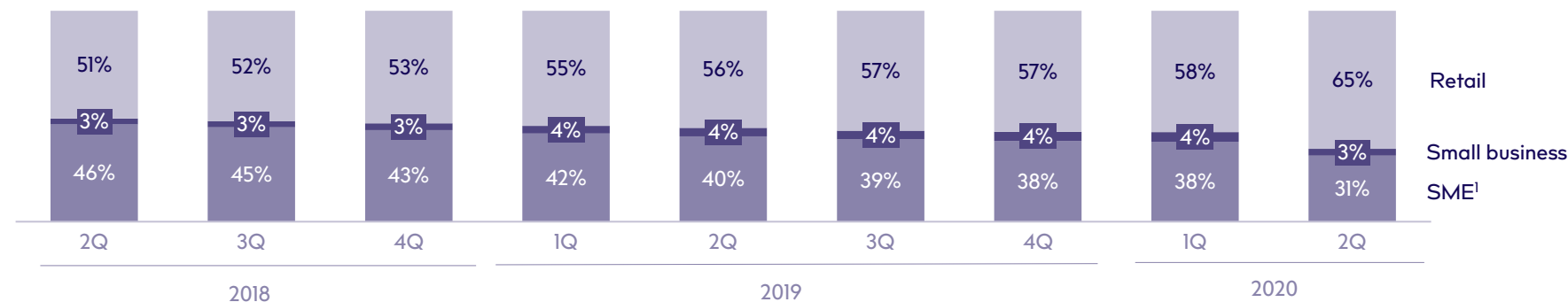
GROSS PERFORMING LOAN PORTFOLIO

47.5% growth of lending portfolio predominantly in retail translated in retail share going up to 65%

TOTAL GROSS PERFORMING LOAN PORTFOLIO PER SEGMENTS (CZK bn)



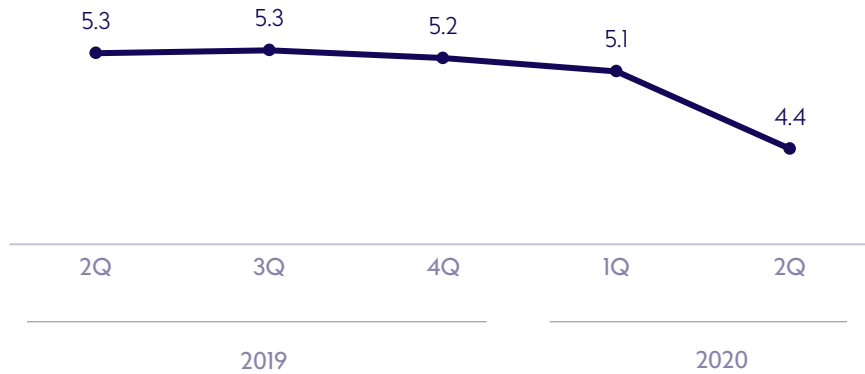
SEGMENT PROPORTION ON TOTAL GROSS PERFORMING LOAN PORTFOLIO



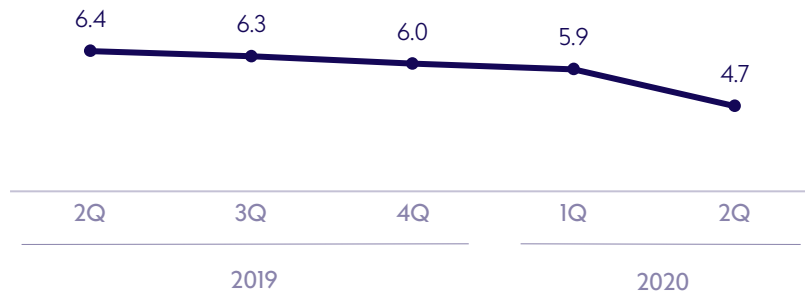
LOAN PORTFOLIO YIELD EVOLUTION

Change in portfolio mix towards secured reflected in lower loan portfolio yield

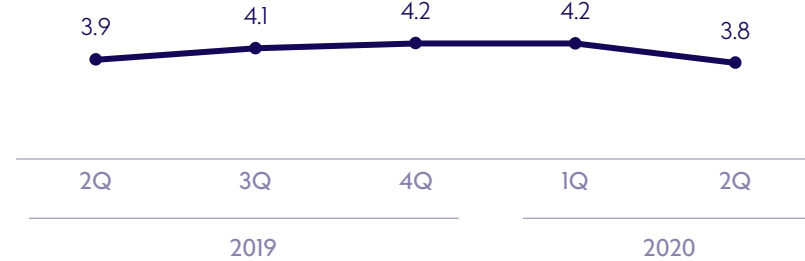
LOAN PORTFOLIO YIELD (%)



RETAIL LOAN PORTFOLIO YIELD (%)



COMMERCIAL LOAN PORTFOLIO YIELD (%)

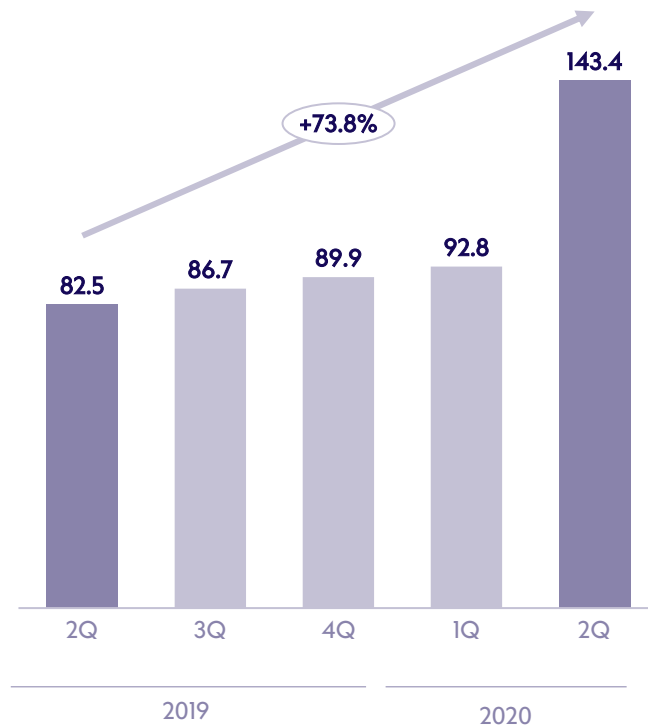


RETAIL GROSS PERFORMING LOAN PORTFOLIO

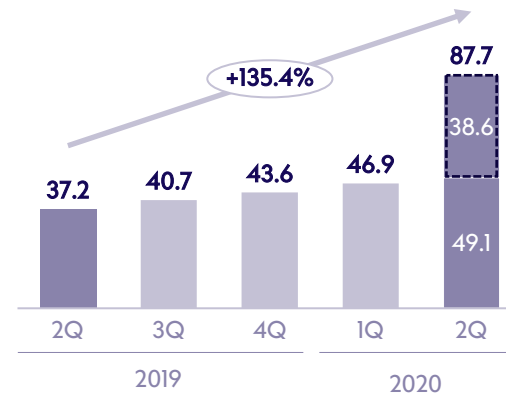
Strong growth in retail portfolio mainly driven by mortgage franchise

Acquired portfolio

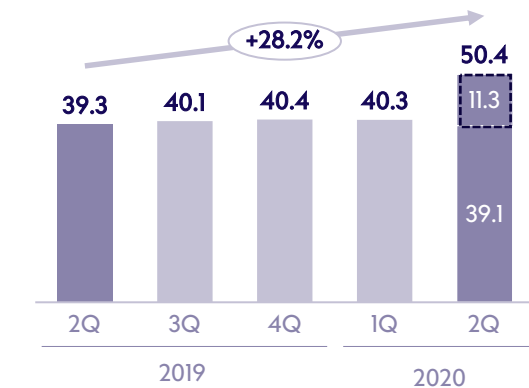
RETAIL LOAN PORTFOLIO (CZK bn)



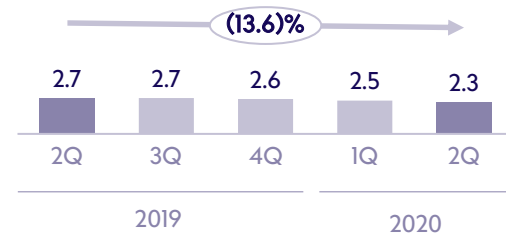
MORTGAGE PORTFOLIO⁽¹⁾ (CZK bn)



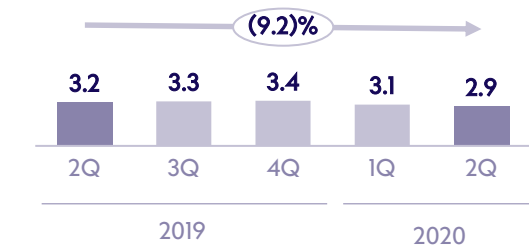
CONSUMER LOAN PORTFOLIO (CZK bn)



AUTO LOANS AND LEASING PORTFOLIO (CZK bn)



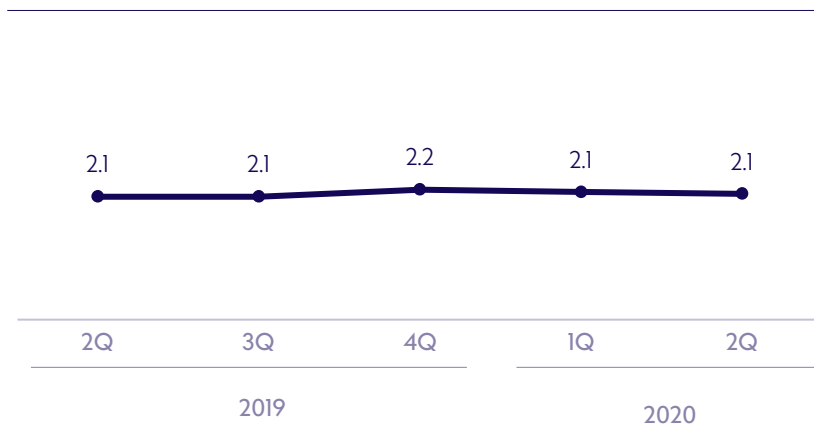
CREDIT CARD AND OVERDRAFT (CZK bn)



YIELDS ON KEY RETAIL PRODUCTS

Stable yields across all products

MORTGAGE YIELDS (%)



CONSUMER LOAN YIELDS (%)



AUTO LOANS AND LEASING YIELDS (%)



CREDIT CARD YIELDS (%)

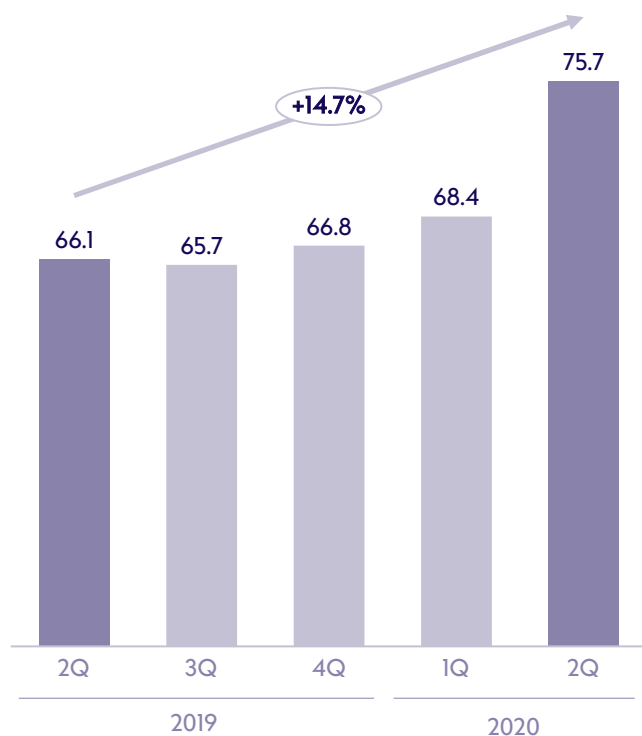


COMMERCIAL GROSS PERFORMING LOAN PORTFOLIO

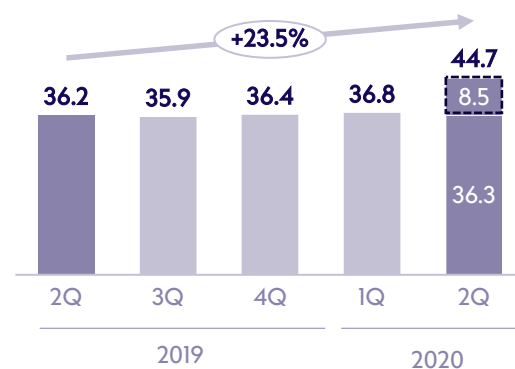
Commercial portfolio positively impacted by acquisition and organic growth

Acquired portfolio

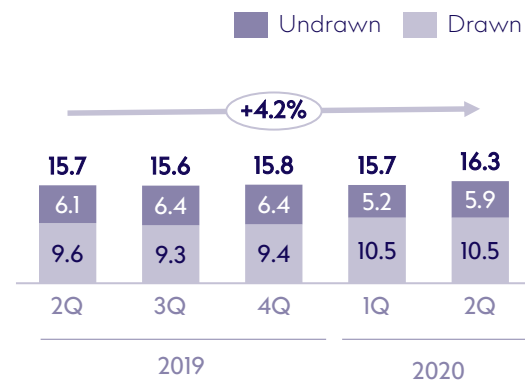
COMMERCIAL LOAN PORTFOLIO (CZK bn)



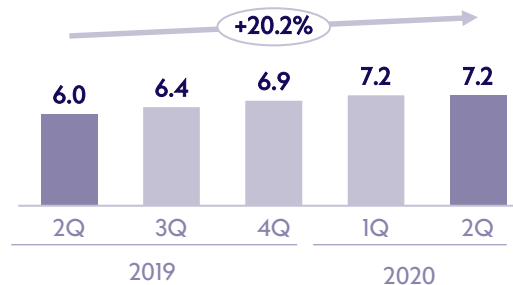
INVESTMENT LOAN PORTFOLIO (CZK bn)



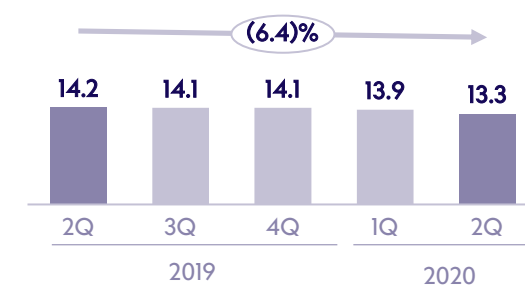
WORKING CAPITAL PORTFOLIO⁽¹⁾ (CZK bn)



SMALL BUSINESS LOAN PORTFOLIO (CZK bn)



AUTO LOAN AND LEASING PORTFOLIO (CZK bn)



YIELDS ON KEY COMMERCIAL PRODUCTS

Decline of SME products yield amid worsened interest rate environment

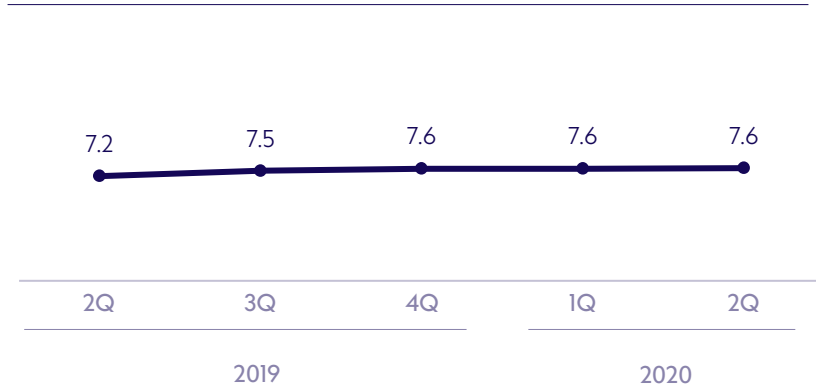
INVESTMENT LOAN YIELDS (%)



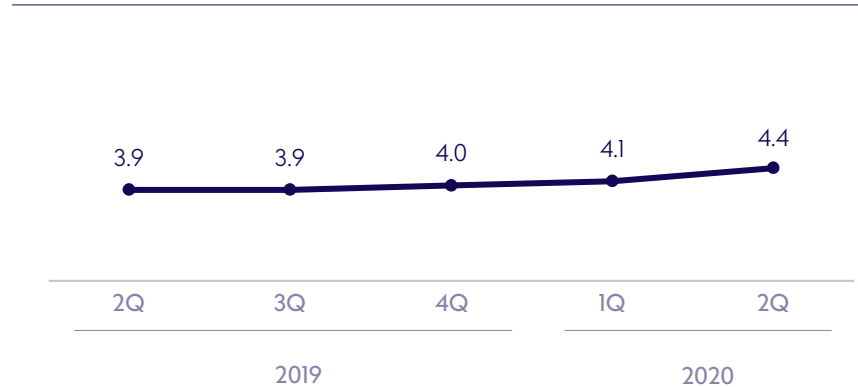
WORKING CAPITAL YIELDS (%)



SMALL BUSINESS INSTALMENT LOAN YIELDS (%)



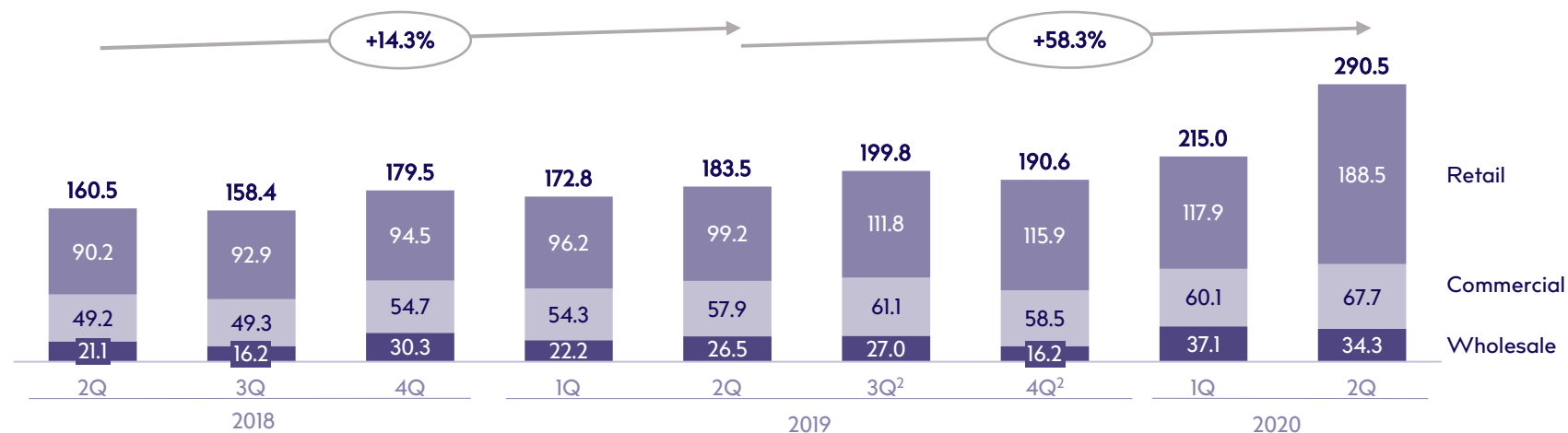
AUTO LOAN AND LEASING YIELDS (%)



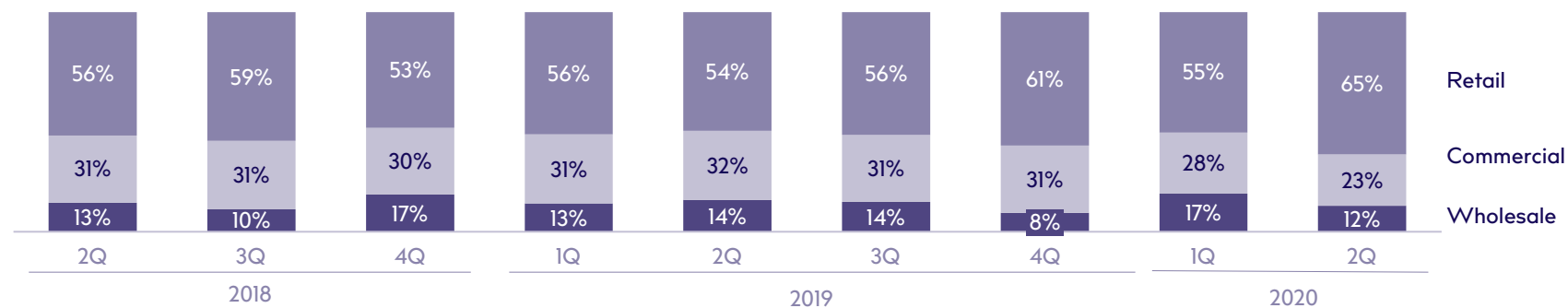
FUNDING BASE

Organic growth in retail deposits supported by acquisition

CORE CUSTOMER DEPOSITS AND WHOLESALE¹ (CZK bn)



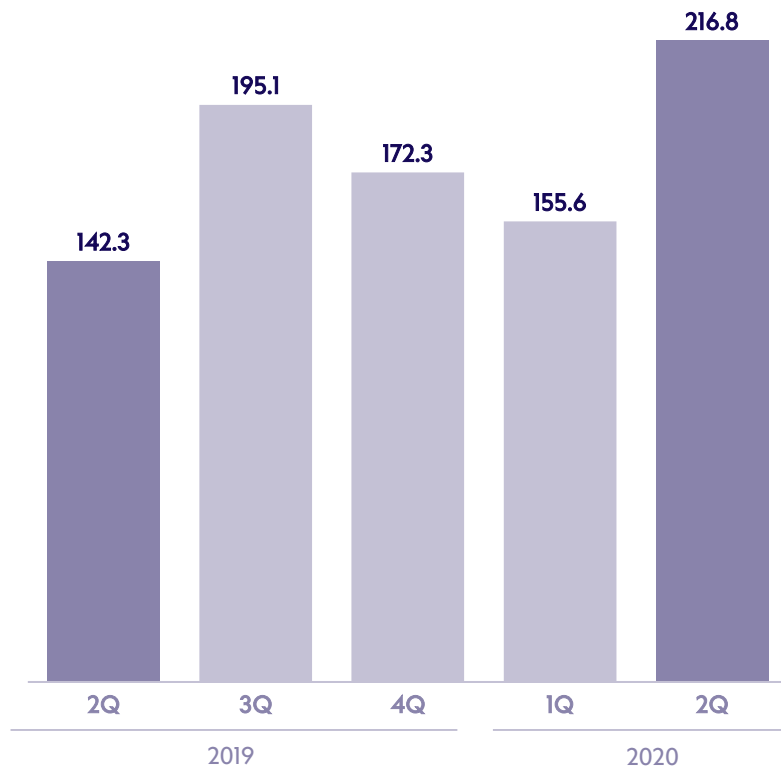
SEGMENT PROPORTION ON CORE CUSTOMER DEPOSITS AND WHOLESALE¹



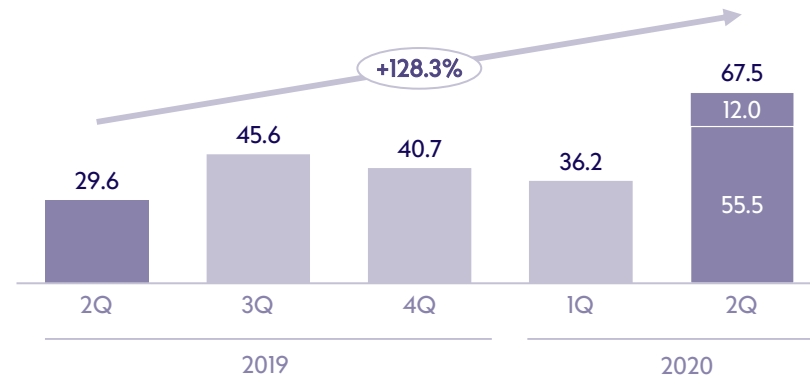
LIQUIDITY MANAGEMENT

MONETA maintains strong liquidity position, high-quality liquid assets improved through acquisition

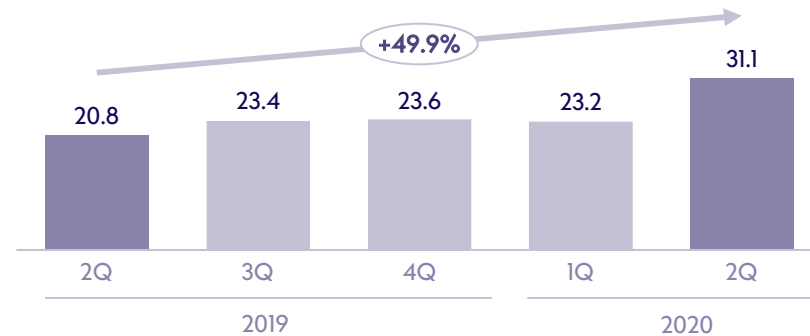
LIQUIDITY COVERAGE RATIO (%)



HIGH-QUALITY LIQUID ASSETS⁽¹⁾ (CZK bn)



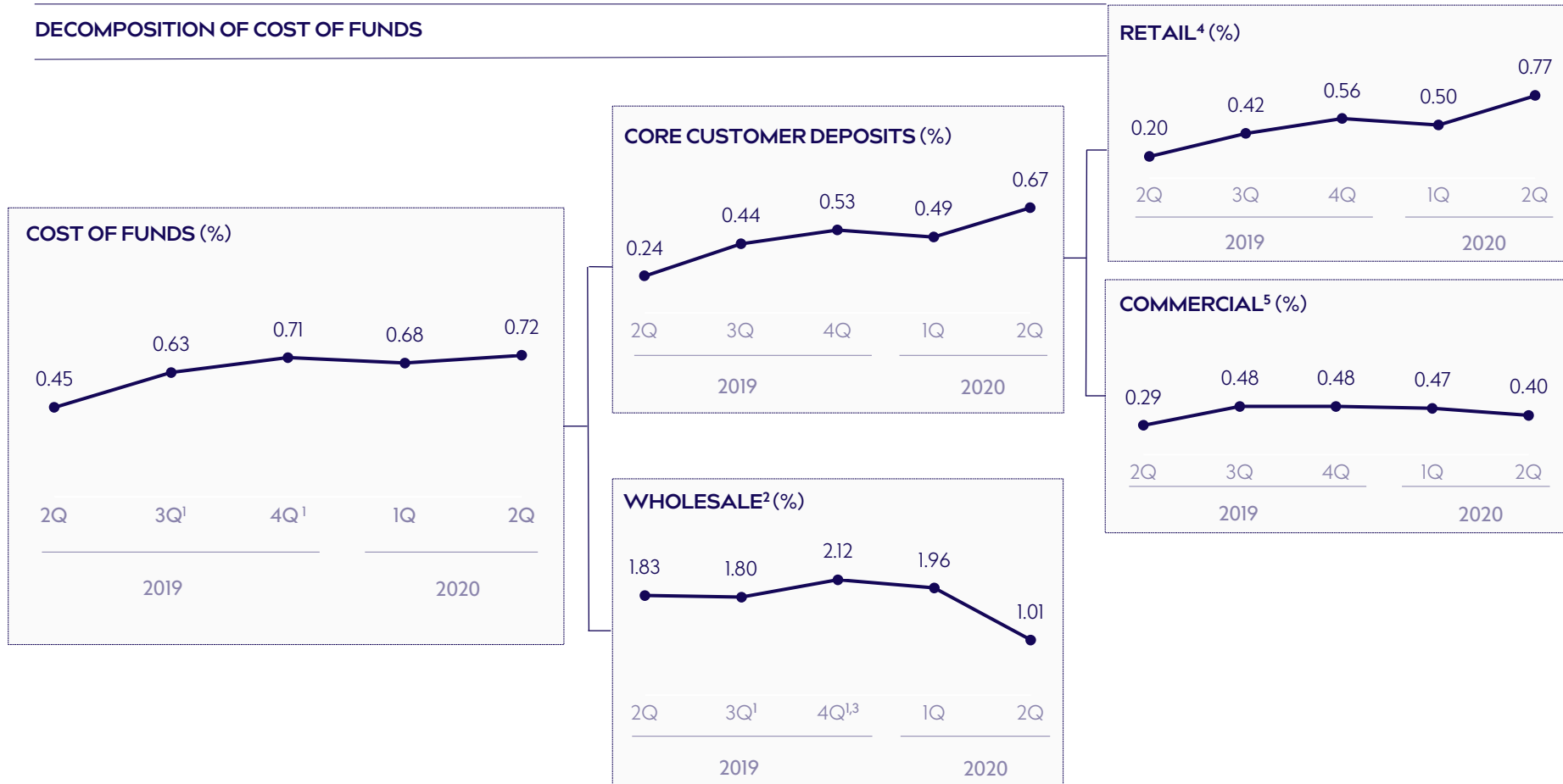
NET OUTFLOWS (CZK bn)



COST OF FUNDS

Overall Cost of Funding impacted by acquisition, CZK 73 billion will be repriced within twelve months, 91% of clients already notified

DECOMPOSITION OF COST OF FUNDS

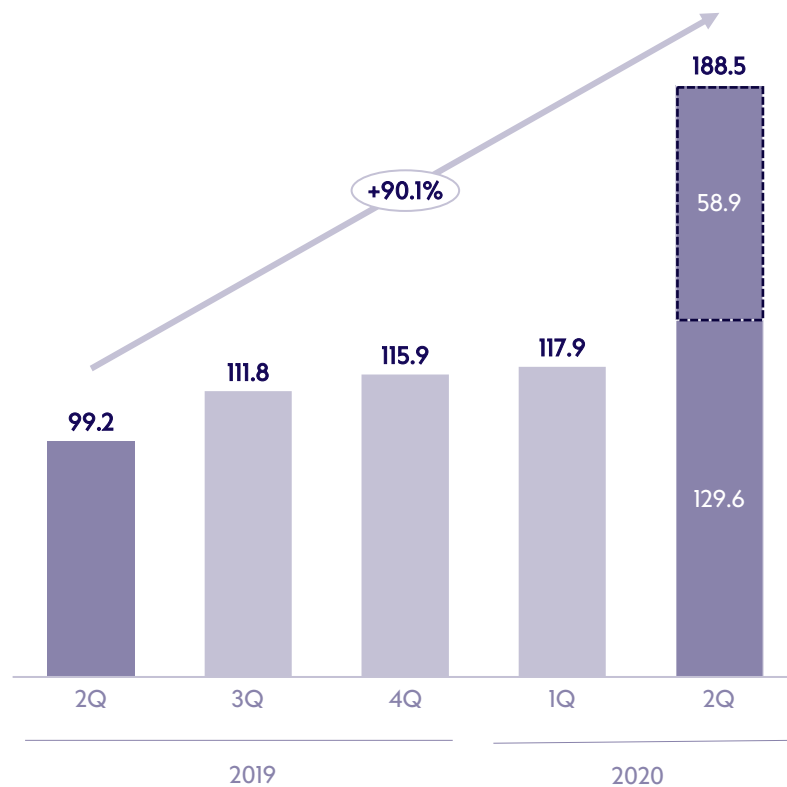


RETAIL DEPOSIT PORTFOLIO DEVELOPMENT

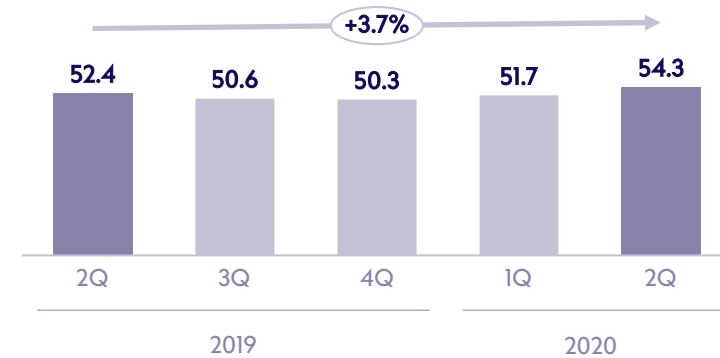
Deposit gathering capacity strengthened mainly due to acquisition of attractive building savings product

Acquired deposits

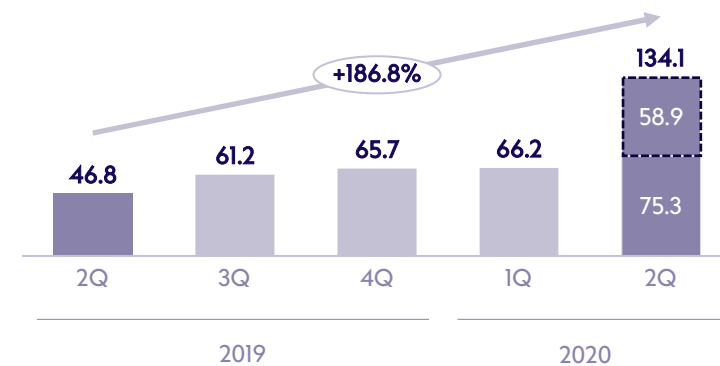
RETAIL CORE CUSTOMER DEPOSITS (CZK bn)



CURRENT ACCOUNT DEPOSITS (CZK bn)



SAVINGS, TERM AND OTHER DEPOSITS⁽¹⁾ (CZK bn)

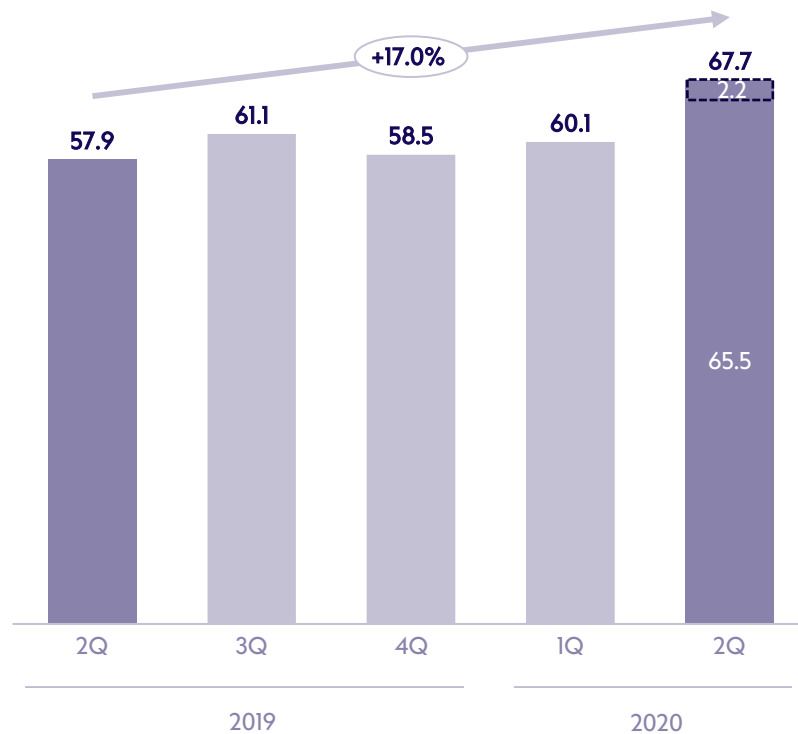


COMMERCIAL DEPOSITS PORTFOLIO DEVELOPMENT

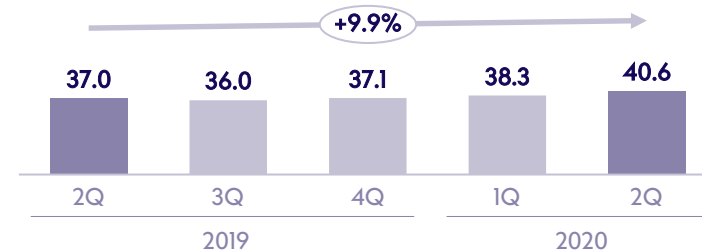
Growth in commercial deposit base driven by SME segment and institutional depositors

▨ Acquired deposits

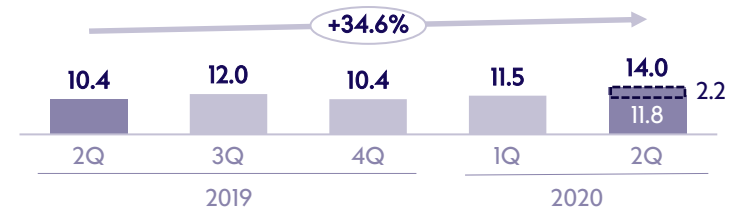
COMMERCIAL CORE CUSTOMER DEPOSITS (CZK bn)



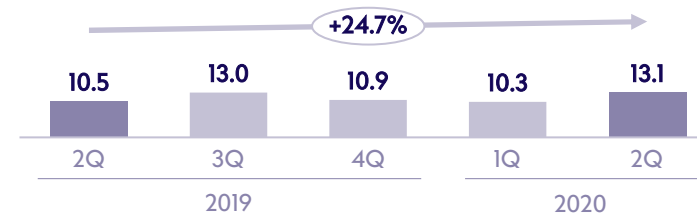
CURRENT ACCOUNT DEPOSITS (CZK bn)



SAVINGS, TERM AND OTHER DEPOSITS⁽¹⁾ (CZK bn)



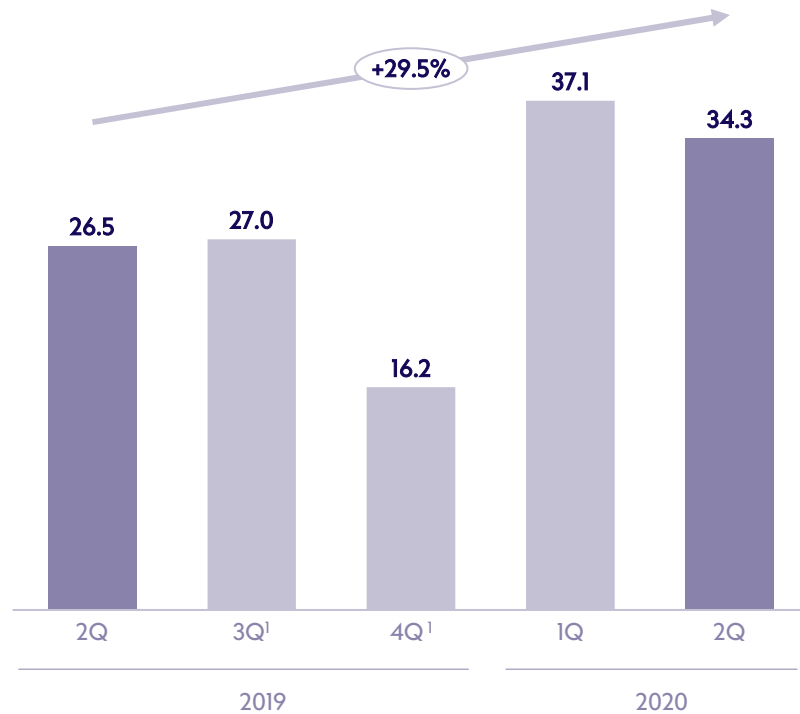
FINANCIAL INSTITUTIONS DEPOSITS⁽²⁾ (CZK bn)



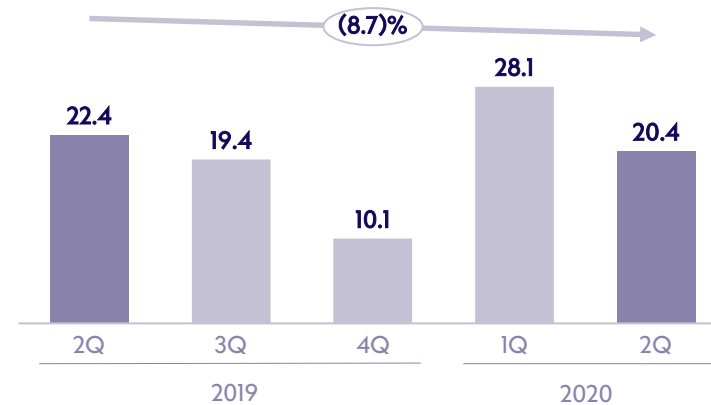
WHOLESALE FUNDING DEVELOPMENT

Funding base further strengthened by issued mortgage backed bonds in the amount of CZK 5.1 billion

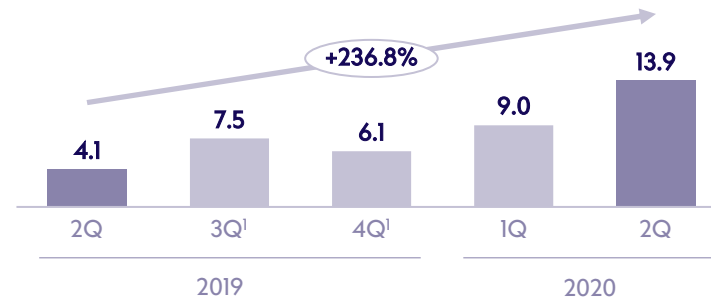
WHOLESALE FUNDING (CZK bn)



REPO OPERATIONS (CZK bn)



ISSUED BONDS AND DUE TO BANKS (CZK bn)



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COST OF RISK

Significant charges to Cost of Risk posted to cover potential credit losses from Covid-19 pandemic

COST OF RISK(CZK m)							COST OF RISK (%)		
METRICS	2019				2020		METRICS	1H 2019	1H 2020
	1Q	2Q	3Q	4Q	1Q	2Q			
COST OF RISK	(14)	147	168	216	684	1,849	0.18	2.69	
Retail	(61)	78	105	157	379	1,185	0.04	2.68	
Commercial	48	68	63	59	305	664	0.35	2.70	
IMPACT OF MEASURES	27	47	6	8	475	1,420	0.10	2.01	
IMPACT OF ACQUISITION	-	-	-	-	-	259	-	0.28	
COST OF RISK (%)	(0.04)	0.40	0.45	0.56	1.73	3.39	TOTAL NPL COVERAGE²	109.4	144.7

COVID-19 IMPACT ON COST OF RISK

Worsened macroeconomic outlook and prudential Covid-19 measures constitute majority of Cost of Risk charges to date

CZK 976m

- Book-up associated with update of the macroeconomic scenarios in IFRS9 model

CZK 692m

- Migrations of exposures under the payment moratorium to Stage 2 or Stage 3 based on risk profile at moratorium request and consequent credit quality monitoring

CZK 48m

- Commercial exposures from the most endangered sectors downgraded to Stage 2 (restaurants, culture & recreation, accommodation, hotels, travel)

CZK 179m

- For the Individually managed exposures, adjustment of rating and classification based on portfolio review (assessment of financial situation via questionnaire). Prudential provisioning for large commercial exposures with increased credit risk.

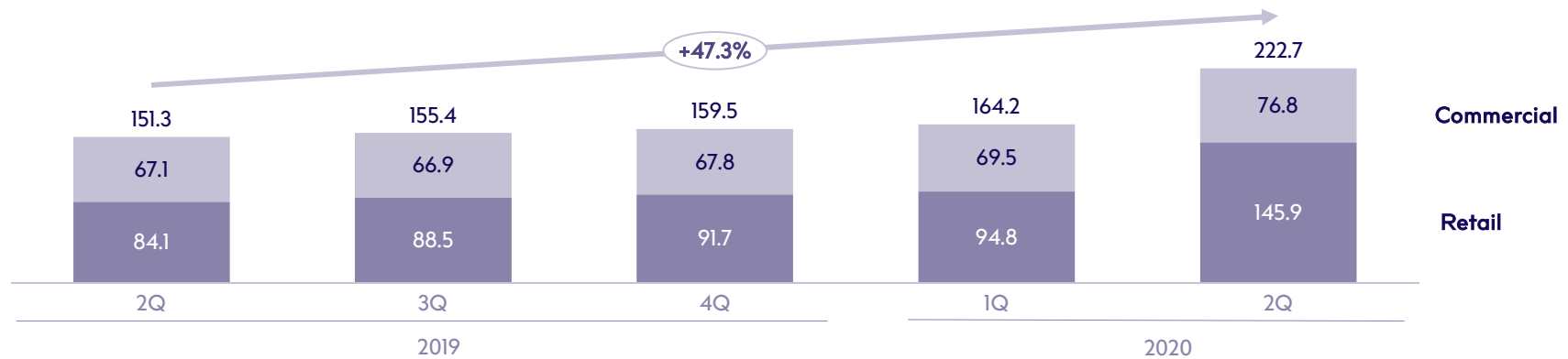
CZK 1,895m

- **TOTAL COVID-19 AND MACROECONOMIC IMPACT**

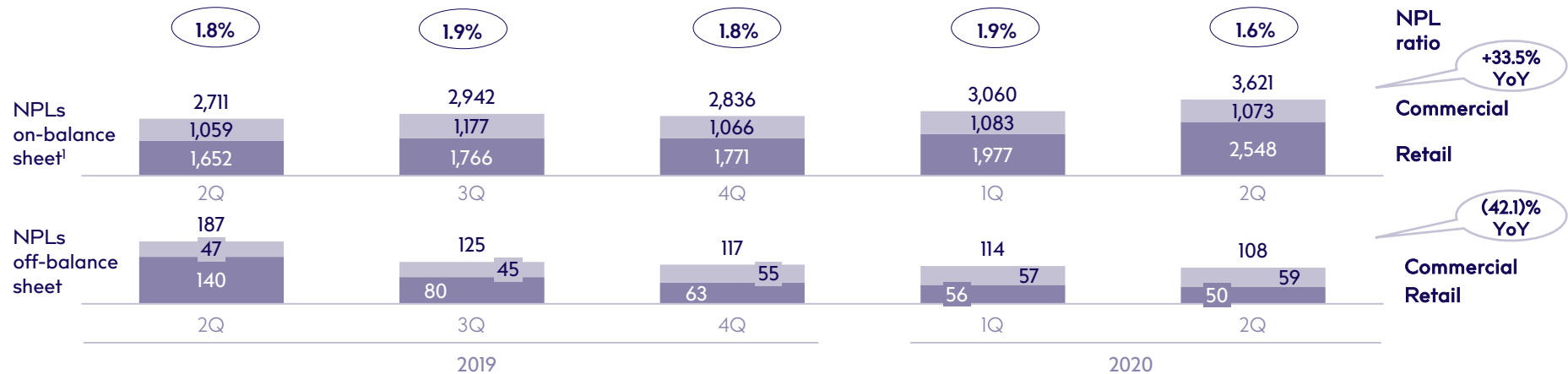
LOAN BOOK QUALITY OVERVIEW

NPL ratio at historical minimum and improved through acquisition

GROSS LOAN PORTFOLIO BALANCE (CZK bn)



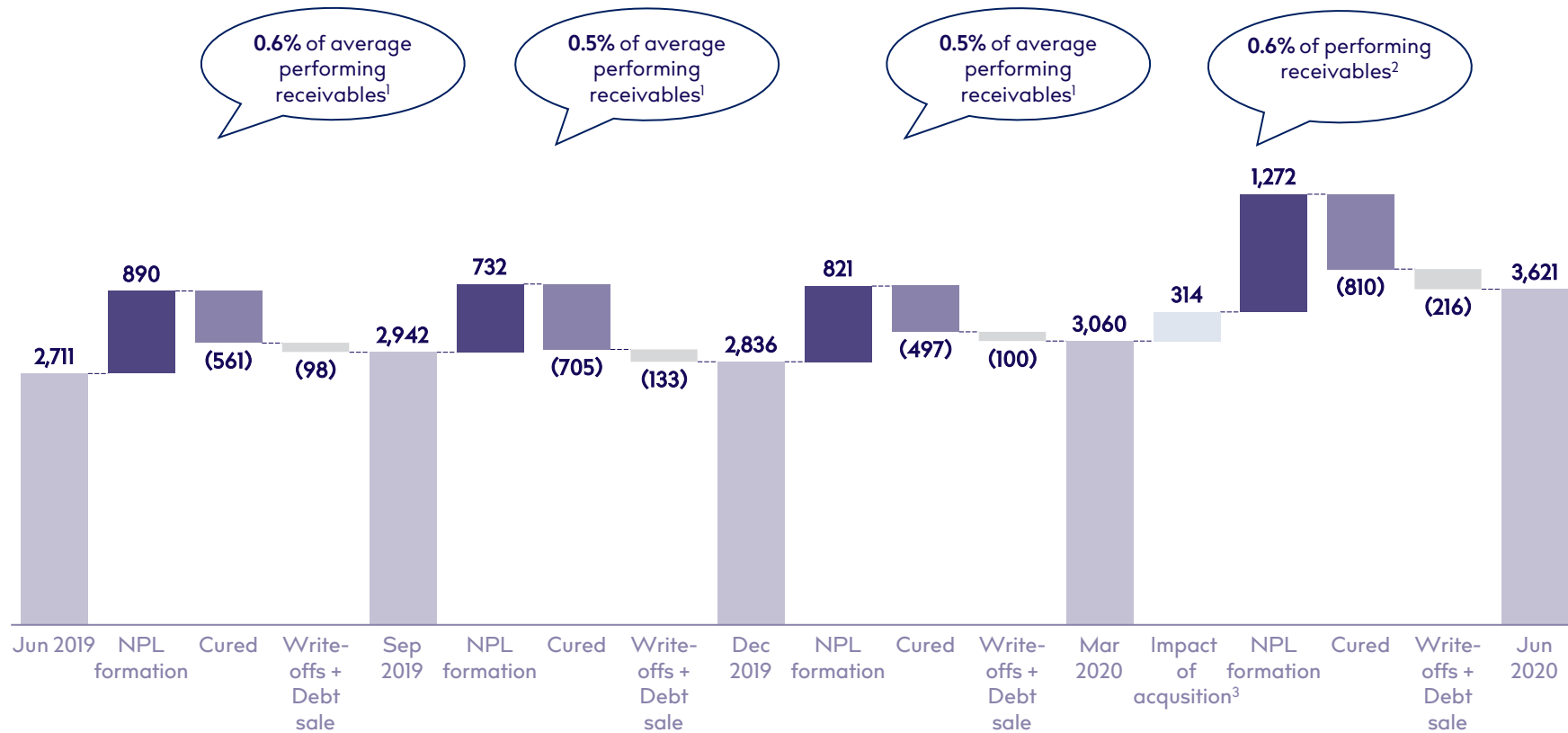
NPL DEVELOPMENT (CZK m)



NON-PERFORMING LOAN DEVELOPMENT

Stable development in net formation of NPLs continued supported by loan repayment moratorium

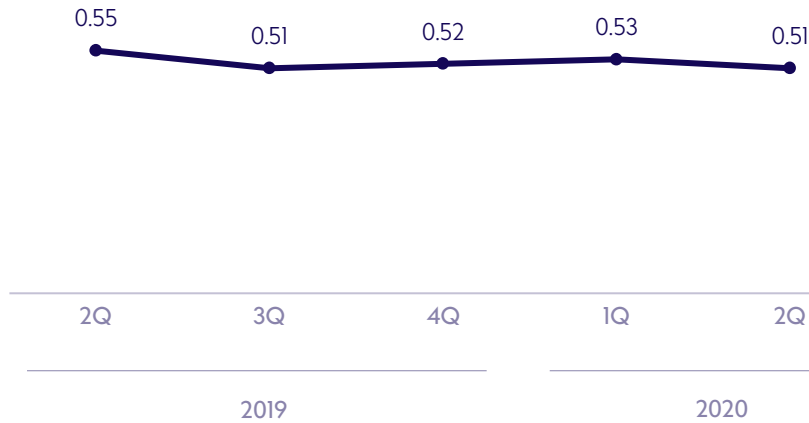
GROSS NPL WALK (CZK m)



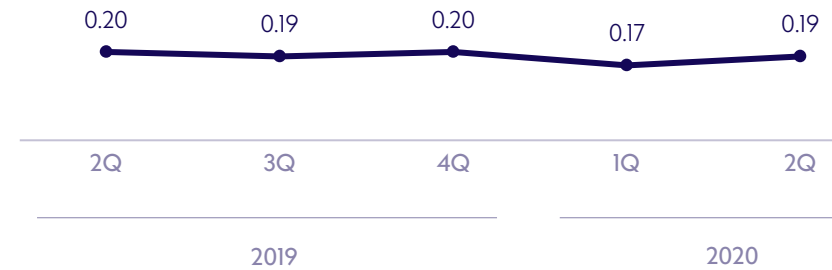
DAYS PAST DUE DELINQUENCY DEVELOPMENT

Stable performance of delinquency across all portfolios

30+ DELINQUENCY EVOLUTION¹ (% of total gross balance)



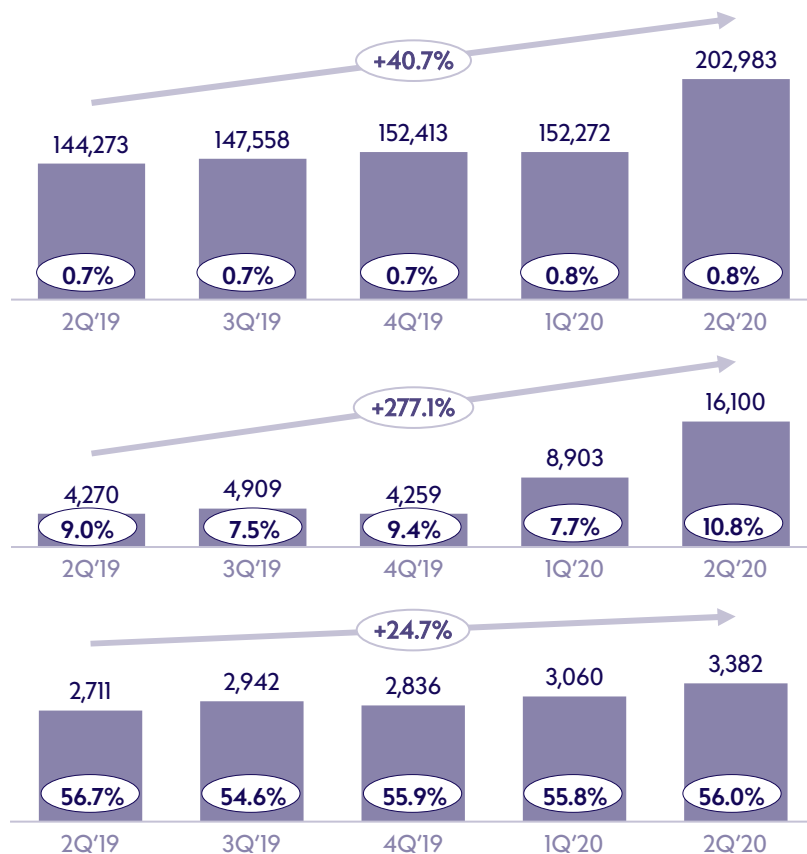
60+ DELINQUENCY EVOLUTION² (% of total gross balance)



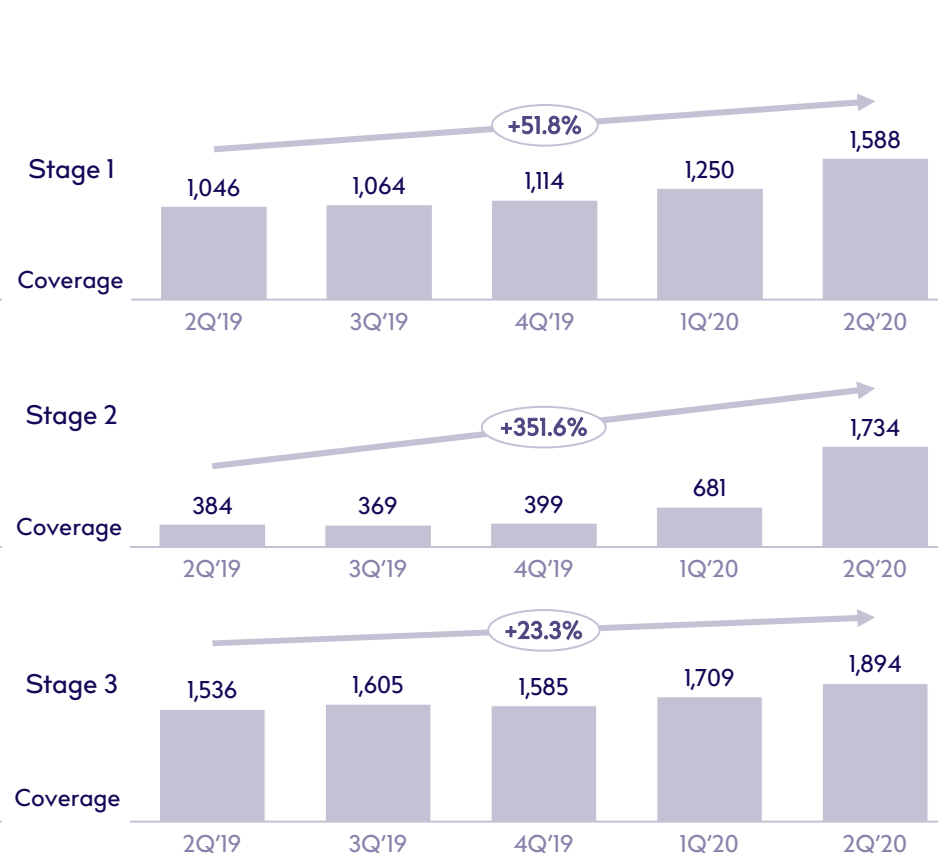
LOAN PORTFOLIO BALANCES, QUALITY AND COVERAGE

Covid-19 impact triggered CZK 11.9 billion increase in Stage 2 volumes, downgrading approx. 26% of moratorium exposures

GROSS LOAN PORTFOLIO BALANCE¹ (CZK m)



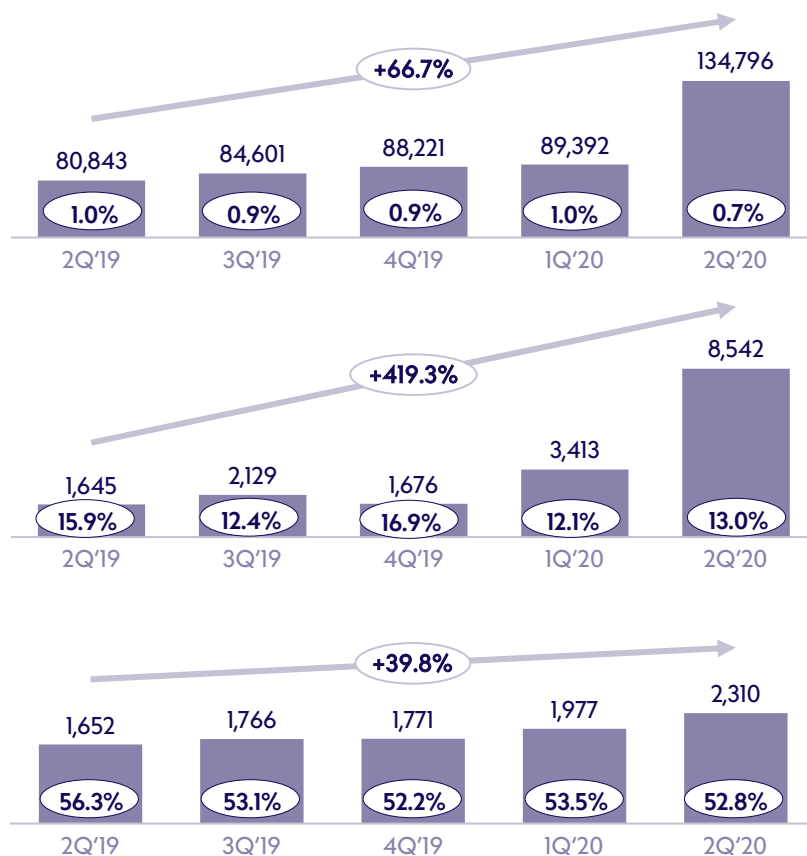
PORTFOLIO ALLOWANCES BALANCE² (CZK m)



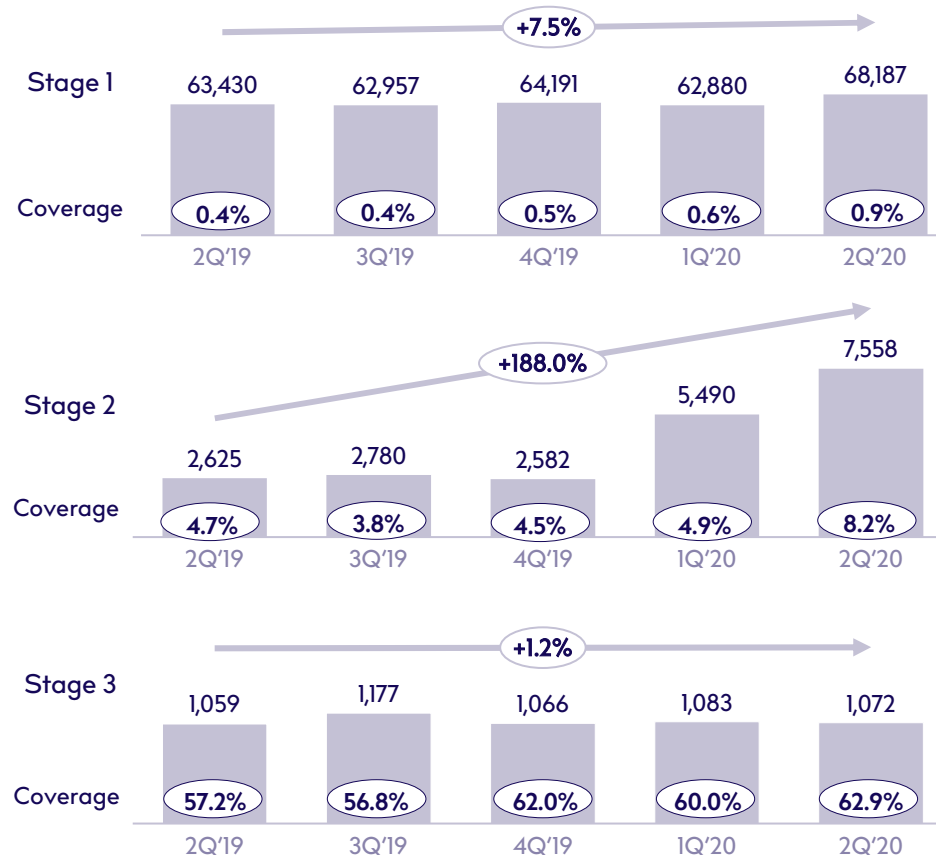
LOAN PORTFOLIO BALANCES, QUALITY AND COVERAGE

CZK 6.9 billion in retail and CZK 5 billion in commercial exposures were downgraded due to Covid-19 considerations

RETAIL GROSS LOAN PORTFOLIO BALANCE¹ (CZK m)



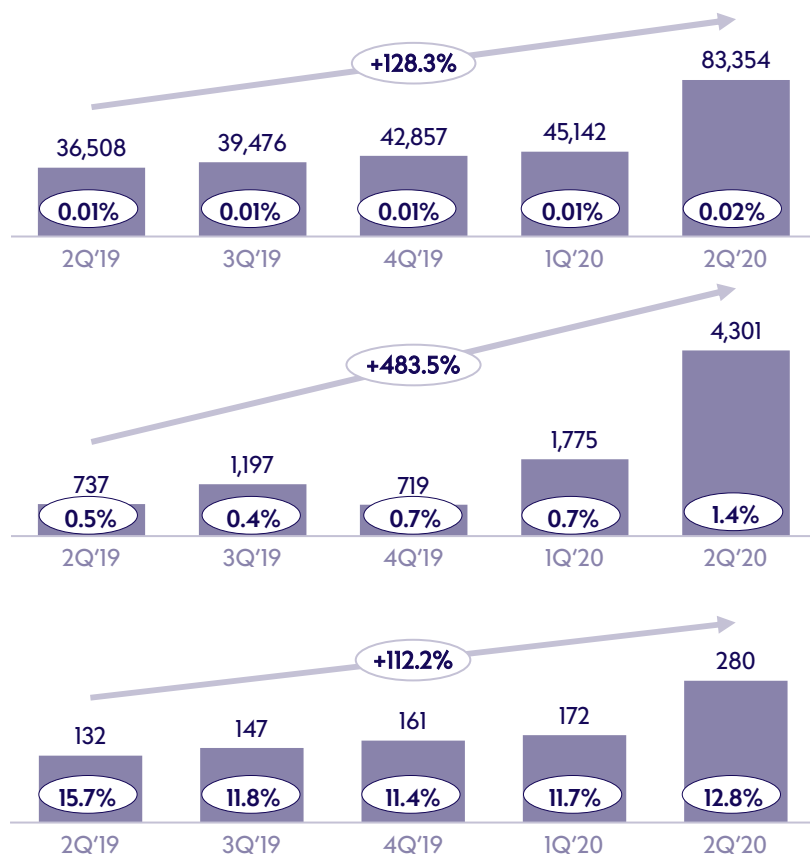
COMMERCIAL GROSS LOAN PORTFOLIO BALANCE² (CZK m)



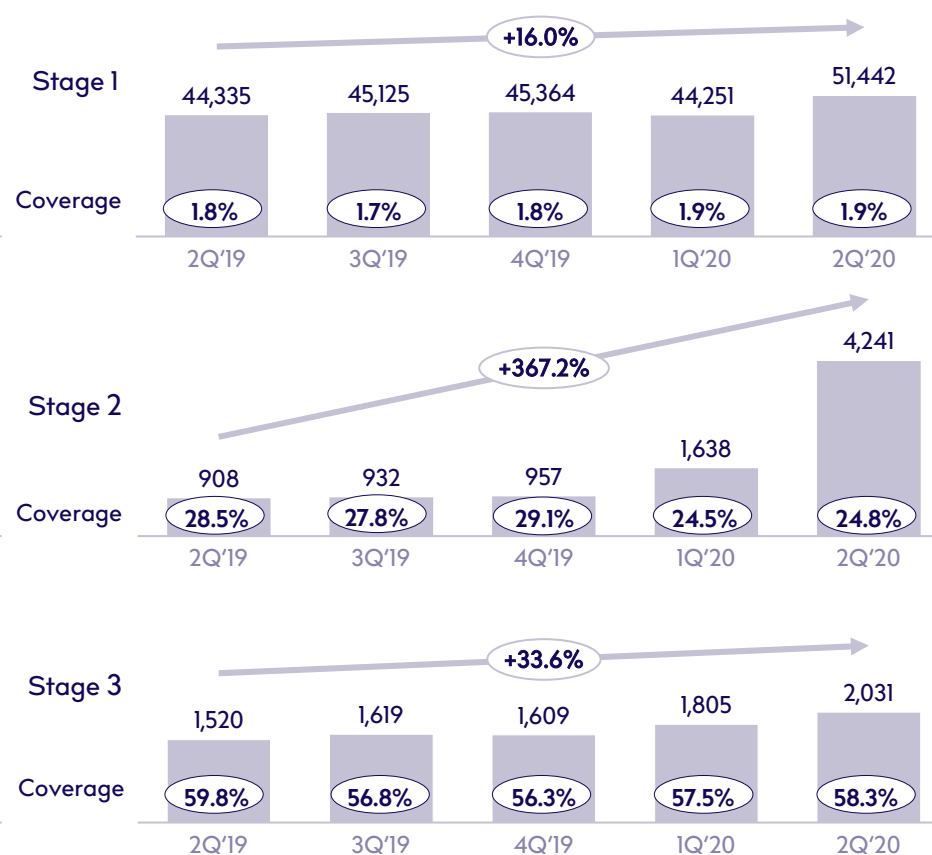
RETAIL LOAN PORTFOLIO BALANCES, QUALITY AND COVERAGE

CZK 3.6 billion in mortgages and CZK 3.3 billion in consumer credit were downgraded within retail portfolio

MORTGAGE GROSS LOAN PORTFOLIO BALANCE¹ (CZK m)



RETAIL UNSECURED GROSS LOAN PORTFOLIO BALANCE² (CZK m)

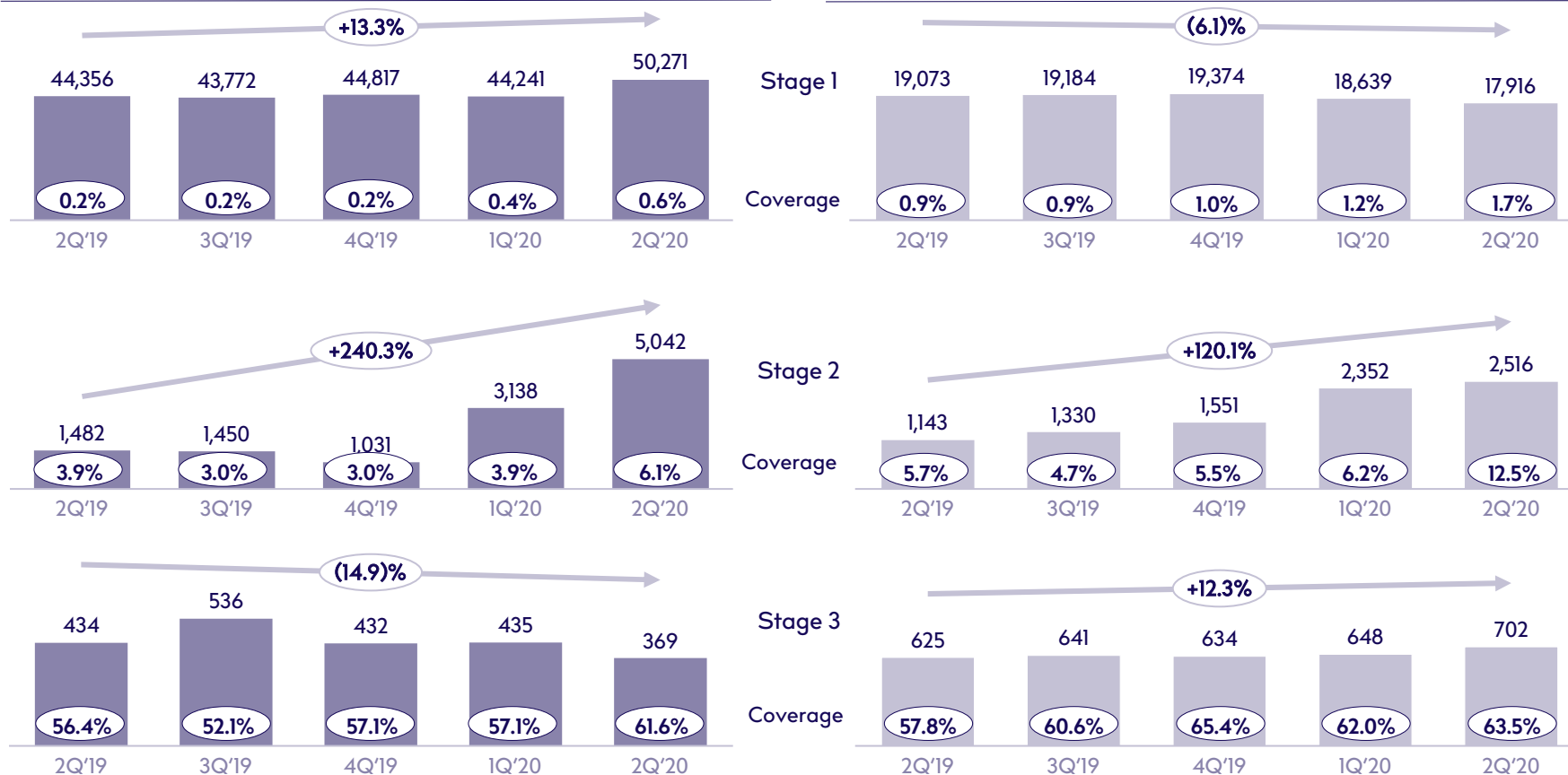


COMMERCIAL LOAN PORTFOLIO BALANCES, QUALITY AND COVERAGE

CZK 4 billion in investment loans and CZK 1 billion in pool managed portfolio were downgraded, increasing loan loss coverage

INDIVIDUALLY MANAGED GROSS LOAN PORTFOLIO BALANCE¹ (CZK m)

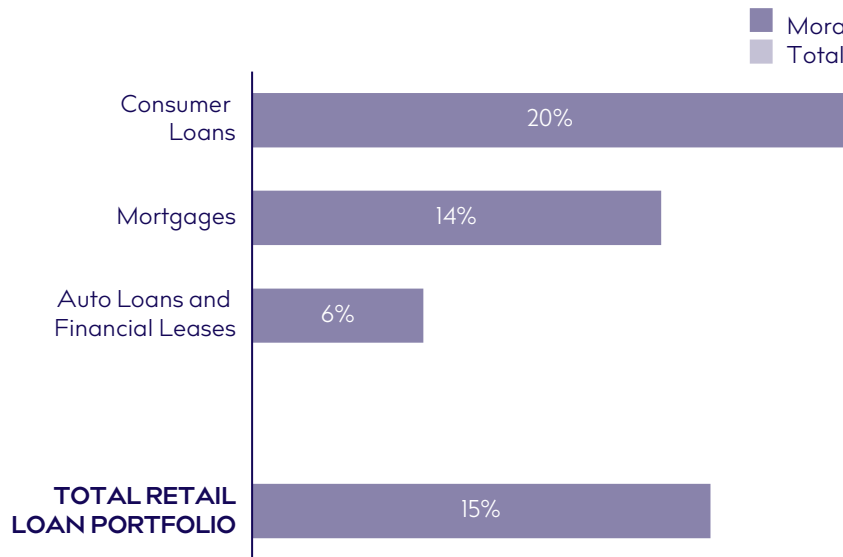
POOL MANAGED GROSS LOAN PORTFOLIO BALANCE² (CZK m)



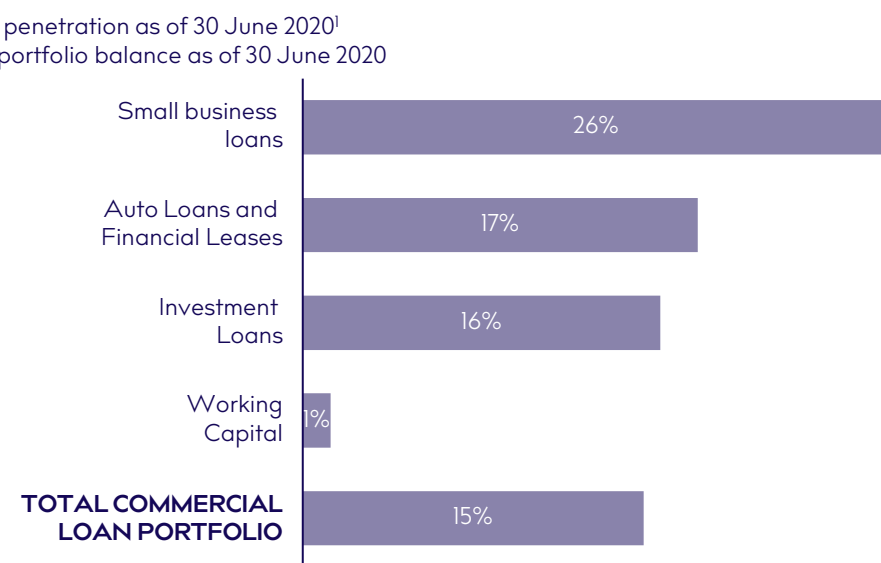
LOAN REPAYMENT MORATORIUM

Loan repayment moratorium penetration stood at 15% in Retail and 15% in Commercial at the end of June, 2020

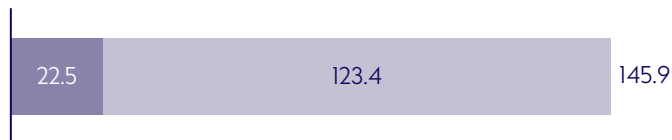
PENETRATION OF MAIN RETAIL PRODUCTS



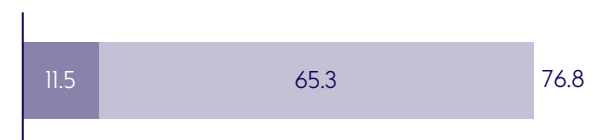
PENETRATION OF MAIN COMMERCIAL PRODUCTS



TOTAL RETAIL GROSS LOAN PORTFOLIO BALANCE (CZK bn)



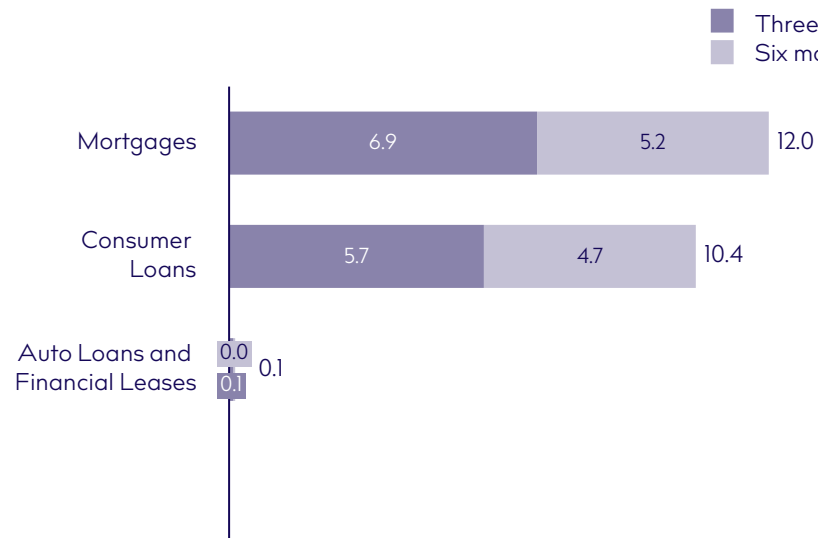
TOTAL COMMERCIAL GROSS LOAN PORTFOLIO BALANCE (CZK bn)



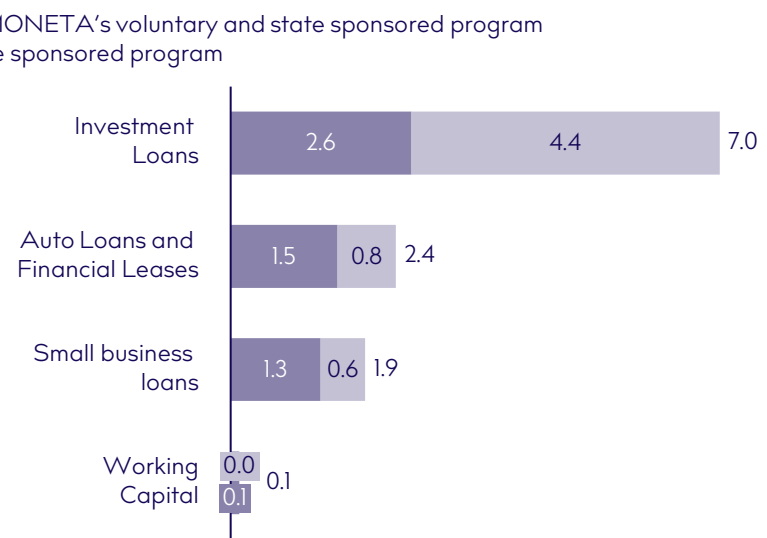
LOAN REPAYMENT MORATORIUM

CZK 18.2 billion covered under three months moratorium and CZK 15.8 billion under six months moratorium

MORATORIUM SPLIT IN RETAIL LOAN PORTFOLIO^{1,2} (CZK bn)



MORATORIUM SPLIT IN COMMERCIAL LOAN PORTFOLIO² (CZK bn)



TOTAL MORATORIUM SPLIT IN RETAIL LOAN PORTFOLIO² (CZK bn)



TOTAL MORATORIUM SPLIT IN COMMERCIAL LOAN PORTFOLIO² (CZK bn)



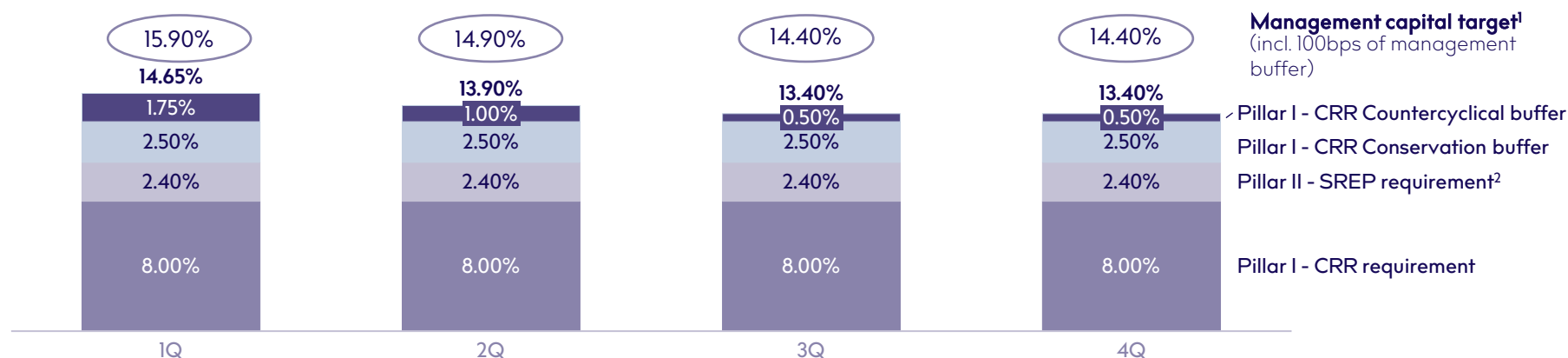
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- Appendix

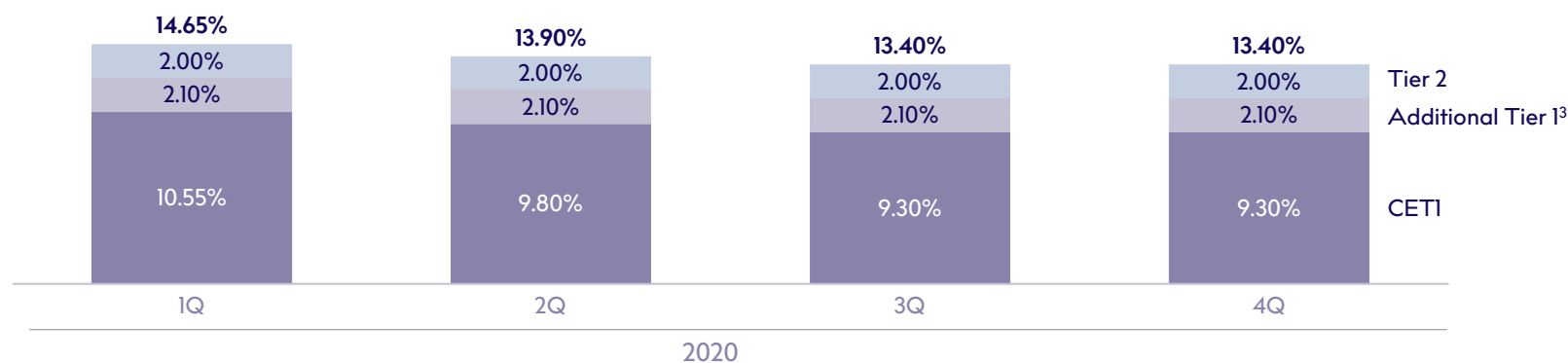
CAPITAL & REGULATORY REQUIREMENTS

CNB reduced countercyclical buffer to 0.5% enabling reduction of management capital target to 14.4% (from 14.9%)

DEVELOPMENT AND DECOMPOSITION OF REGULATORY CAPITAL REQUIREMENT



ALLOWABLE CAPITAL STRUCTURE

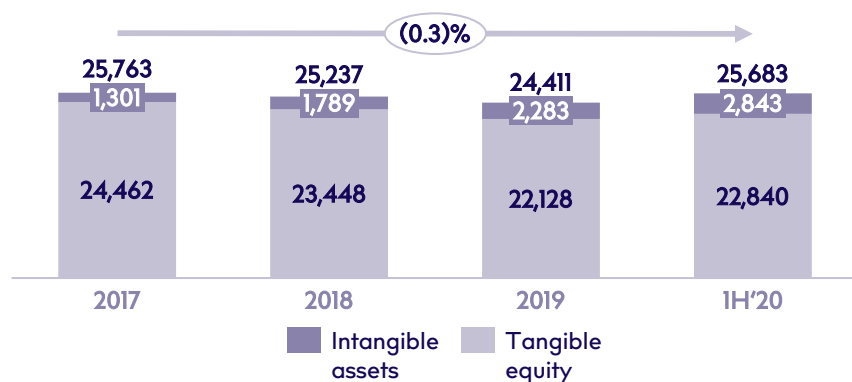


Note: The CNB usually re-assesses the above SREP capital requirements on an annual basis. The CNB may also launch an ad-hoc extraordinary SREP process, for example in case of a change of the Bank's consolidated unit; (1) Subject to ongoing re-assessment by the Management Board of MONETA based on the business development; (2) Required SREP ratio for MONETA before acquisition of MSS and WHB, for period between 2Q'20 and 4Q'20 used estimate at same level for consolidated entity, i.e. incl. MSS and WHB till the date when the new requirement will be issued; (3) MONETA does not have Additional Tier I capital (AT I) issued, hence covers both CET I and AT I requirements from its CET I capital position.

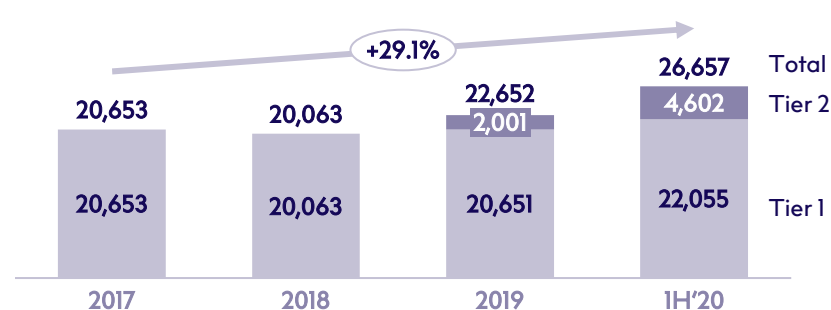
CAPITAL MANAGEMENT

Strong capital adequacy enabling future growth and dividend payments; further improvement of RWA density

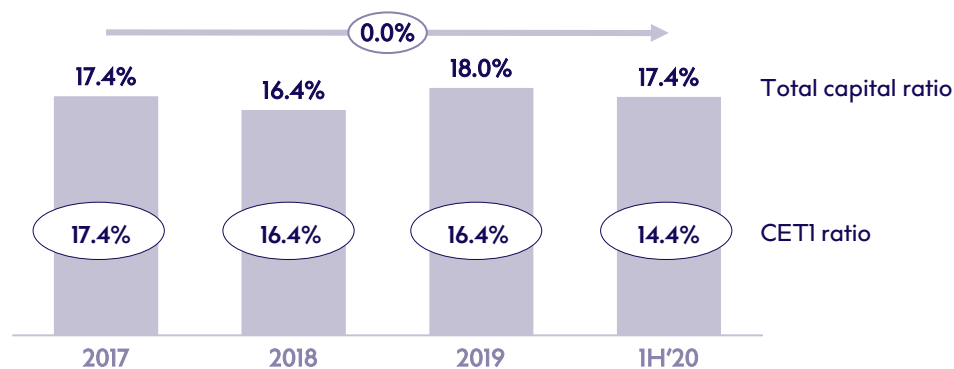
ACCOUNTING EQUITY (CZK m)



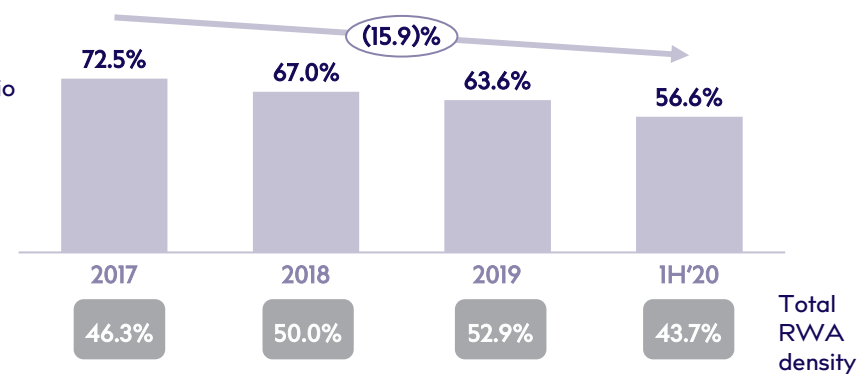
REGULATORY EQUITY (CZK m)



TOTAL CAPITAL ADEQUACY RATIO⁽¹⁾



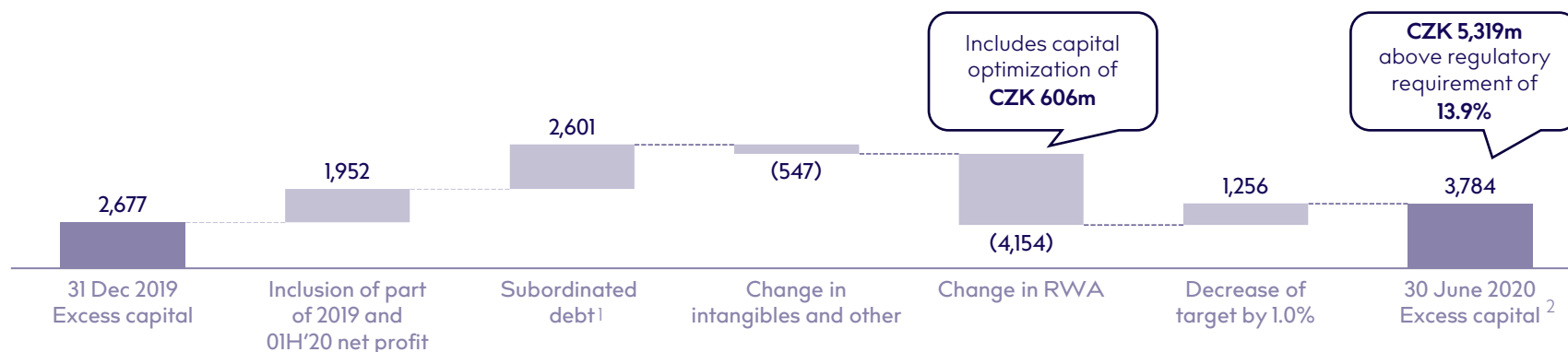
LENDING PORTFOLIO RWA DENSITY



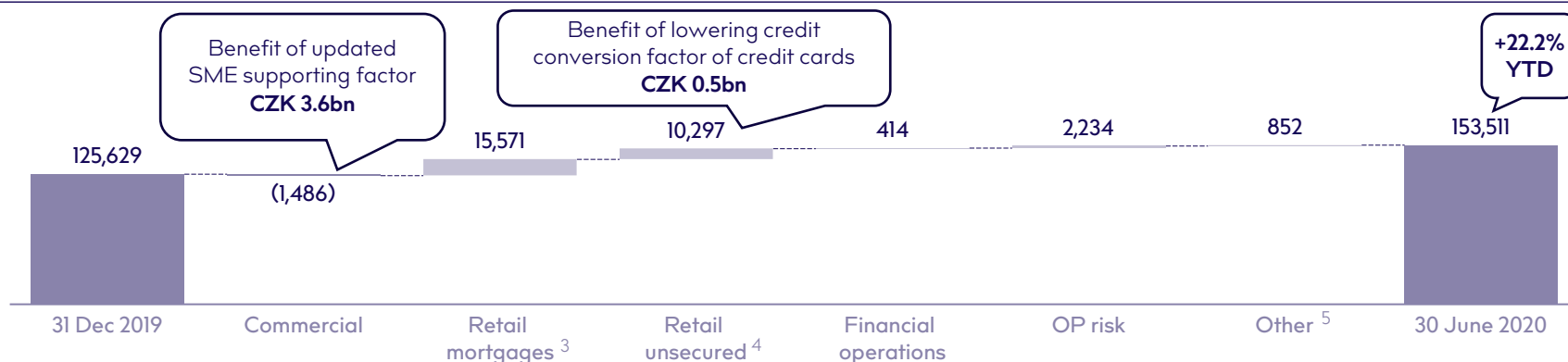
EXCESS CAPITAL OVERVIEW

Growth capacity and shareholder distribution substantiated by CZK 5.3 billion of capital buffer

EXCESS CAPITAL EVOLUTION AGAINST CAPITAL ADEQUACY RATIO TARGET OF 14.9% (CZK m)



RISK WEIGHTED ASSETS (CZK m)



Content

- Strategic Performance Highlights
- Operating Environment and Banking Market Dynamics
- Measures Related to Covid-19 Pandemic
- Guidance 2020 - 2022
- Profit and Loss Development
- Balance Sheet Development
- Risk Metrics & Asset Quality
- Capital Management
- Investor Relations News
- Appendix

REPORTING DATE AND INVESTOR MEETINGS

Investor interaction in 3Q 2020

Annual General Meeting 2 September 2020 Prague	Goldman Sachs Banking for the Future Symposium 8 September 2020 Virtual Conference	Citi's GEM Conference 14 – 16 September 2020 Virtual Conference
Bank of America Merrill Lynch Financials CEO Conference 22 – 24 September 2020 Virtual Conference	HSBC GEMs Investor Forum October 2020 Virtual Conference	3Q 2020 Earnings 30 October 2020

ANNUAL SHAREHOLDERS MEETING

Program of Annual Shareholders Meeting which will be held on 2 September 2020

01.

Approval of Annual Consolidated Financial Statements
as of 31. 12. 2019

02.

Approval of Separate Financial Statements
as at 31. 12. 2019

03.

Appointment of Deloitte Audit s.r.o.
to conduct statutory audit of MONETA Money Bank for financial year 2020

04.

Resolution on Inclusion of 2019 Net Profit into Retained Earnings of MONETA Money Bank

05.

Election of Members of Supervisory Board

06.

Election of Members of Audit Committee

07.

Approval of Agreement on Performance of Function of Member of the Supervisory board

08.

Approval of Remuneration Policy

CORPORATE SOCIAL RESPONSIBILITY

MONETA received several prestigious CSR awards

MONETA SUSTAINABILITY STRATEGY

01 ECONOMIC RESPONSIBILITY

Ethical leadership and best in class financial stewardship

02 SOCIAL RESPONSIBILITY

Developing and engaging our people responsibly

03 CIVIC RESPONSIBILITY

Being a positive agent for change and a good neighbor

04 ENVIRONMENTAL RESPONSIBILITY

Combating climate change

05 CUSTOMER RESPONSIBILITY

Providing excellent service in a responsible way

This Sustainability strategy was formed in 2017 in line with the Global Reporting Initiative (GRI). It aims to build a more sustainable world while ensuring MONETA's stability and performance.



ZLATA
TOP
ODPOVĚDNÁ
FIRMA 2017
NEJANGAŽOVANĚJŠÍ
ZAMĚSTNANCI

GOLD MEDAL¹ in
the category of
"The Most Engaged
Employees"



BRONZOVA
TOP ODPOVĚDNÁ
VELKÁ FIRMA
2018
cena Byznysu pro společenost

BRONZE MEDAL²
in the category of
"Most Responsible
Large Company"



SILVER AWARD³
in the credit quality
analysis of Czech
banks in 2018



THE WINNER in the
category "Ecology"
for MONETA's
electromobility⁴



MONETA is one of the
325 public companies
globally to be included in
Bloomberg's 2020
Gender-Equality Index⁵



BRONZE AWARD in
the category of „CSR“
for MONETA's
Package of help⁶

MONETA NON-FINANCIAL ENVIRONMENTAL TARGETS

MONETA reduced significantly its carbon footprint by 58.3%

INDICATOR	TARGET	2017	2018	2019	2020
Reduction of MONETA carbon footprint	To reduce our carbon footprint by 35% by 2020	Carbon footprint reduced by 9.6% compared to 2016	Carbon footprint reduced by 43.6% compared to 2016	Carbon footprint reduced by 58.3% compared to 2016	Setting carbon footprint target for next period is in progress
Electromobility	To replace the majority of our diesel company cars with electric vehicles	12 electric vehicles put into operation = savings of 27.5 t CO ₂ e	56 electric vehicles in operation = savings of 74.5 t CO ₂ e	68 electric vehicles in operation = savings of 77.4 t CO ₂ e	68 electric vehicles in operation
Renewable (green) energy for our branches	Supply renewable (green) energy to minimum 70% of our branches by 2019	Branches powered by non-renewable energy	73% of branches powered by renewable (green) energy	100% of branches powered by renewable (green) energy	100% of branches powered by renewable (green) energy
Renewable (green) energy for our headquarters in Prague and Ostrava	Supply renewable (green) energy to both HQs by the end of 2018	HQs powered by non-renewable energy supplied	HQs powered only by renewable (green) energy	HQs powered only by renewable (green) energy	HQs powered only by renewable (green) energy
Employee engagement (volunteers)	To increase employee engagement progressively: minimum 5% in 2017, 8% in 2018, 10% in 2019 and 35% in 2020	3.5% engagement rate	9.2% engagement rate	12.6% engagement rate	1.5% engagement rate ² Established MON FAIR committee for diversity management

MONETA follows the Sustainable development goals¹:



Sustainability Reports and Rating:



Sustainability reporting since 2017



Rating "C"



MARKET & INDUSTRY RECOGNITION

MONETA received many recognitions for digitalization and innovation in 2020 and 2019

ZLATÁ KORUNA
AWARDS IN
10 CATEGORIES
IN 2020



ZLATÁ KORUNA
AWARDS IN
7 CATEGORIES
IN 2019



FINCENTRUM
MORTGAGE OF
THE YEAR



**THE BEST BANK
2019**
BANKING
INNOVATOR



**BLOOMBERG
GENDER
EQUALITY INDEX
2020**
INCLUSION IN
JANUARY 2020



FINPARÁDA
2 AWARDS FOR
BEST SHORT-TERM
INVESTMENT AND
MORTGAGE



**INTERNET
EFFECTIVENESS
AWARDS**
AWARDS IN
7 CATEGORIES



CZECH TOP 100
SPECIAL AWARD -
INFORMATION
OPENESS IN 2019



COMMENTS

Zlatá koruna 2020 - 7 awards for products, 2 for Smart Banka and 1 for CSR activities

Zlatá koruna 2019 - 5 awards for Smart Banka and 2 awards for Retail & Small business loans

Fincentrum - 1st place - The best mortgage

The Best Bank 2019 - 1st place for the new generation of Smart Banka

Bloomberg Gender-Equality Index 2020 - MONETA is the only company in the Czech Republic included in the Index from January 2020

Finparáda - 1st place for BFM Conservative Bond Fund and 2nd place for Flexible Mortgage

IEA - Overall winner at GRAND PRIX IEA 2019 and 6 awards for Smart Banka, web and digital features

Czech Top 100 - Special award for MONETA's Annual Report

INVESTOR RELATIONS

Contacts

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Jarmila Valentová

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investors@moneta.cz
www.moneta.cz
Identification number: 25672720*

*Bloomberg: MONET CP
ISIN: CZ0008040318*

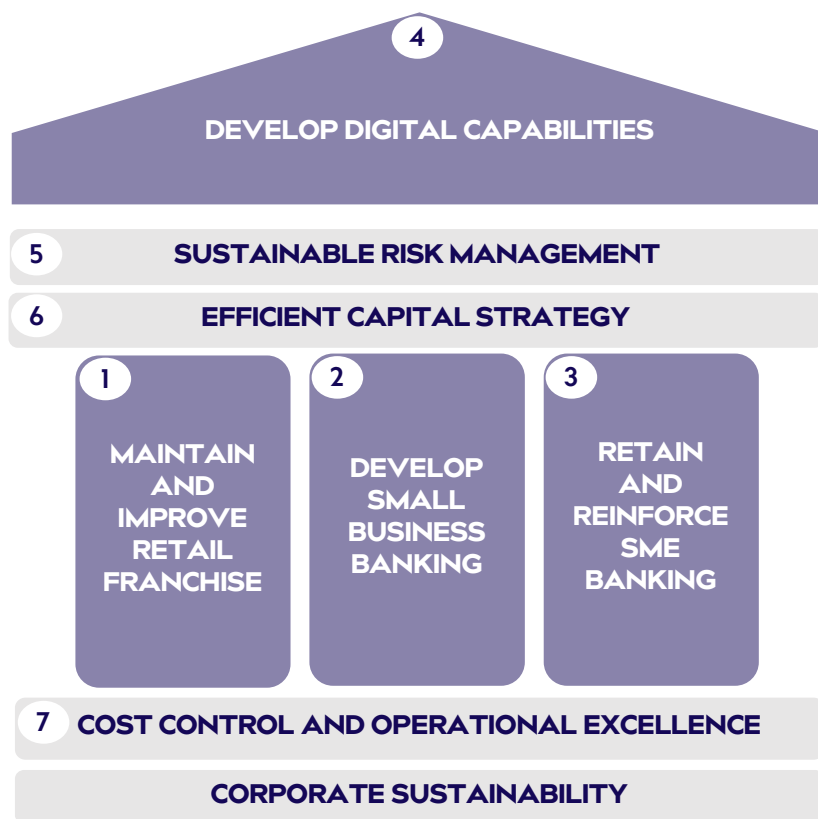
*Reuters: MONET.PR
SEDOL: BD3CQ16*

Appendix

- MONETA's Strategic Objectives
- Material Assumptions for Medium Term Guidance
- MONETA's Credit Rating
- MONETA's Shareholder Structure
- MONETA's Share Price and Volumes
- Asset under Management
- Consolidated Statement of Financial Position
- Consolidated Statement of Profit or Loss and Other Comprehensive Income
- Key Performance Ratios
- Alternative Performance Measures
- Glossary

STRATEGIC PILLARS & OBJECTIVES

MONETA seeks to deliver shareholder value through profitable and sustainable growth



MEDIUM TERM TARGETS¹:

- 01 | MAINTAIN AND IMPROVE RETAIL FRANCHISE**
 - ~ 10% mortgage portfolio market share
 - ~ 20% consumer lending portfolio market share
 - ~ 6% deposits and 5% at assets management market share

- 02 | DEVELOP SMALL BUSINESS BANKING**
 - ~ 10% market share in small business
 - ~ Double digit growth of number of customers
 - ~ 40% share of digital channels on new production

- 03 | RETAIN AND REINFORCE SME BANKING**
 - ~ Expand SME profitable relationships with incremental **RoE >20%**
 - ~ Maintain strong presence in profitable agricultural sector

- 04 | DEVELOP DIGITAL CAPABILITIES**
 - ~ 40% of total retail unit production to be originated online²
 - ~ 50% of consumer loans new production to be originated online²
 - ~ 400k registered Smart Banka users by 2021

- 05 | RISK MANAGEMENT SUSTAINABILITY**
 - ~ Strengthening early and late collection capability
 - ~ Focused management of NPL portfolio

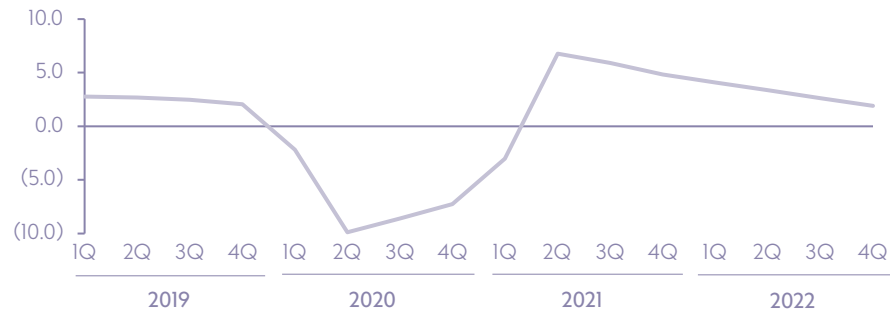
- 06 | EFFICIENT CAPITAL STRATEGY**
 - ~ Strong capital position - CAR target at 100bps above regulatory requirement
 - ~ 80% dividend pay-out ratio as minimum¹

- 07 | COST CONTROL AND OPERATIONAL EXCELLENCE**
 - ~ Strong cost control, maintain Cost to Income ratio below 50%
 - ~ Reduce branch network footprint in line with digital development
 - ~ Full integration of Wüstenrot CZ operations to enable annual cost synergies at minimum of CZK 300 million by 2022

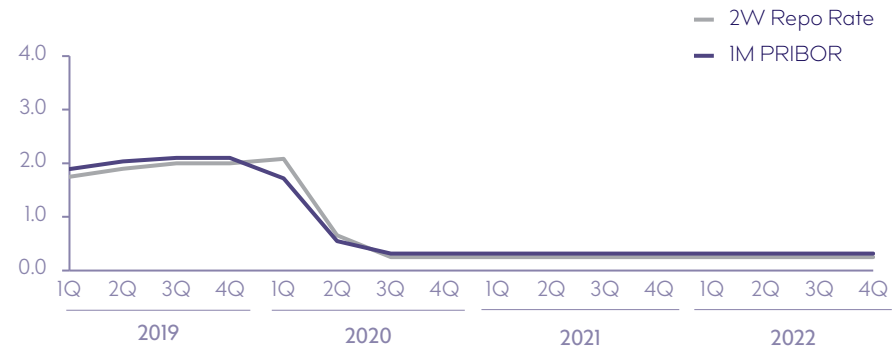
MATERIAL ASSUMPTIONS FOR MEDIUM TERM GUIDANCE

Macroeconomic recovery post Covid-19 and low interest rate environment

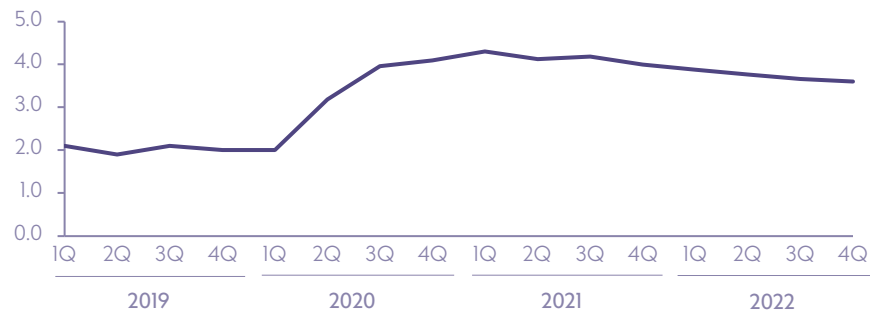
GDP OUTLOOK¹ (YoY %)



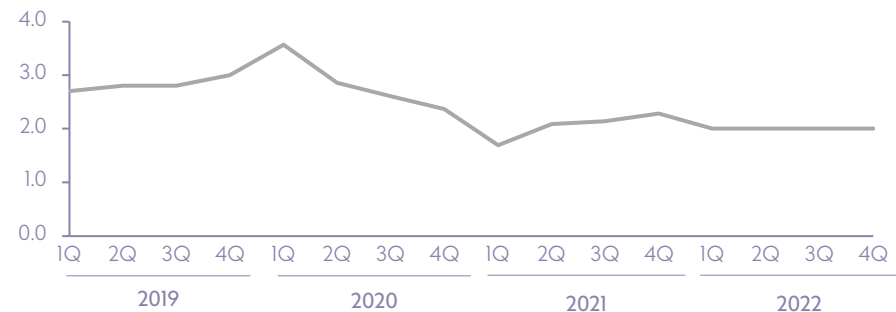
INTEREST RATE¹ (%)



UNEMPLOYMENT RATE OUTLOOK¹ (YoY %)



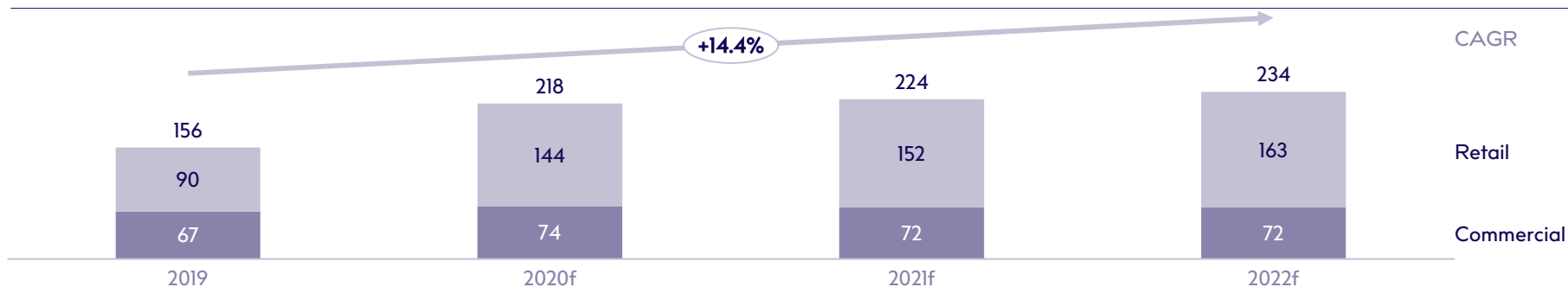
INFLATION PROJECTION¹ (%)



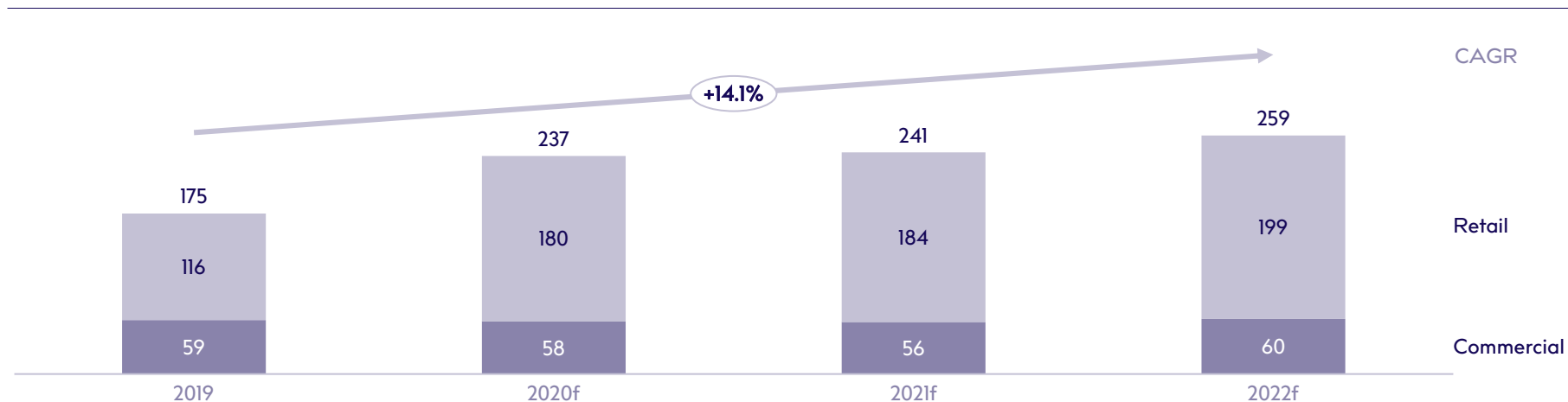
MATERIAL ASSUMPTIONS FOR MEDIUM TERM GUIDANCE

Reduced growth outlook of loans and deposits amid gradual post Covid-19 recovery of the Czech economy

NET LOANS AND RECEIVABLES DEVELOPMENT (CZK bn)



CORE CUSTOMER DEPOSITS DEVELOPMENT (CZK bn)



MONETA'S CREDIT RATING

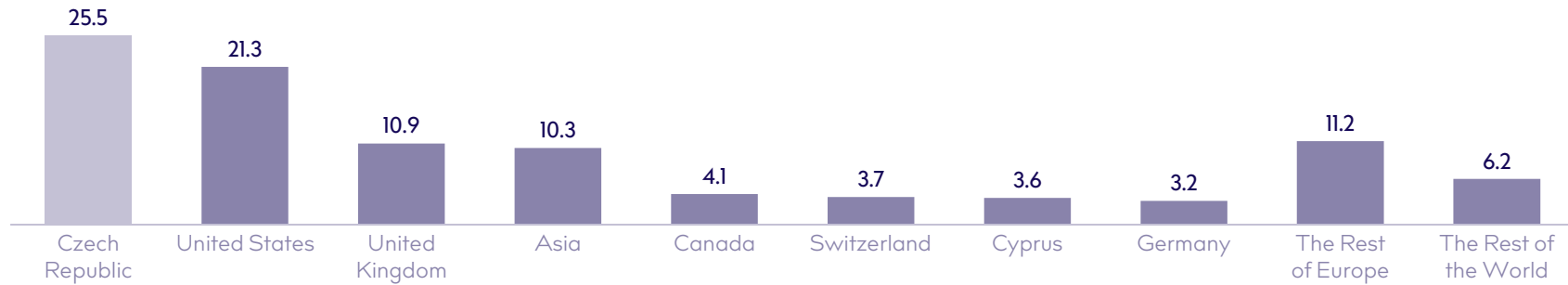
S&P and Moody's reaffirmed investment grade rating

Rating Agency ¹	Long-term	Short-term	Outlook	Last report
Standard & Poor's	BBB	A-2	Stable	10 June 2020
Moody's	A2	P-1	Stable	8 January 2020

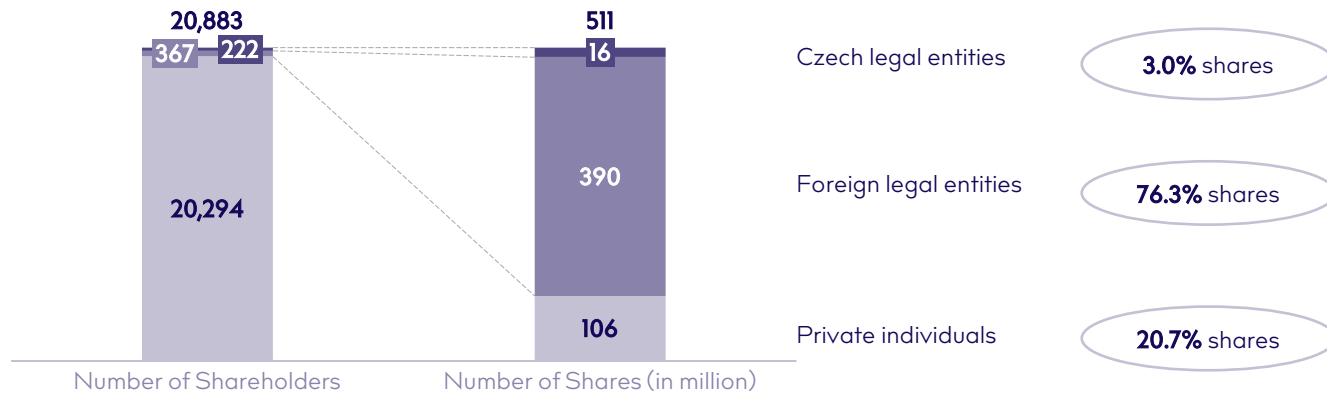
SHAREHOLDER STRUCTURE

More than 79% MONETA's shares owned by legal entities

GEOGRAPHICAL SUMMARY PER HOLDING (in % as of June 2020)



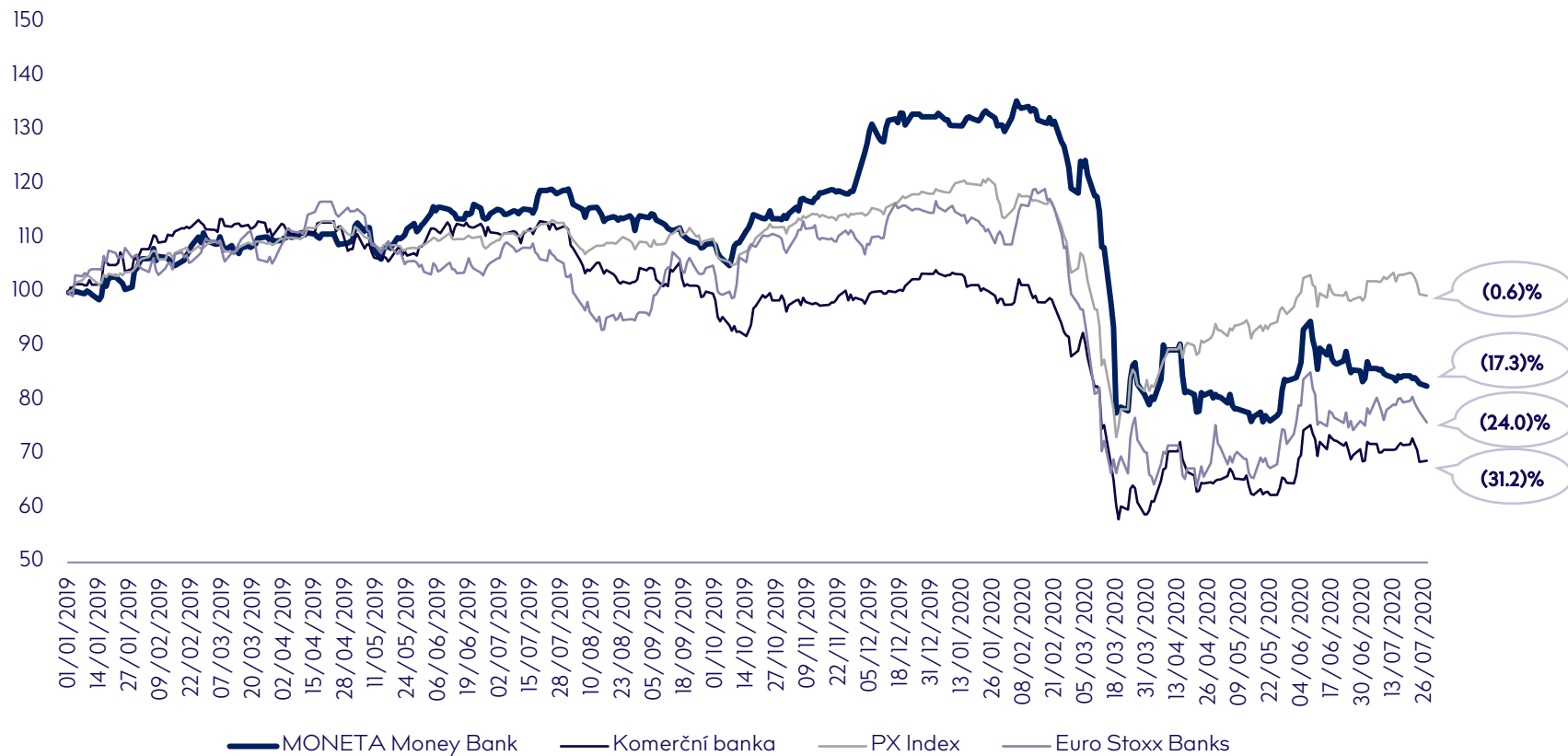
STRUCTURE BY TYPE OF SHAREHOLDER (as of June 2020)



MARKET PRICE

MONETA's total shareholder return

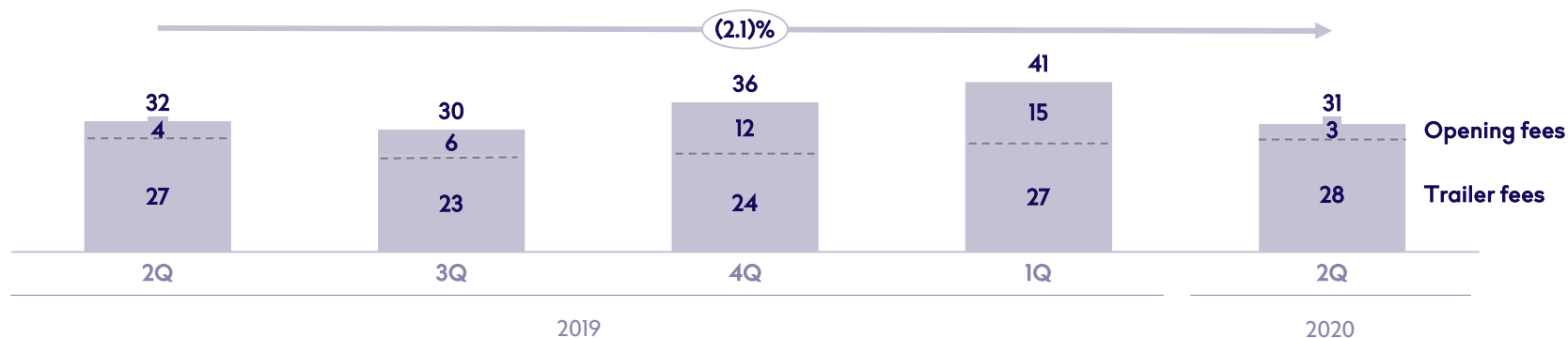
TOTAL SHAREHOLDERS RETURN (price rebased to 100)



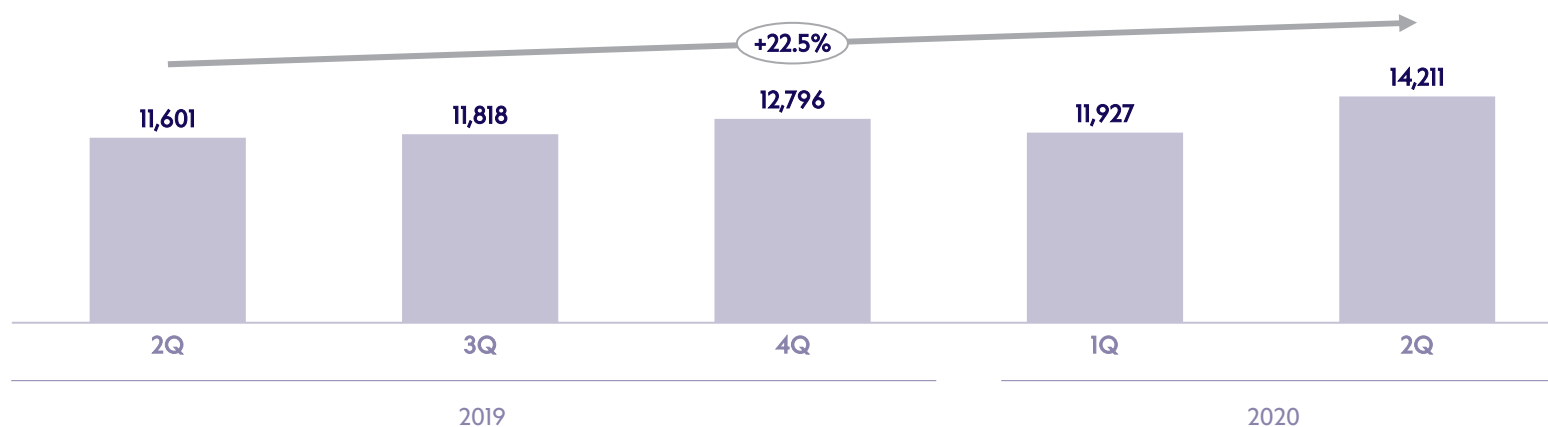
ASSET MANAGEMENT OVERVIEW

Strategy focused on distribution of investment funds resulting in growth of commission income; 2Q'20 affected by promo campaigning on opening fees

COMMISSION INCOME FROM INVESTMENT FUNDS (CZK m)



ASSET MANAGEMENT (CZK m)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CZK m	30/06/2020	31/12/2019 ¹	% Change
Cash and balances with the central bank	7,693	6,697	14.9%
Derivative financial instruments with positive value	381	27	1,311.1%
Investment securities	24,097	25,972	(7.2)%
Hedging derivatives with positive fair values	538	651	(17.4)%
Change in fair value of items hedged on portfolio basis	1,283	(239)	n/m
Loans and receivables to banks	65,447	23,485	178.7%
Loans and receivables to customers	217,501	156,409	39.1%
Intangible assets	2,843	2,283	24.5%
Property and equipment	2,881	2,948	(2.3)%
Investments in subsidiaries and associates	3	2	50.0%
Current tax assets	240	7	3,328.6%
Deferred tax assets	71	0	n/a
Other assets	1,037	811	27.9%
Total Assets	324,015	219,053	47.9%
Due to banks	5,834	7,091	(17.7)%
Due to customers	274,920	181,523	51.5%
Derivative financial instruments with negative value	336	40	740.0%
Hedging derivatives with negative fair values	2,860	148	1,832.4%
Change in fair value of items hedged on portfolio basis	275	(22)	n/m
Mortgage backed bonds	5,120	0	n/a
Subordinated liabilities	4,664	2,006	132.5%
Provisions	273	209	30.6%
Current tax liability	39	179	(78.2)%
Deferred tax liability	429	244	75.8%
Other liabilities	3,582	3,224	11.1%
Total Liabilities	298,332	194,642	53.3%
Share capital	10,220	10,220	0.0%
Statutory reserve	102	102	0.0%
Other reserves	56	(17)	n/m
Retained earnings	15,305	14,106	8.5%
Total Equity	25,683	24,411	5.2%
Total Liabilities & Equity	324,015	219,053	47.9%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – QUARTERLY DEVELOPMENT

CZK m	30/06/2018 ¹	30/09/2018	31/12/2018 ²	31/03/2019	30/06/2019	30/09/2019	31/12/2019 ²	31/03/2020	30/06/2020
Cash and balances with the central bank	7,498	7,336	8,139	5,381	7,334	6,684	6,697	9,993	7,693
Derivative financial instruments with positive value	146	42	28	25	19	21	27	762	381
Investment securities	21,013	20,772	20,780	21,647	21,834	25,394	25,972	23,575	24,097
Hedging derivatives with positive fair values	33	242	53	57	36	156	651	739	538
Change in fair value of items hedged on portfolio basis	(81)	(331)	30	(5)	88	50	(239)	1,080	1,283
Loans and receivables to banks	21,981	17,836	33,436	28,184	28,443	38,926	23,485	44,339	65,447
Loans and receivables to customers	132,196	135,661	140,123	142,245	148,289	152,370	156,409	160,596	217,501
Intangible assets	1,568	1,700	1,789	1,870	1,997	2,144	2,283	2,383	2,843
Property and equipment	1,069	1,210	1,296	3,305	3,208	3,172	2,948	2,881	2,881
Investments in subsidiaries and associates	3	2	2	3	3	2	2	2	3
Current tax assets	368	25	16	30	28	18	7	30	240
Deferred tax assets	217	148	127	0	0	0	0	0	71
Other assets	816	770	1,113	986	672	766	811	1,195	1,037
Total Assets	186,827	185,413	206,932	203,728	211,951	229,703	219,053	247,575	324,015
Due to banks	14,139	9,201	10,716	4,660	8,353	5,549	7,091	11,610	5,834
Due to customers	146,391	149,209	168,792	168,128	175,186	192,273	181,523	198,754	274,920
Derivative financial instruments with negative value	51	34	44	16	99	9	40	365	336
Hedging derivatives with negative fair values	16	2	167	157	292	513	148	2,050	2,860
Change in fair value of items hedged on portfolio basis	0	0	0	0	0	0	(22)	304	275
Mortgage backed bonds	0	0	0	0	0	0	0	0	5,120
Subordinated liabilities	0	0	0	0	0	1,989	2,006	4,622	4,664
Provisions	285	260	261	241	246	227	209	199	273
Current tax liability	11	61	107	55	38	133	179	173	39
Deferred tax liability	251	238	177	237	249	258	244	354	429
Other liabilities	2,525	2,008	1,431	4,014	3,381	3,588	3,224	3,684	3,582
Total Liabilities	163,669	161,013	181,695	177,508	187,844	204,539	194,642	222,115	298,332
Share capital	511	511	511	511	511	511	10,220	10,220	10,220
Share premium	5,028	5,028	5,028	5,028	5,028	5,028	0	0	0
Statutory reserve	102	102	102	102	102	102	102	102	102
Share based payment reserve	(2)	(2)	(2)	(2)	(2)	(2)	0	0	0
Other reserves	0	0	0	0	0	0	(17)	302	56
Retained earnings	17,519	18,761	19,598	20,581	18,468	19,525	14,106	14,836	15,305
Total Equity	23,158	24,400	25,237	26,220	24,107	25,164	24,411	25,460	25,683
Total Liabilities & Equity	186,827	185,413	206,932	203,728	211,951	229,703	219,053	247,575	324,015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CZK m	IH 2020	IH 2019	% Change
Interest and similar income	4,984	4,262	16.9%
Interest expense and similar charges	(858)	(360)	138.3%
Net interest income	4,126	3,902	5.7%
Fee and commission income	1,079	1,097	(1.6)%
Fee and commission expense	(136)	(147)	(7.5)%
Net fee and commission income	943	950	(0.7)%
Dividend income	1	1	0.0%
Net income from financial operations	382	273	39.9%
Other operating income	1,175	63	1765.1%
Total operating income	6,627	5,189	27.7%
Personnel expenses	(1,200)	(1,125)	6.7%
Administrative expenses	(645)	(640)	0.8%
Depreciation and amortisation	(549)	(480)	14.4%
Regulatory charges	(151)	(139)	8.6%
Other operating expenses	(171)	(172)	(0.6)%
Total operating expenses	(2,716)	(2,556)	6.3%
Profit for the period before tax and net impairment of financial assets	3,911	2,633	48.5%
Net impairment of financial assets	(2,533)	(133)	1804.5%
Profit for the period before tax	1,378	2,500	(44.9)%
Taxes on income	(178)	(488)	(63.5)%
Profit for the period after tax	1,200	2,012	(40.4)%
- Change in fair value of investment securities recognised in OCI	0	0	n/a
- Cash flow hedges - effective portion of changes in fair value	90	0	n/a
- Deferred tax	(17)	0	n/a
Other comprehensive income, net of tax	73	0	n/a
Total comprehensive income attributable to the equity holders	1,273	2,012	(36.7)%

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

CZK m	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
Interest and similar income	1,874	1,953	2,120	2,105	2,157	2,312	2,359	2,388	2,596
Interest expense and similar charges	(92)	(94)	(148)	(158)	(202)	(303)	(345)	(345)	(513)
Net interest income	1,782	1,859	1,972	1,947	1,955	2,009	2,014	2,043	2,083
Fee and commission income	550	531	591	522	575	570	595	556	523
Fee and commission expense	(90)	(84)	(51)	(56)	(91)	(71)	(94)	(70)	(66)
Net fee and commission income	460	447	540	466	484	499	501	486	457
Dividend income	1	1	1	1	0	0	1	1	0
Net income from financial operations	101	112	98	100	173	109	147	374	8
Other operating income	41	336	26	36	27	28	22	20	1,155
Total operating income	2,385	2,755	2,637	2,550	2,639	2,645	2,685	2,924	3,703
Personnel expenses	(579)	(571)	(581)	(546)	(579)	(567)	(626)	(536)	(664)
Administrative expenses ¹	(358)	(367)	(453)	(319)	(321)	(303)	(343)	(297)	(348)
Depreciation and amortisation	(141)	(160)	(182)	(246)	(234)	(239)	(248)	(257)	(292)
Regulatory charges	0	0	0	(139)	0	0	0	(152)	1
Other operating expenses ¹	(37)	3	(171)	(85)	(87)	(53)	(84)	(90)	(81)
Total operating expenses	(1,115)	(1,095)	(1,387)	(1,335)	(1,221)	(1,162)	(1,301)	(1,332)	(1,384)
Profit for the period before tax and net impairment of financial assets	1,270	1,660	1,250	1,215	1,418	1,483	1,384	1,592	2,319
Net impairment of financial assets	(130)	(151)	(274)	14	(147)	(168)	(216)	(684)	(1,849)
Profit for the period before tax	1,140	1,509	976	1,229	1,271	1,315	1,168	908	470
Taxes on income	(192)	(267)	(139)	(246)	(242)	(257)	(219)	(177)	(1)
Profit for the period after tax	948	1,242	837	983	1,029	1,058	949	731	469
Change in fair value of investment securities recognised in OCI	0	0	0	0	0	0	1	0	0
Cash flow hedges – effective portion of changes in fair value	0	0	0	0	0	0	(22)	394	(304)
Deferred tax	0	0	0	0	0	0	4	(75)	58
Other comprehensive income, net of tax	0	0	0	0	0	0	(17)	319	(246)
Total comprehensive income attributable to the equity holders	948	1,242	837	983	1,029	1,058	932	1,050	223

KEY PERFORMANCE RATIOS

	IH 2020	FY 2019	Change in bps
Profitability			
Yield (% Avg Net Customer Loans)	4.7%	5.3%	(60)
Cost of Funds (% Avg Deposits and Loans) ^{1,2}	0.70%	0.54%	16
Cost of Funds on Core Customer Deposits (% Avg Deposits) ³	0.59%	0.36%	23
NIM (% Avg Int Earning Assets) ^{1,4,5}	3.0%	3.8%	(80)
Cost of Risk (% Avg Net Customer Loans)	2.69%	0.35%	234
Risk-adj. Yield (% Avg Net Customer Loans)	2.0%	4.9%	(290)
Net Fee & Commission Income / Operating Income (%)	14.2%	18.5%	(430)
Net Non-Interest Income / Operating Income (%)	37.7%	24.7%	1,300
Cost to Income Ratio	41.0%	47.7%	(670)
RoTE	10.5%	18.2%	(770)
RoE	9.3%	16.5%	(720)
RoAA ¹	0.9%	1.9%	(100)
Liquidity / Leverage			
Net Loan to Deposit ratio ¹	79.1%	86.2%	(710)
Total Equity / Total Assets	7.9%	11.1%	(320)
Liquid Assets ^{1,4} / Total Assets	54.9%	25.6%	2,930
Capital Adequacy			
RWA density	43.7%	52.9%	(920)
Regulatory leverage	6.3%	8.7%	(240)
Total CAR (%)	17.4%	18.0%	(60)
Tier 1 Ratio (%)	14.4%	16.4%	(200)
Asset Quality			
Non-Performing Loan Ratio (%)	1.6%	1.8%	(20)
Core Non-Performing Loan Coverage (%)	56.0%	55.9%	10
Total NPL Coverage (%)	144.7%	109.2%	3,550
Loan to value ratio (%) ⁶	63.0%	63.3%	(30)
Loan to value ratio on new volumes (% , weighted average)	68.9%	68.7%	20

KEY PERFORMANCE RATIOS – QUARTERLY DEVELOPMENT

	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
Profitability									
Yield (% Avg Net Customer Loans)	5.5%	5.5%	5.5%	5.3%	5.3%	5.3%	5.2%	5.1%	4.4%
Cost of Funds (% Avg Deposits and Loans) ^{1,2}	0.23%	0.24%	0.35%	0.36%	0.45%	0.63%	0.71%	0.68%	0.72%
Cost of Funds on Core Customer Deposits (% Avg Deposits) ³	0.17%	0.17%	0.22%	0.22%	0.24%	0.44%	0.53%	0.49%	0.67%
NIM (% Avg Int Earning Assets) ^{1,4}	3.9%	4.1%	4.1%	3.9%	3.9%	3.7%	3.7%	3.6%	2.9%
Cost of Risk (% Avg Net Customer Loans)	0.40%	0.45%	0.79%	(0.04)%	0.40%	0.45%	0.56%	1.73%	3.39%
Risk-adj. Yield (% Avg Net Customer Loans)	5.1%	5.0%	4.7%	5.3%	4.9%	4.9%	4.7%	3.4%	1.0%
Net Fee & Commission Income / Operating Income (%)	19.3%	16.2%	20.5%	18.3%	18.3%	18.9%	18.7%	16.6%	12.3%
Net Non-Interest Income / Operating Income (%)	25.3%	32.5%	25.2%	23.6%	25.9%	24.0%	25.0%	30.1%	43.7%
Cost to Income Ratio	46.8%	39.7%	52.6%	52.4%	46.3%	43.9%	48.5%	45.6%	37.4%
RoTE	17.6%	21.9%	14.3%	16.1%	18.6%	18.4%	17.2%	12.7%	8.2%
RoE	16.4%	20.4%	13.3%	15.0%	17.1%	16.8%	15.6%	11.5%	7.3%
RoAA ¹	2.0%	2.7%	1.7%	1.9%	2.0%	1.9%	1.7%	1.3%	0.6%
Liquidity / Leverage									
Net Loan to Deposit ratio ¹	90.3%	90.9%	83.0%	84.6%	84.6%	79.2%	86.2%	80.8%	79.1%
Total Equity / Total Assets	12.4%	13.2%	12.2%	12.9%	11.4%	11.0%	11.1%	10.3%	7.9%
Liquid Assets ^{1,4} / Total Assets	27.0%	24.8%	30.1%	27.1%	27.2%	30.9%	25.6%	31.5%	30.0%
Capital Adequacy									
RWA Density	53.3%	54.2%	50.0%	51.9%	50.3%	48.4%	52.9%	45.9%	43.7%
Regulatory leverage	8.5%	9.0%	8.2%	8.8%	8.4%	8.0%	8.7%	8.0%	6.3%
Total CAR (%)	16.0%	16.6%	16.4%	17.0%	16.7%	18.1%	18.0%	21.0%	17.4%
Tier I Ratio (%)	16.0%	16.6%	16.4%	17.0%	16.7%	16.5%	16.4%	17.4%	14.4%
Asset Quality									
Non-Performing Loan Ratio (%)	3.3%	3.0%	2.8%	2.0%	1.8%	1.9%	1.8%	1.9%	1.6%
Core NPL Coverage (%)	61.5%	63.4%	66.3%	60.7%	56.7%	54.6%	55.9%	55.8%	56.0%
Total NPL Coverage (%)	93.4%	95.8%	99.9%	108.4%	109.4%	103.3%	109.2%	118.9%	144.7%
Loan to value ratio (%) ⁵	60.4%	61.1%	61.7%	62.1%	62.1%	63.2%	63.3%	63.9%	63.0%
Loan to value ratio on new volumes (%)	67.5%	68.3%	68.1%	68.0%	68.4%	68.5%	69.8%	68.4%	68.6%

Note: (1) Including opportunistic repo operations; (2) Deposits for 3Q'19, 4Q'19 and 1Q'20 newly include subordinated debt; (3) Excluding opportunistic repo operations; (4) Interest earning assets include encumbered assets; (5) On performing loans only.

ALTERNATIVE PERFORMANCE MEASURES

- In this presentation, certain financial data and measures are presented which are not calculated pursuant to any accounting standard and which are therefore non-IFRS measures and alternative performance measures as defined in the European Securities and Markets Authority Guidelines on Alternative Performance Measures. These financial data and measures are cost of funds, core cost of funds, incremental RoE, net interest margin / NIM, net non-interest income, return on average assets, yield / loan portfolio yield, cost to income ratio, tangible equity, return on tangible equity, excess capital, core cost of risk, cost of risk, risk adjusted yield, risk adjusted operating income, loan to deposit ratio, total NPL coverage, NPL / Non-performing loans, NPL ratio, RWA density, new production / new volume, Effective Tax Rate. All alternative performance measures included in this document are calculated for specified period.
- These alternative performance measures are included to (i) extend the financial disclosure also to metrics which are used, along with IFRS measures, by the management in evaluating the Group's performance, and (ii) provide to investors further basis, along with IFRS measures, for measuring 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.
- Definition of other alternative performance measures is provided in Glossary section.

GLOSSARY (1/3)

Acquired entities	Means MONETA Stavební spořitelna, a.s. (formerly Wüstenrot – stavební spořitelna, a.s.) and Wüstenrot hypoteční banka, a.s.
Acquisition	Means the purchase in the Acquired Entities
Acquisition gain	Difference between final consideration for acquired entities and fair market value of acquired assets
AFS	Available for sale
AGM	Annual General Meeting
Annualized	Adjusted so as to reflect the relevant rate on the full year basis.
ARAD	ARAD is a public database that is part of the information service of the Czech National Bank. It is uniform system of presenting time series of aggregated data for individual statistics and financial market areas.
Attrition / Loan Balance Attrition	Extraordinary principal repayment transactions exceeding 40% of the prior month average principal and not recognized as internal refinancing. Loans more than 30 days past due are excluded
Auto	MONETA Auto, s.r.o.
Average balance of net interest earning assets	Two-point average of the beginning and ending balances of Net Interest Earning Assets for the period
Average balance of net loans to customers	Two-point average of the beginning and ending balances of Loans and receivables to customers for the period
Average balance of total assets	Two-point average of the beginning and ending balances of Total Assets for the period
Bank	MONETA Money Bank, a.s.
Back-to-back repo operations	Repo transactions with counterparties which are closed on back-to-back basis by reverse repo transactions with CNB.
BB forecast	Bloomberg forecast
bn	Billion
bps	Basis points
Building savings/Building savings deposits	Saving product, typical for building saving banks. Bank undertakes clients deposit determined for housing financing. This act is supported by a financial contribution from the state.
Building saving loans/Bridging loans	Building saving loan provided based on building saving product. The bridging loan is exclusively in the area of building savings, tied only to housing needs. Bridging loans is used to bridge the period during which the conditions for negotiating a building savings loan are not met.
CAGR	Compound Annual Growth Rate
CAPEX	Capital expenditure
CAR / Capital Adequacy Ratio	Ratio calculated as regulatory capital as a percentage of risk-weighted assets
CMZRB	Českomoravská záruční a rozvojová banka, a.s. (Czech and Moravian Guarantee and Development Bank)

CNB	Czech National Bank
Cost of Funds (% Avg Deposits)	Interest expense and similar charges for the period (incl. Tier 2 bonds expenses) divided by average balance of due to banks and due to customers
Cost of Funds on Core Customer Deposits (% Avg Deposits) / Core Cost of Funds	Interest expense and similar charges on customer deposits for the period divided by average balance of customer deposits, excl. repo operations
Core Cost of Risk or Core CoR	Net impairment of financial assets for the period divided by average balance of net loans to customers excluding gain from monetization of NPLs since 2018 based on IFRS 9. If Core Cost of Risk shown in CZK then it corresponds to „Net impairment of financial assets“ without impact of NPL sales.
CoR or Cost of Risk or Cost of Risk (% Avg Net Customer Loans)	Net impairment of financial assets divided by average balance of net loans to customers since 2018 based on IFRS9. If Cost of Risk shown in CZK then it corresponds to „Net impairment of financial assets“.
Core Customer Deposits	Due to customers excluding opportunistic repo operations
Cost to Income Ratio (C/I)	Ratio (expressed as a percentage) of total operating expenses for the period to total operating income for the period
Core NPL Coverage	Ratio (expressed as a percentage) of loss allowances for non-performing loans and receivables to total non-performing loans and receivables
CRR	Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended
Customer Deposits	Due to customers
CZK	Czech Koruna
CZSO	Czech Statistical Office
Drawn limit / Overdraft Drawn	Loans and receivables to customer balance
E-payment	One-time payment transactions through internet banking or mobile banking
ETR / Effective Tax Rate	Effective Tax Rate – calculated as taxes on income divided by profit for the period before tax
Excess capital	Capital exceeding the management target of CAR, currently 15.9%.
Expected credit loss model	The impairment model that measures credit loss allowances using a three-stage approach based on the extent of credit deterioration of financial asset since origination; Stage 1 – financial assets with no significant increase in credit risk since initial recognition, Stage 2 - financial assets with significant increase in credit risk since initial recognition but not in default, Stage 3 – financial assets in default.

GLOSSARY (2/3)

Front end roles (employees)	Predominately employees whose variable compensation is sales-driven together with their immediate managers, and employees of Collections & Recovery department
FTE	Figure states full time equivalents as of the last day of quarter. The figures are reported regularly to Czech Statistical Office (CZSO) in accordance with Art. 15 of Czech Act No. 518/2004. The figures reported to CZSO states ratio of the following nominator and denominator. The nominator is defined as worked hours plus all paid leaves of all employees in respective period. The denominator is stated as monthly working time fund of all employees in respective period.
FVTOCI	Financial assets measured at Fair Value Through Other Comprehensive Income
FVTPL	Financial assets measured at Fair Value Through Profit or Loss
Funding Base	Sum of Due to customers, Due to Banks a Subordinated liabilities
FY	Financial year
GDP	Gross domestic product
Group	The Bank and its subsidiaries.
Gross performing loans	Performing loans and receivables to customers as determined in accordance with the MONETA's loan receivables categorization rules (Standard)
H	Half year
IFRS	International Financial Reporting Standards
Incremental pre-provision ROE	Operating income on lending portfolio after tax (using average bank's cost of funds as interest expense) divided by internally allocated equity to the specific product, product group or segment. SME incremental pre-provision RoE includes Investment loans and Working capital.
Individually managed loan portfolio	Portfolio includes investment commercial loans and secured commercial loans
Interim dividend	Means first part of dividend for the particular year
Investment securities	Equity and debt securities in the Group's portfolio, consist of securities measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL)
ISRE 2410	International Standard on Review Engagements 2410
k/thš	thousands
KPI	Key performance indicator
Leasing	MONETA Leasing, s.r.o.
Liquid Assets	Liquid assets comprise of cash and balances with central banks, investment securities (not transferred as collateral in repurchase agreements), loans and receivables to banks and prior transition to IFRS 9 also financial assets at fair value through profit or loss, financial assets available for sale, financial assets held to maturity (not transferred as collateral in repurchase agreements).

LCR/Liquidity Coverage Ratio	Liquidity Coverage Ratio measures the ratio (expressed as a percentage) of a group's buffer of high quality liquid assets to its projected net liquidity outflows over a 30-day stress period, as calculated in accordance with EU Regulation 15/61
Loan from building saving	Client obtains a guaranteed interest rate for the entire period of loan repayment and has the right to early loan repayment without the risk of penalties.
LtD Ratio or Loan to Deposit Ratio	Loan to deposit ratio calculated as net loans and receivables to customers divided by customer deposits
M	Millions
Market share – consumer loans	Consumer loans = Non-purposed and purposed consumer loans, debt consolidations, additional loan and American mortgages. Source: CNB ARAD, MMB in IFRS unconsolidated according to CNB definitions, gross loans excluding non-residents and loans in foreign currency, CNB annualized average weighted rate.
Market interest rates	Based on CNB ARAD
MoLSA	Ministry of Labor and Social Affairs
MONETA	MONETA has the same meaning as the Group
MSS	MONETA/Wüstenrot – stavební spořitelna a.s.
Net Income/Net Profit	Profit for the period after tax
Net Interest Earning Assets	Cash and balances with the central bank, investment securities, loans and receivables to banks, loans and receivables to customers and prior to transition to IFRS 9 also financial assets at fair value through profit and loss, financial assets available for sale, financial assets held to maturity
NII	Net Interest Income
Net Interest Margin or NIM	Net interest and similar income divided by average balance of net interest earning assets
Net Non-Interest Income	Total operating income less net interest and similar income for the period
New volume / New production	Aggregate of loan principal disbursed in the period for non-revolving loans
New volume yield / New production yield	Instalment products: model output of yield expected to be generated on newly originated loans based on inputs combining actual contractual terms and expected behavior of the loan for the specific type of the loan product. Revolving products (credit cards and working capital): weighted average of contractual rate on newly originated loans (credit limit)
NPL / Non-performing loans	Non-performing loans as determined in accordance with the MONETA's loan receivables categorization rules (substandard, doubtful, loss), Stage 3 according to IFRS9
NPL Ratio	Ratio (expressed as a percentage) of NPL to gross loans and receivables to customers
NPL Coverage / Coverage	Ratio (expressed as a percentage) of loss allowances for loans and advances to customers to NPL
Nr.	Number
OCI	Other Comprehensive Income

GLOSSARY (3/3)

Online Origination	Represents new volume originated from online applications and leads (client with contact details)
OPEX / Cost Base	Total operating expenses
OP risk	Operational risk
POCI	POCI means purchased or originated financial asset(s) that are credit-impaired on initial recognition and indicates that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.
PL	Performing loans
Pool managed loan portfolio	Portfolio includes unsecured commercial loans and overdrafts to commercial clients
Portfolio yield	Please refer to definition of yield
PSD2	The Payment Services Directive 2 is an EU Directive 2015/2366, administered by the European Commission (Directorate General Internal Market) to regulate payment services and payment service providers throughout the European Union (EU) and European Economic Area (EEA)
Q	Quarter
QtQ	Quarter-to-quarter
Regulatory Capital	Mainly consists of paid-up registered share capital, share premium, retained profits, disclosed reserves and reserves for general banking risks, which must be netted off against accumulated losses, certain deferred tax assets, certain intangible assets and shares held by the Company in itself (calculated pursuant to CRR)
Regulatory Leverage	Relative size of an institution's assets, off-balance sheet obligations and contingent obligations to pay or to deliver or to provide collateral, including obligations from received funding, made commitments, derivatives or repurchase agreements, but excluding obligations which can only be enforced during the liquidation of an institution, compared to that institution's own funds.
Reported RoTE / RoTE	Return on tangible equity calculated as annualized profit after tax for the period divided by tangible equity
Retail unsecured instalment loans/ Consumer loans/Unsecured consumer loans	Non-purpose, unsecured and revolving loan to retail clients; including Building savings and bridging loans
Return on average assets or RoAA	Return on average assets calculated as annualized profit after tax for the period divided by average balance of total assets
Return on Equity or RoE	Return on equity calculated as annualized profit after tax for the period divided by total equity
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	Calculates the weighted average risk weight for the entire banking and trading book (incl. Off-balance & On-balance sheet) plus considering also Operational Risk, Market Risk and Counterparty Credit Risk RWA . It is defined as the Leverage Ratio to the Tier 1 Adequacy Ratio.
RWA portfolio density	Calculates the weighted average risk weight of the loan portfolio only (incl. Off-balance & On-balance sheet) considering credit conversion factor effects per unit of exposure (zero credit conversion factors are substituted by 10%). It is defined as the ratio of RWA to the Net Financing Receivables, i.e. utilizing Specific Credit Risk Adjustments.
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 small business customers
SME	An enterprise with an annual turnover of up to CZK 200 million.
SREP	Supervisory Review and Evaluation Process, when supervisor regularly assesses and measure the risks for each bank
Stage 1, Stage 2, Stage 3	Stage 1 – financial assets with no significant increase in credit risk since initial recognition, Stage 2 – financial assets with significant increase in credit risk since initial recognition but not in default, Stage 3 – financial assets in default.
Tangible Equity	Calculated as total equity less intangible assets and goodwill
Tier 1 Capital	The aggregate of Common equity tier 1 (CET1 Capital) and Additional Tier 1 which mainly consists of capital instruments and other items (including certain unsecured subordinated debt instruments without a maturity date) provided in Art. 51 of CRR
Tier 1 Capital Ratio	Tier 1 Capital as a percentage of risk weighted assets
Tier 2 Capital, T2	Regulatory Capital which consists of capital instruments, subordinated loans and other items (including certain unsecured subordinated debt obligations with payment restrictions) provided in Art. 62 of CRR
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
V4	Visegrád Group (Czech Republic, Hungary, Poland, Slovak)
WHB	Wüstenrot hypoteční banka a.s. (Mortgage bank)
Wüstenrot CZ	Wüstenrot - stavební spořitelna a.s. (Building savings bank) and Wüstenrot hypoteční banka a.s. (Mortgage bank) together
Y	Year
Yield (% Avg. Net Customer Loans)	Interest and similar income from loans to customer divided by average balance of net loans to customers
YoY	Year-on-year
YTD	Year to date