

1H 2023 Results

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According to IFRS, Consolidated, Unaudited



2Q'23 vs 1Q'23 HIGHLIGHTS

(in CZK)

- **Operating income up by 6.5%** due to growth in net interest income in 2Q'23 (declining trend reversed), strong performance on fees and stable other income.
- **Decrease in operating expenses by 11.2%**, in line with the operating plan and absorption of regulatory charges during 1Q'23.
- **Cost of risk up by CZK 262 million** representing 22bps on an annualised basis due to the absence of material NPL disposals in 2Q'23.

Net interest
income

2.17bn

+6.7%

Net fee &
commission
income

0.66bn

+7.6%

Other
income

0.20bn

+0.5%

Operating
expenses

(1.37)bn

(11.2)%

Cost
of risk

(0.15)bn

N/A

Net
profit

1.26bn

+4.0%

1H'23 vs 1H'22 HIGHLIGHTS

(in CZK)

- **Operating income down by 3.6%** due to NII erosion caused by higher funding costs, partially mitigated by strong growth in net fees and commission income and other income.
- **Operating expenses up by 4.4%** due to higher regulatory contribution, which **constitutes 64% of this increase**, and the absence of significant M&A cost recovery in the amount of **CZK 113 million** received in 2Q'22.
- **Net profit of CZK 2.5 billion**, above operating plan due to better-than-expected performance on operating income, cost of risk and effective tax rate.

Operating
income

5.9bn

(3.6)%

Operating
expenses

(2.9)bn

+4.4%

Operating
profit

3.0bn

(10.3)%

Cost of
risk

(0.03)bn

net creation

Income
tax

(0.4)bn

(33.6)%

Net
profit

2.5bn

(13.7)%

1H'23 vs 1H'22 HIGHLIGHTS

(in CZK)

- **Deposit base up by 24%**, representing an additional **CZK 71 billion** year-on-year, mainly from retail customers.
- **285% LCR and 145% NSFR historically at the highest level**, accompanied by the lowest loan to deposit ratio at **73%**.
- **Strong liquidity position**, represented by high-quality liquid assets of **CZK 120 billion**.
- **Stable lending base** reflecting still low demand for loans, predominantly on the mortgage market.

Deposit
base¹

368bn

+24.0%

High-quality
liquid assets

120bn

+120.3%

Liquidity
coverage ratio

285%

+135.5pp

Lending
base²

269bn

+0.8%

Loan to
deposit ratio

73%

(16.8)pp

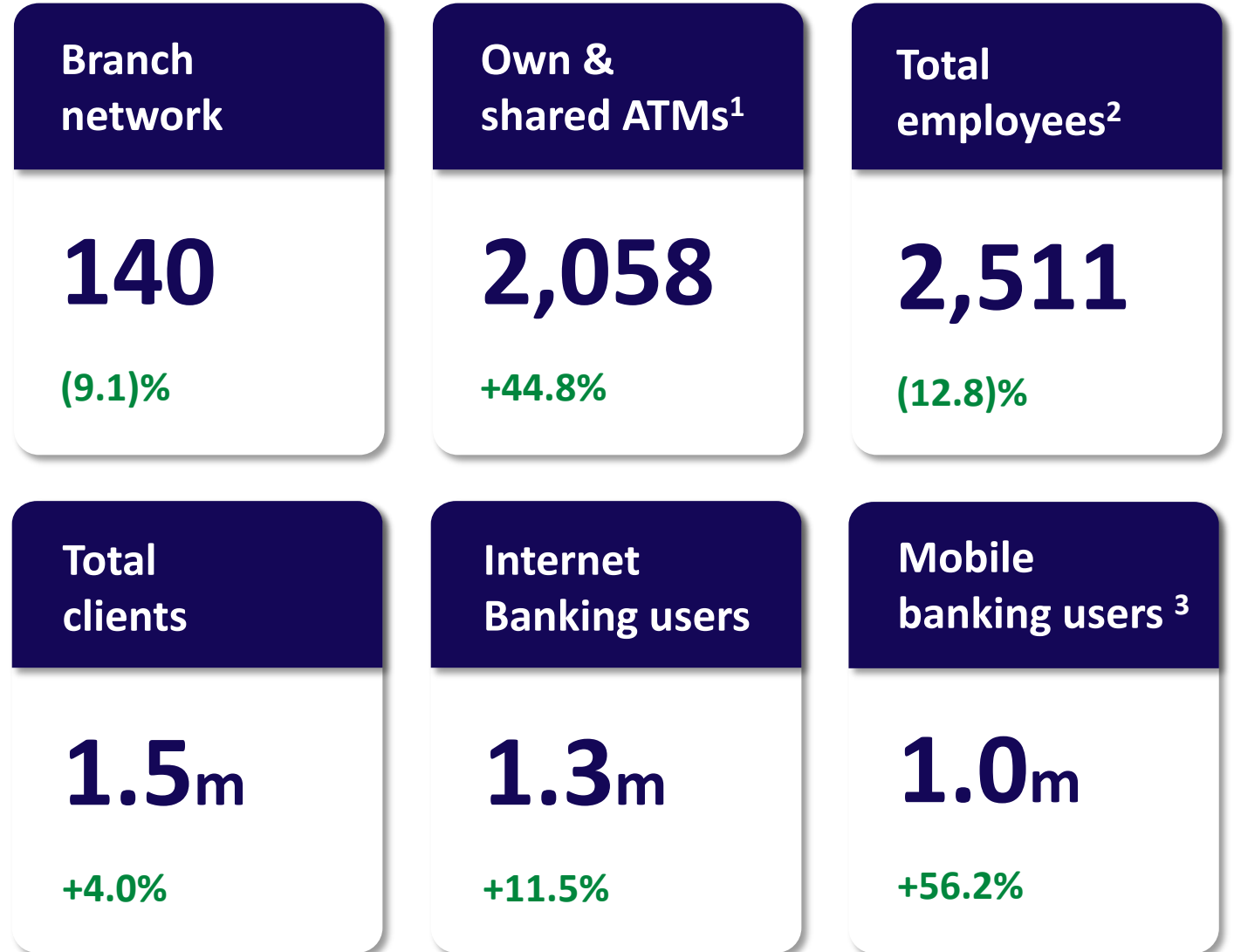
Investment
securities

80bn

+52.9%

OPERATING PLATFORM

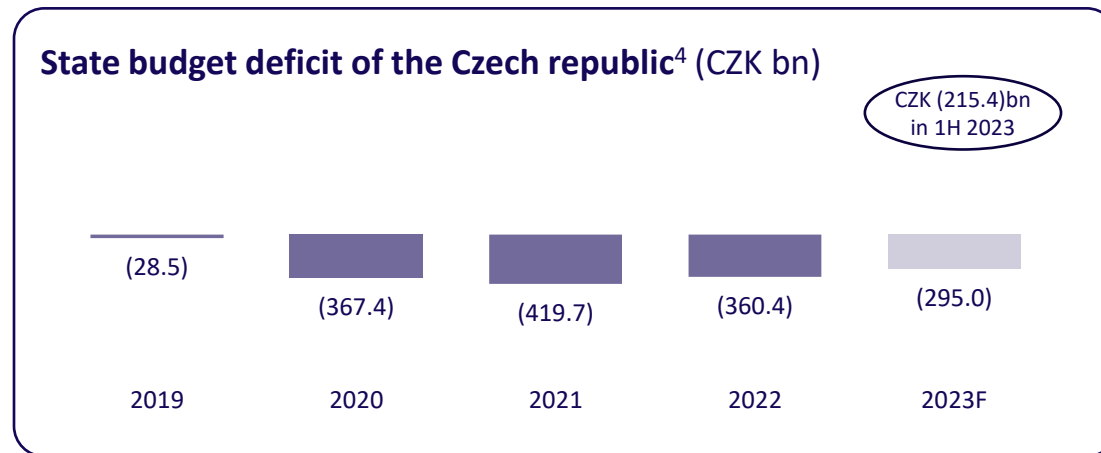
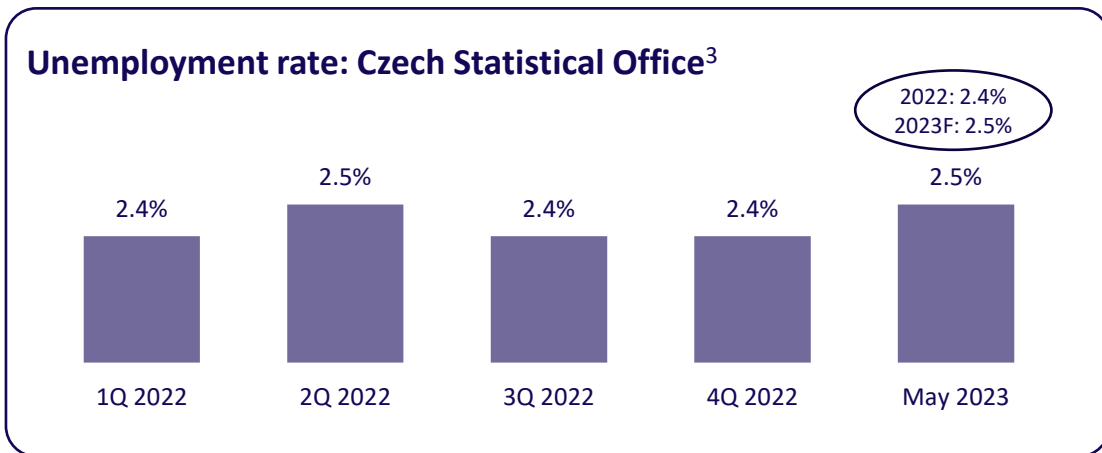
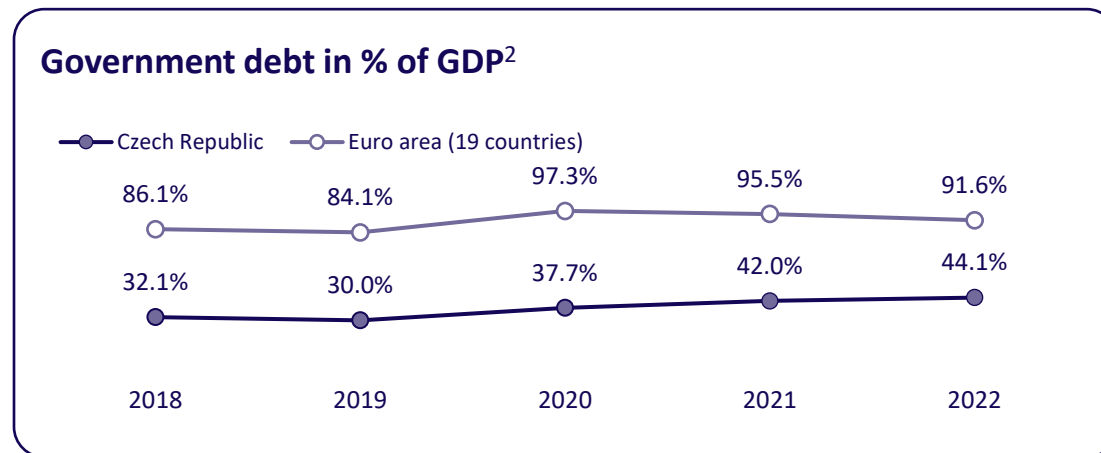
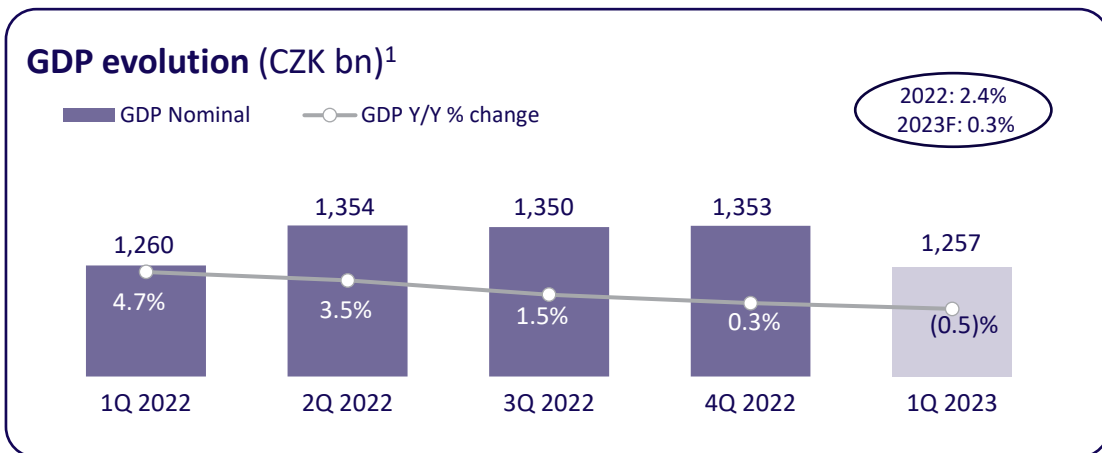
- **Branch network reduction by 14 units** accompanied by **12.8%** lower employment contributed to broadly stable costs year-on-year when adjusted for reimbursement of M&A costs.
- **Well-distributed network of 2,058 own & shared ATMs¹** was further enhanced by signing an agreement to extend sharing of deposit functionality at **957** ATMs in the shared network.
- **Mobile banking platform attracted 355 thousand** new users between 1H'22 and 1H'23.



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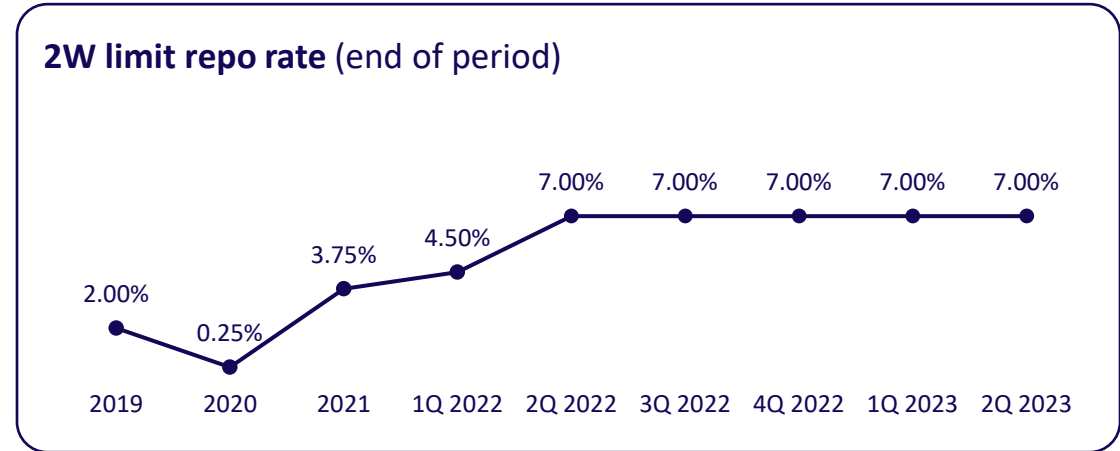
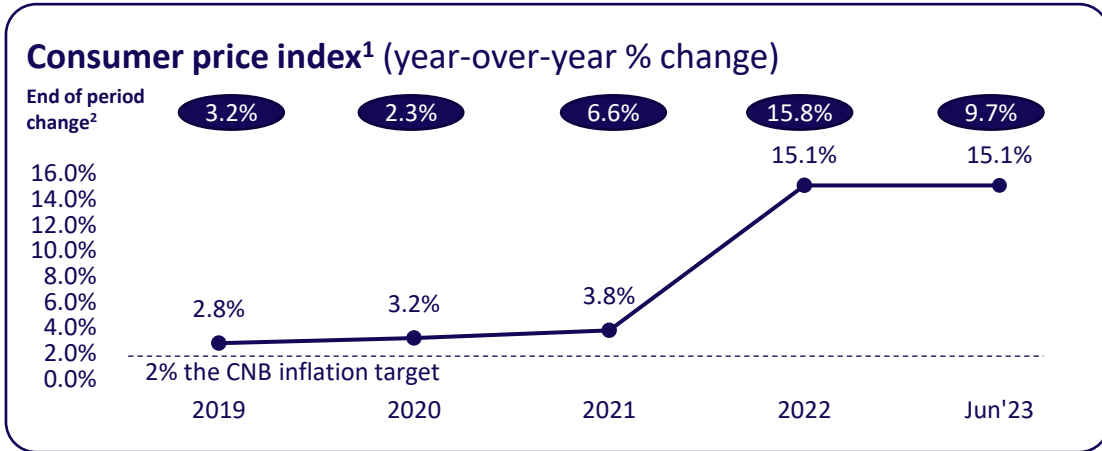
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For 2023 the economy is expected to stagnate; meanwhile, unemployment remains low; government debt to GDP continues to increase



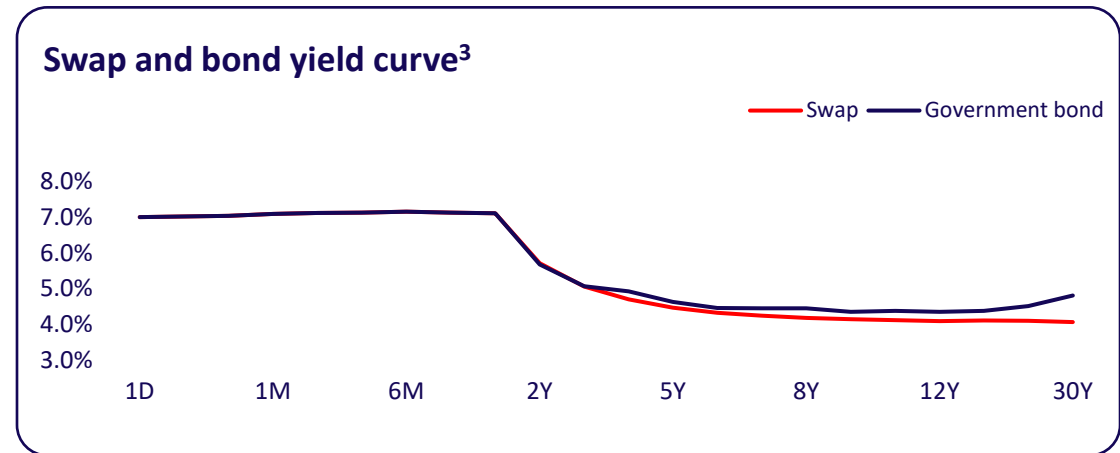
Note: (1) Source: Nominal GDP at fixed prices of 2015 based on the Ministry of Finance (www.mfcr.cz); 1Q 2023 estimate; GDP at current prices – 1Q 2022: CZK 1,639bn, 2Q 2022: CZK 1,678bn, 3Q 2022: CZK 1,742bn, 4Q 2022: CZK 1,735bn; GDP Y/Y % change: 2018 – 1Q 2023 actuals based on the CZSO seasonally adjusted; (2) GDP at current prices, source: Czech Republic data source: www.mfcr.cz, Euro area data: www.ec.europa.eu/eurostat; (3) ILO methodology, 2023F based on the CNB forecast issued in spring 2023; (4) Source: www.mfcr.cz.

Double-digit inflation driven by housing costs and groceries, nevertheless first signs of decline are visible; the CNB forecasts 11.2% for FY 2023



Contribution to inflation¹ by item

	FY'22 % contribution	Jun'23 % contribution	Jun'23 Y/Y price change %
Food and beverages	5.0	2.7	10.2
Clothing and footwear	0.7	0.4	11.2
Housing, energy	5.2	4.6	13.4
Health	0.3	0.2	9.0
Transport, telecommunication	1.1	(0.5)	(3.5)
Recreation, culture, education	1.2	0.9	10.4
Restaurants and hotels	1.5	0.8	13.8
Other	0.8	0.6	10.4
Total	15.8	9.7	9.7

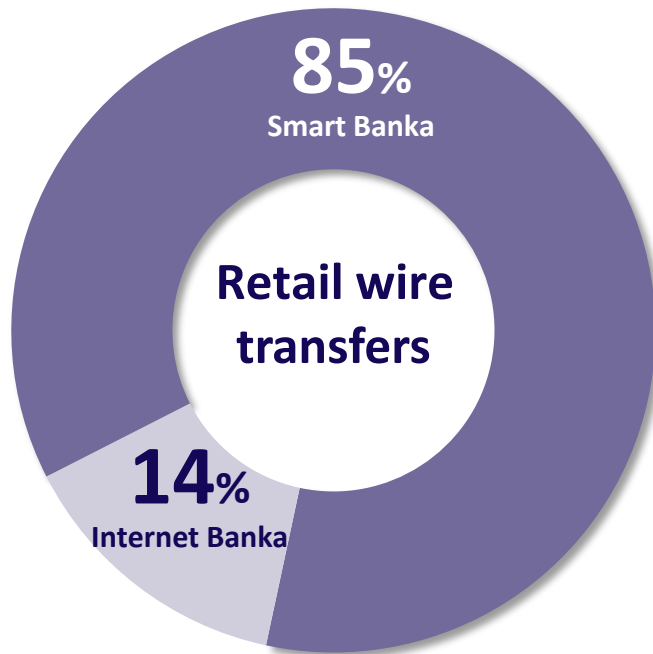


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DIGITAL PLATFORM

has become critical distribution and service channel



Payment transactions

31.27m

+18.4%

Servicing transactions

8.92m

+67.9%

Sales transactions

0.32m

+21.2%

Digital platform users¹

1.31m

+11.4%

Available products¹

27

+8.0%

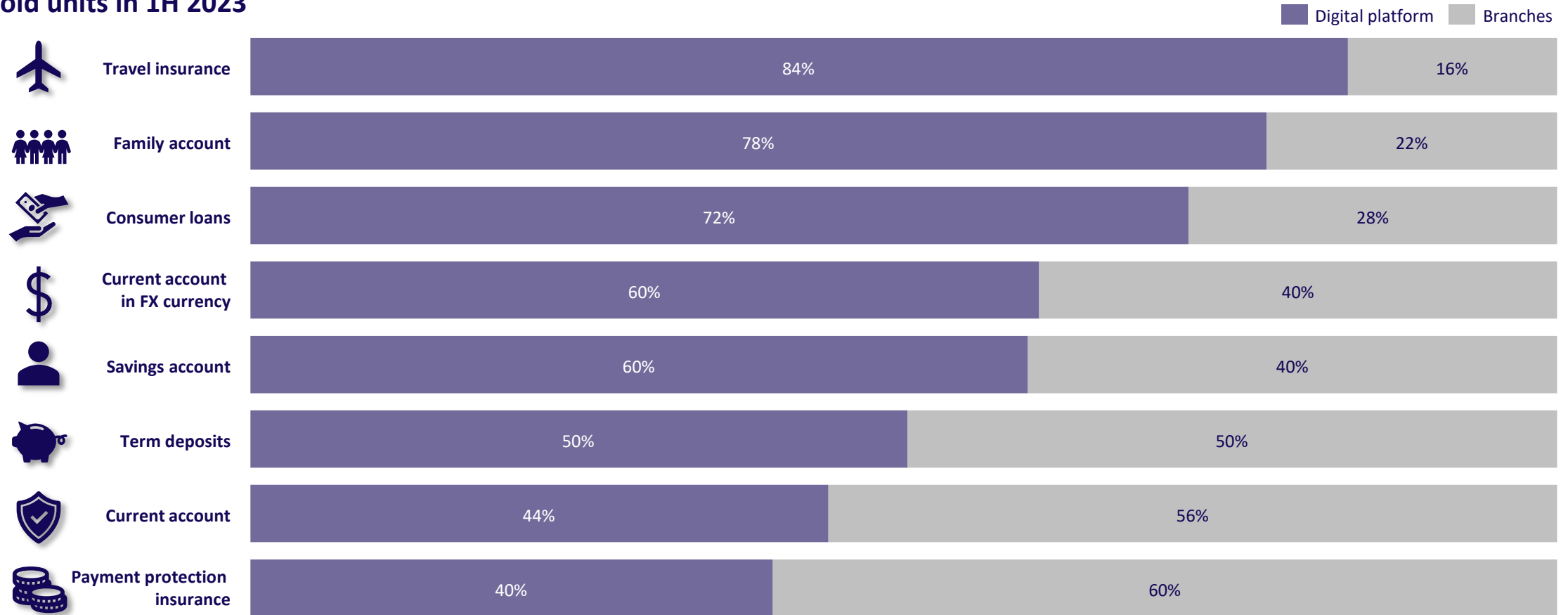
Mobile banking awards

44

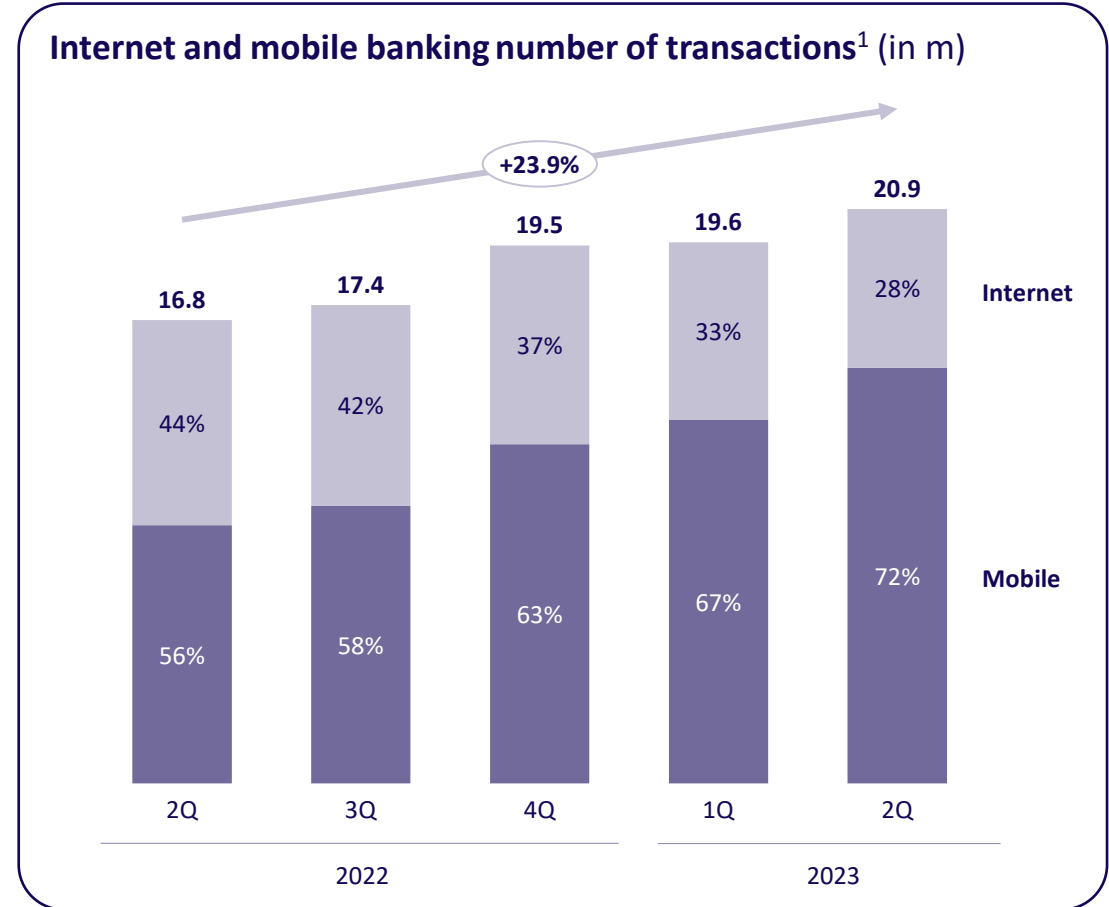
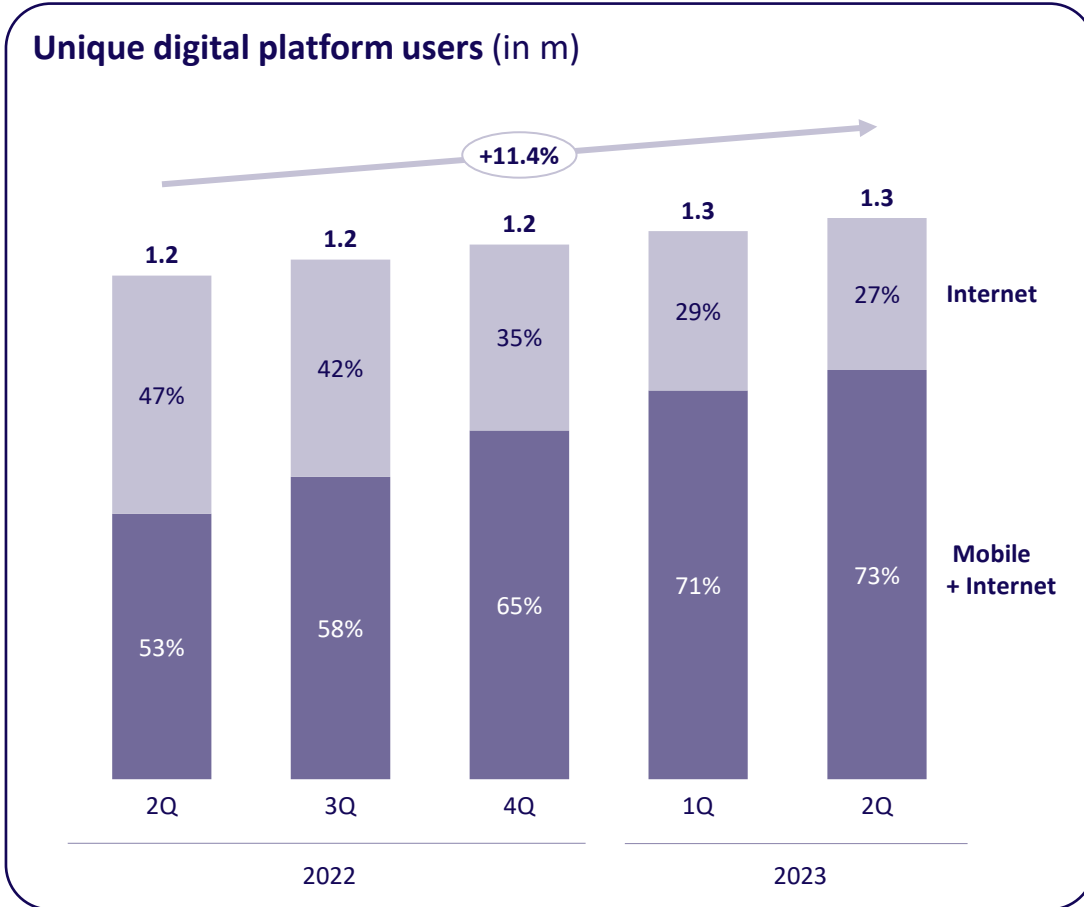
Since 2016

The digital platform has become critical for distribution and product servicing, complementing the branch network

Sold units in 1H 2023

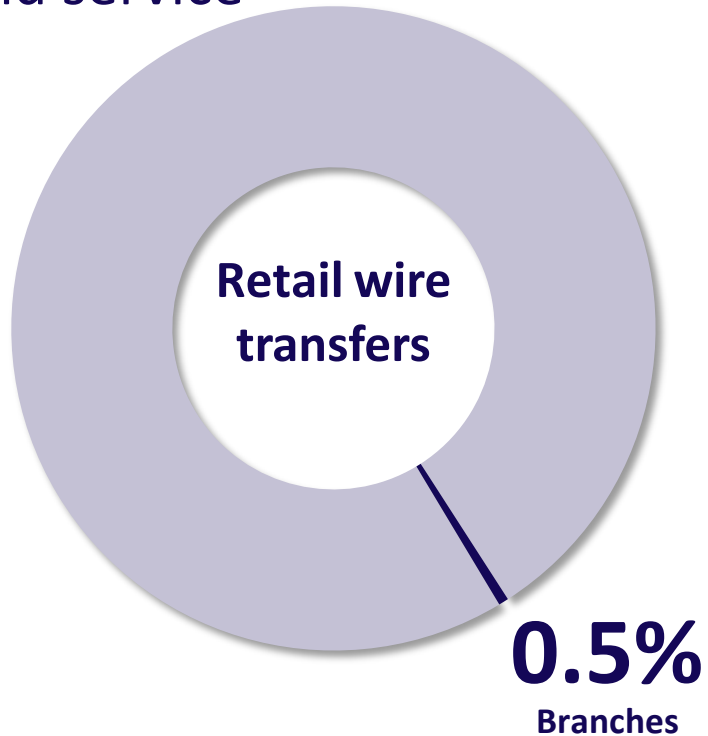


The digital platform continues to attract users, namely through the fast growth of mobile banking, which in turn replaces the internet banking



BRANCH NETWORK

Plays an important, however, diminishing role in distribution and service



Branch visits

562ths

+4.0%

Cash transactions

589ths

(13.0)%

Payment transactions

125ths

(8.4)%

Loan applications

62ths

(8.3)%

Number of branches¹

140

(9.1)%

Number of staff¹

1,133

(12.7)%

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MONETA delivered a net profit of CZK 2.5 billion, generating RoTE of 18.9% and earnings per share of CZK 4.8

PROFIT AND LOSS (CZK m)	1H 2022	1H 2023	CHANGE
Net interest income	4,881	4,198	(14.0)%
Net fee and commission income	1,061	1,279	20.5%
Other income	148	395	166.9%
TOTAL OPERATING INCOME	6,090	5,872	(3.6)%
Operating expenses	(2,795)	(2,917)	4.4%
OPERATING PROFIT	3,295	2,955	(10.3)%
Cost of Risk	250	(30)	n/a
Income tax	(673)	(447)	(33.6)%
NET PROFIT	2,872	2,478	(13.7)%
Earnings per share	5.6	4.8	(13.7)%
Return on Tangible Equity	22.6%	18.9%	(3.6)pp
Return on Equity	20.0%	16.8%	(3.2)pp

Net interest income decline of **14.0%** due to continued high funding costs; NIM at **2.1%** in 1H 2023 (1H 2022: **2.8%**).

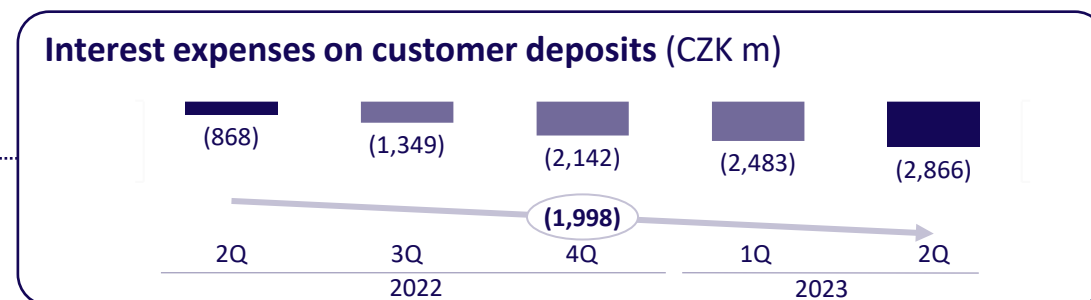
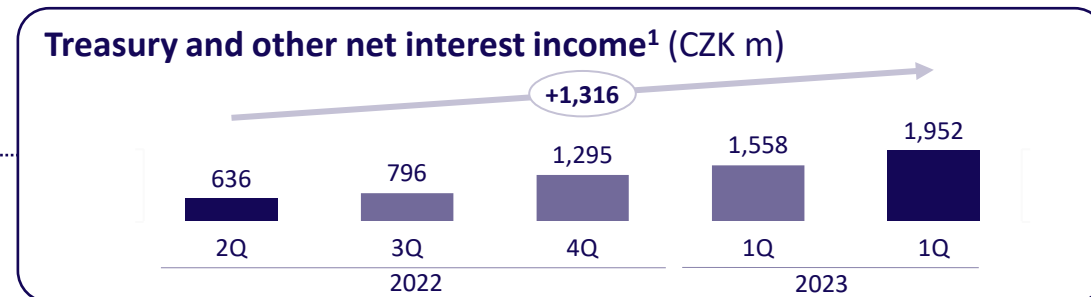
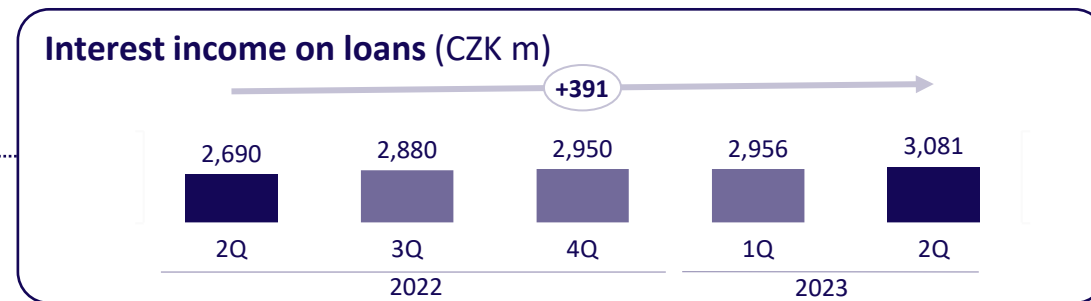
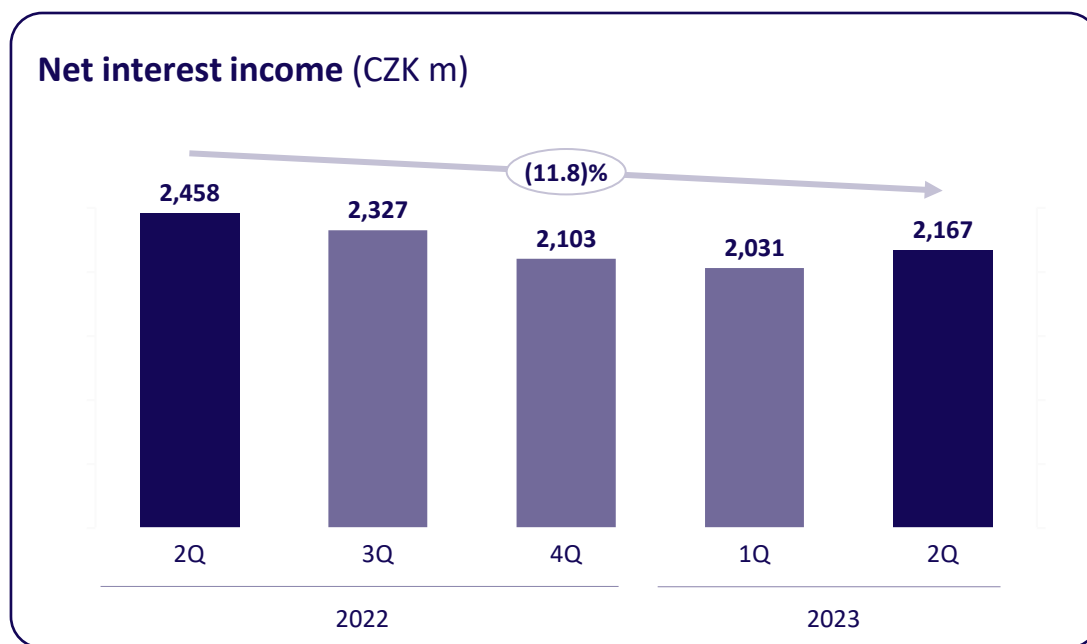
Net fee and commission income increased by **20.5%** due to successful distribution of third-party products (namely life and pension insurance).

Other income growth of **166.9%** due to negative FX swaps impact in 2022 and higher realised FX transactions by clients in 2023.

Cost base increase of **4.4%** driven by higher regulatory charges, Cost to Income ratio at **49.7%**.

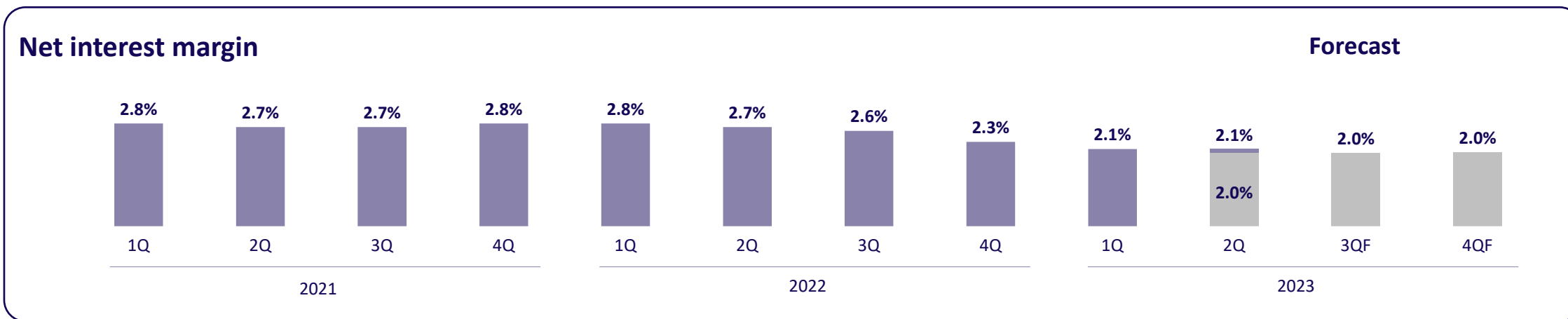
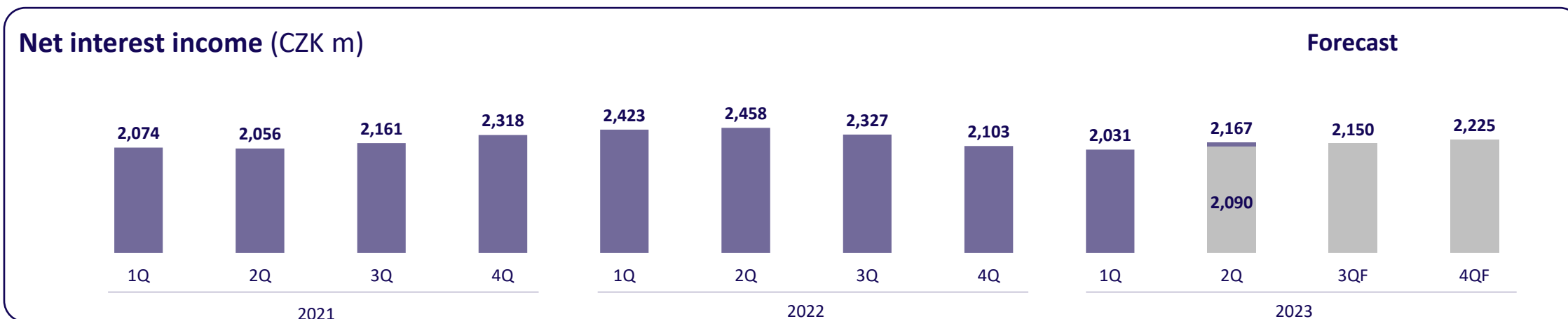
Cost of Risk mainly driven by solid core portfolio performance and successful NPL disposals, 1H 2022 positively impacted by upgrades of NPL exposures.

In 2Q'23, MONETA reversed the trend in net interest income through higher income from loans and treasury operations

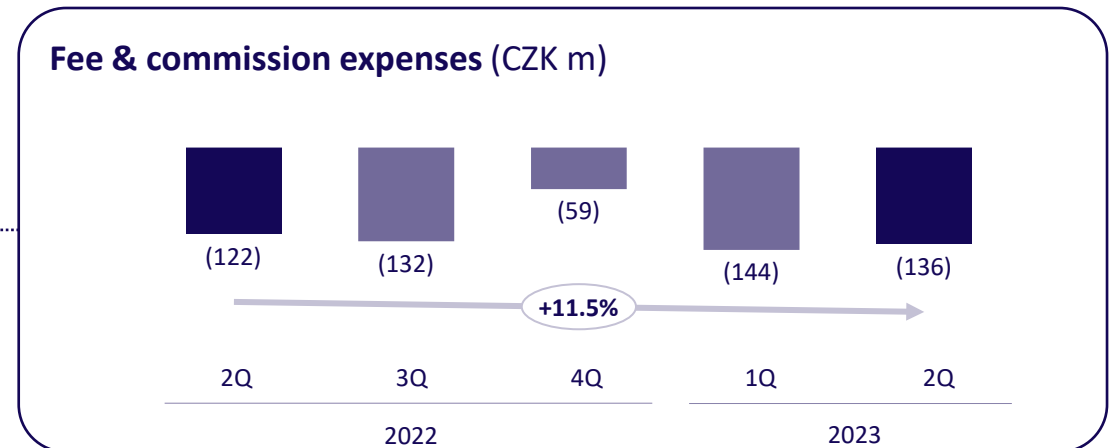
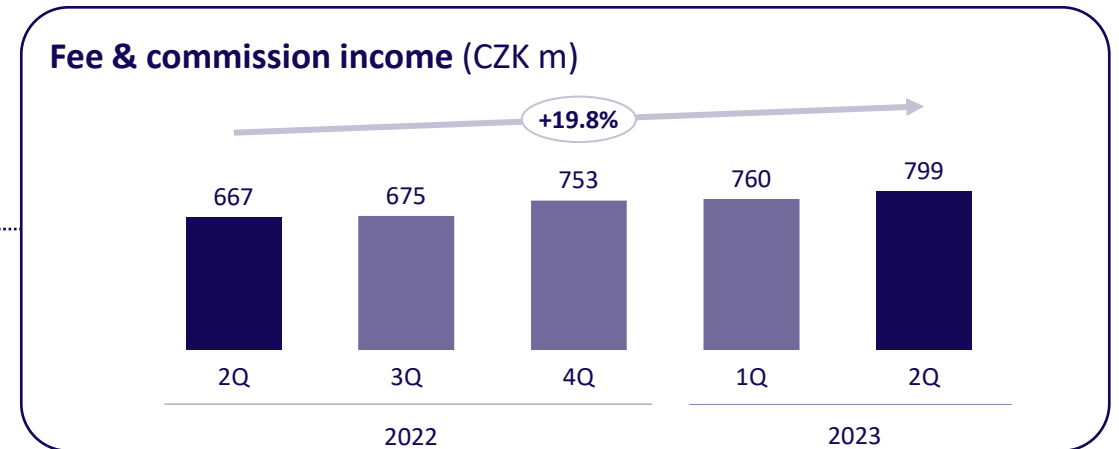
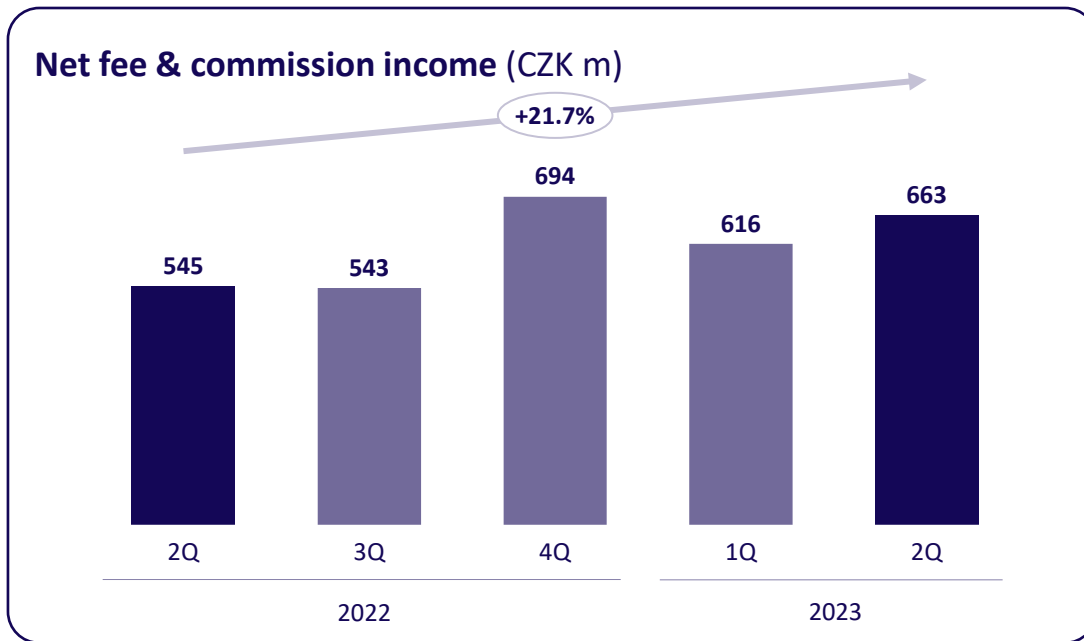


Net interest income in 2Q'23 outperformed the forecast by CZK 77 million or 3.7%; continual improvement is expected for the remainder of the year

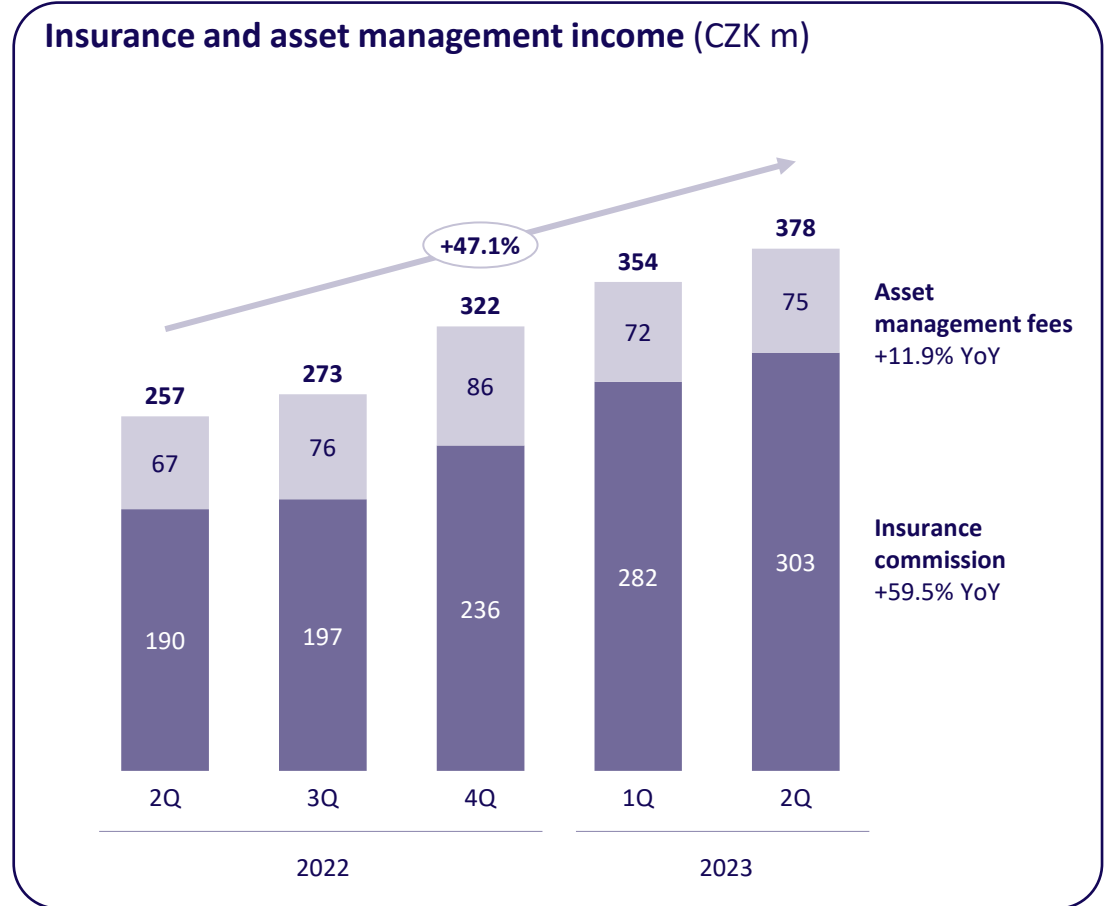
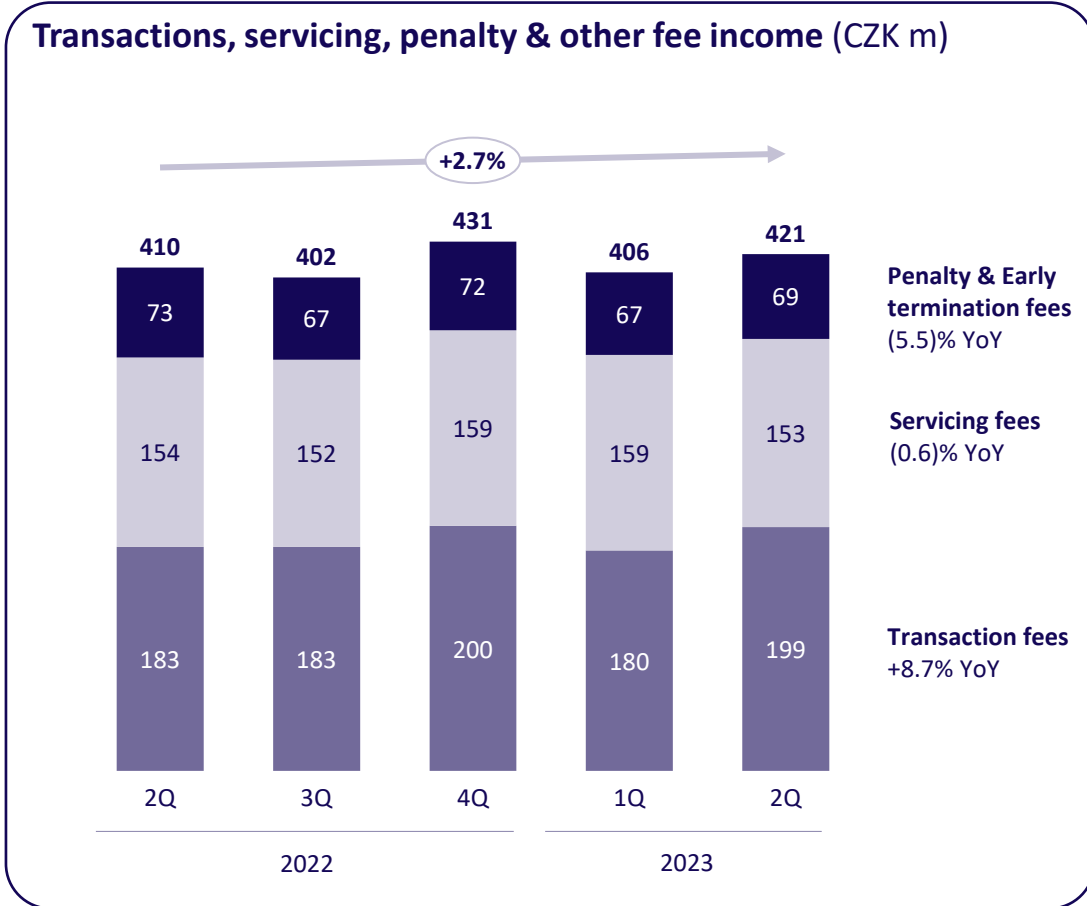
Actual Forecast



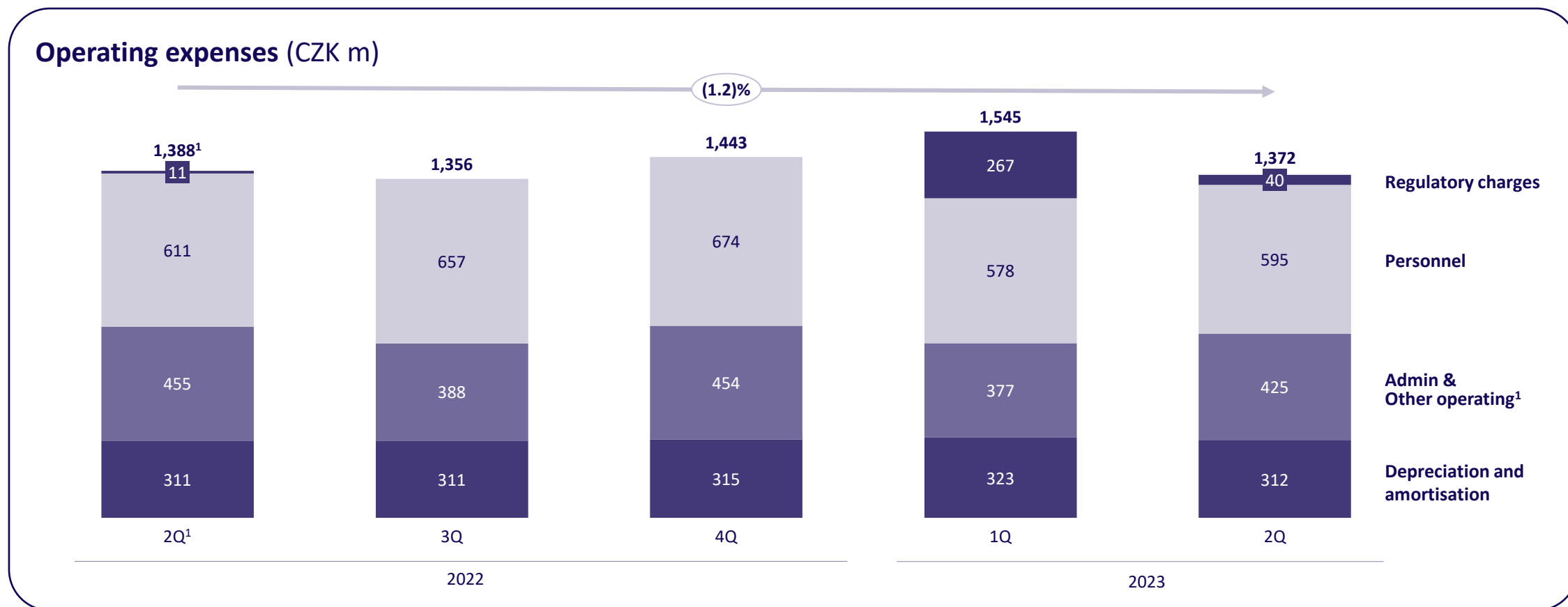
Net fee and commission income grew by 22% based on results in third-party products distribution



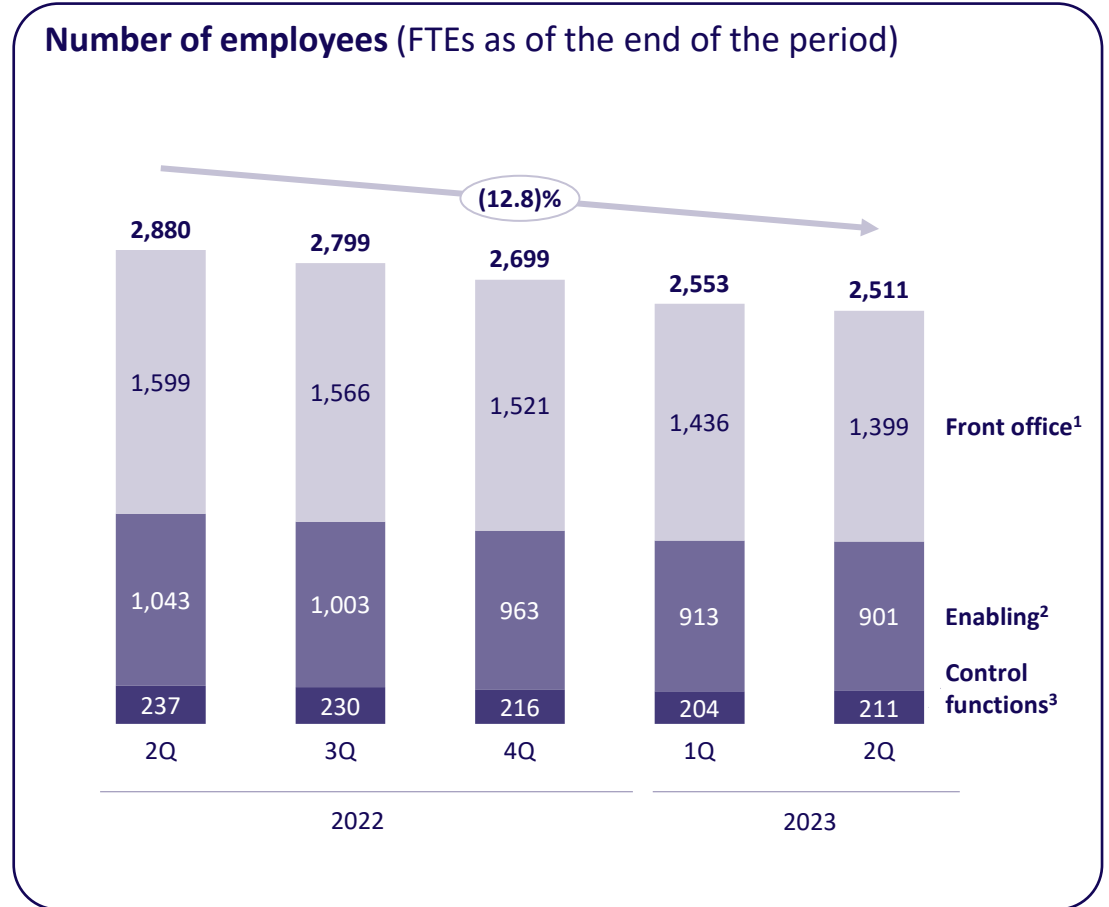
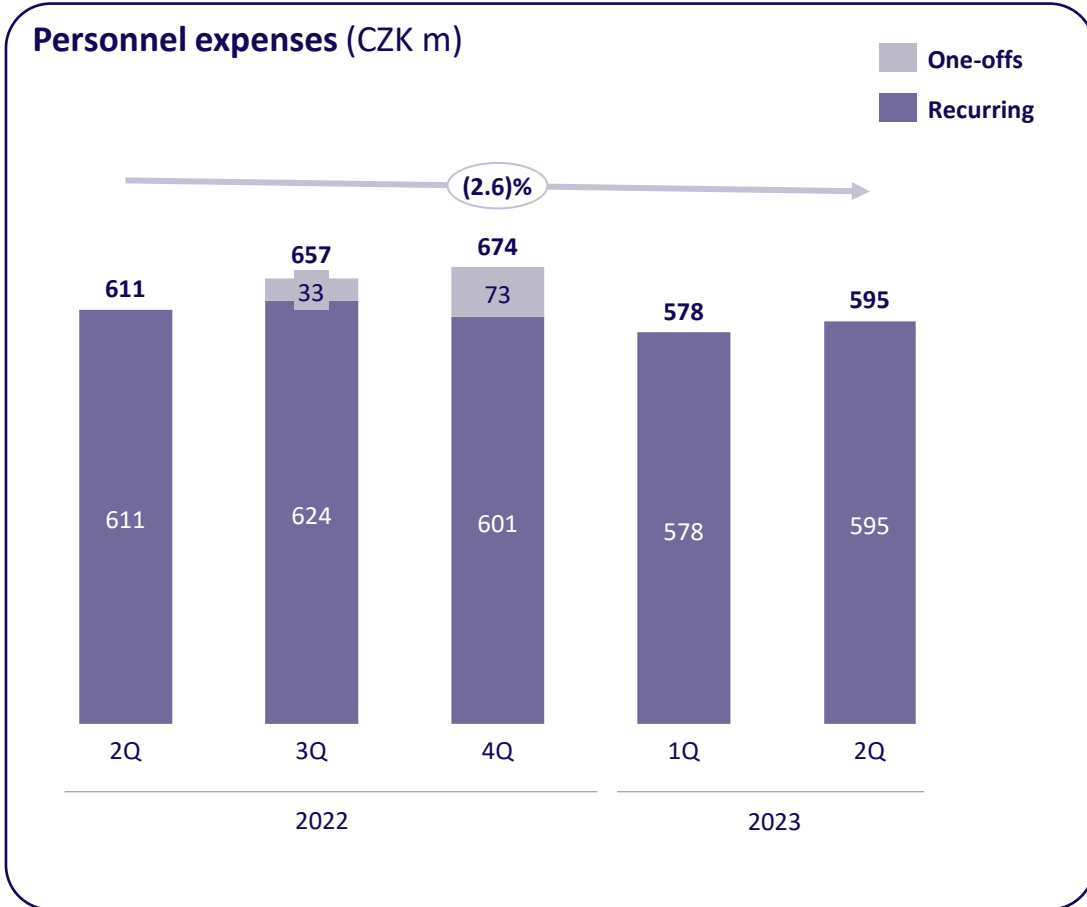
Insurance and collective investments distribution generated nearly 50% growth in fee income and constituted 47% of fee income



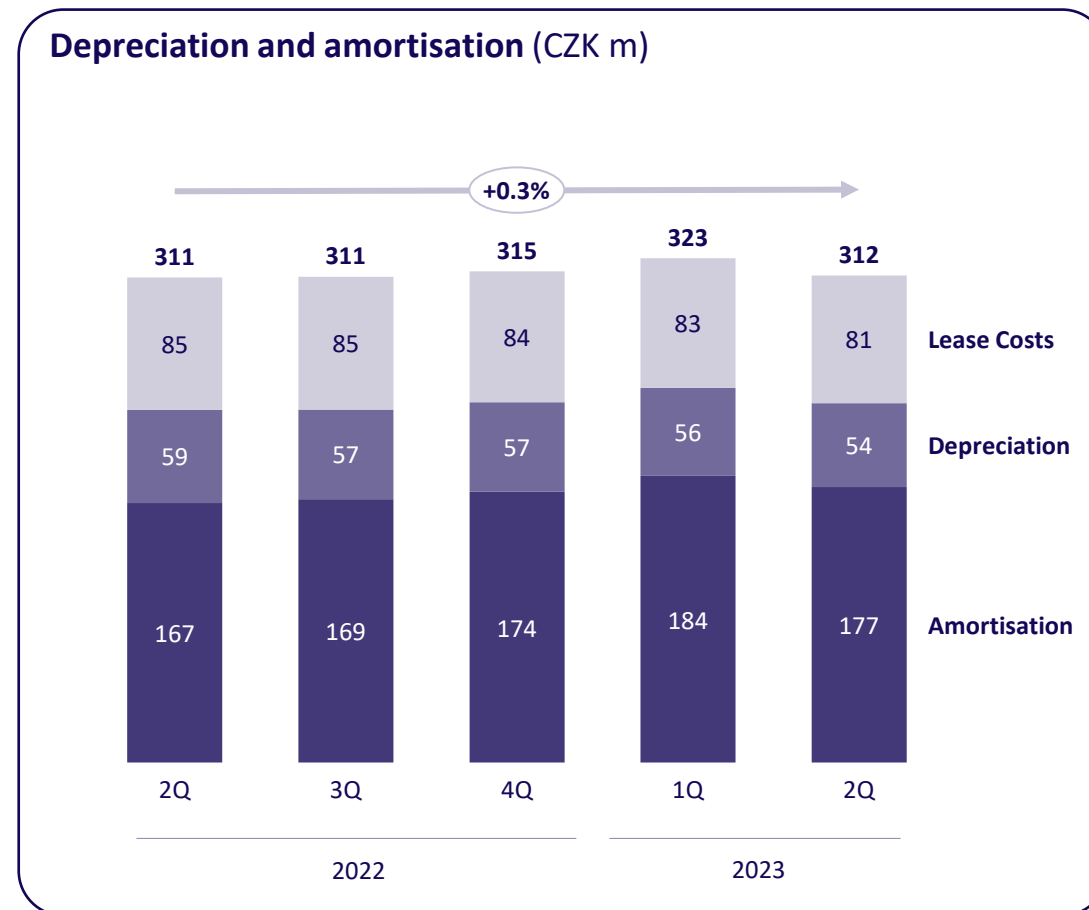
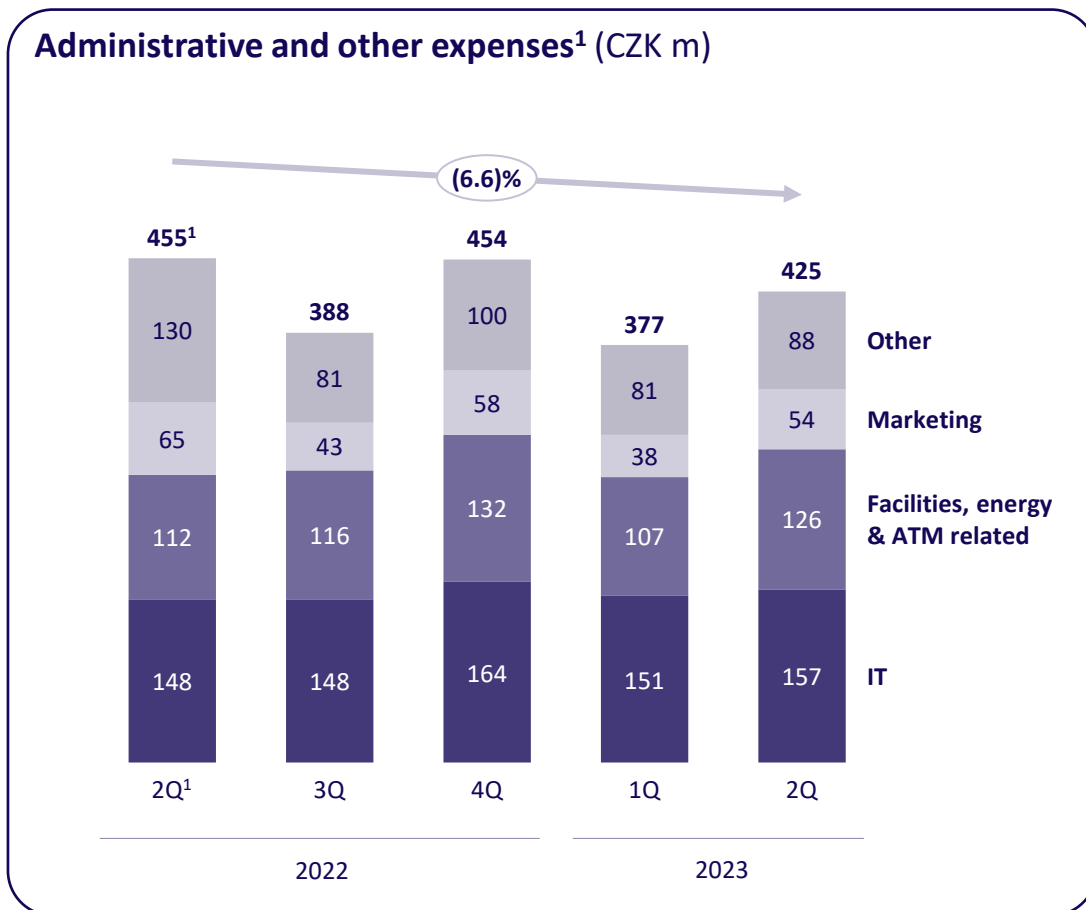
Operating expenses maintained at a stable level year-on-year; 2Q'22 adjusted for M&A costs reimbursement



Reduction in employment by 12.8% contributed to offsetting inflation-driven increases in salaries



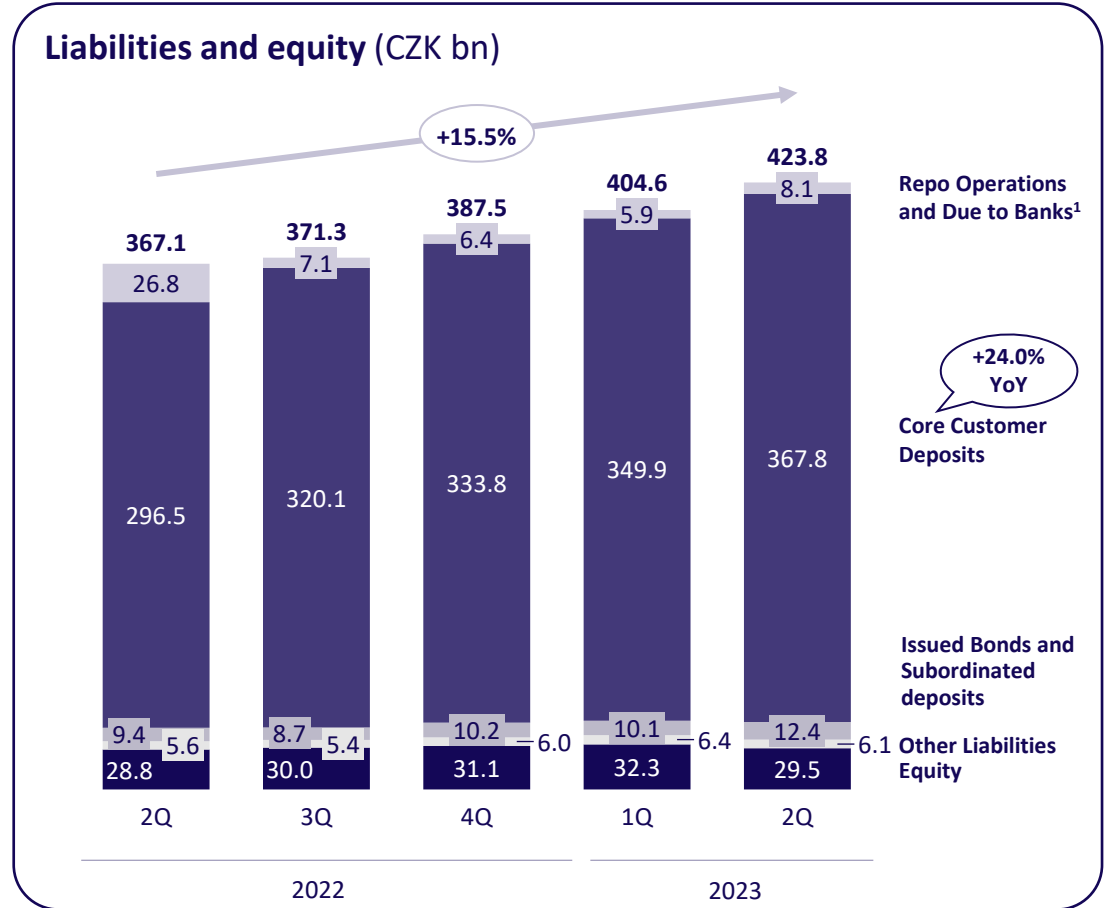
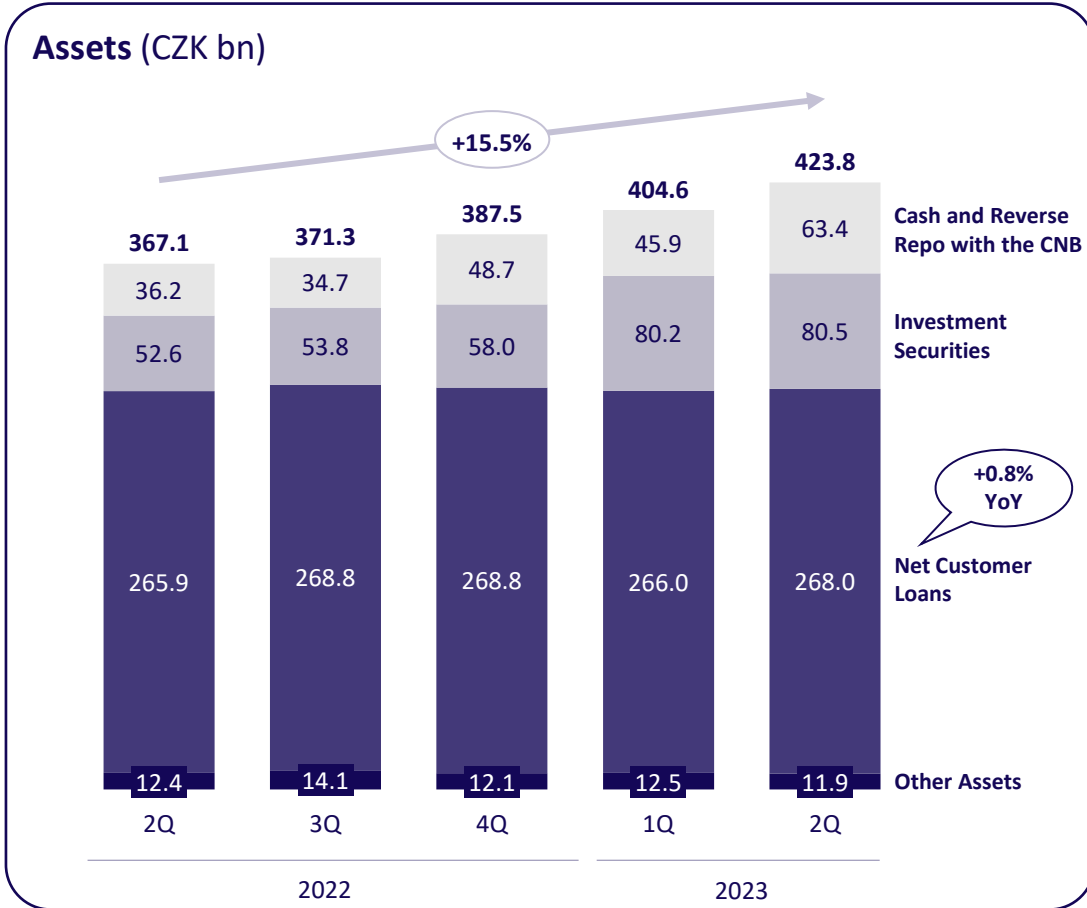
Continual cost discipline enables stability in administrative expenses and reduction of leased space contributes to stable D&A



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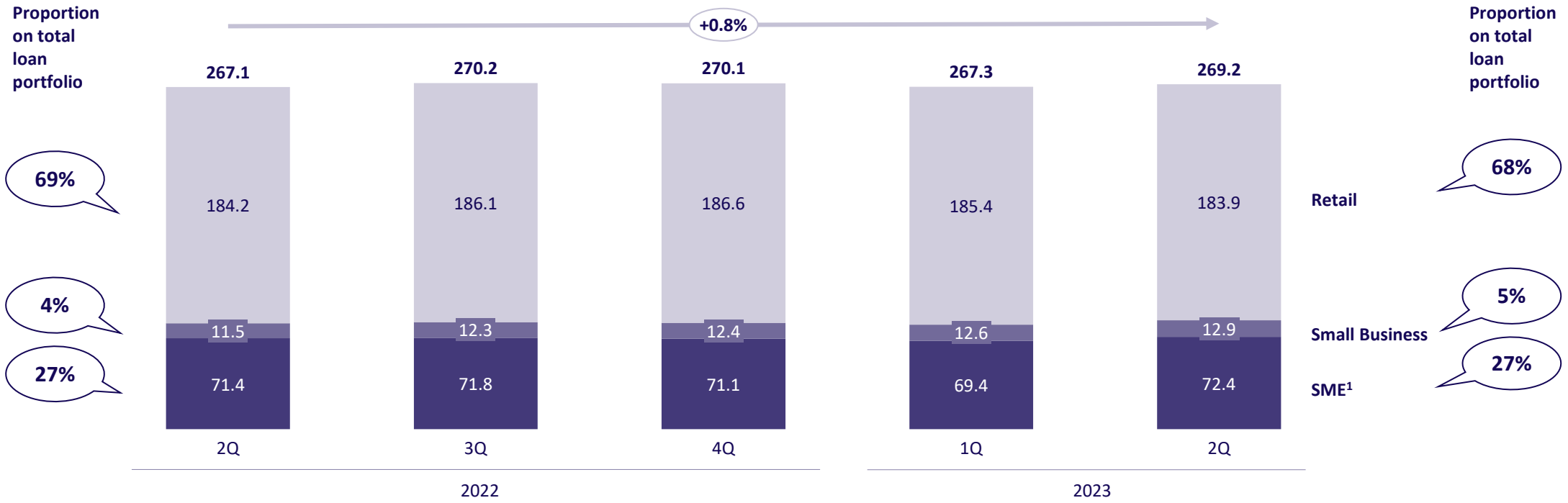
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Balance sheet growth driven by deposit gathering contributes to improvement of the interest income generation capacity

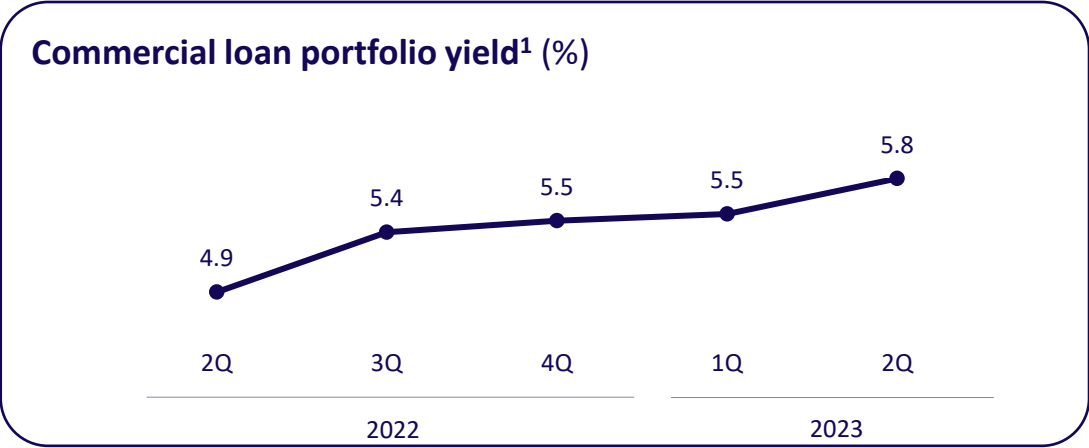
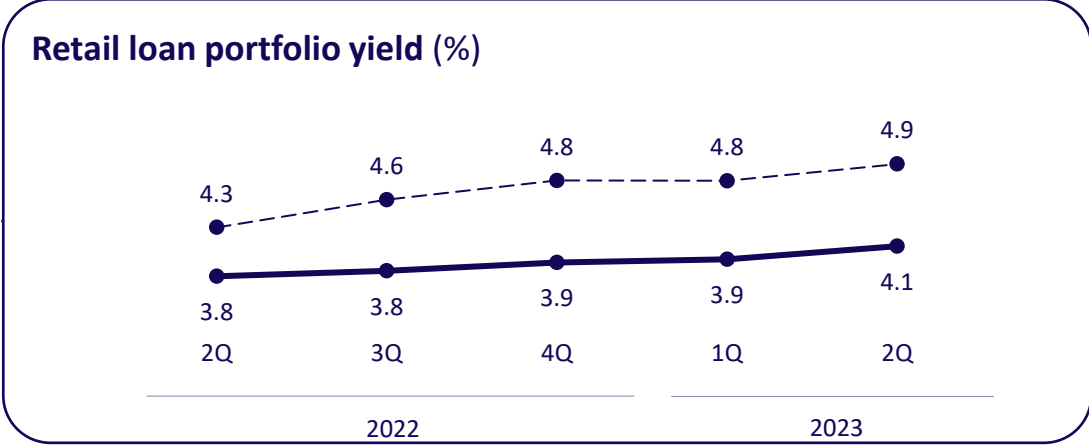
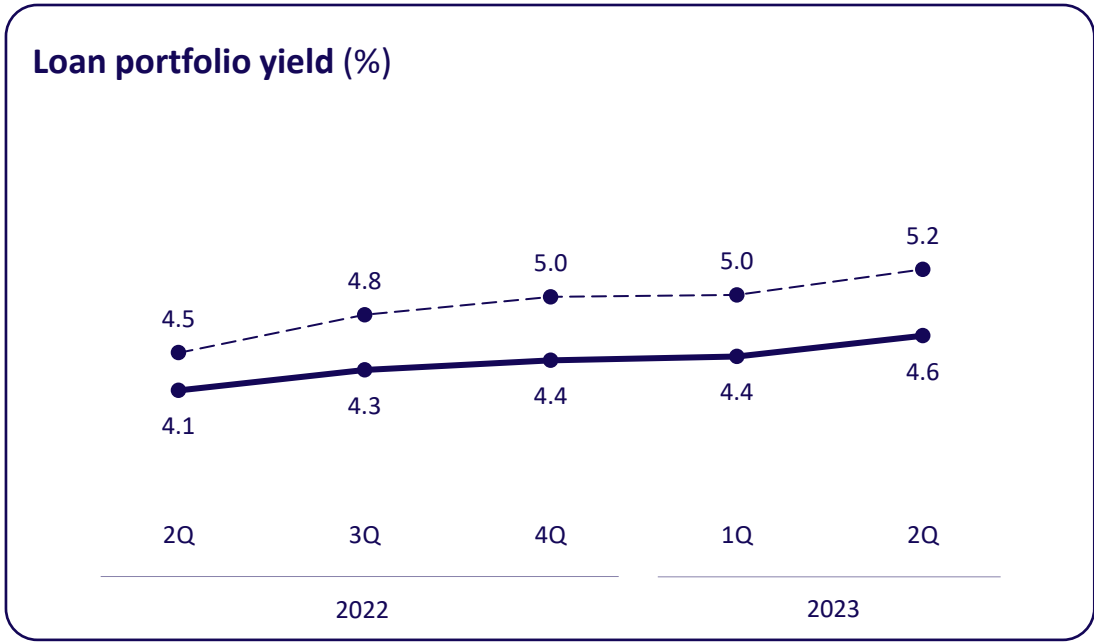


Lending base stable due to lower demand for credit and in line with our expectations

Total gross performing loan portfolio per segments (CZK bn)



Improving yield across both segments due to new production, repricing and performance of interest rate swaps hedging the portfolio



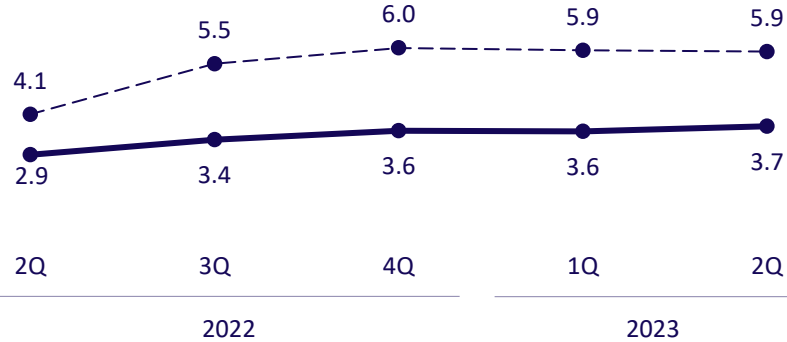
—●— portfolio yield -●- yield including hedging result

Note: For more details, please see the explanation in the glossary. (1) A significant portion of the commercial loan portfolio bears interest at floating rates and only longer maturities with fixed interest rates are hedged; therefore, the impact of the hedging result on the yield of the commercial loan portfolio is only marginal.

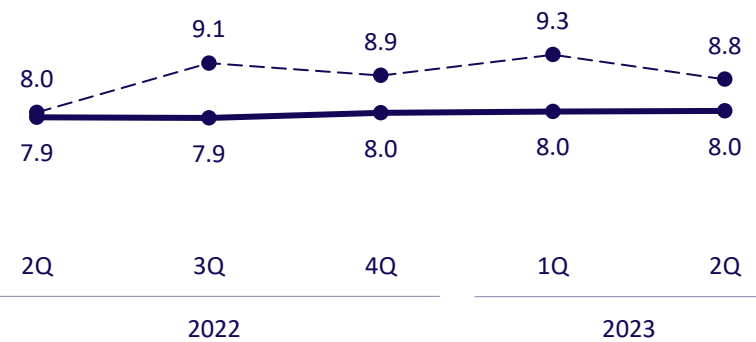
New volume yield improvement continued across all product categories, supporting portfolio yield growth

—●— portfolio yield -●- new volume yield

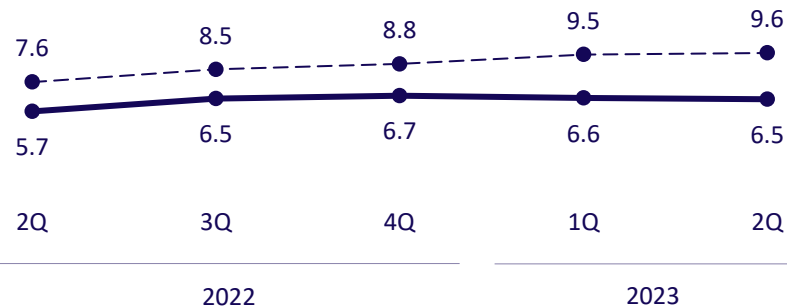
Mortgage yield¹ (%)



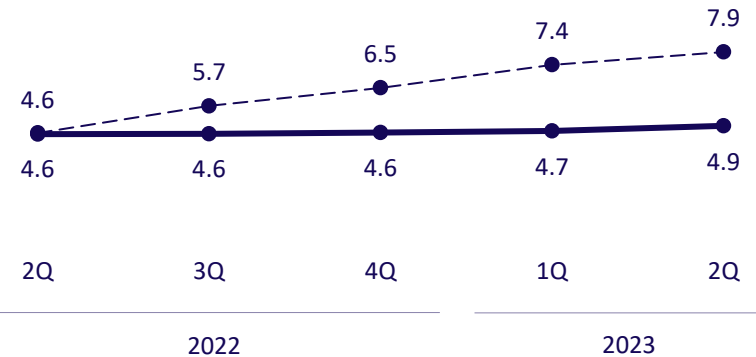
Consumer loan yield² (%)



Auto loans yield (%)



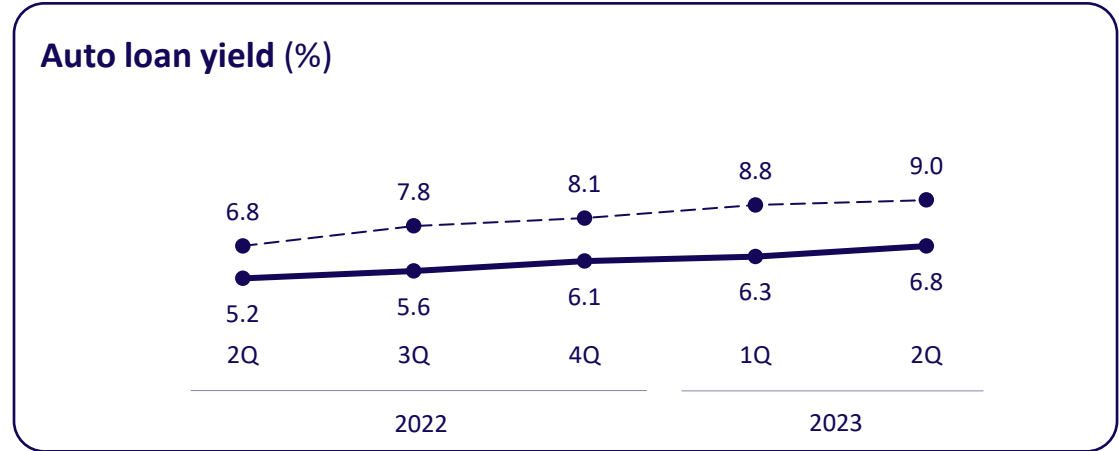
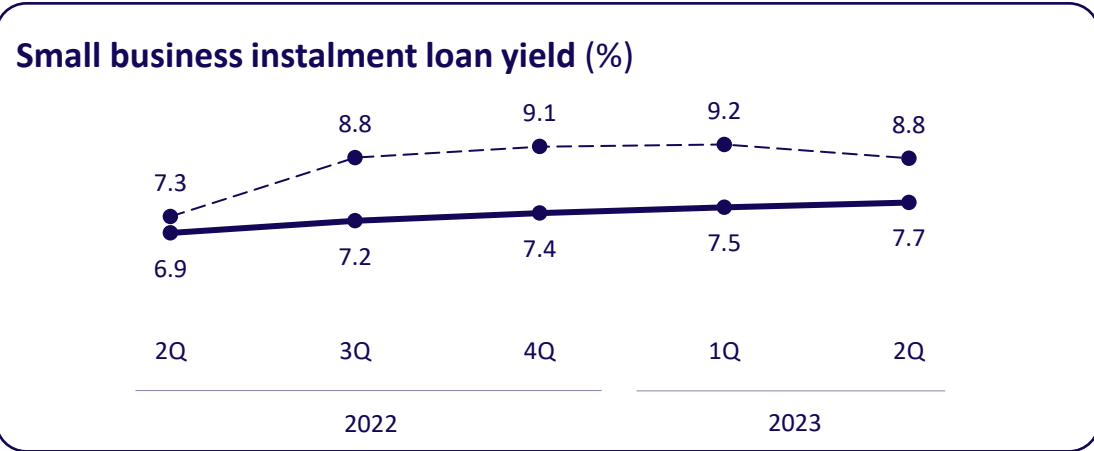
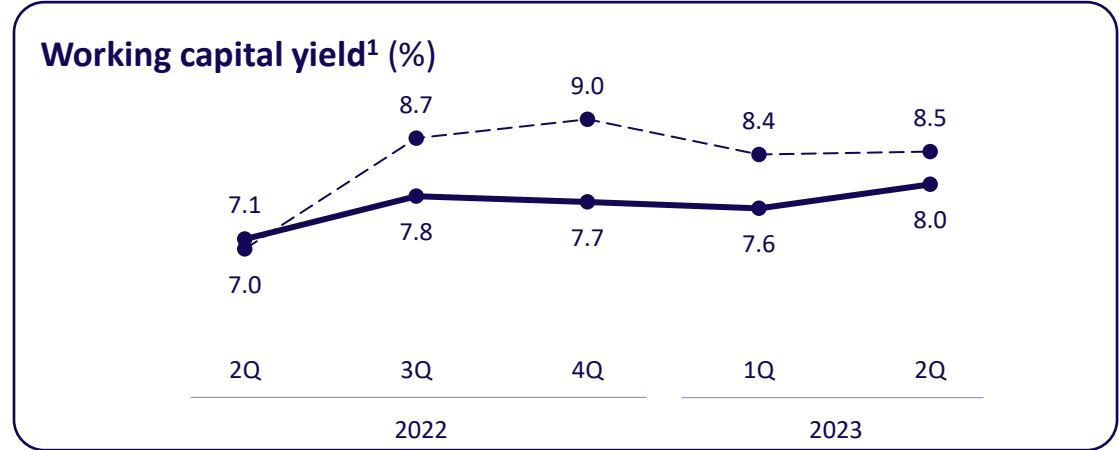
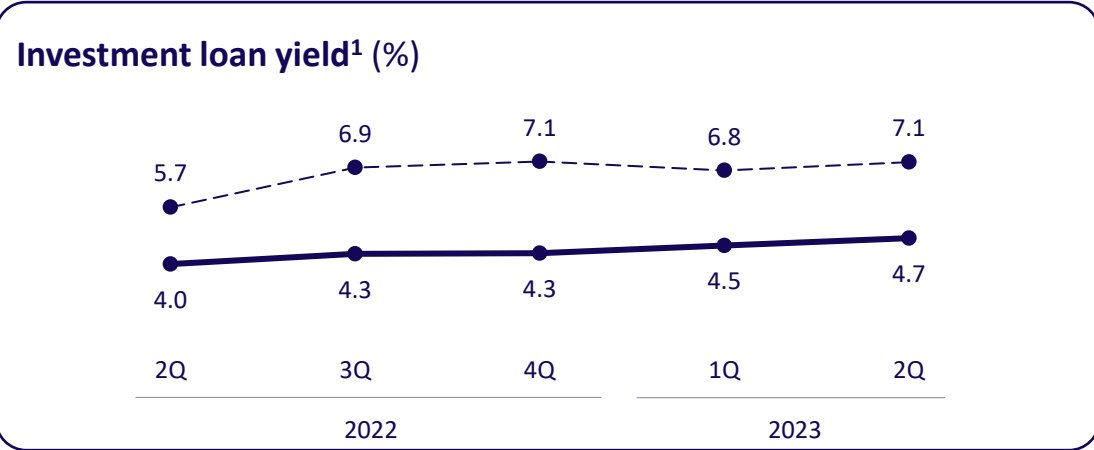
Supplementary housing loans yield (%)



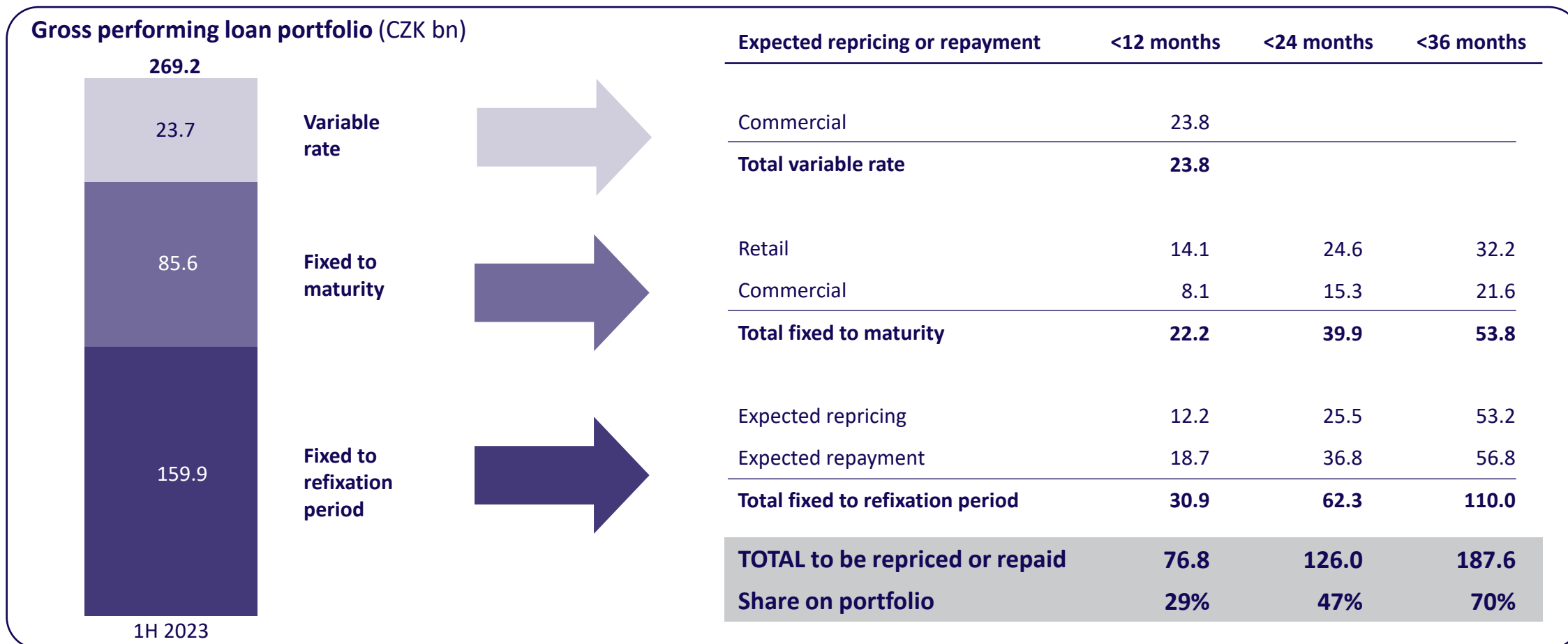
Note: For more details, please see the explanation in the glossary. (1) Portfolio yield adjusted for hedging result, portfolio yield excluding hedging result: 2.2% in 2Q'22, 2.3% in 3Q'22, 2.4% in 4Q'22, 2.5% in 1Q'23 and 2.6% in 2Q'23; (2) Yield calculated based on consumer loan portfolio excluding supplementary housing loans.

Overall, commercial portfolio yield improved across all product categories, based on focused pricing and minimum RoE thresholds

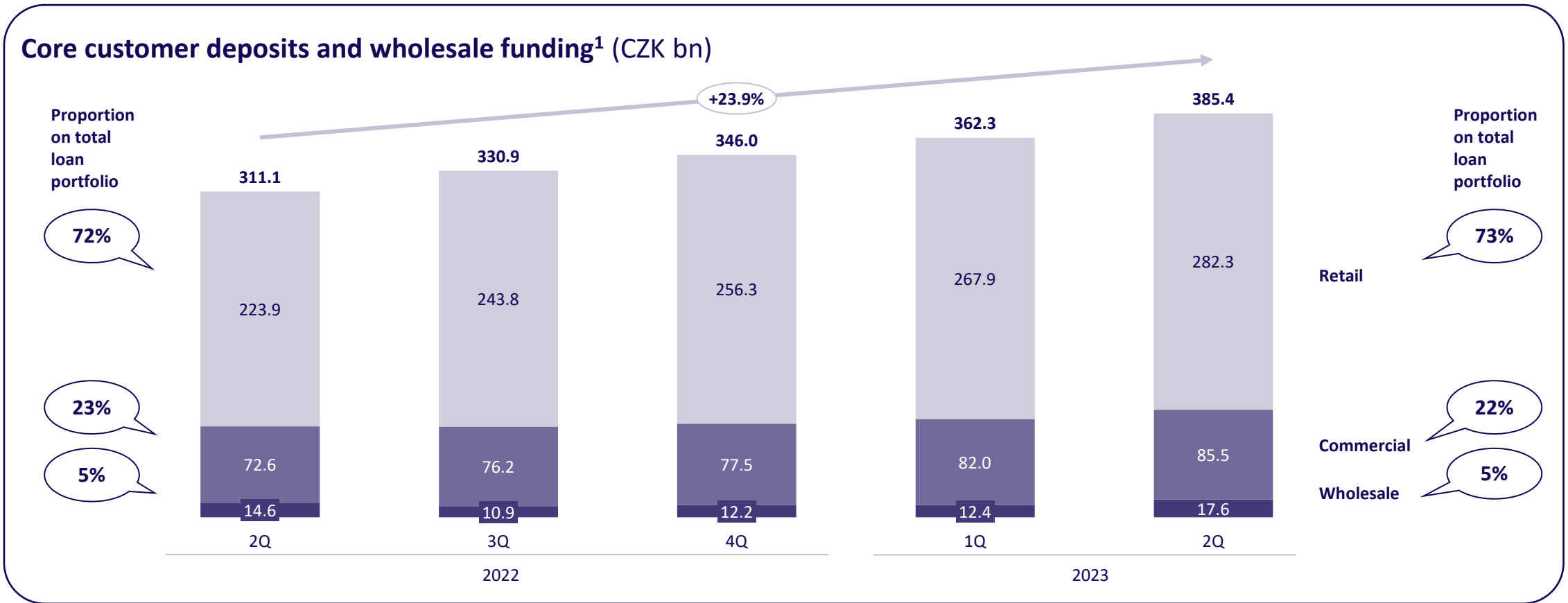
—●— portfolio yield —●— new volume yield



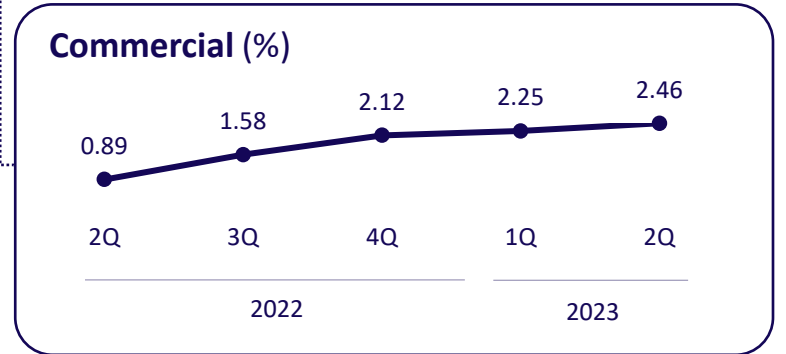
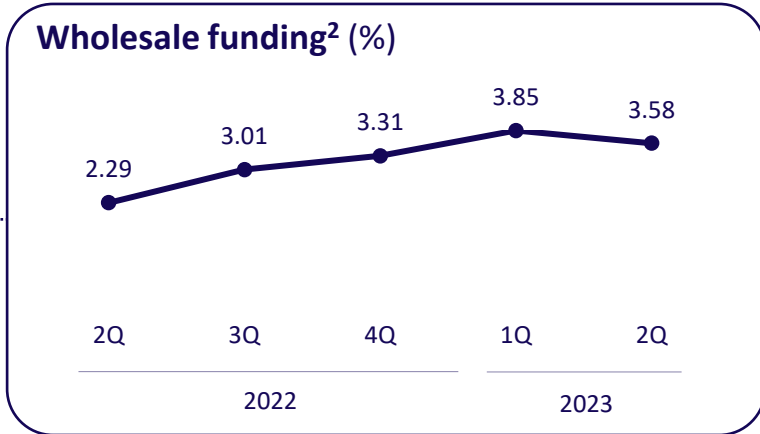
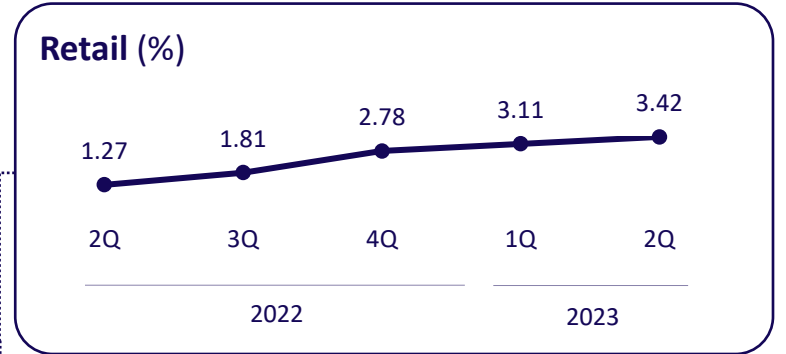
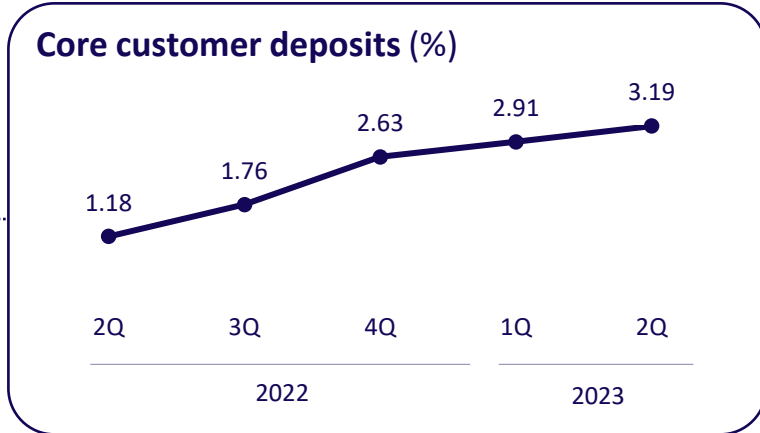
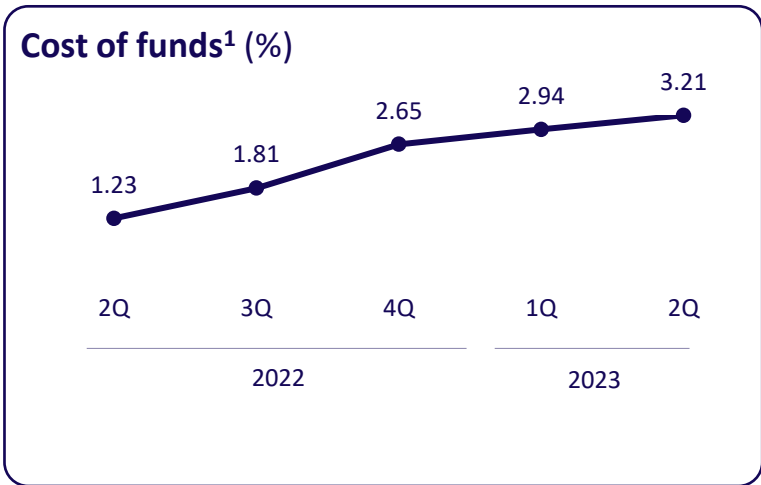
Approximately 70% of the loan book will be either repaid or repriced in the next 36 months and create additional room for NII improvements



Deposit gathering dominated activity in both retail and commercial segments driving 24% growth in the deposit base



Deposit growth impacted the overall cost of funds increase, which slowed down during the first half of this year

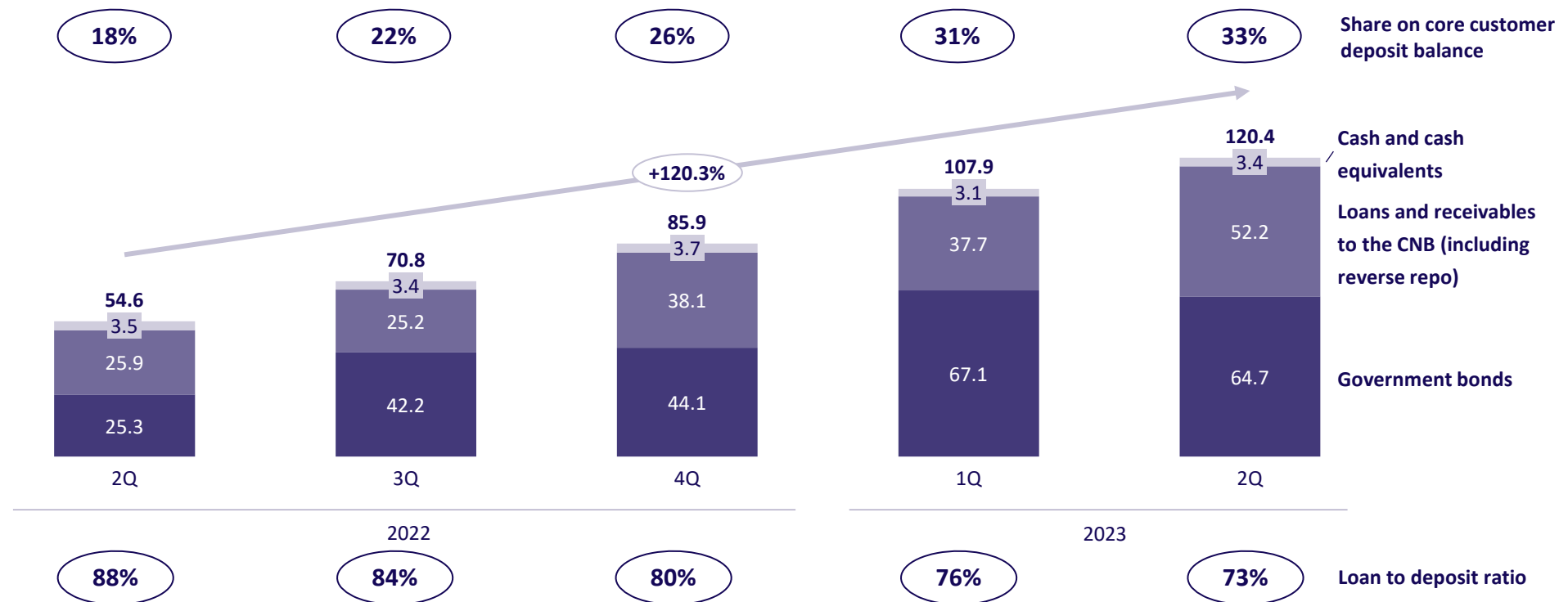


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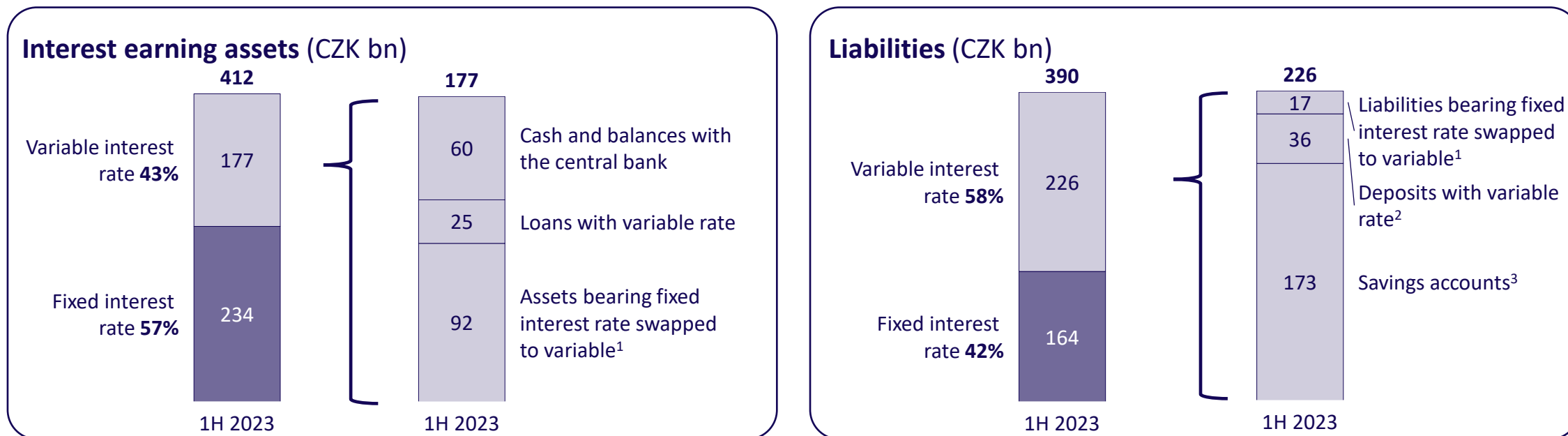
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High-quality liquid assets increased to CZK 120 billion, the growth constituted 120% or CZK 65.7 billion

Balance and breakdown of high-quality liquid assets (CZK bn)



CZK 177 billion of assets carry a variable rate while CZK 226 billion of liabilities are subject to potential repricing within 3 months



- Share of variable interest rate assets on total interest earning assets increased from **23%** to **43%** year-on-year
- If rates decrease, **CZK 173 billion** of savings accounts can be repriced within 3 months
- Simplified sensitivity of NII on a 2W repo rate movement by **100bps** is estimated at **CZK 485 million** on an annual basis

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Incurring cost of risk in 1H 2023 of CZK 30 million positively impacted by NPL disposals and good loan portfolio performance

Cost of risk

(CZK m, release in brackets, creation without brackets)

METRICS (CZK m)	2022				2023	
	1Q	2Q	3Q	4Q	1Q	2Q
COST OF RISK	(95)	(155)	124	216	(116)	146
• <i>RETAIL</i>	(66)	(262)	204	115	(114)	113
• <i>COMMERCIAL</i>	(29)	106	(79)	100	(2)	33
	CZK (250)m				CZK 30m	

Cost of risk¹

(%, release in brackets, creation without brackets)

METRICS (%)	2022				2023	
	1Q	2Q	3Q	4Q	1Q	2Q
COST OF RISK	(0.15)	(0.24)	0.19	0.32	(0.17)	0.22
• <i>RETAIL</i>	(0.15)	(0.58)	0.44	0.25	(0.25)	0.25
• <i>COMMERCIAL</i>	(0.14)	0.52	(0.38)	0.48	(0.01)	0.16
	(19)bps				2bps	

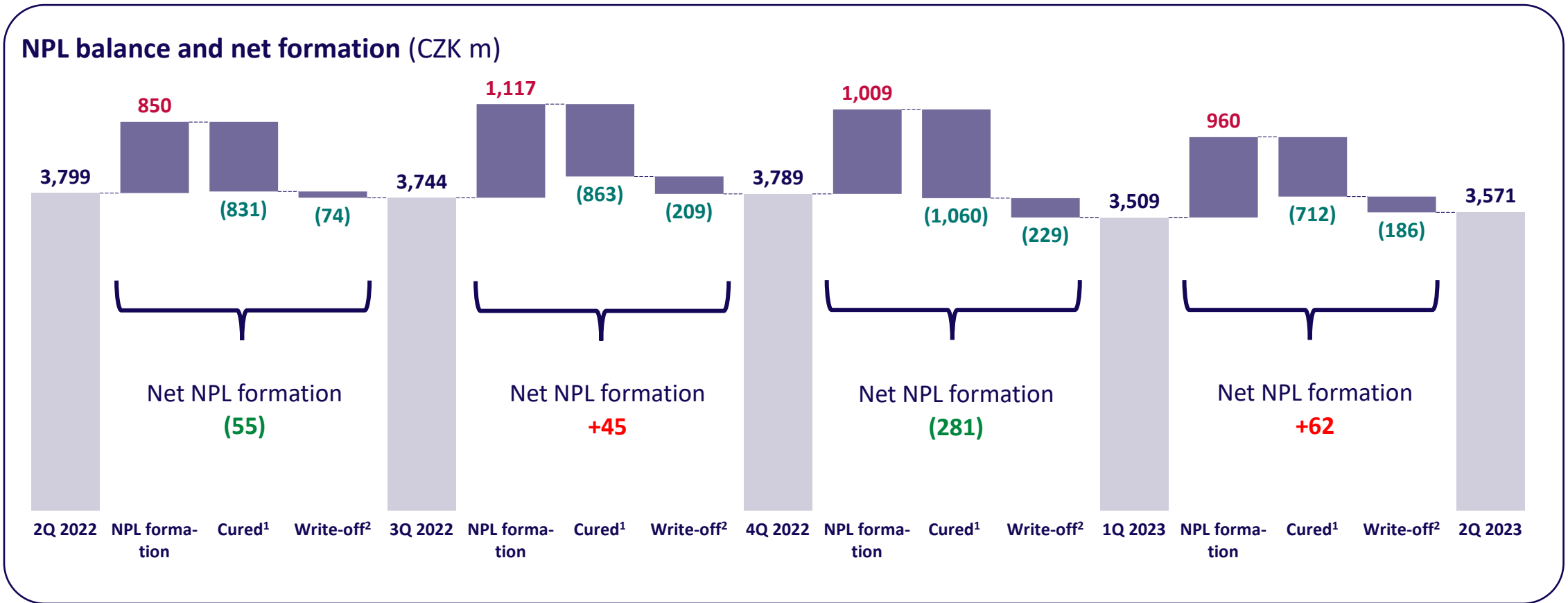
1H 2022 impacted by the release of Covid-related provisions; 1H 2023 impacted by a significant gain from NPL disposals.

NPL disposals reduced overall coverage by 13 basis points followed by a strong increase in the volume of management overlays of CZK 787 million

Evolution of gross loan portfolio and loan loss provisions (CZK m, %)

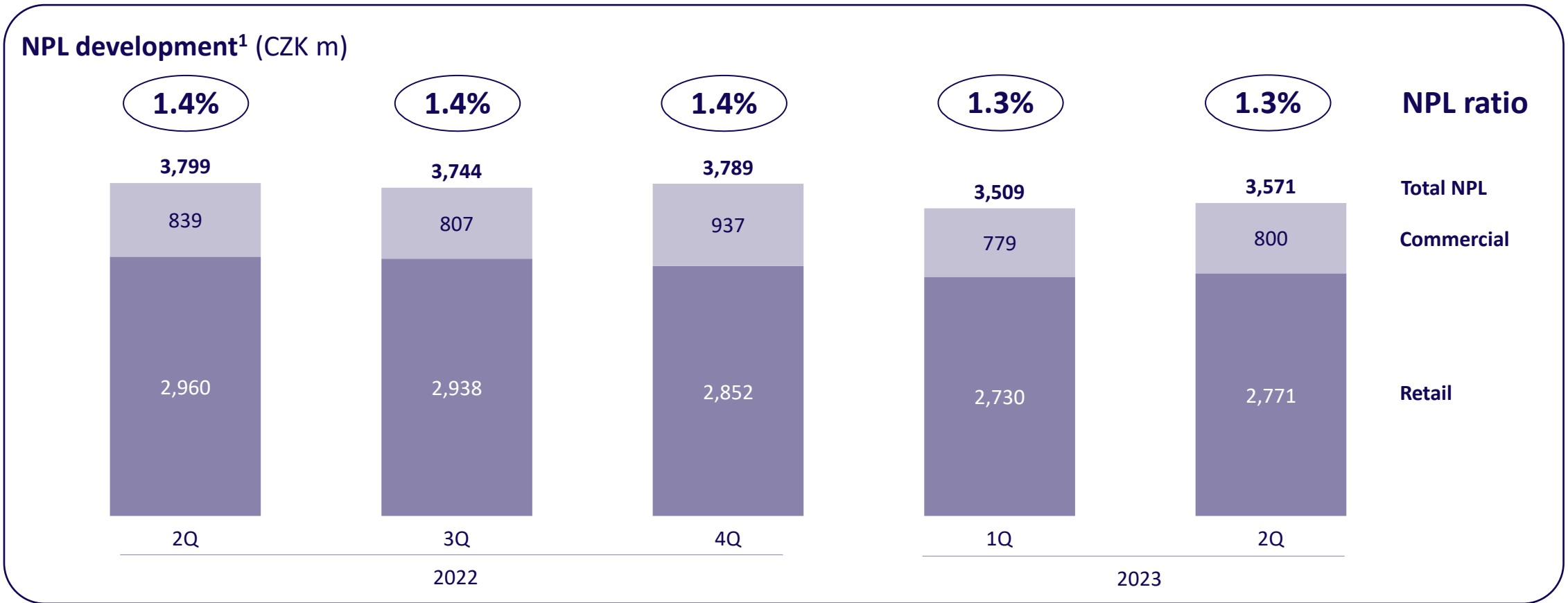
	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	YoY change
Gross loan portfolio	270,944	273,908	273,861	270,821	272,791	+0.7%
Loan loss provisions	5,083	5,142	5,108	4,809	4,764	(6.3)%
<i>Out of which: Management overlays</i>	144	734	847	923	931	>100%
Overall loan loss provisions coverage	1.88%	1.88%	1.87%	1.78%	1.75%	(0.13)pp

Stable NPL portfolio of CZK 3.6 billion supported by lower formation; however, cure rate decreased during 2Q 2023

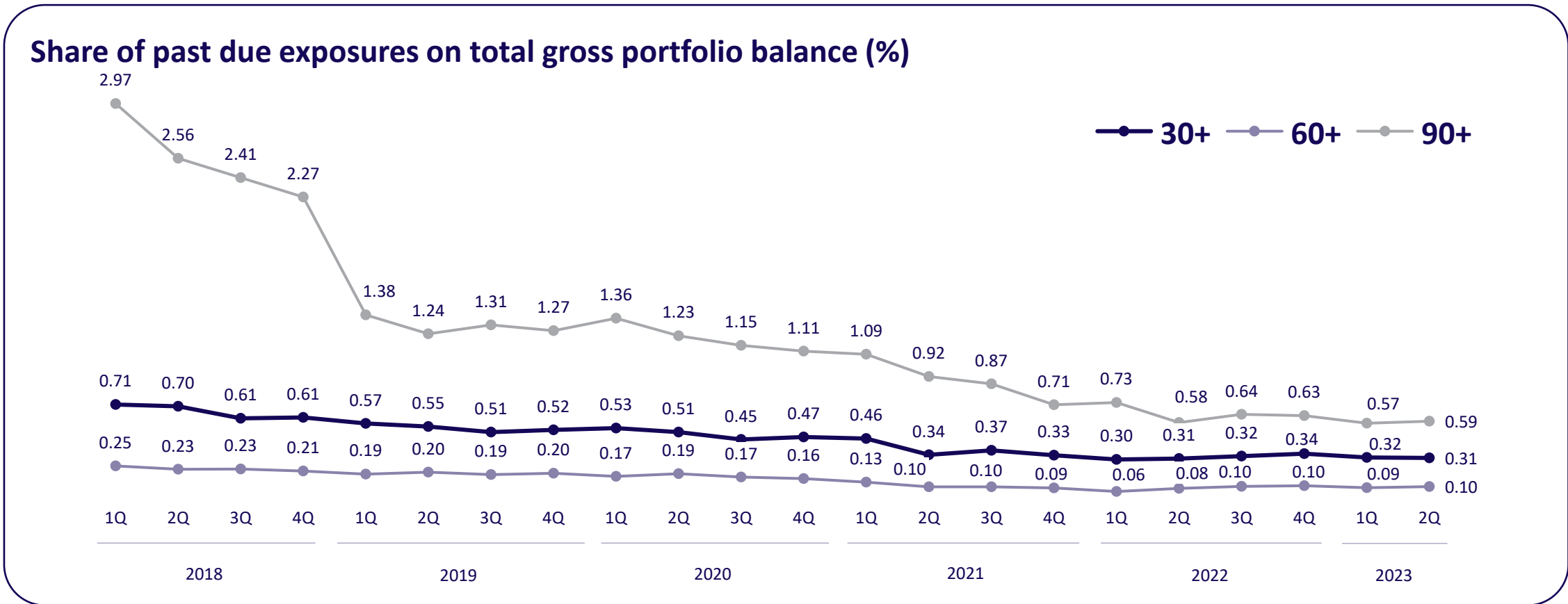


Note: (1) Includes also repayment and classification upgrades of loans where the concessions were provided; (2) Write-off includes also unrecovered part of sold receivables. The recovered part obtained within the debt sale is included in Cured.

Therefore, the NPL ratio remains at a historical low level of 1.3% against a stable performing portfolio



Delinquency rates continued to remain stable and at a low level



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Capital target on an individual basis at 22.95% due to the higher MREL requirement and lower countercyclical buffer

Capital requirement on a consolidated basis

	1 April 2023	1 July 2023	31 Dec 2023
Pillar I – CRR requirement	8.0%	8.0%	8.0%
Pillar II – SREP requirement	2.6%	2.6%	2.6%
CRR capital conservation buffer	2.5%	2.5%	2.5%
CRR countercyclical buffer	2.5%	2.25%	2.25%
Total regulatory requirement for capital	15.6%	15.35%	15.35%
Management capital buffer	1.0%	1.0%	1.0%
MANAGEMENT TARGET FOR CAPITAL	16.6%	16.35%	16.35%

Capital requirement on an individual basis

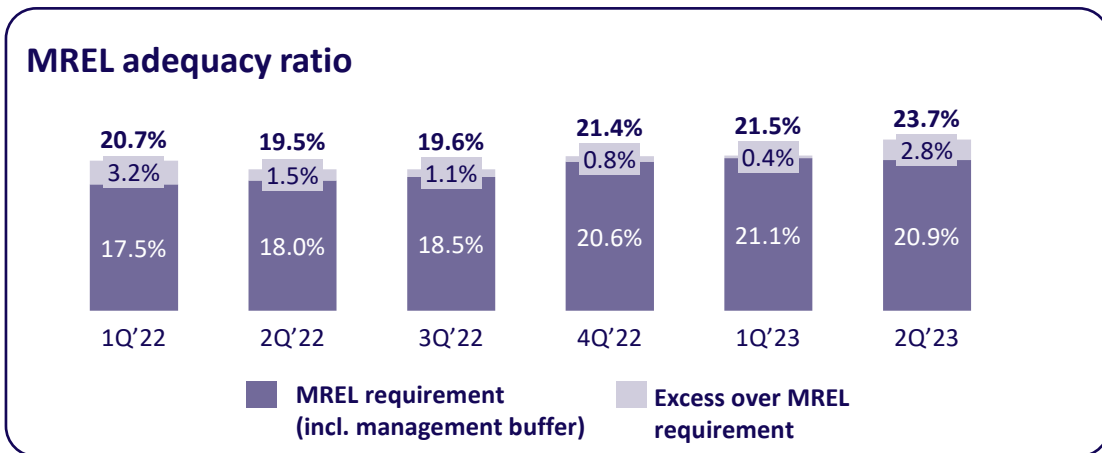
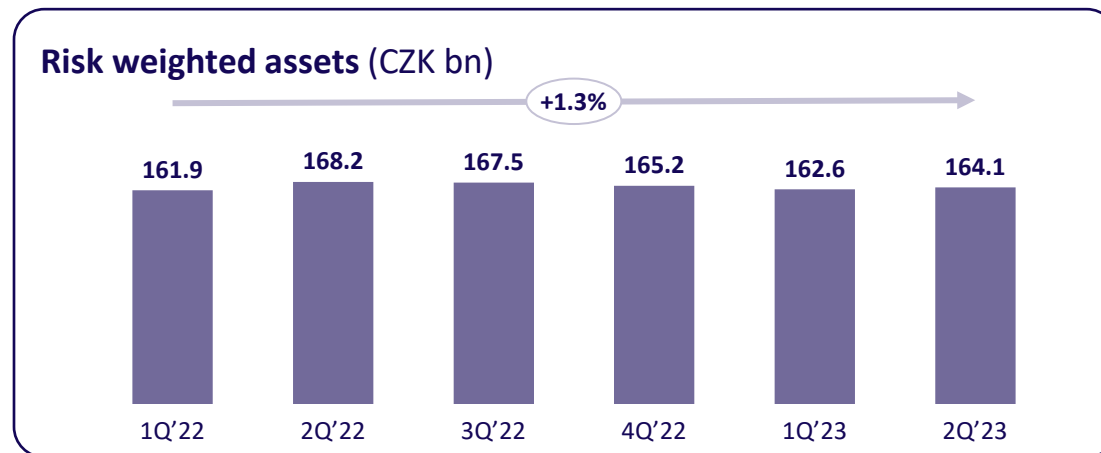
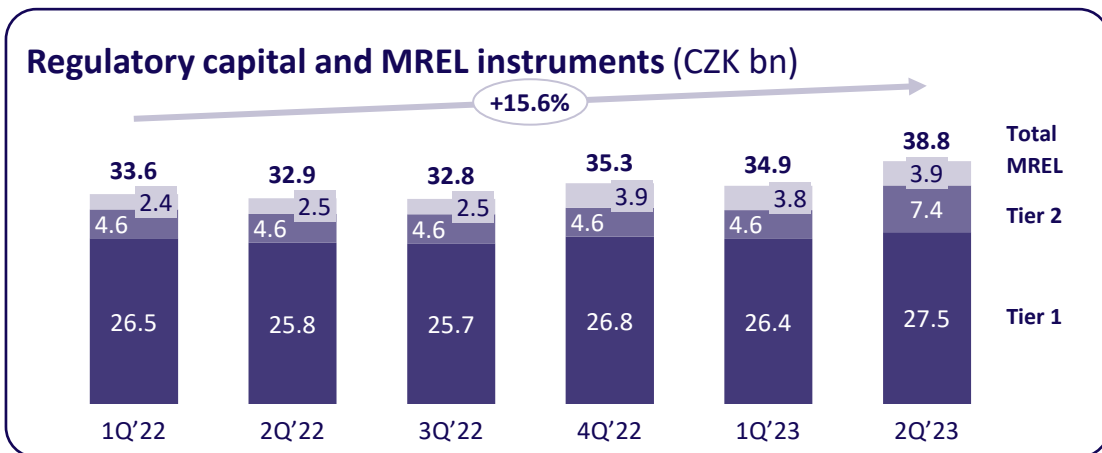
	1 April 2023	1 July 2023	31 Dec 2023
Pillar I – CRR requirement	8.0%	8.0%	8.0%
Pillar II – SREP requirement	2.4%	2.4%	2.6%
MREL requirement – recapitalisation amount	4.7%	4.7%	6.6%
CRR capital conservation buffer	2.5%	2.5%	2.5%
CRR countercyclical buffer ¹	2.5%	2.25%	2.25%
Total regulatory requirement for capital and eligible liabilities	20.1%	19.85%	21.95%
Management capital buffer	1.0%	1.0%	1.0%
MANAGEMENT TARGET FOR CAPITAL AND ELIGIBLE LIABILITIES	21.1%	20.85%	22.95%

Both capital positions remained well above requirements; MREL position in 2Q'23 was already above the year-end target of 22.95%

Capital position overview

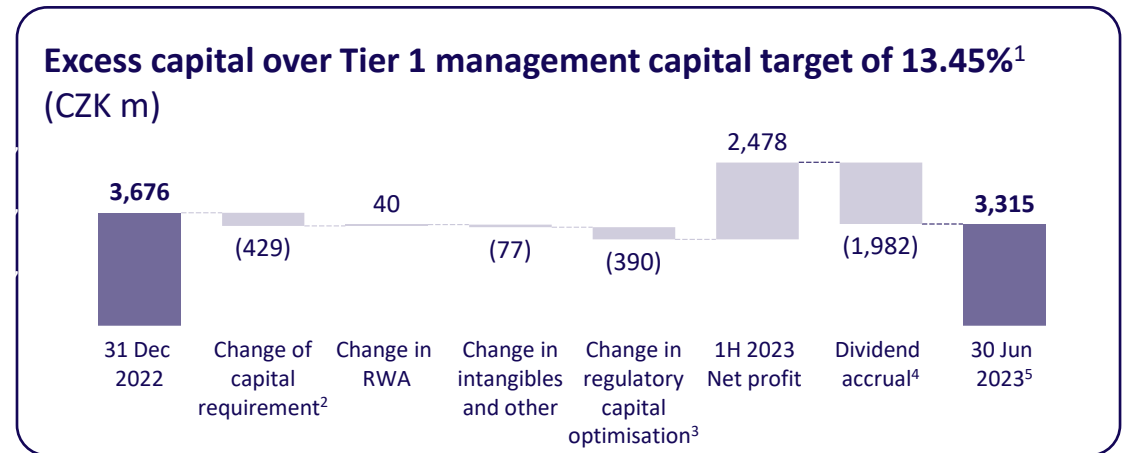
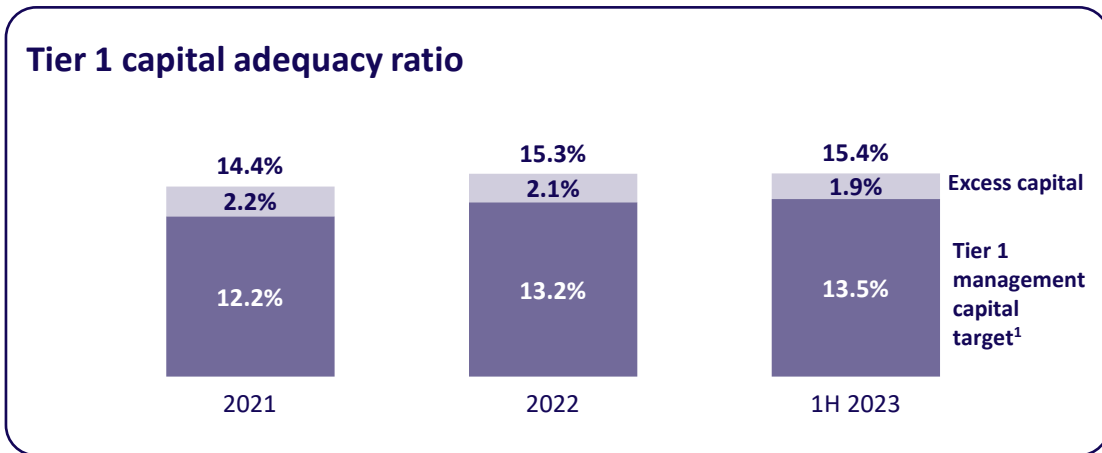
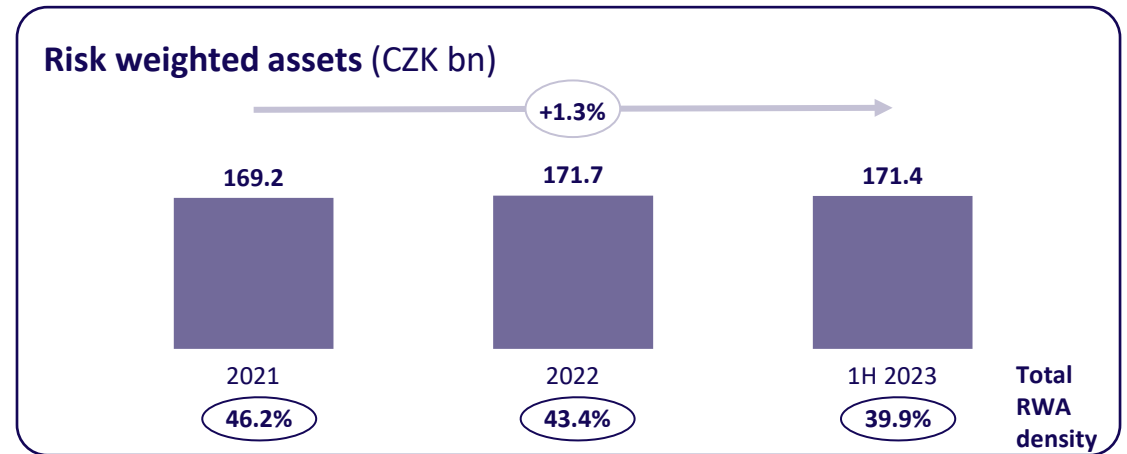
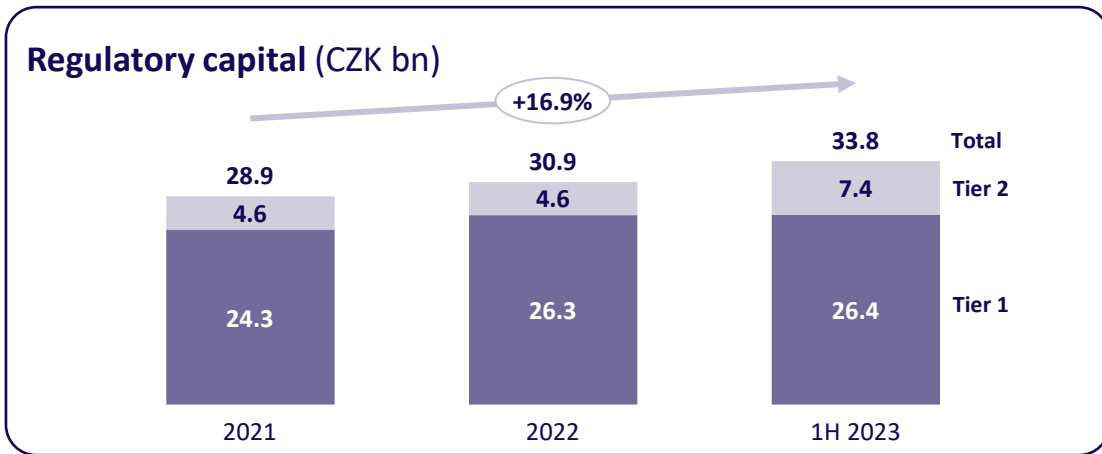
	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023
Consolidated capital position						
Capital adequacy ratio	17.7%	16.8%	17.0%	18.0%	18.1%	19.7%
• CET1 (Tier 1) ratio	15.0%	14.1%	14.3%	15.3%	15.4%	15.4%
Individual capital position						
MREL position	20.7%	19.5%	19.6%	21.4%	21.5%	23.7%
• Capital adequacy ratio	19.2%	18.1%	18.1%	19.0%	19.1%	21.3%
• CET1 (Tier 1) ratio	16.4%	15.3%	15.4%	16.2%	16.3%	16.8%

On an individual basis, the current MREL adequacy ratio exceeds the target by 75 basis points



- Due to successful placement of subordinated deposits in the amount of **CZK 2.8 billion** in June 2023 MONETA is fully equipped to meet MREL requirement effective from 31 December 2023
- **MREL capital target 22.95% against current position of 23.7% constitutes an excess of 75 basis points**
- Current capital position is sufficient to deliver expected dividend pay-out at **80%** of consolidated net profit

On a consolidated basis, Tier 1 adequacy stood at 15.4% with an excess of 1.9% or CZK 3.3 billion above the management capital target



Note: (1) Including 75bps of management buffer, which is covered by Tier 1 capital; (2) Increase of countercyclical buffer by 25bps; (3) Based on Article 473a of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No. 648/2012; (4) 80% of 1H 2023 net profit; (5) Subject to corporate, regulatory and regulator's limitations.

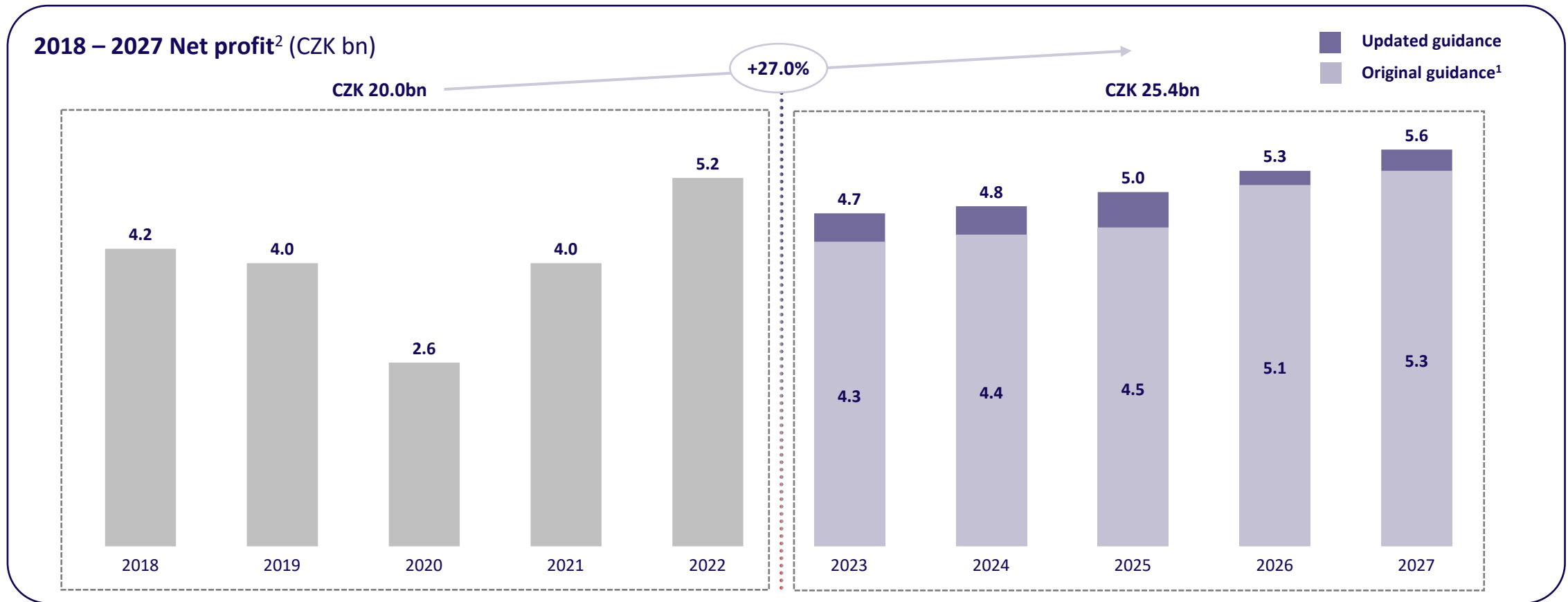
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MONETA aims to deliver a minimum cumulative net profit of CZK 25.4 billion or by CZK 1.8 billion more than in the original guidance¹

METRICS	2023	2024	2025	2026	2027	CAGR 2023-2027
Total operating income (CZK)	≥12.0bn	≥12.8bn	≥13.1bn	≥13.5bn	≥14.0bn	4.0%
Total operating expenses (CZK)	≤5.7bn	≤5.8bn	≤5.9bn	≤6.0bn	≤6.1bn	1.7%
Operating profit (CZK)	≥6.3bn	≥7.0bn	≥7.2bn	≥7.5bn	≥7.9bn	6.0%
Cost of Risk (bps)	15-35	30-50	35-55	35-55	35-55	n/a
Effective tax rate ²	~16.0%	~16.5%	~16.5%	~16.5%	~16.5%	n/a
NET PROFIT (CZK)	≥4.7bn	≥4.8bn	≥5.0bn	≥5.3bn	≥5.6bn	4.5%
Earnings per share (CZK)	≥9.2	≥9.4	≥9.8	≥10.4	≥11.0	4.5%
Return on Tangible Equity	≥16.0%	≥16.0%	≥16.0%	≥16.0%	≥16.0%	n/a

Updated mid-term guidance increases both, minimum 2023 net profit target as well as the five year cumulative target

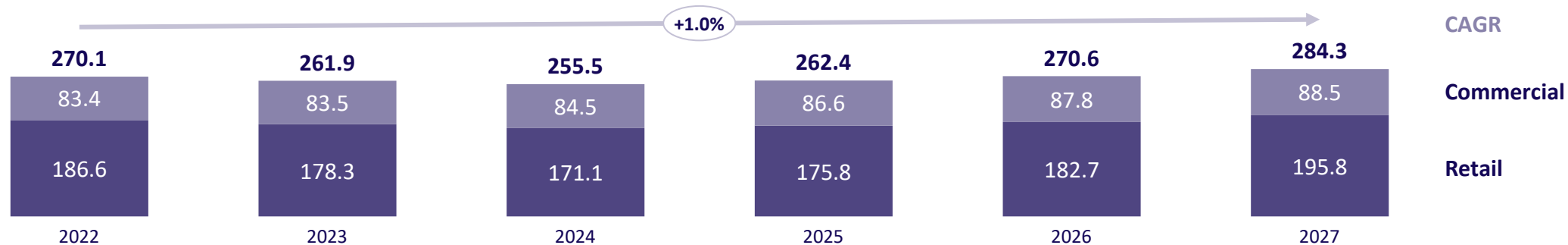


Macroeconomic assumptions for medium-term guidance

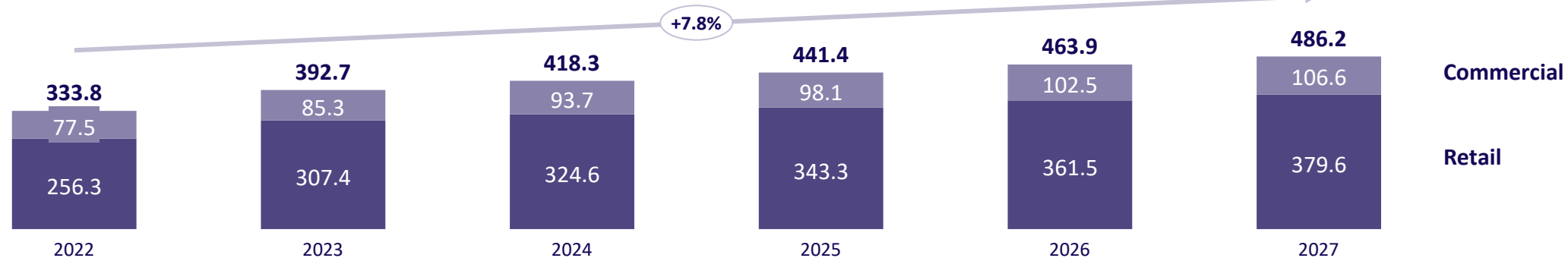
ASSUMPTIONS	2023	2024	2025	2026	2027
GDP growth	0.5%	3.0%	2.8%	2.6%	2.5%
Unemployment	2.5%	2.8%	3.5%	3.0%	2.6%
Inflation	11.2%	2.1%	2.0%	2.0%	2.0%
2W repo rate	7.0%	5.7%	3.0%	2.8%	2.8%
1M Pribor	7.1%	5.7%	3.1%	2.9%	2.9%
CZK/EUR	23.7	24.3	24.3	24.3	24.3

Loans and deposits growth assumptions

Gross performing loans development (CZK bn)



Core customer deposits development (CZK bn)



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Calendar for 3Q 2023

Goldman Sachs

Annual CEEMEA Financials
Symposium
London

11 September 2023

3Q 2023 Earnings

26 October 2023

Auerbach Grayson

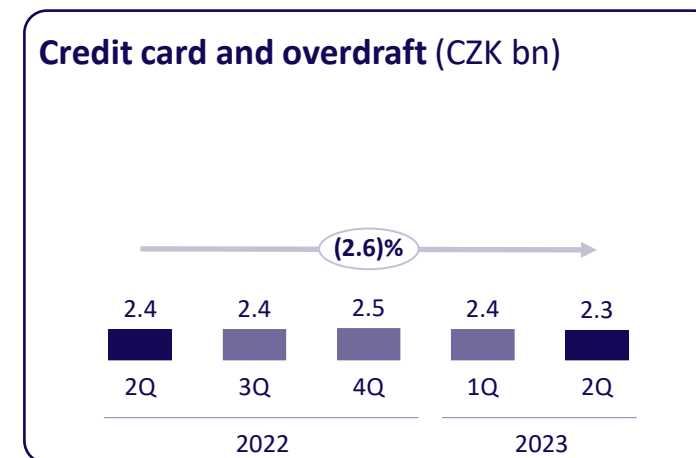
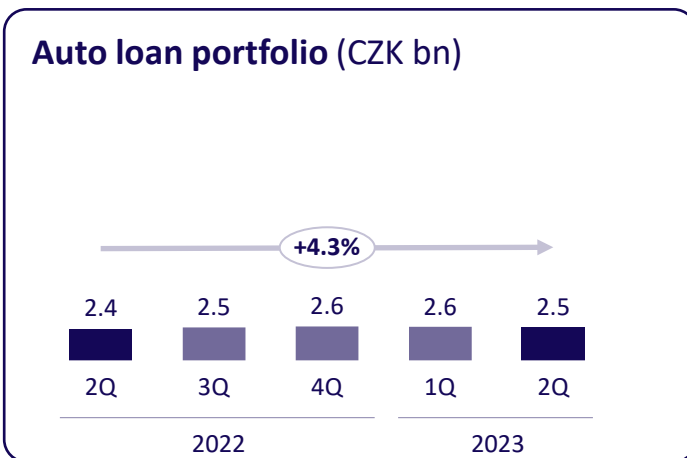
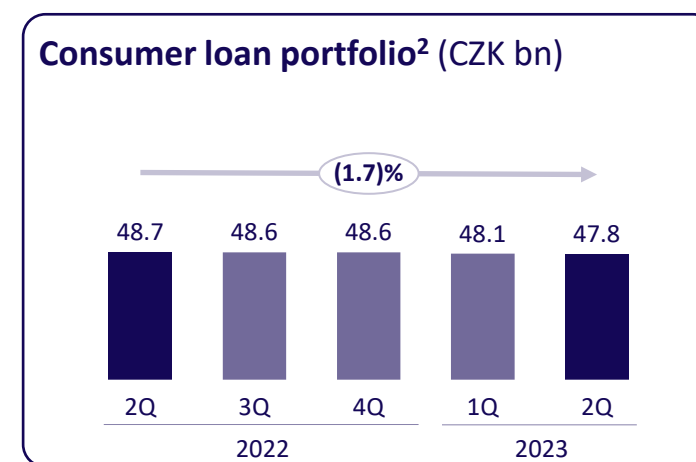
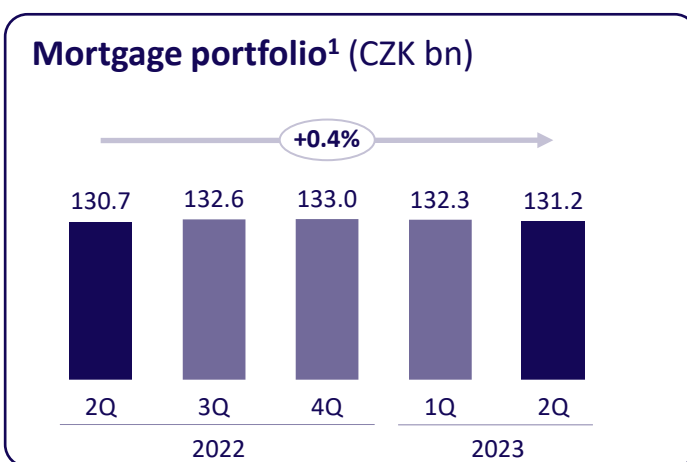
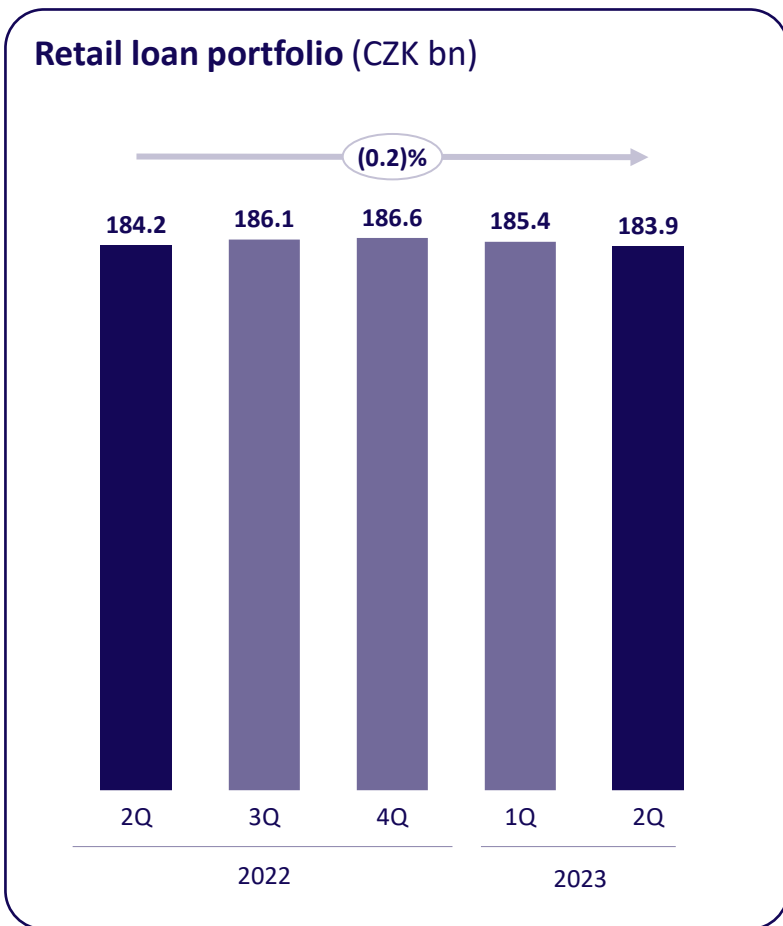
Emerging & Frontier Markets
Conference
online

30 October – 3 November 2023

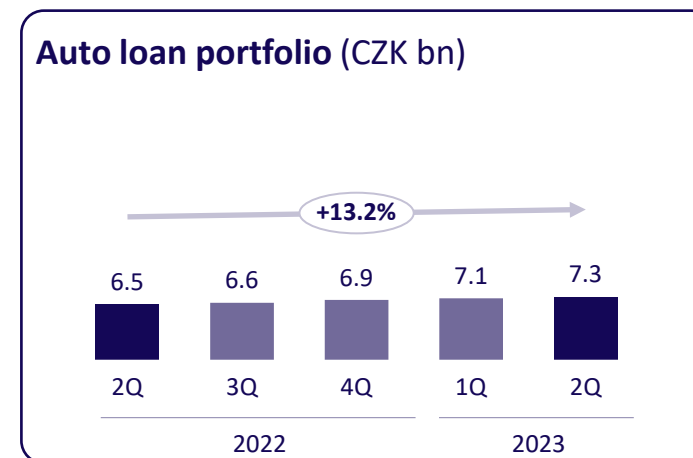
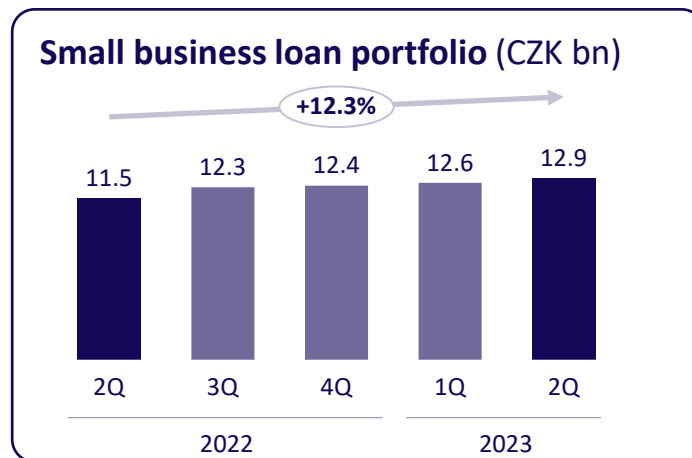
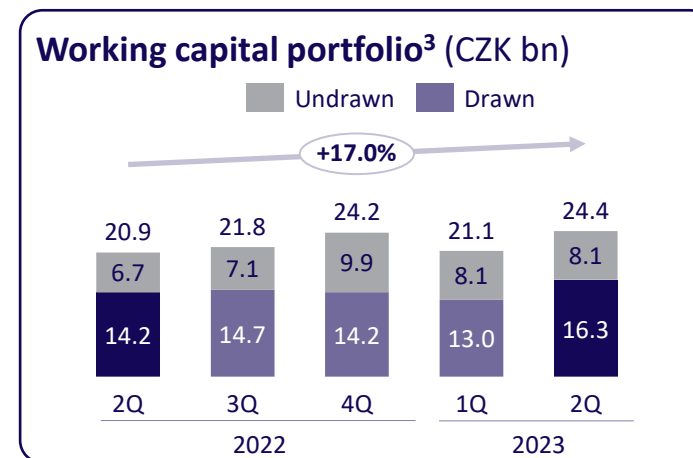
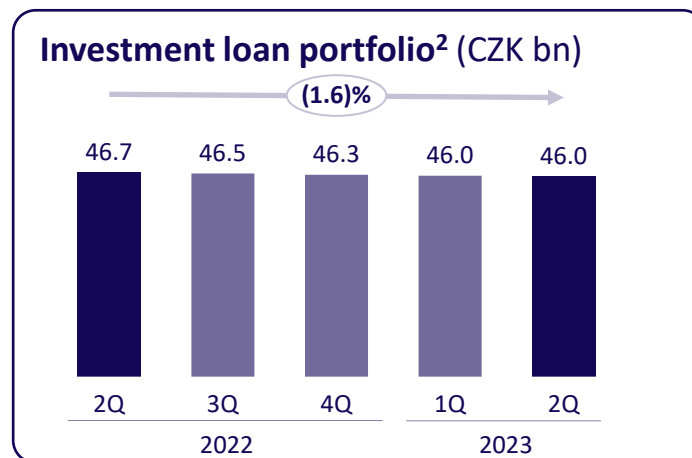
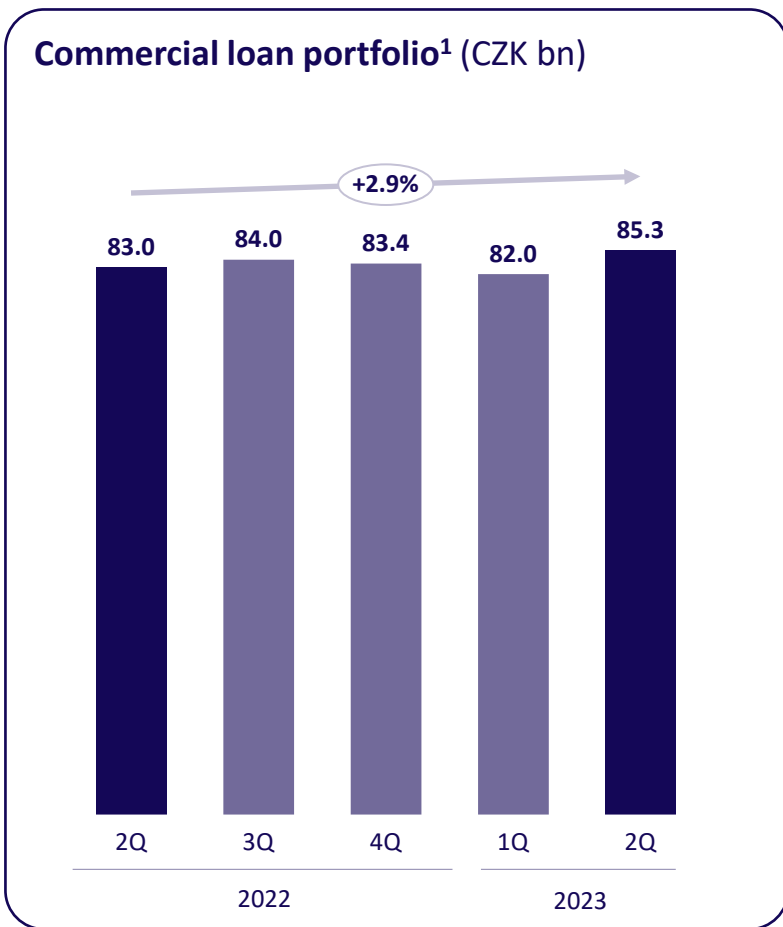
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Retail loan book slightly decreased due to tightened underwriting criteria and lower demand



Commercial portfolio recorded growth, due to drawdown of previous commitments and demand for small business and auto finance

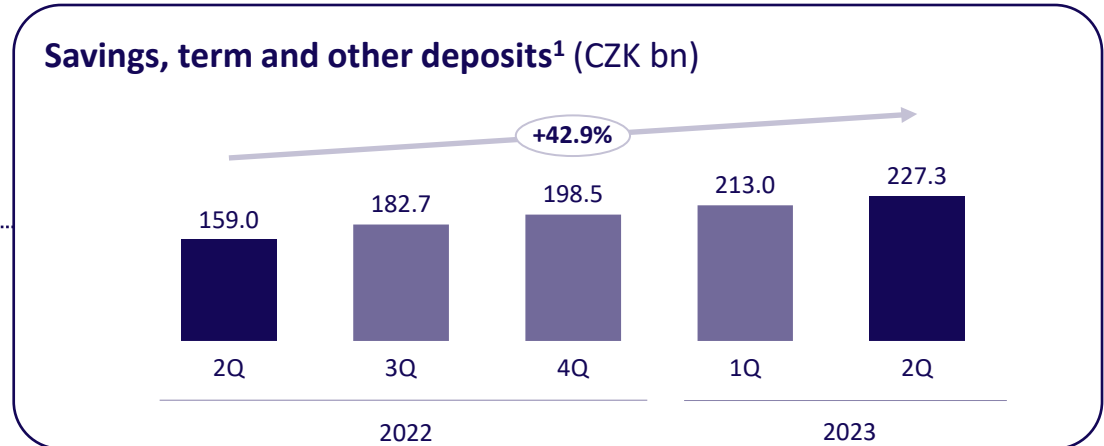
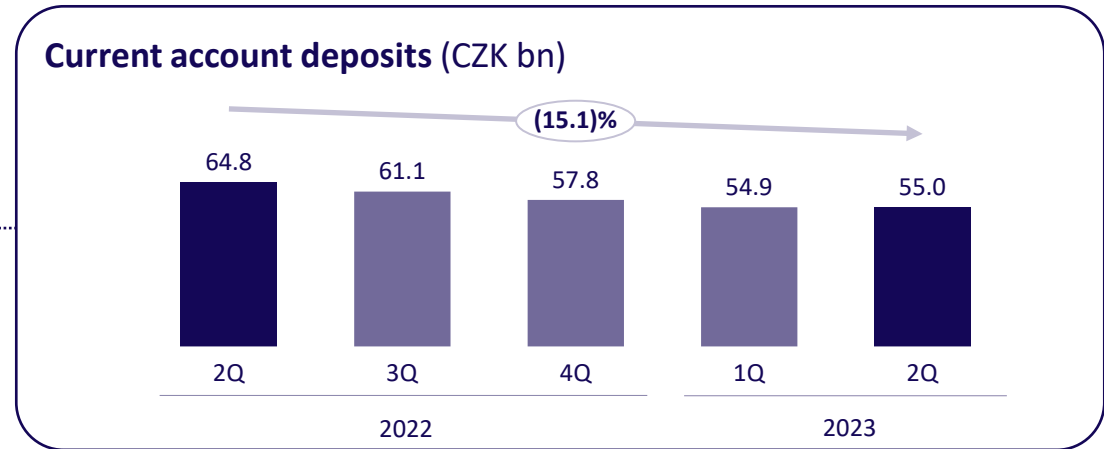
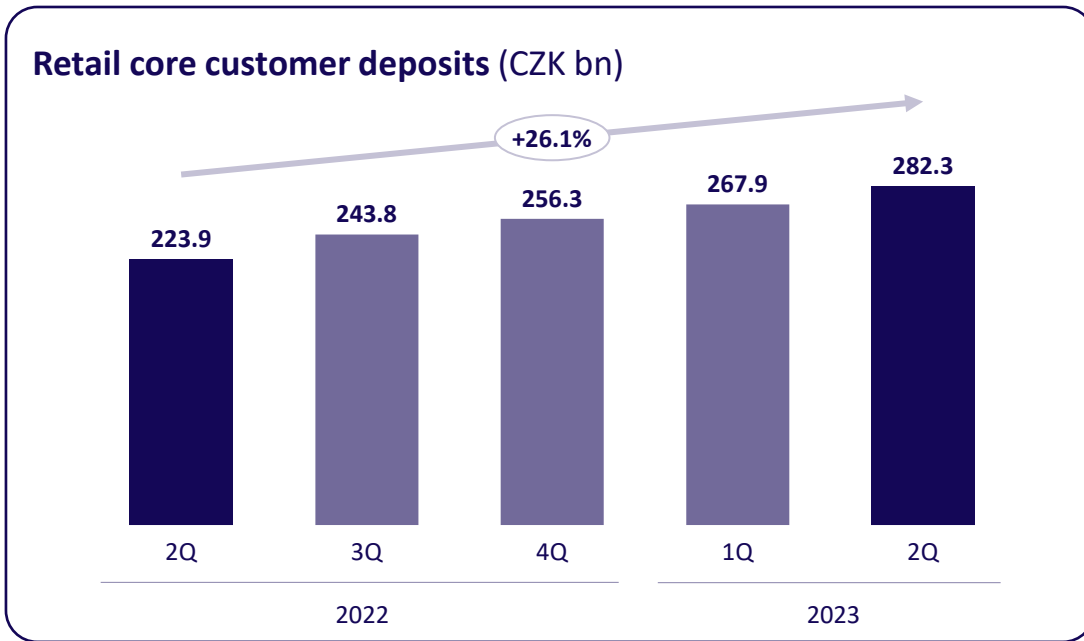


Notes: (1) Commercial loan portfolio includes leasing portfolio in the amount of CZK 4.1bn in 2Q'22, CZK 3.9bn in 3Q'22, CZK 3.6bn in 4Q'22, CZK 3.2bn in 1Q'23 and CZK 2.8bn in 2Q'23; (2) Investment loan portfolio includes supplementary housing loans; (3) Includes gross performing receivables and undrawn working capital limits.

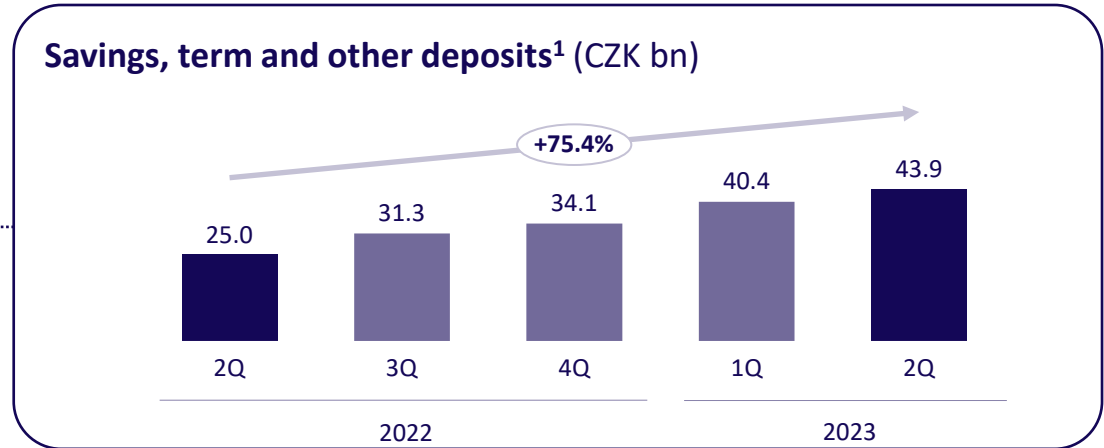
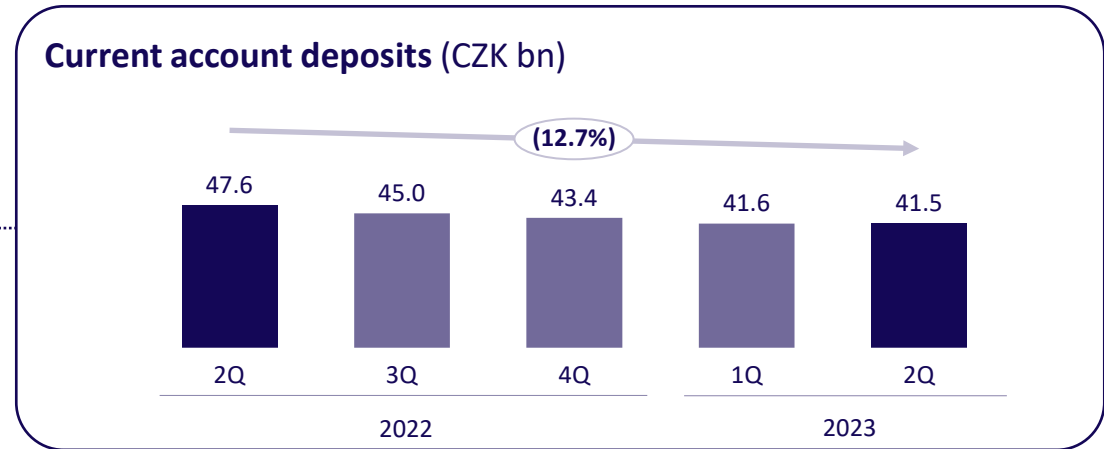
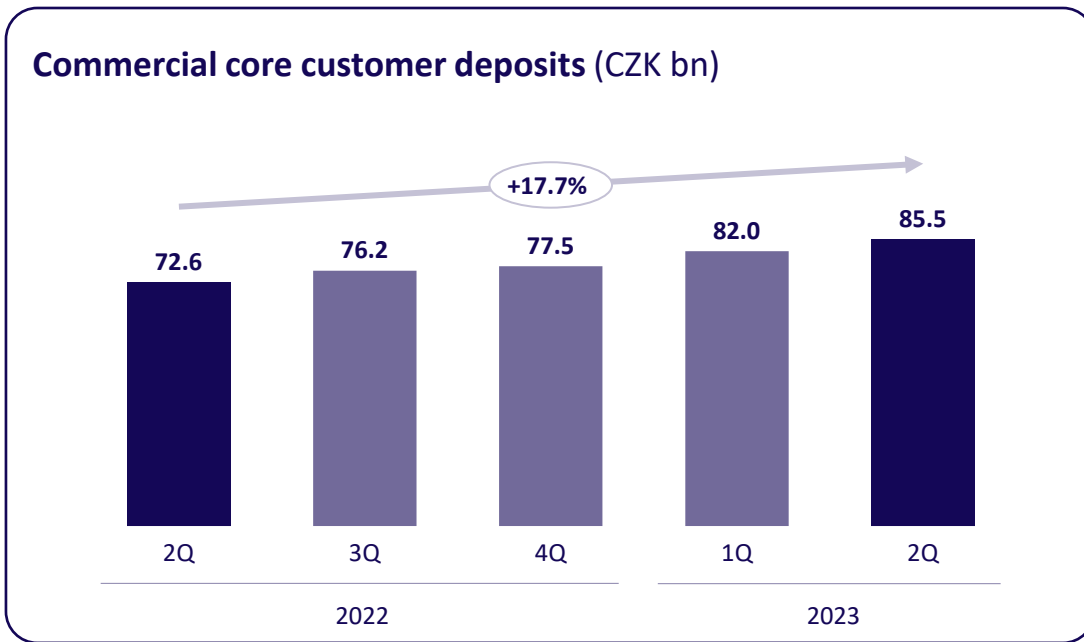
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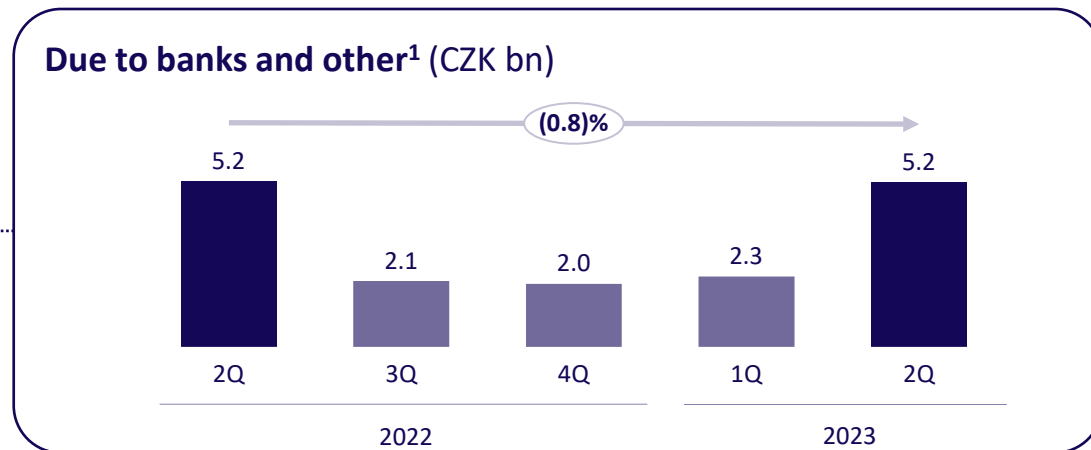
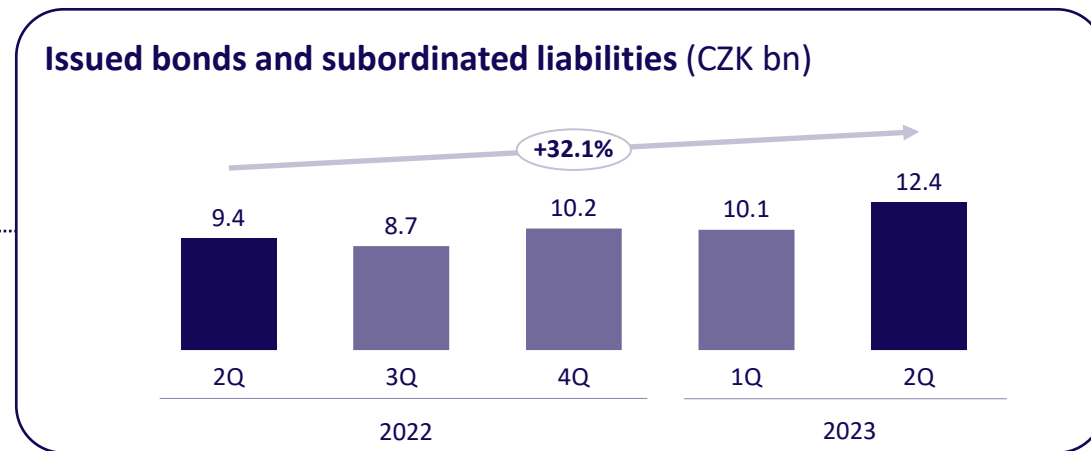
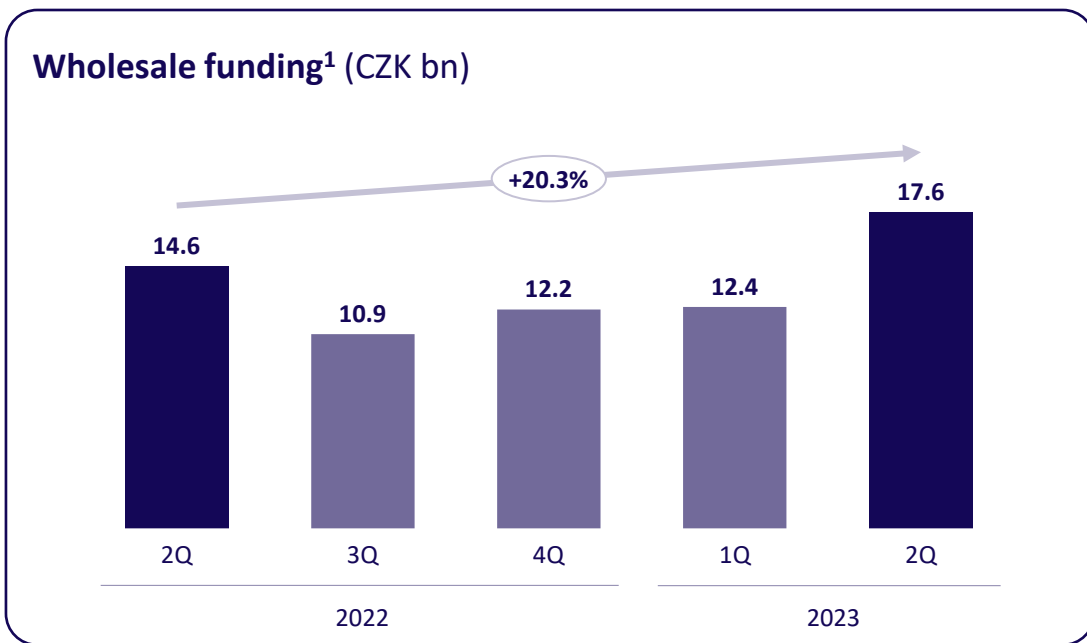
Retail deposit growth driven by savings accounts and term deposits. Current account balances stabilised during 2Q'23



The commercial segment reports similar trends as visible in retail and also achieved stabilisation in current account balances



Wholesale funding supported by the successful offering of subordinated deposits in 2Q'23



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Consolidated statement of financial position

CZK m	30/06/2023	31/12/2022 ¹	% Change
Cash and balances with the central bank	10,303	12,467	(17.4%)
Derivative financial instruments with positive fair values	652	761	(14.3%)
Investment securities	80,483	57,951	38.9%
Hedging derivatives with positive fair values	3,731	4,942	(24.5%)
Change in fair value of items hedged on portfolio basis	(1,147)	(2,090)	(45.1%)
Loans and receivables to banks	55,109	37,886	45.5%
Loans and receivables to customers	268,027	268,752	(0.3%)
Intangible assets	3,280	3,379	(2.9%)
Property and equipment	2,361	2,318	1.9%
Investments in subsidiaries and associates	4	3	33.3%
Current tax assets	23	6	283.3%
Other assets	1,003	1,135	(11.6%)
TOTAL ASSETS	423,829	387,510	9.4%
Due to banks	7,707	5,953	29.5%
Due to customers	368,177	334,251	10.1%
Derivative financial instruments with negative fair values	631	747	(15.5%)
Hedging derivatives with negative fair values	1,545	845	82.8%
Change in fair value of items hedged on portfolio basis	(169)	(438)	(61.4%)
Issued bonds	4,909	5,520	(11.1%)
Subordinated liabilities	7,501	4,687	60.0%
Provisions	238	306	(22.2%)
Current tax liabilities	163	482	(66.2%)
Deferred tax liabilities	408	496	(17.7%)
Other liabilities	3,238	3,570	(9.3%)
Total Liabilities	394,348	356,419	10.6%
Share capital	10,220	10,220	0.0%
Statutory reserve	102	102	0.0%
Other reserves	1	1	0.0%
Retained earnings	19,158	20,768	(7.8%)
Total Equity	29,481	31,091	(5.2%)
TOTAL LIABILITIES & EQUITY	423,829	387,510	9.4%

Consolidated statement of financial position – quarterly development

CZK m	30/06/2021	30/09/2021	31/12/2021 ¹	31/03/2022	30/06/2022	30/09/2022	31/12/2022 ¹	31/03/2023	30/06/2023
Cash and balances with the central bank	7,824	8,760	11,204	12,124	12,080	10,035	12,467	7,441	10,303
Derivative financial instruments with positive fair values	103	260	400	561	749	768	761	726	652
Investment securities	51,271	50,494	49,200	48,863	52,639	53,808	57,951	80,195	80,483
Hedging derivatives with positive fair values	757	1,637	3,235	4,120	5,333	5,380	4,942	4,345	3,731
Change in fair value of items hedged on portfolio basis	(219)	(907)	(1,841)	(2,109)	(2,576)	(2,484)	(2,090)	(1,597)	(1,147)
Loans and receivables to banks	10,473	13,181	15,602	39,605	26,372	28,495	37,886	40,638	55,109
Loans and receivables to customers	239,330	247,572	255,612	257,610	265,860	268,766	268,752	266,012	268,027
Intangible assets	3,016	3,095	3,184	3,267	3,313	3,315	3,379	3,324	3,280
Property and equipment	2,552	2,472	2,631	2,536	2,416	2,297	2,318	2,360	2,361
Investments in subsidiaries and associates	3	2	2	3	4	2	3	4	4
Current tax assets	372	45	9	2	9	14	6	8	23
Deferred tax assets	5	0	0	0	0	0	0	0	0
Other assets	962	916	984	907	896	940	1,135	1,129	1,003
TOTAL ASSETS	316,449	327,527	340,222	367,489	367,095	371,336	387,510	404,585	423,829
Due to banks	7,413	17,549	12,580	22,723	21,117	6,569	5,953	5,439	7,707
Due to customers ²	268,613	268,276	285,145	299,125	302,199	320,610	334,251	350,329	368,177
Derivative financial instruments with negative fair values	85	209	524	683	752	747	747	719	631
Hedging derivatives with negative fair values	489	363	580	742	931	934	845	935	1,545
Change in fair value of items hedged on portfolio basis	(64)	(297)	(598)	(655)	(749)	(595)	(438)	(287)	(169)
Issued bonds	2,713	2,720	2,422	4,764	4,729	4,096	5,520	5,479	4,909
Subordinated liabilities	4,667	4,642	4,684	4,628	4,669	4,645	4,687	4,630	7,501
Provisions	239	214	234	241	256	267	306	250	238
Current tax liabilities	70	44	26	248	398	490	482	515	163
Deferred tax liabilities	91	298	384	320	369	406	496	476	408
Other liabilities ²	3,670	3,583	4,760	3,899	3,648	3,140	3,570	3,794	3,238
Total Liabilities	287,986	297,601	310,741	336,718	338,319	341,309	356,419	372,279	394,348
Share capital	10,220	10,220	10,220	10,220	10,220	10,220	10,220	10,220	10,220
Statutory reserve	102	102	102	102	102	102	102	102	102
Other reserves	3	1	1	1	1	1	1	1	1
Retained earnings	18,138	19,603	19,158	20,448	18,453	19,704	20,768	21,983	19,158
Total Equity	28,463	29,926	29,481	30,771	28,776	30,027	31,091	32,306	29,481
TOTAL LIABILITIES & EQUITY	316,449	327,527	340,222	367,489	367,095	371,336	387,510	404,585	423,829

Consolidated statement of profit or loss and other comprehensive income

CZK m	1H 2023	1H 2022	% Change
Interest and similar income	10,229	7,055	45.0%
Interest expense and similar charges	(6,031)	(2,174)	177.4%
Net interest income	4,198	4,881	(14.0%)
Fee and commission income	1,559	1,304	19.6%
Fee and commission expense	(280)	(243)	15.2%
Net fee and commission income	1,279	1,061	20.5%
Dividend income	1	2	(50.0%)
Net income from financial operations	371	84	341.7%
Other operating income	23	62	(62.9%)
Total operating income	5,872	6,090	(3.6%)
Personnel expenses	(1,173)	(1,197)	(2.0%)
Administrative expenses	(780)	(716)	8.9%
Depreciation and amortisation	(635)	(623)	1.9%
Regulatory charges	(307)	(229)	34.1%
Other operating expenses	(22)	(30)	(26.7%)
Total operating expenses	(2,917)	(2,795)	4.4%
Profit for the period before tax and net impairment of financial assets	2,955	3,295	(10.3%)
Net impairment of financial assets	(30)	250	n/a
Profit for the period before tax	2,925	3,545	(17.5%)
Taxes on income	(447)	(673)	(33.6%)
Profit for the period after tax	2,478	2,872	(13.7%)
- Cash flow hedges - effective portion of changes in fair value	0	0	n/a
- Deferred tax	0	0	n/a
Other comprehensive income, net of tax	0	0	n/a
Total comprehensive income attributable to the equity holders	2,478	2,872	(13.7%)

Consolidated statement of profit or loss and other comprehensive income - quarterly development

CZK m	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023
Interest and similar income	2,267	2,378	2,720	3,351	3,704	4,002	4,534	4,855	5,374
Interest expense and similar charges	(211)	(217)	(402)	(928)	(1,246)	(1,675)	(2,431)	(2,824)	(3,207)
Net interest income	2,056	2,161	2,318	2,423	2,458	2,327	2,103	2,031	2,167
Fee and commission income	615	625	699	637	667	675	753	760	799
Fee and commission expense	(120)	(152)	(116)	(121)	(122)	(132)	(59)	(144)	(136)
Net fee and commission income	495	473	583	516	545	543	694	616	663
Dividend income	1	1	1	1	1	1	1	1	0
Net income from financial operations	113	133	83	70	14	139	134	183	188
Other operating income	39	13	16	14	48	12	72	13	10
Total operating income	2,704	2,781	3,001	3,024	3,066	3,022	3,004	2,844	3,028
Personnel expenses	(600)	(628)	(733)	(586)	(611)	(657)	(674)	(578)	(595)
Administrative expenses	(419)	(333)	(379)	(391)	(325)	(378)	(429)	(365)	(415)
Depreciation and amortisation	(300)	(289)	(293)	(312)	(311)	(311)	(315)	(323)	(312)
Regulatory charges	(3)	0	0	(218)	(11)	0	0	(267)	(40)
Other operating expenses	(11)	(12)	(21)	(13)	(17)	(10)	(25)	(12)	(10)
Total operating expenses	(1,333)	(1,262)	(1,426)	(1,520)	(1,275)	(1,356)	(1,443)	(1,545)	(1,372)
Profit for the period before tax and net impairment of financial assets	1,371	1,519	1,575	1,504	1,791	1,666	1,561	1,299	1,656
Net impairment of financial assets	(334)	299	(242)	95	155	(124)	(216)	116	(146)
Profit for the period before tax	1,037	1,818	1,333	1,599	1,946	1,542	1,345	1,415	1,510
Taxes on income	(204)	(352)	(246)	(309)	(364)	(291)	(281)	(200)	(247)
Profit for the period after tax	833	1,466	1,087	1,290	1,582	1,251	1,064	1,215	1,263
- Cash flow hedges - effective portion of changes in fair value	(7)	(3)	0	0	0	0	0	0	0
- Deferred tax	1	1	0	0	0	0	0	0	0
Other comprehensive income, net of tax	(6)	(2)	0	0	0	0	0	0	0
Total comprehensive income attributable to the equity holders	827	1,464	1,087	1,290	1,582	1,251	1,064	1,215	1,263

Key performance ratios

Profitability	1H 2023	FY 2022	Change in bps
Yield (% Avg Net Customer Loans)	4.5%	4.2%	30
Cost of Funds (% Avg Deposits and Received Loans) ¹	3.06%	1.66%	140
Cost of Funds on Core Customer Deposits (% Avg Deposits)	3.05%	1.62%	143
NIM (% Avg Int Earning Assets) ^{2,3,4}	2.1%	2.6%	(50)
Cost of Risk (% Avg Net Customer Loans)	0.02%	0.03%	(1)
Risk-adj. Yield (% Avg Net Customer Loans)	4.5%	4.2%	30
Net Fee & Commission Income / Operating Income (%)	21.8%	19.0%	280
Net Non-Interest Income / Operating Income (%)	28.5%	23.2%	530
Cost to Income Ratio	49.7%	46.2%	350
RoTE	18.9%	18.7%	20
RoE	16.8%	16.7%	10
RoAA ²	1.2%	1.4%	(20)
Liquidity / Leverage			
Core Loan to Deposit ratio	72.9%	80.5%	(760)
Net Loan to Deposit ratio ²	72.8%	80.4%	(760)
Total Equity / Total Assets	7.0%	8.0%	(100)
Liquid Assets ^{2,3} / Total Assets	34.4%	27.9%	650
Liquidity Coverage Ratio	284.8%	213.7%	7110
Capital Adequacy			
RWA density	39.9%	43.4%	(350)
Regulatory leverage	6.1%	6.7%	(60)
Total CAR (%)	19.7%	18.0%	170
Tier 1 Ratio (%)	15.4%	15.3%	10
Asset Quality			
Non-Performing Loan Ratio (%)	1.3%	1.4%	(10)
Core Non-Performing Loan Coverage (%)	49.7%	53.4%	(370)
Total NPL Coverage (%)	133.4%	134.8%	(140)
Loan to value ratio (%) ⁵	59.8%	60.4%	(60)
Loan to value ratio on new volumes (% weighted average) ⁵	59.7%	57.5%	220

Key performance ratios – quarterly development

Profitability	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023
Yield (% Avg Net Customer Loans)	3.8%	3.8%	3.9%	4.0%	4.1%	4.3%	4.4%	4.4%	4.6%
Cost of Funds (% Avg Deposits and Received Loans) ¹	0.37%	0.37%	0.53%	0.96%	1.23%	1.81%	2.65%	2.94%	3.21%
Cost of Funds on Core Customer Deposits (% Avg Deposits)	0.30%	0.29%	0.46%	0.91%	1.18%	1.76%	2.63%	2.91%	3.19%
NIM (% Avg Int Earning Assets) ^{2,3,4}	2.7%	2.7%	2.8%	2.8%	2.7%	2.6%	2.3%	2.1%	2.1%
Cost of Risk (% Avg Net Customer Loans)	0.57%	(0.49)%	0.38%	(0.15)%	(0.24)%	0.19%	0.32%	(0.17)%	0.22%
Risk-adj. Yield (% Avg Net Customer Loans)	3.2%	4.2%	3.5%	4.2%	4.3%	4.1%	4.1%	4.6%	4.4%
Net Fee & Commission Income / Operating Income (%)	18.3%	17.0%	19.4%	17.1%	17.8%	18.0%	23.1%	21.7%	21.9%
Net Non-Interest Income / Operating Income (%)	24.0%	22.3%	22.8%	19.9%	19.8%	23.0%	30.0%	28.6%	28.4%
Cost to Income Ratio	49.3%	45.4%	47.5%	50.3%	41.6%	44.9%	48.0%	54.3%	45.3%
RoTE	13.1%	21.9%	16.5%	18.8%	24.9%	18.7%	15.4%	16.8%	19.3%
RoE	11.7%	19.6%	14.7%	16.8%	22.0%	16.7%	13.7%	15.0%	17.1%
RoAA ²	1.1%	1.8%	1.3%	1.5%	1.7%	1.4%	1.1%	1.2%	1.2%
Liquidity / Leverage									
Core Loan to Deposit ratio	89.9%	92.8%	89.7%	87.6%	89.7%	84.0%	80.5%	76.0%	72.9%
Net Loan to Deposit ratio ²	89.1%	92.3%	89.6%	86.1%	88.0%	83.8%	80.4%	75.9%	72.8%
Total Equity / Total Assets	9.0%	9.1%	8.7%	8.4%	7.8%	8.1%	8.0%	8.0%	7.0%
Liquid Assets ^{2,3} / Total Assets	22.0%	22.1%	22.3%	27.4%	24.8%	24.9%	27.9%	31.7%	34.4%
Liquidity Coverage Ratio	156.8%	137.8%	177.8%	169.8%	149.3%	197.7%	213.7%	273.9%	284.8%
Capital Adequacy									
RWA density	46.4%	45.6%	46.2%	43.7%	45.6%	45.4%	43.4%	41.4%	39.9%
Regulatory leverage	7.5%	7.2%	6.6%	6.6%	6.4%	6.5%	6.7%	6.4%	6.1%
Total CAR (%)	19.2%	18.7%	17.1%	17.7%	16.8%	17.0%	18.0%	18.1%	19.7%
Tier 1 Ratio (%)	16.3%	15.9%	14.4%	15.0%	14.1%	14.3%	15.3%	15.4%	15.4%
Asset Quality									
Non-Performing Loan Ratio (%)	2.5%	2.4%	2.2%	1.8%	1.4%	1.4%	1.4%	1.3%	1.3%
Core Non-Performing Loan Coverage (%)	52.9%	55.1%	55.8%	57.3%	56.8%	56.8%	53.4%	51.4%	49.7%
Total NPL Coverage (%)	98.9%	96.1%	101.2%	120.5%	133.8%	137.3%	134.8%	137.1%	133.4%
Loan to value ratio (%) ⁵	62.8%	62.5%	62.4%	62.2%	61.5%	61.0%	60.4%	60.1%	59.8%
Loan to value ratio on new volumes (% , weighted average) ⁵	64.3%	61.8%	59.9%	59.0%	56.3%	61.2%	55.6%	59.3%	60.0%

APPENDIX

- Events with investors
- Gross Performing Loan Portfolio Development
- Funding Base Development
- Financial Statements & Key Performance Ratios
- Glossary of Terms

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 of the Acquired entities
Acquisition gain	Difference between final consideration for the Acquired entities and fair market value of acquired assets
AFS	Available for sale
Annualised	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
Asset Management	Balance of distributed investment funds
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	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.
BB forecast	Bloomberg forecast
bn	Billion
bps	Basis points
Building savings/Building savings deposits	Saving product, typical for building savings banks. Bank undertakes clients deposits determined for housing financing. This act is supported by a financial contribution from the state.
Building saving loans/Bridging loans	Building savings loan provided based on a building savings product. The bridging loan is exclusively in the area of building savings, tied only to housing needs. Bridging loans are used to bridge the period during which the conditions for negotiating a building savings loan are not met.
CAR / Capital Adequacy Ratio	Ratio calculated as regulatory capital as a percentage of risk-weighted assets
CET1 ratio	CET 1 capital as a percentage of RWA (calculated pursuant to CRR)
CNB	Czech National Bank
Cost of Funds (% Avg Deposits)	Interest expense and similar charges for the period (excl. deposit interest rate swaps and opportunistic repo interest expenses) divided by the average balance of Due to banks, Due to customers and issued bonds and subordinated liabilities, excl. opportunistic repo operations and CSA

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 the average balance of core customer deposits
CoR or Cost of Risk or Cost of Risk (% Avg Net Customer Loans)	Net impairment of financial assets divided by the average balance of net loans to customers since 2018 based on IFRS 9. If Cost of Risk shown in CZK, then it corresponds to „Net impairment of financial assets“
Core Customer Deposits	Due to customers excluding repo Operations, subordinated liabilities and CSA
Core Loan to Deposit ratio	Loan to deposit ratio calculated as net loans and receivables to customers divided by customer deposits excluding subordinated liabilities, CSA and repos
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
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
CSA	Credit Support Annex is a legal document which regulates credit support (collateral) for derivative transactions
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
ESG	Environmental, Social and Corporate Governance
ETR / Effective Tax Rate	Effective Tax Rate – calculated as taxes on income divided by profit for the period before tax
Excess capital over capital management target	Capital exceeding the management capital target
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
FTE	Figure states full time equivalents in the last month of the quarter

GLOSSARY 2/3

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, Issued Bonds and subordinated liabilities and excluding opportunistic repo operations and CSA
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 categorisation rules (Standard, Watch)
IFRS	International Financial Reporting Standards
Incremental ROE	All interest and non-interest income generated by each lending product within the segment, minus Cost of Funds allocated to each lending product (by using average Group core Cost of Funds and leverage), minus cost of IR hedging allocated to each lending product and minus credit losses booked on each lending product for the period (=RAOI), divided by average equity allocated to each lending product by using leverage (=Equity)
Investment securities	Equity and debt securities in the Group's portfolio, consist of securities measured at amortised cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL)
Issued securities	Issued bonds and Subordinated liabilities
k/th	thousands
KPI	Key performance indicator
Leasing	MONETA Leasing, s.r.o.
Liquid Assets	Liquid assets comprise cash and balances with central banks, investment securities (not transferred as collateral in repurchase agreements), loans and receivables to banks
LCR/Liquidity Coverage Ratio	Liquidity Coverage Ratio measures the ratio (expressed as a percentage) of a MONETA'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
Loan from building savings	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 / m	Millions
Management overlay	Increment to expected credit loss estimate which compensates insufficient sensitivity of core IFRS9 model to specific macroeconomic conditions

Market share – consumer loans	Consumer loans = Non-purposed and purposed consumer loans, debt consolidations, additional loan and American mortgages. Source: the CNB ARAD, MMB in IFRS unconsolidated according to the CNB definitions, gross loans excluding non-residents and loans in foreign currency, the CNB annualised average weighted rate
M&A	Merger and Acquisition
Market interest rates	Based on the CNB ARAD
MPSV	Ministry of Labour and Social Affairs
MONETA	MONETA has the same meaning as the Group
MREL	Minimum Requirement of Own Funds and Eligible Liabilities
MSS	MONETA Stavební Spořitelna, a.s. (formerly 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 or 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 the 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 behaviour 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 categorisation 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 / Total NPL Coverage	Ratio (expressed as a percentage) of loss allowances for loans and advances to customers to NPL
OCI	Other Comprehensive Income
Online Origination	Represents new volume originated from online applications and leads (client with contact details)
Operating profit	Operating profit represents profit for the period before tax and Cost of Risk.
Operational liquidity	Includes unencumbered bond portfolio and the CNB bills at market value, MONETA's and MSS clearing accounts at the CNB, foreign exchange nostro accounts, interbank deposits, cash and cash in transit
OPEX / Cost Base	Total operating expenses
Opportunistic repo operations	Repo transactions with counterparties which are closed on back-to-back basis by reverse repo transactions with the CNB
Overall portfolio coverage	Ratio (expressed as a percentage) of total loss allowances for loans and advances to customers over gross loan portfolio balance

GLOSSARY 3/3

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
Portfolio yield	Please refer to the definition of yield
Q	Quarter
QtQ	Quarter-to-quarter
RAOI	All interest and non-interest income generated by each lending product within the segment, minus Cost of Funds allocated to each lending product (by using average Group core Cost of Funds and leverage), minus cost of IR hedging allocated to each lending product and minus credit losses booked on each lending product for the period
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 treasury shares held by the Company (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
Return on Tangible Equity or RoTE	Return on tangible equity calculated as annualised profit after tax for the period divided by tangible equity
Retail clients	Clients/individuals who have their product signed using their personal identification number
Retail unsecured instalment loans/ Consumer loans/Unsecured consumer loans	Non-purpose, unsecured and revolving loans to retail clients; including building savings and bridging loans
Return on average assets or RoAA	Return on average assets calculated as annualised profit after tax for the period divided by average balance of total assets
Return on Equity or RoE	Return on equity calculated as annualised profit after tax for the period divided by total equity
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. utilising Specific Credit Risk Adjustments
Small Business clients	Clients or enterprises with an annual turnover of up to CZK 60 million
Small Business loan portfolio	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 / SME clients	Clients or enterprises who have their product on identification number with an annual turnover above CZK 60 million
SREP	Supervisory Review and Evaluation Process, when supervisor regularly assesses and measures the risks for each bank
Stage 1, Stage 2, Stage 3	Stage 1 – financial assets with no significant increase in credit risk since initial recognition, Stage 2 - financial assets with significant increase in credit risk since initial recognition but not in default, Stage 3 – financial assets in default
Supplementary housing loans	MSS portfolio – retail bridging loans and building savings loans.
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
Total Shareholder Return/TSR	Total Shareholder Return based on the Bloomberg methodology including reinvested dividend
WHB	Wüstenrot hypoteční banka a.s. (Mortgage bank)
Y	Year
Yield (% Avg. Net Customer Loans)	Interest and similar income from loans to customers divided by the average balance of net loans to customers
YoY	Year-on-year
YtD	Year to date

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Material assumptions for forward-looking statements

- See slide “Material assumptions for medium-term guidance” on pages 49 and 50.

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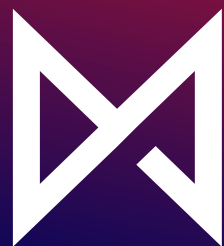
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