

# 3Q 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. For that reason all financial and non-financial data newly include acquired entities (starting 2Q 2020, respectively 3Q’20 when showed YtD development only). The transaction is further referred as the “Acquisition”. Historical data are not reconciled.
- The aggregate financial and non-financial data on consolidated basis 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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## Material assumptions for forward-looking statements

- See slide “Material assumptions for medium term guidance” on page 72 and 73.

# 3Q 2020 HIGHLIGHTS



OPERATING  
INCOME

**CZK 9.4bn**



OPERATING  
EXPENSES

**CZK 4.1bn**



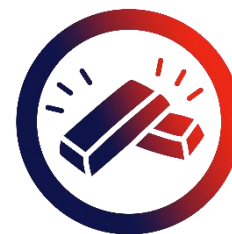
PRE-IMPAIRMENT  
PROFIT<sup>(1)</sup>

**+28.5% YoY**



COST OF  
RISK

**CZK 3.1bn**



NET  
PROFIT

**CZK 1.9bn**



# 3Q 2020 HIGHLIGHTS



DEPOSIT  
GROWTH<sup>1</sup>

**+48.0% YoY**



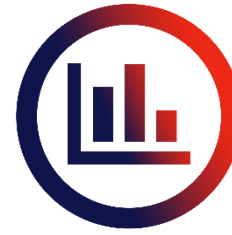
LENDING  
GROWTH<sup>2</sup>

**+46.1 % YoY**



NON-PERFORMING  
LOANS

**1.5%**



CAPITAL  
ADEQUACY

**17.4%**



LIQUIDITY  
COVERAGE

**195.3%**

# Content

- Strategic Performance Highlights
  - Operating Environment
  - Banking Market Growth and Pricing
  - Guidance 2020 - 2025
  - Profit and Loss Development
  - Balance Sheet Development
  - Risk Metrics & Asset Quality
  - Capital Management
  - Measures Related to COVID-19 Pandemic
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# STRATEGIC OBJECTIVES

## MONETA's medium-term 3 years targets (1/2)

### BALANCE SHEET STRUCTURE AND SEGMENT DEVELOPMENT

#### ASPIRATION

#### 3Q 2020 CURRENT POSITION

Retail & Small Business

75.0%

68.9%

SME

25.0%

31.1%

### RETAIL TARGETS<sup>1</sup>

Mortgage Market Share

10.0%

6.6%

Unsecured Retail Market Share

17.5%

17.8%

Retail Deposits Market Share

10.0%

7.0%

Asset Management Market Share

5.0%

2.8%

Bank Assurance GWP<sup>2</sup> Annual Growth

15.5%

16.5%

### SMALL BUSINESS TARGET

Organic Client Base Expansion

reach 150 thousand

103 thousand

Lending Volume Annual Growth

15.0%

21.5%

Deposit Volume Annual Growth

15.0%

20.0%

### SME TARGETS

Lending Volume Annual Growth

> 7.5%

16.7%

Deposit Volume<sup>3</sup> Annual Growth

> 8.0%

18.4%

# STRATEGIC OBJECTIVES

## MONETA's medium-term 3 years targets (2/2)

### MINIMUM PROFITABILITY TARGETS, INCREMENTAL ROE OR ROTE ANNUALLY

### ASPIRATION

### 3Q 2020 CURRENT POSITION

Group Reported RoTE <sup>1</sup> Target	≥ 15.5%	10.9%
Retail Lending Incremental RoE Target <sup>2</sup>	≥ 25.0%	33.3%
Small Business Lending Incremental RoE Target <sup>2</sup>	≥ 30.0%	30.7%
SME Lending Incremental RoE Target <sup>2</sup>	≥ 20.0%	19.0%

### SUSTAINABILITY RISK TARGETS

NPL Ratio	≤ 5.0%	1.5%
Coverage of Gross Loans	≥ 2.0%	2.5%
Total NPL Coverage	≥ 85%	166.3%

### CLIENT BASE EXPANSION

Retail Clients	reach <b>1.5 million</b> overall	<b>1.28 million</b>
Primary Banking Clients	reach <b>1 million</b> primary retail	<b>648 thousand</b>

# PROGRESS ON STRATEGIC OBJECTIVES

## MONETA delivered solid growth, supported by recent Acquisition

<b>01   MAINTAIN &amp; IMPROVE RETAIL FRANCHISE<sup>1</sup></b>	<ul style="list-style-type: none"><li>• <b>68.1% YoY</b> increase in retail loan portfolio / <b>+70.8% YoY</b> retail core deposit growth</li><li>• <b>122.3% YoY</b> growth in mortgages<sup>2</sup>, market share increased to 6.6%<sup>3</sup> as of August'20 (3.3% in FY 2019)</li><li>• <b>25.2% YoY</b> growth in consumer loan portfolio, <b>(37.5)% YtD</b> decrease in new volumes</li></ul>
<b>02   DEVELOP SMALL BUSINESS BANKING<sup>1</sup></b>	<ul style="list-style-type: none"><li>• <b>21.5% YoY</b> increase in Small Business loan portfolio / <b>+20.0% YoY</b> Small Business core deposit growth</li><li>• <b>(19.8)% YoY</b> decrease in new volumes of instalment lending</li><li>• <b>CZK 574m</b> loans covered by COVID guarantees</li></ul>
<b>03   RETAIN &amp; REINFORCE SME BANKING<sup>1</sup></b>	<ul style="list-style-type: none"><li>• <b>16.7% YoY</b> increase in SME loan portfolio / <b>18.4%YoY</b> SME core deposit growth<sup>4</sup></li><li>• Commercial yield at <b>3.7%</b><sup>5</sup></li><li>• <b>CZK 2.8bn</b> in COVID guaranteed loans</li></ul>
<b>04   DEVELOP DIGITAL CAPABILITIES</b>	<ul style="list-style-type: none"><li>• <b>42.0%</b> share of digital consumer lending on total new production</li><li>• <b>23.2%</b> share of digital Small Business instalment lending on total new production</li><li>• <b>57.3% YoY</b> growth of transactions in Smart Banka</li></ul>
<b>05   SUSTAINABLE RISK MANAGEMENT</b>	<ul style="list-style-type: none"><li>• <b>166.3%</b> total NPL coverage, <b>1.5%</b> NPL ratio</li><li>• <b>207bps</b> Cost of Risk mainly driven by forward looking COVID-19 provisions</li><li>• <b>2.48%</b> overall coverage vs. <b>1.94%</b> at 2019-year end</li></ul>
<b>06   EFFICIENT CAPITAL STRATEGY</b>	<ul style="list-style-type: none"><li>• <b>17.4%</b> Capital Adequacy Ratio</li><li>• <b>14.4%</b> CET1 ratio</li><li>• <b>44.3%</b> total RWA density supported by change of portfolio mix</li></ul>
<b>07   COST CONTROL AND OPERATIONAL EXCELLENCE</b>	<ul style="list-style-type: none"><li>• <b>9.3%</b> growth of cost base driven by consolidation of acquired entities</li><li>• <b>CZK 300m</b> of acquisition cost synergies locked-in, to be fully realised in 2021</li><li>• <b>(1.0)%</b> reduction of pre-acquisition cost base</li></ul>

# PROGRESS ON STRATEGIC OBJECTIVES

## Acquisition integration accelerated ahead of initial plan

### 01 | COMMERCIAL PERFORMANCE

- Revision of product offer of Building savings bank under way to increase sales performance
- **From 7.2%<sup>1</sup> to 12.1% YoY** market share growth of building savings new contract production<sup>2</sup>

### 02 | LEGAL MERGER INTO MONETA AND REBRANDING

- Rebranding successfully completed
- Rationalisation of branch network of MSS in progress, closing 18 units (December 2020)
- Legal merger of WHB into MONETA on track
  - Approval of CNB obtained in September 2020
  - Merger will become effective from 1st January 2021

### 03 | DISPOSALS OF LEGACY NPL

- **CZK 74 million** pre-tax gain from disposals of legacy NPL portfolio generated till September 2020
- **CZK 370 million** nominal value of sold NPL portfolio

### 04 | SYNERGIES EXECUTION

- **CZK 300 million** locked in to be realised in 2021 against base-line of **CZK 750 million** (2019)
- Synergies cover personnel, marketing, real estate, IT and other expenditures
- Full impact expected in 1Q 2021

### 05 | LEGACY HQ SUBLEASE






- Wüstenrot HQ almost fully subleased over the full duration of the lease contract (value approx. CZK 60 million)
- Anticipated income covers more than 80% of the overall costs related to Wüstenrot HQ

### 06 | IT INTEGRATION

- Interim integration architecture in both online & offline components defined
- Application portfolio assessed and transformation program for decommissioning & integration started (completion end of 2021)
- Regulatory reporting project to be completed in 1Q 2021

## OPERATING PLATFORM

Strong operating platform with stable employment, not increasing despite the recent Acquisition

		FY 2019	3Q 2020
	<b>NUMBER OF EMPLOYEES (FTEs)<sup>1</sup></b>	<b>2,959</b>	<b>2,973</b>
	<ul style="list-style-type: none"> <li>• MONETA perimeter</li> <li>• Acquired entities perimeter</li> </ul>	2,959 n/a	2,805 168
	<b>BRANCHES</b>	<b>179</b>	<b>160</b>
	<ul style="list-style-type: none"> <li>• Rented space in thousands m<sup>2</sup></li> <li>• Branches in new design</li> </ul>	41.9 36	39.6 39
	<b>TIED AGENT NETWORK</b>		
	<ul style="list-style-type: none"> <li>• Offices<sup>2</sup></li> <li>• Rented space in thousands m<sup>2</sup></li> </ul>	n/a n/a	77 4.3
	<b>ATMs</b>	<b>632</b>	<b>554</b>
	<ul style="list-style-type: none"> <li>• of which deposit ATMs</li> <li>• of which contactless ATMs<sup>3</sup></li> </ul>	81 456	96 485
	<b>NUMBER OF PERFORMING CLIENTS (ths)<sup>4</sup></b>	<b>999</b>	<b>1,351</b>
	<ul style="list-style-type: none"> <li>• MONETA perimeter</li> <li>• Acquired entities perimeter</li> </ul>	999 n/a	1,015 336
	<b>REGISTERED USERS DIGITAL CHANNELS</b>		
	<ul style="list-style-type: none"> <li>• Smart Banka (ths)</li> <li>• Internet Banka<sup>5</sup> (ths)</li> </ul>	365 941	426 969

# Content

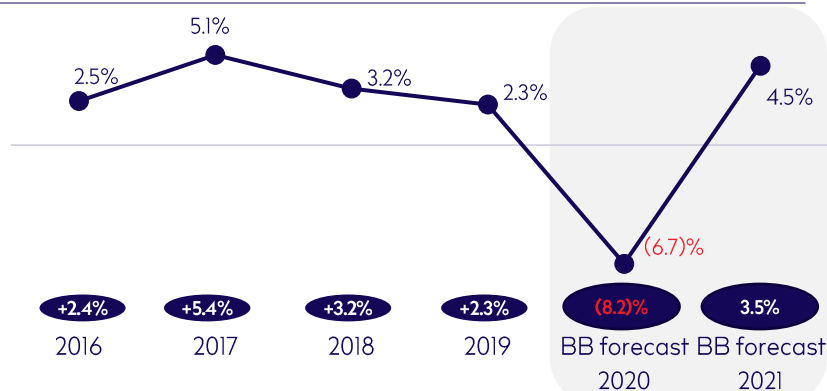
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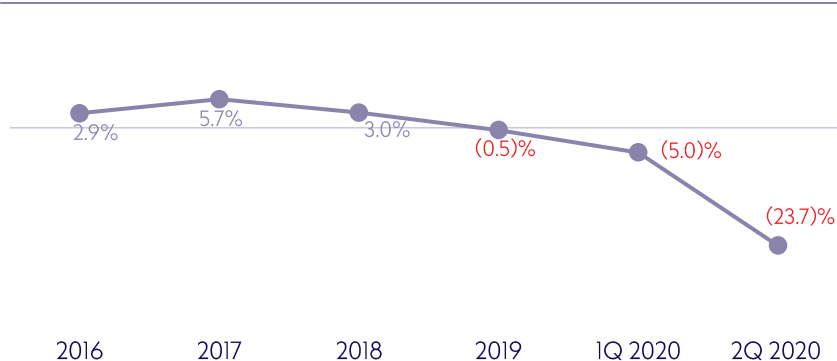
# MACROECONOMIC ENVIRONMENT

## Declining GDP with "so far" positive outlook for 2021

GDP OUTLOOK<sup>1</sup> (actual performance, CZSO and CNB)



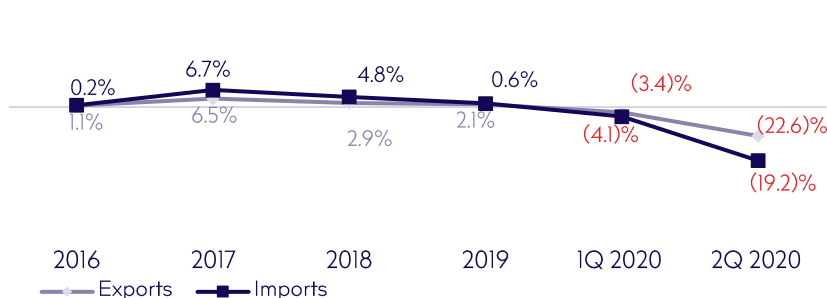
INDUSTRIAL PRODUCTION EVOLUTION (year-over-year % change)



CONTRIBUTION TO GDP GROWTH<sup>2</sup> (in %)

	2015	2016	2017	2018	2019	2020F
Households	1.8	1.6	2.0	1.5	1.4	(2.0)
Government	0.4	0.5	0.2	0.7	0.6	1.0
Investments	2.6	(0.9)	1.0	1.9	0.6	(4.4)
External Trade	(0.2)	1.4	1.1	(0.8)	(0.3)	(3.3)

FOREIGN TRADE (year-over-year % change)



CZ Rating (S&P)<sup>3</sup>

AA-

STABLE

CREDIT DEFAULT SWAP5Y

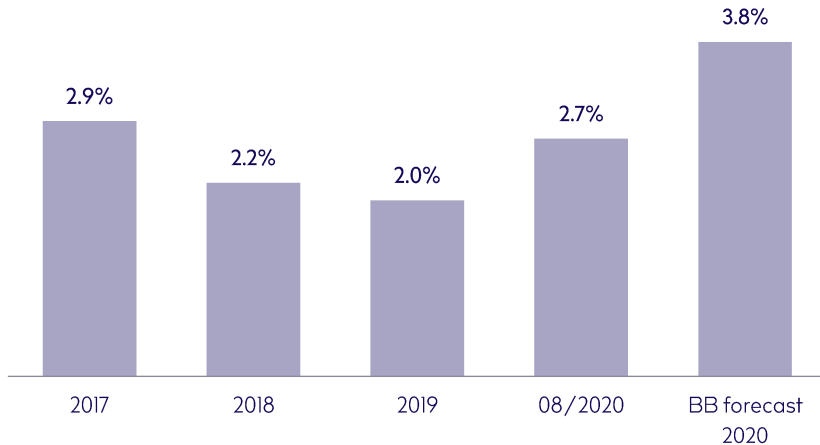
31bps (mid)

Source: Actuals: CSU, Eurostat; GDP actuals: Bloomberg; Forecast: Bloomberg consensus 09/20 latest revised data for 2020; (1) GDP YoY growth published by CSU, Forecast: CNB, above in graph GDP actuals from Eurostat, forecast from Bloomberg; (2) Actuals: CSU, Forecast: CNB; (3) Foreign currency long term debt effective since 2011, confirmed in 2019.

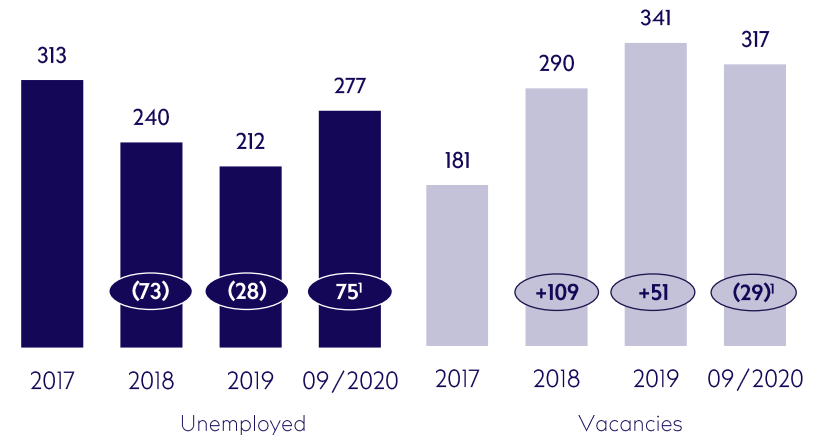
# MACROECONOMIC ENVIRONMENT

## Steady demand for labour persists despite lower output

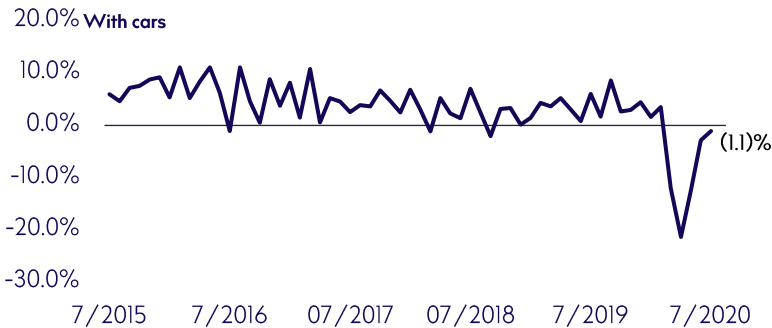
UNEMPLOYMENT RATE: CSU



UNEMPLOYED AND VACANCIES (in ths)



RETAIL TRADE Y/Y GROWTH



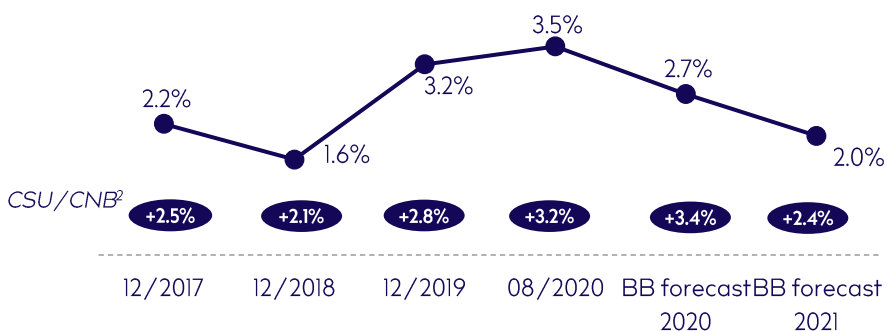
EMPLOYMENT POTENTIAL (in %)



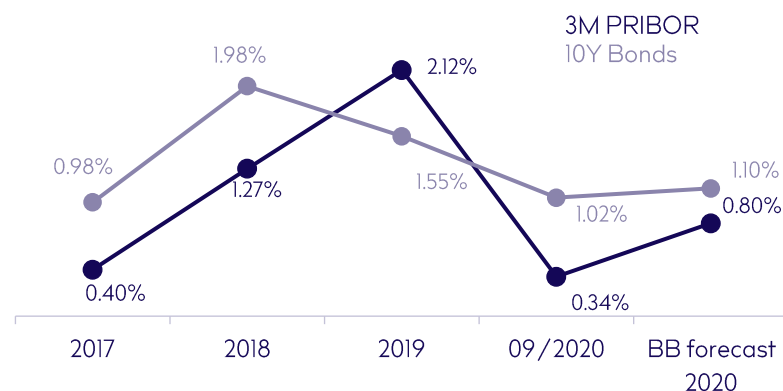
# MACROECONOMIC ENVIRONMENT

## Accelerating inflation amidst low rates environment accompanied with slight CZK weakening against Euro

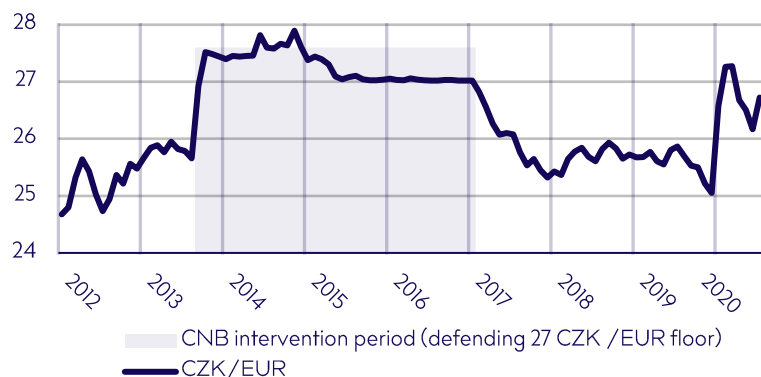
### CONSUMER PRICE INDEX<sup>1</sup>



### PRIBOR 3M, GOVERNMENT BONDS 10Y



### EXCHANGE RATE DYNAMICS



### 2W LIMIT REPO RATE FORECAST<sup>3</sup>

	BB median	CS	CSOB	KB	RB	UNI
3Q2020	0.05	0.25	0.25	0.05	0.25	0.05
4Q2020	0.05	0.25	0.25	0.05	0.25	0.05
1Q2021	0.05	0.25	0.25	0.05	0.25	0.05
2Q2021	0.05	0.25	0.25	0.05	0.25	0.05
3Q2021	0.25	0.50	0.25	0.05	0.25	0.25
4Q2021	0.25	0.75	0.25	0.05	0.25	0.25

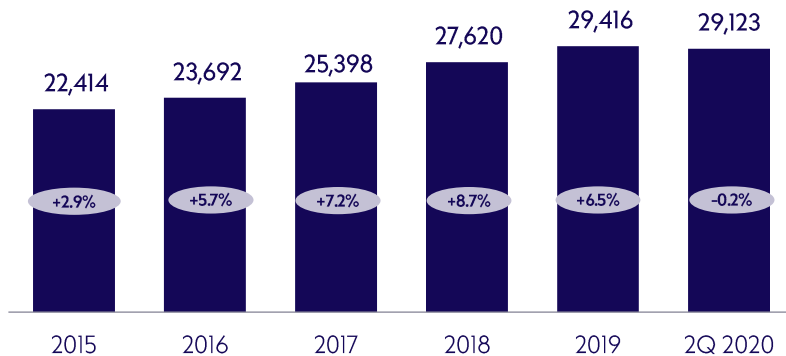
Source: Actuals: CSU, Eurostat, CNB, Forecast: Bloomberg consensus 09/20.

Note: (1) Harmonised Index of Consumer Prices; (2) CPI YoY growth published by CSU, Forecast: CNB, CPI in 08/20: 3.2% (12-month average); (3) Date of forecast: 7 July 2020.

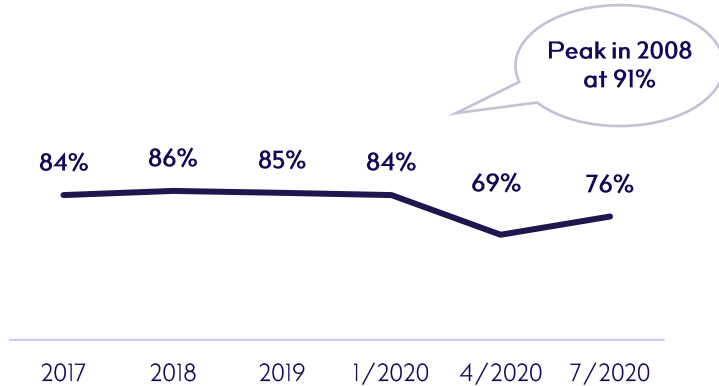
# MACROECONOMIC ENVIRONMENT

## Wage growth stopped and savings rate increased last year, accelerating in 2020

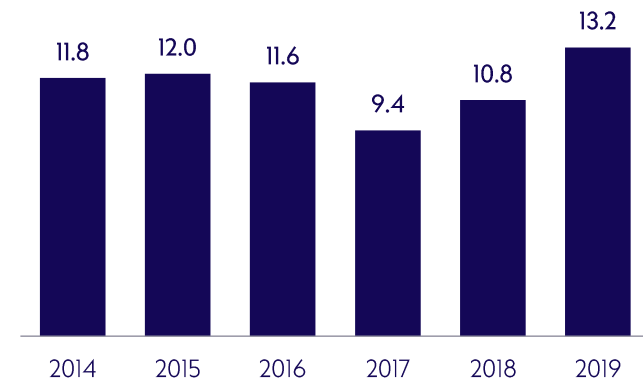
MEDIAN WAGE<sup>1</sup> (in CZK)



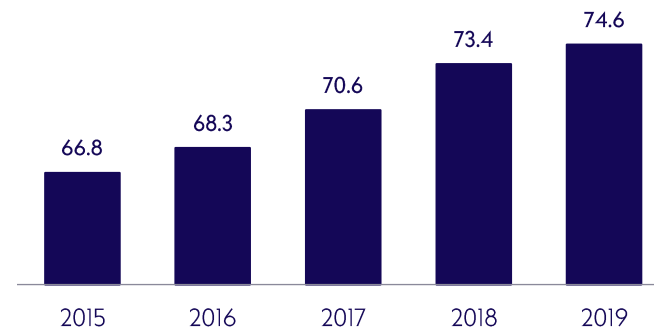
CAPACITY UTILISATION IN INDUSTRY SECTOR



SAVING RATE<sup>2</sup> (in %)



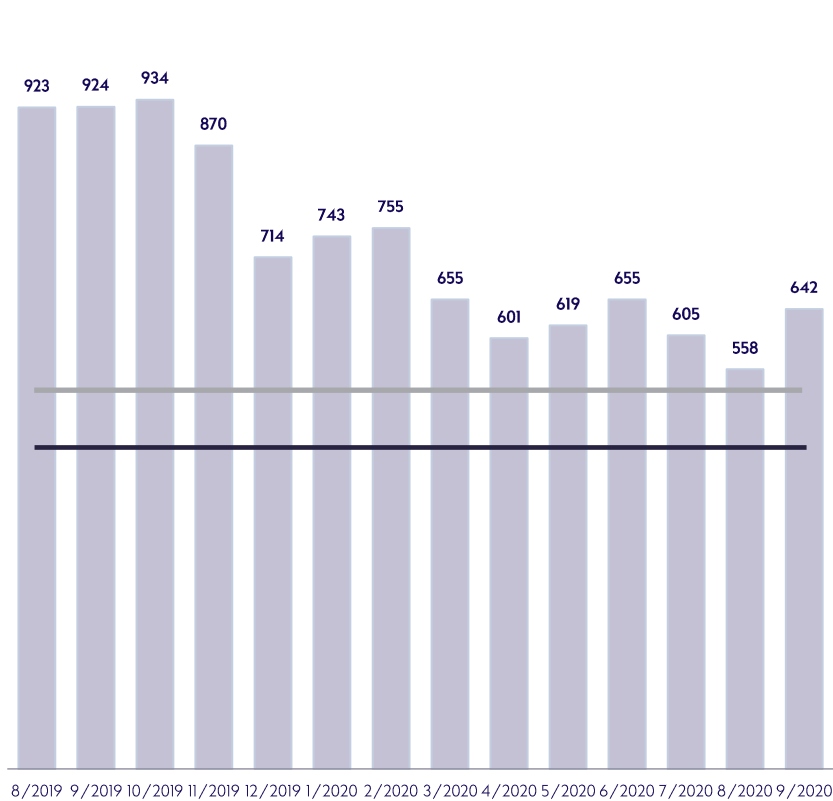
PURCHASING POWER (in%)



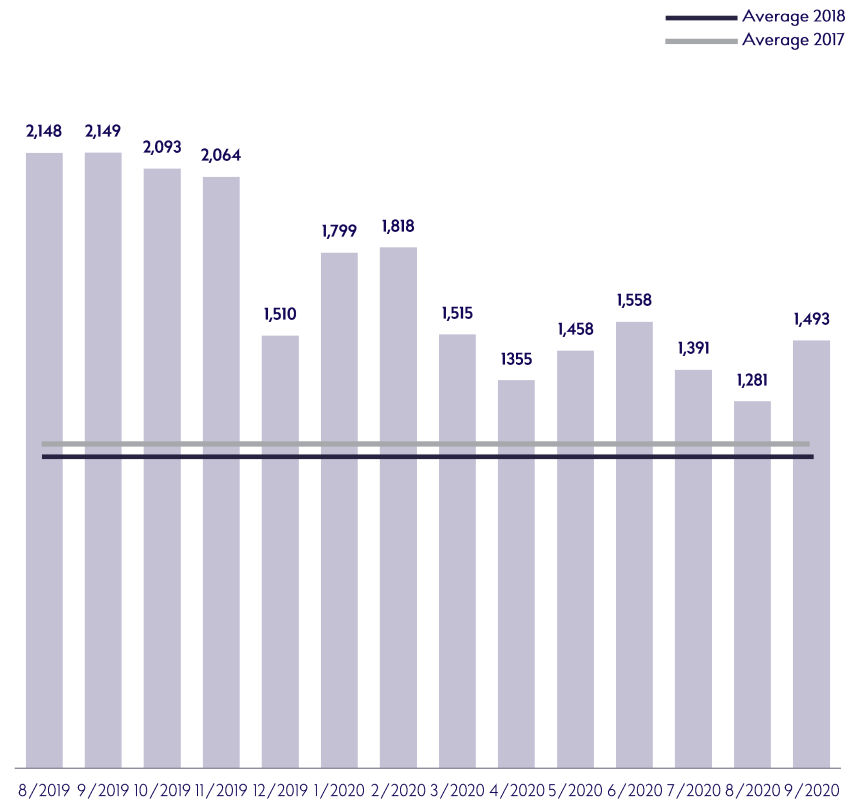
# MACROECONOMIC ENVIRONMENT

Bankruptcies do not show any significant development probably due to loan repayment moratorium and state support

NUMBER OF INDIVIDUAL ENTREPRENEURS



NUMBER OF PERSONAL BANKRUPTCIES



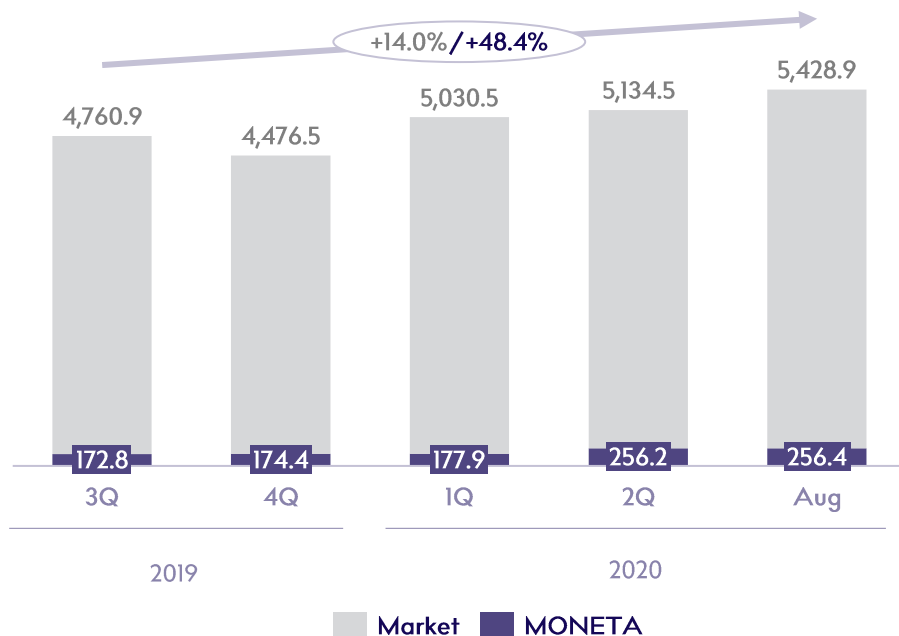
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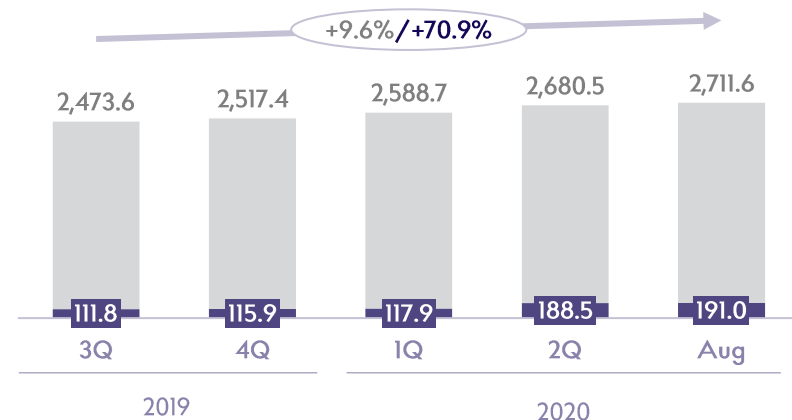
# CZECH DEPOSIT MARKET

## MONETA continues to significantly outperform deposit market growth in retail segment

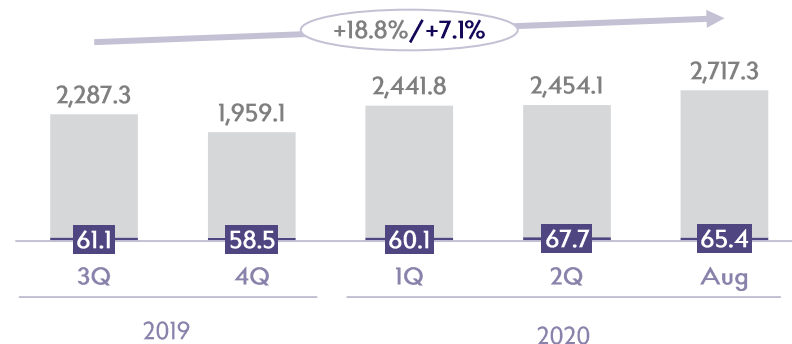
DEPOSIT MARKET (CZK bn)



RETAIL DEPOSITS (CZK bn)



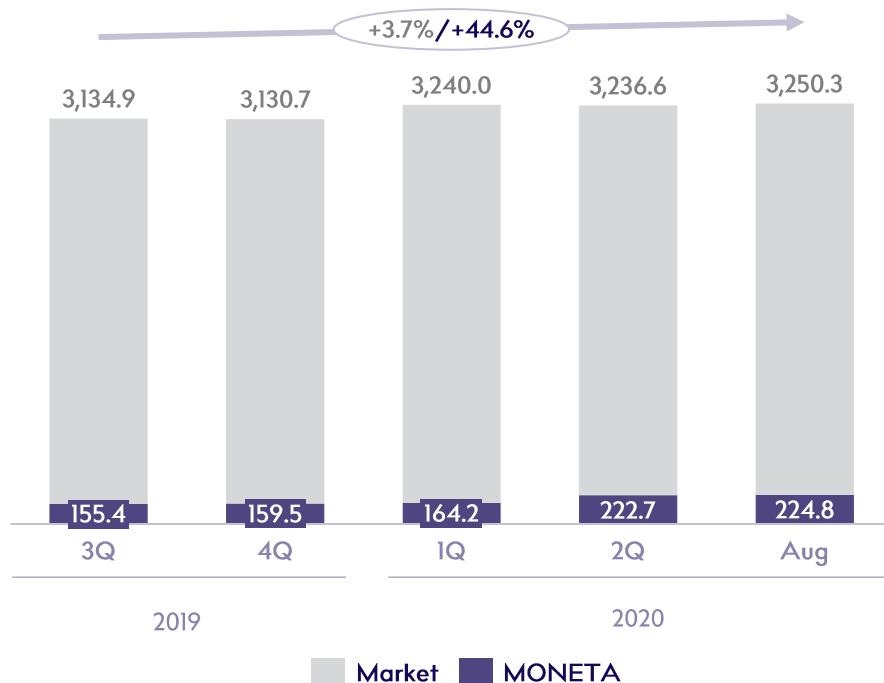
COMMERCIAL DEPOSITS (CZK bn)



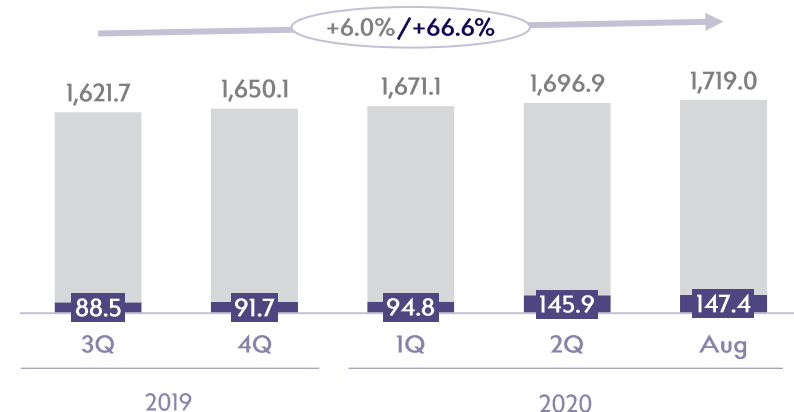
# CZECH LENDING MARKET

**MONETA also substantially outperformed lending market growth in both retail and commercial segments**

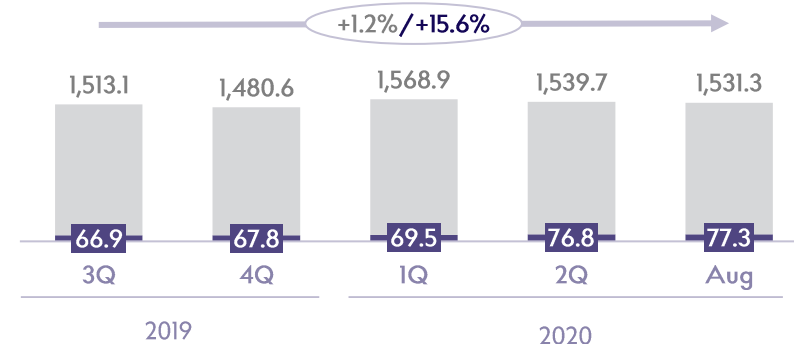
LENDING MARKET – GROSS LOANS (CZK bn)



RETAIL GROSS LOANS (CZK bn)



COMMERCIAL GROSS LOANS (CZK bn)

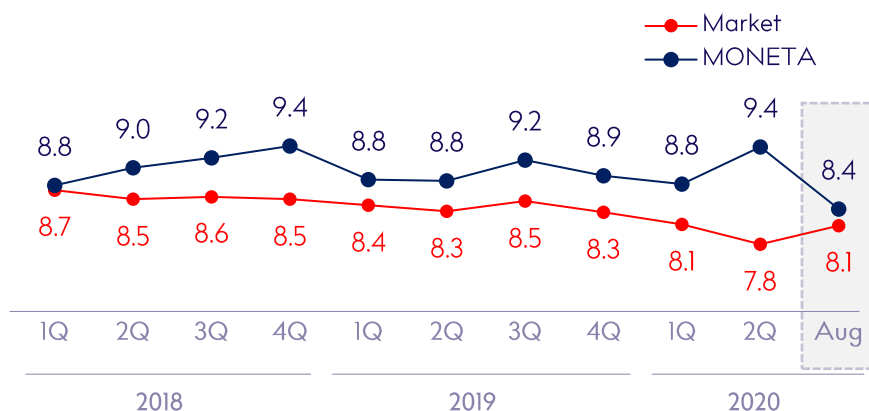




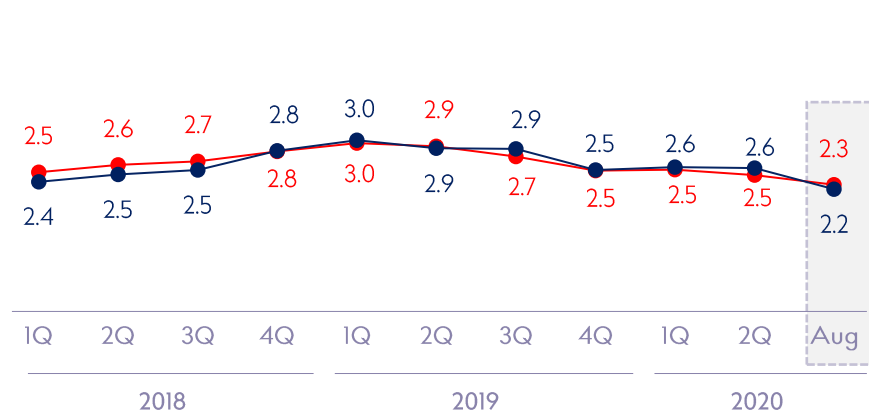
# PRICING EVOLUTION IN THE CZECH BANKING MARKET

**MONETA operated at pricing premium in consumer loans and repricing of deposits begins to be visible**

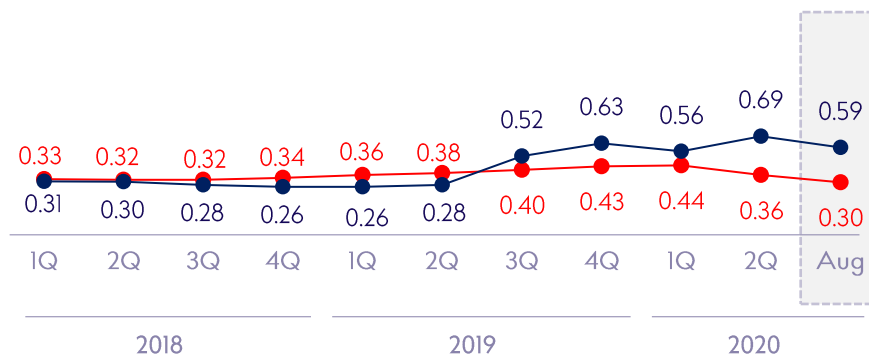
NEW VOLUME PRICING OF CONSUMER LOANS<sup>1</sup> (%)



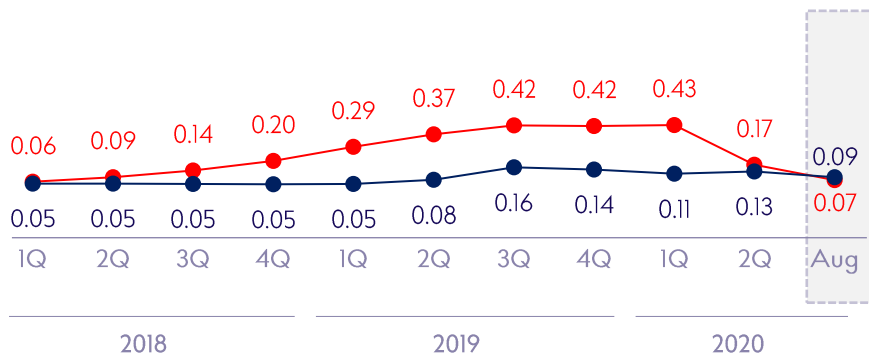
NEW VOLUME PRICING OF MORTGAGE LOANS<sup>2</sup> (%)



RETAIL DEPOSIT PRICING<sup>3</sup> (%)



COMMERCIAL DEPOSIT PRICING<sup>3</sup> (%)



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## MEDIUM TERM GUIDANCE

### Management updated 2020 guidance and publishes highlights of updated business plan

METRICS	Updated 2020 <sup>1,2</sup>	2021 <sup>1</sup>	2022 <sup>1</sup>	2023	2024	2025
<b>TOTAL OPERATING INCOME</b> (CZK)	≥12.0bn	≥11.2bn	≥11.6bn	≥12.6bn	≥13.1bn	≥13.5bn
<b>COST BASE</b> (CZK)	≤5.5bn	≤5.5bn	≤5.5bn	≤5.6bn	≤5.7bn	≤5.8bn
<b>PRE-IMPAIRMENT PROFIT</b> (CZK)	≥6.5bn	≥5.7bn	≥6.1bn	≥7.0bn	≥7.4bn	≥7.7bn
<b>COST OF RISK</b>	175-190bps	80-100bps	50-70bps	40-60bps	40-60bps	40-60bps
<b>EFFECTIVE TAX RATE</b>	~13.0% <sup>3</sup>	~20.0%	~20.0%	~20.0%	~20.0%	~20.0%
<b>NET PROFIT</b> (CZK)	≥2.4bn	≥2.8bn	≥3.8bn	≥4.6bn	≥4.8bn	≥4.9bn
<b>EARNINGS PER SHARE</b> (CZK)	≥4.7	≥5.5	≥7.4	≥9.0	≥9.4	≥9.6
<b>RETURN ON TANGIBLE EQUITY</b> <sup>4</sup>	≥10.0%	≥12.0%	≥15.0%	≥17.0%	≥17.0%	≥17.0%

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## PROFIT AND LOSS STATEMENT

### Operating income growth offset by significant COVID-19 anticipatory Cost of Risk charges

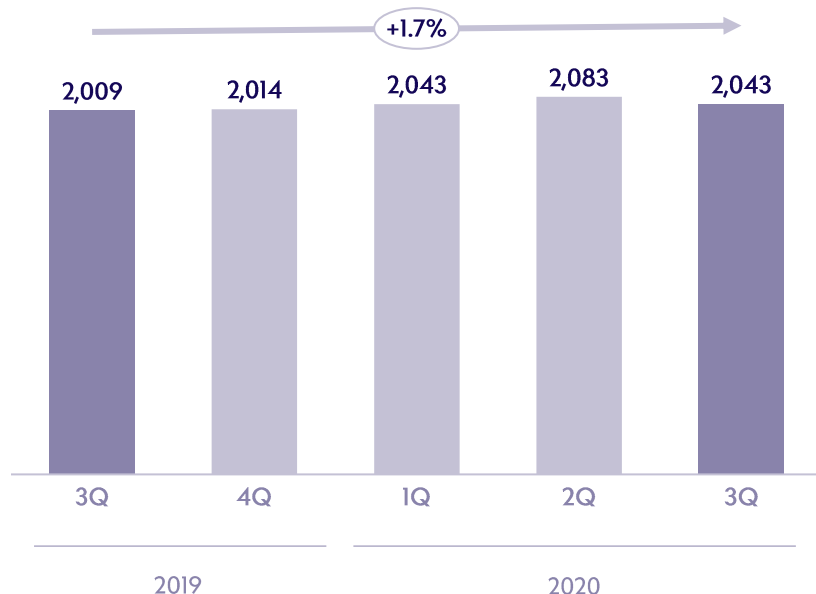
METRICS (CZK m, %)	3Q 2019 YtD	3Q 2020 <sup>1</sup> YtD	CHANGE
NET INTEREST INCOME	5,911	6,169	4.4%
NET FEE AND COMMISSION INCOME	1,449	1,409	(2.8%)
INCOME FROM FINANCIAL OPERATIONS	382	543	42.1%
OTHER INCOME	92	1,233	1,240.2%
<b>TOTAL OPERATING INCOME</b>	<b>7,834</b>	<b>9,354</b>	<b>19.4%</b>
TOTAL OPERATING EXPENSES	(3,718)	(4,065)	9.3%
<b>PRE-IMPAIRMENT PROFIT</b>	<b>4,116</b>	<b>5,289</b>	<b>28.5%</b>
COST OF RISK	(301)	(3,087)	925.6%
<b>NET PROFIT</b>	<b>3,070</b>	<b>1,916</b>	<b>(37.6%)</b>
RETURN ON TANGIBLE EQUITY	17.8%	10.9%	(6.9)pp
RETURN ON EQUITY	16.3%	9.7%	(6.6)pp

- **CZK 1.2bn** in other operating income mainly as one-off gain from Acquisition (CZK 1.1bn)
- **CZK 288m** gain on bond sales in **income from financial operations**
- **Cost of Risk** impacted by:
  - **CZK 2,380m** due to COVID-19 related provisioning charges, mainly from worsening of macroeconomic environment and loan repayment moratorium
  - **CZK 259m** recognised within Acquisition accounting
  - **CZK 448m** recognized as core Cost of Risk
- **43.5% YtD Cost to Income ratio / 49.4%** on recurring<sup>2</sup> basis

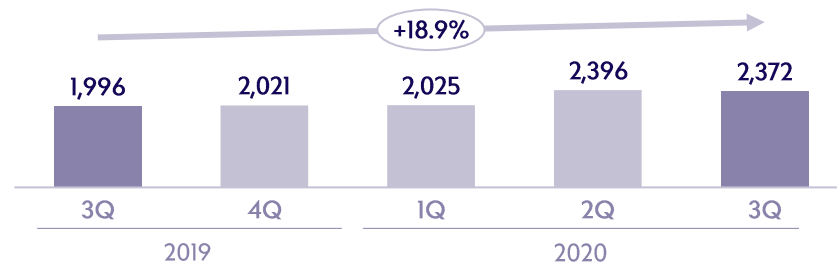
## NET INTEREST INCOME DRIVERS

**MONETA** has already repriced significant portion of deposits, supporting NII performance

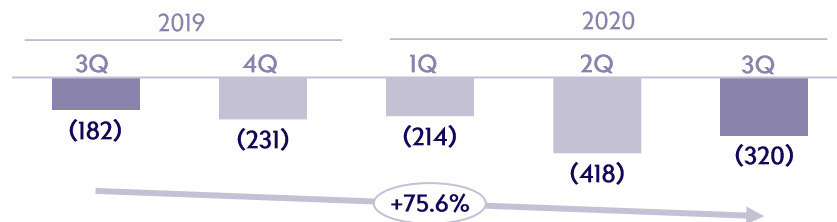
NET INTEREST INCOME (CZK m)



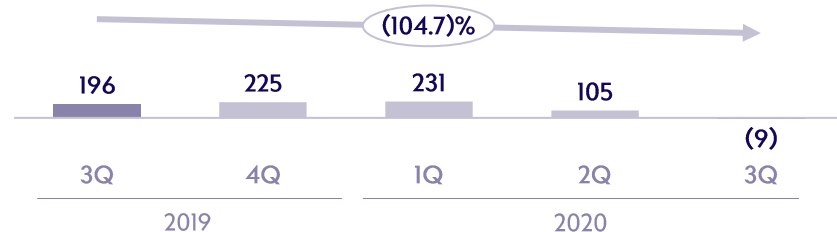
INTEREST INCOME FROM LOANS (CZK m)



INTEREST EXPENSES FROM CUSTOMER DEPOSITS (CZK m)



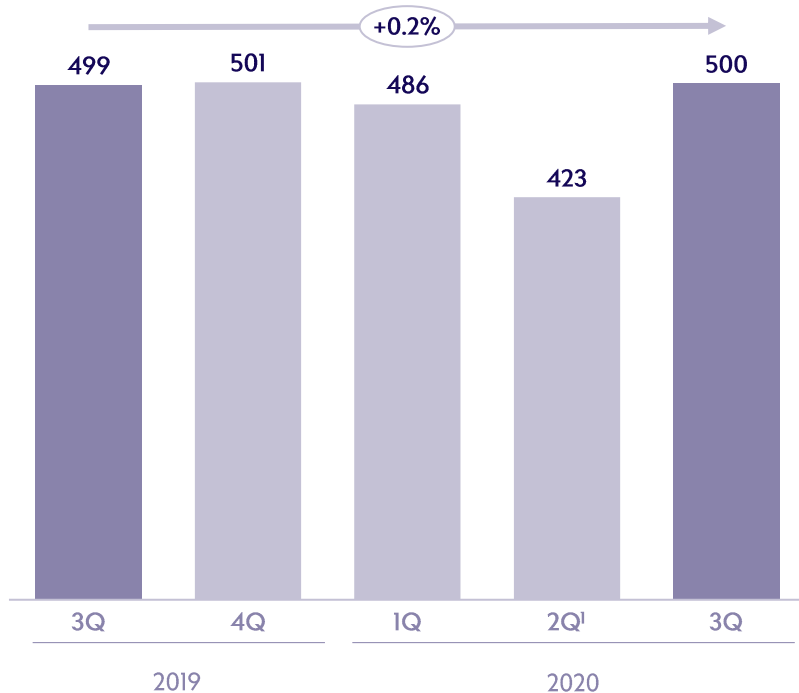
OTHER NET INTEREST INCOME<sup>(1)</sup> (CZK m)



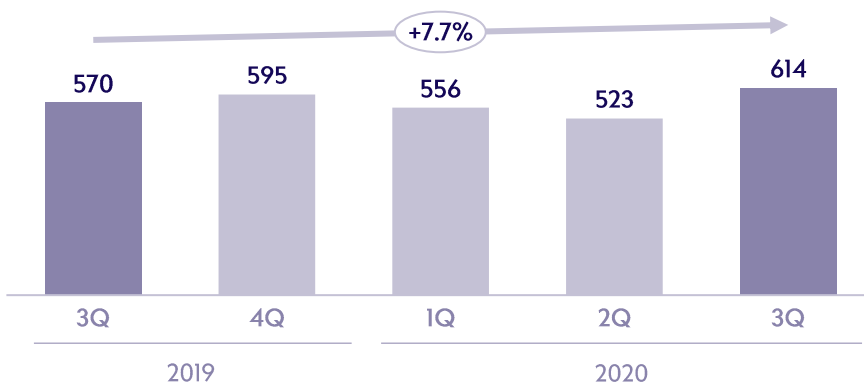
## FEE AND COMMISSION INCOME & EXPENSE

Improving performance in fee income generation, fee expenses impacted by Acquisition

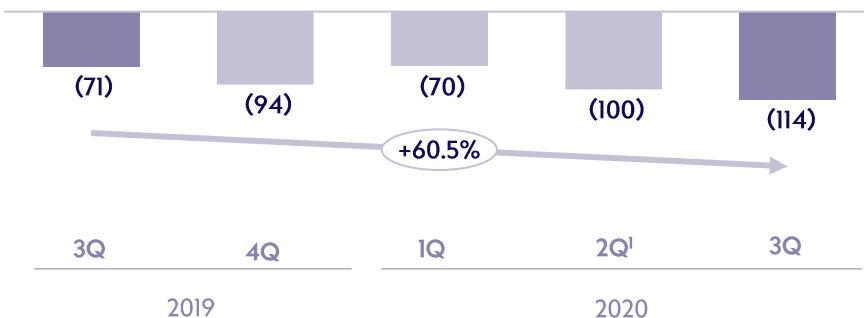
NET FEE & COMMISSION INCOME (CZK m)



FEE & COMMISSION INCOME (CZK m)



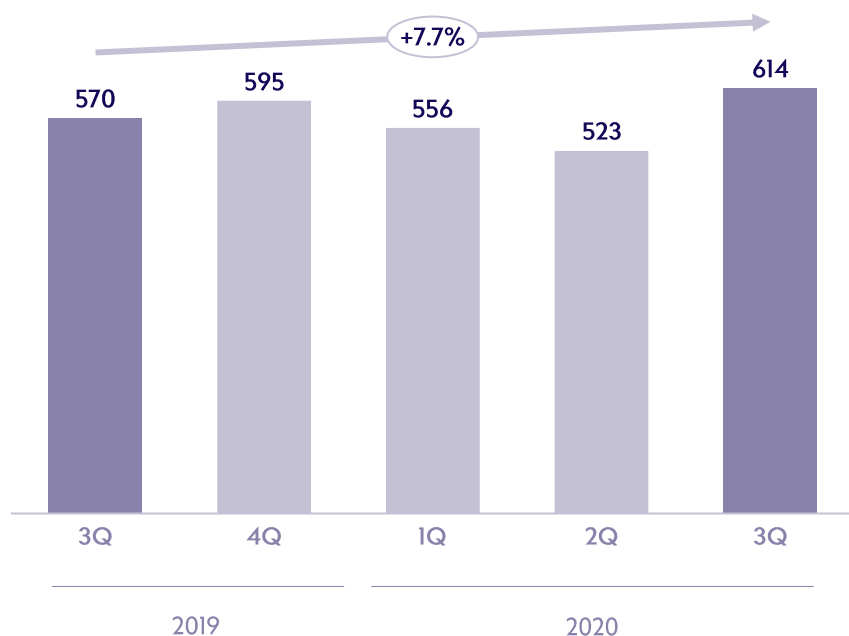
FEE & COMMISSION EXPENSES (CZK m)



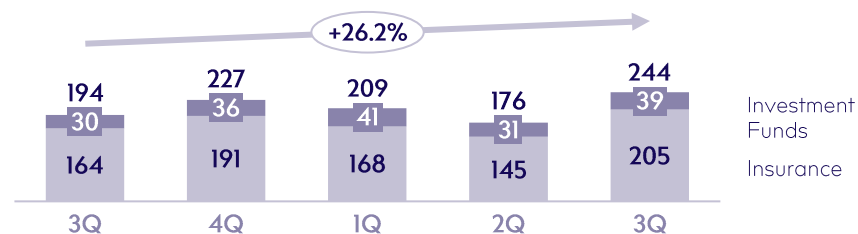
# DEVELOPMENT IN FEE & COMMISSION INCOME CATEGORIES

Fee and commission income growth driven by third party commissions from insurance and investment funds distribution

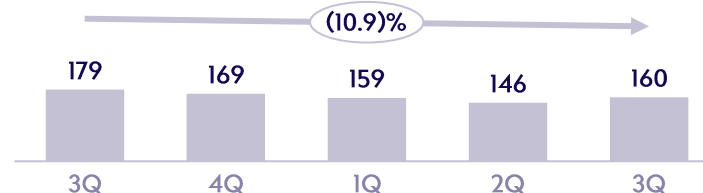
FEE & COMMISSION INCOME (CZK m)



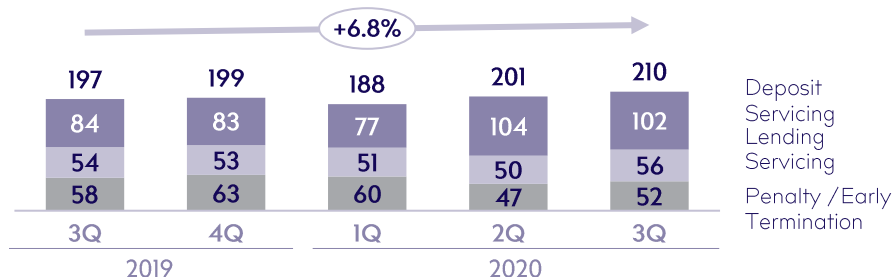
THIRD PARTY COMMISSION INCOME (CZK m)



TRANSACTION & OTHER FEE INCOME (CZK m)



SERVICING AND PENALTY FEE INCOME (CZK m)

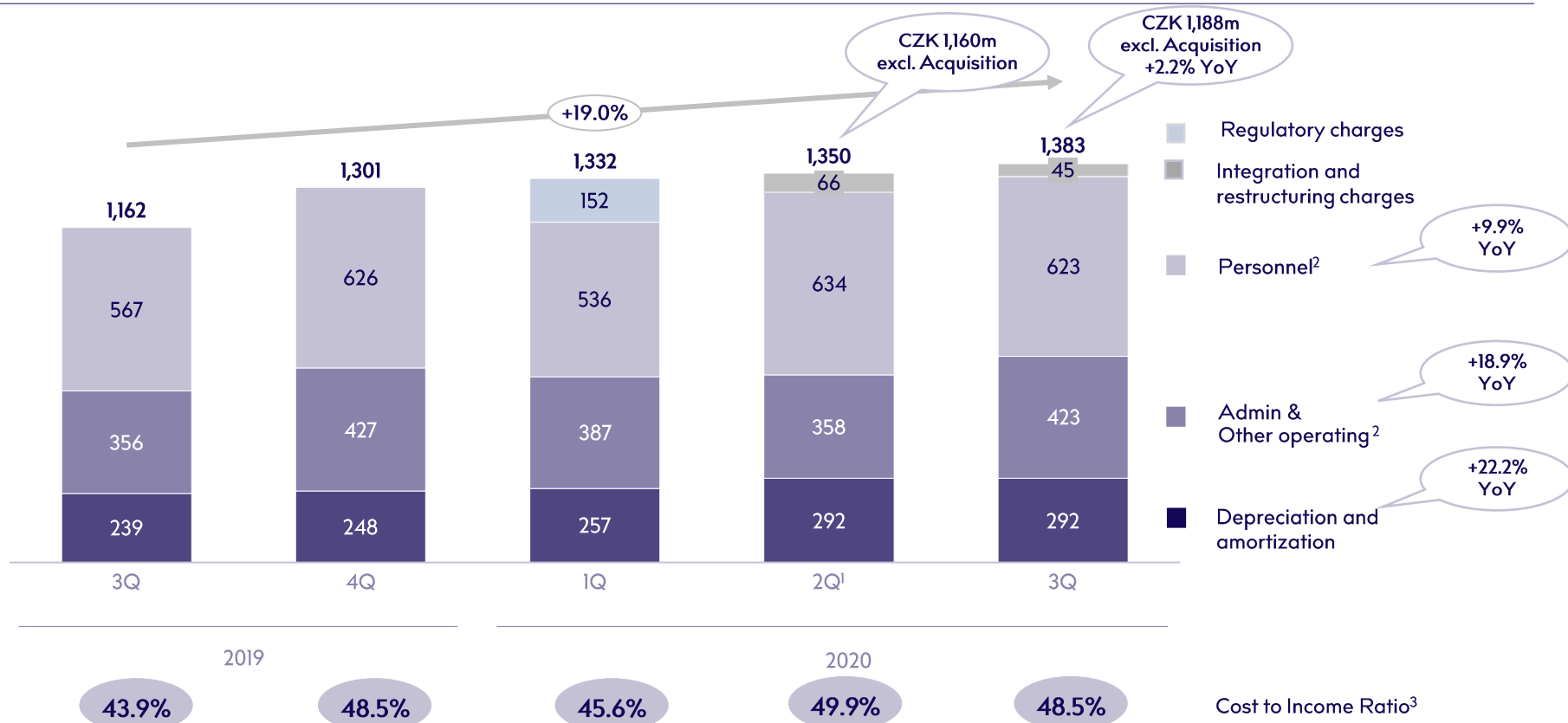




# OPERATING EXPENSES

## Cost base impacted by Acquisition and one-off restructuring and integration charges

OPERATING EXPENSES (CZK m)

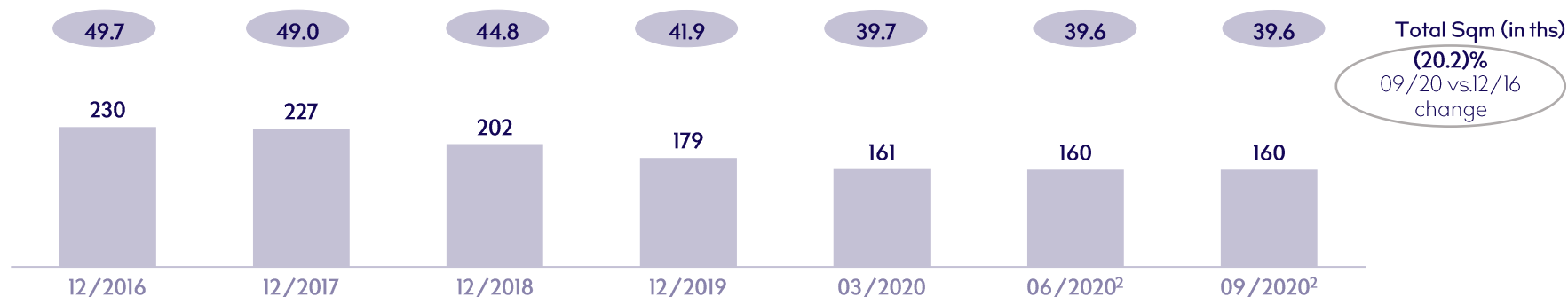


## COST DRIVERS

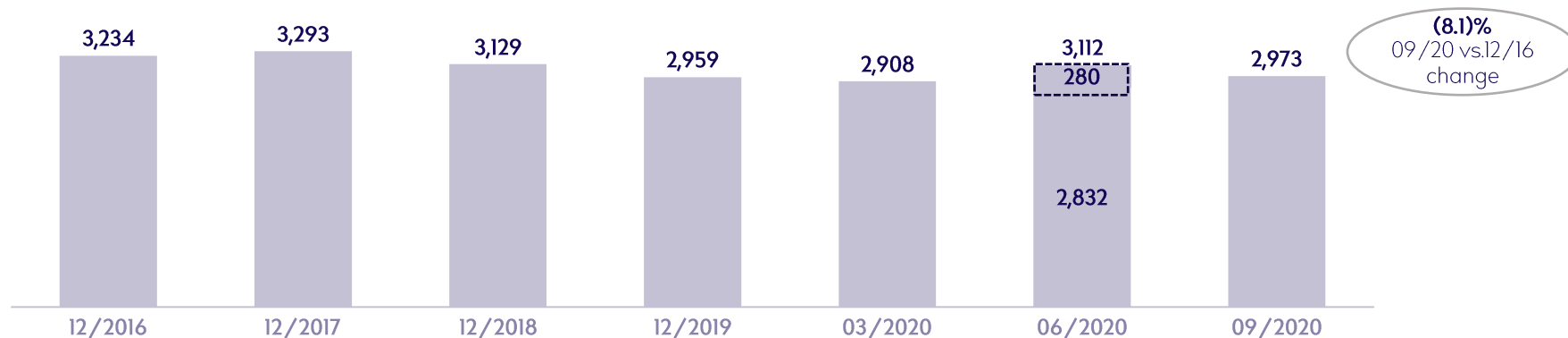
Employment stable and decreasing due to focus on efficiency and synergy execution

 Employees added from Acquisition

### NUMBER OF BRANCHES AND SQUARE METERS<sup>1</sup>



### NUMBER OF EMPLOYEES<sup>3</sup> (FTE's in relevant month)



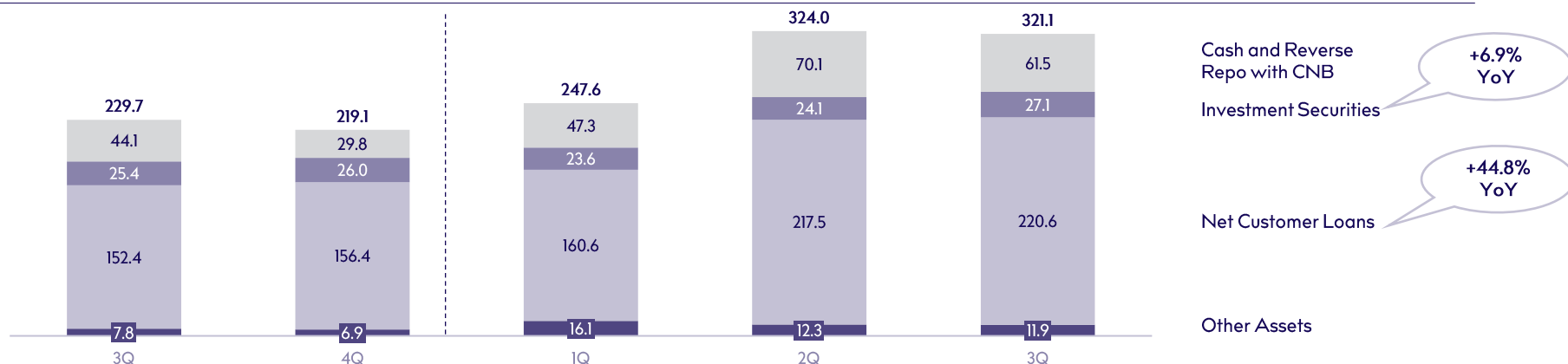
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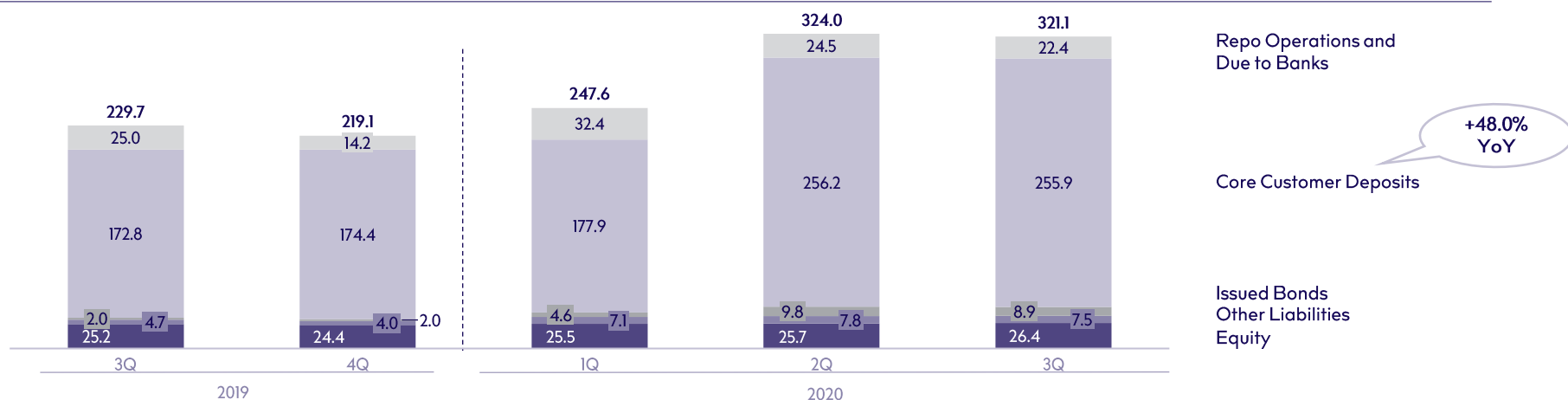
# SOLID BALANCE SHEET FUNDAMENTALS

## Strong balance sheet growth through both, organic expansion and Acquisition

### ASSETS (CZK bn)



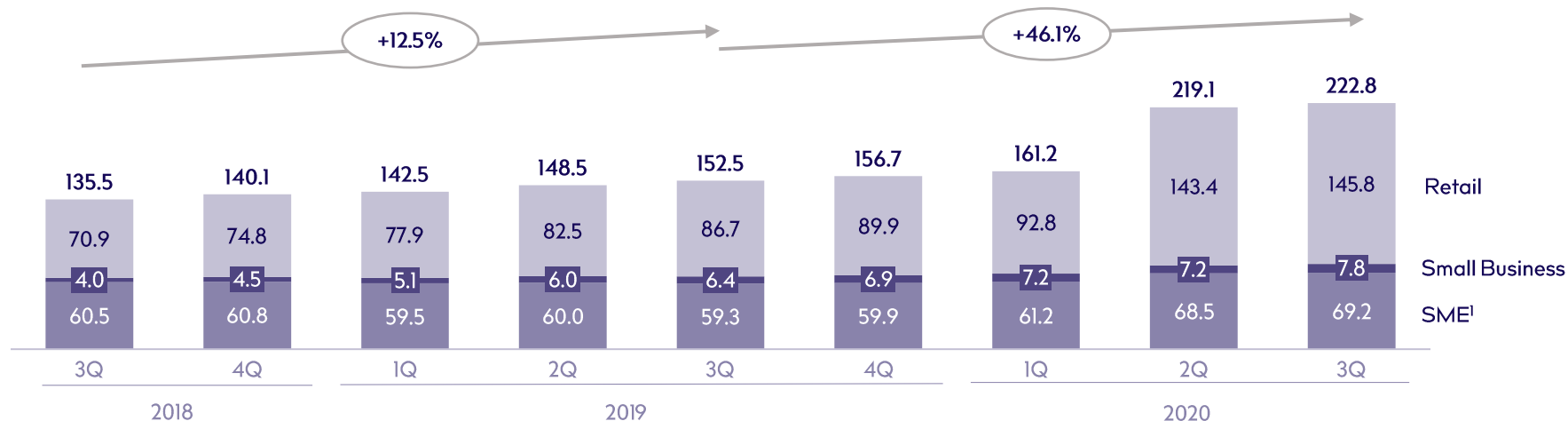
### LIABILITIES AND EQUITY (CZK bn)



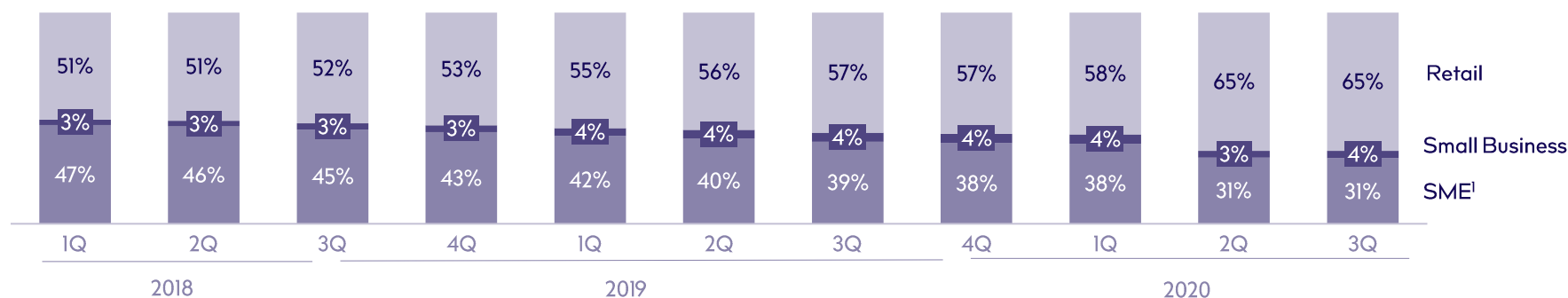
# GROSS PERFORMING LOAN PORTFOLIO

Retail and Small Business lending constitute nearly 70% following strategic objectives

TOTAL GROSS PERFORMING LOAN PORTFOLIO PER SEGMENTS (CZK bn)

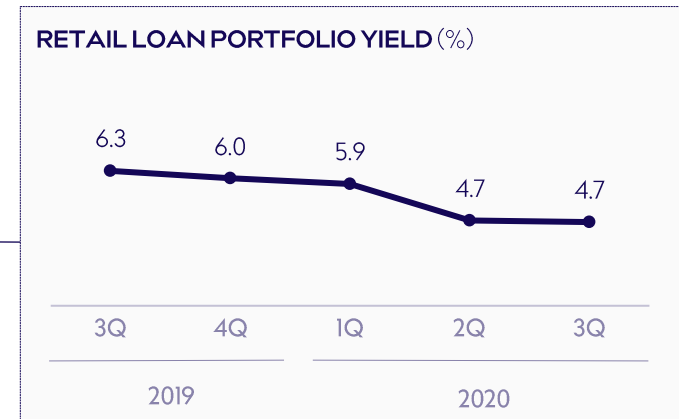
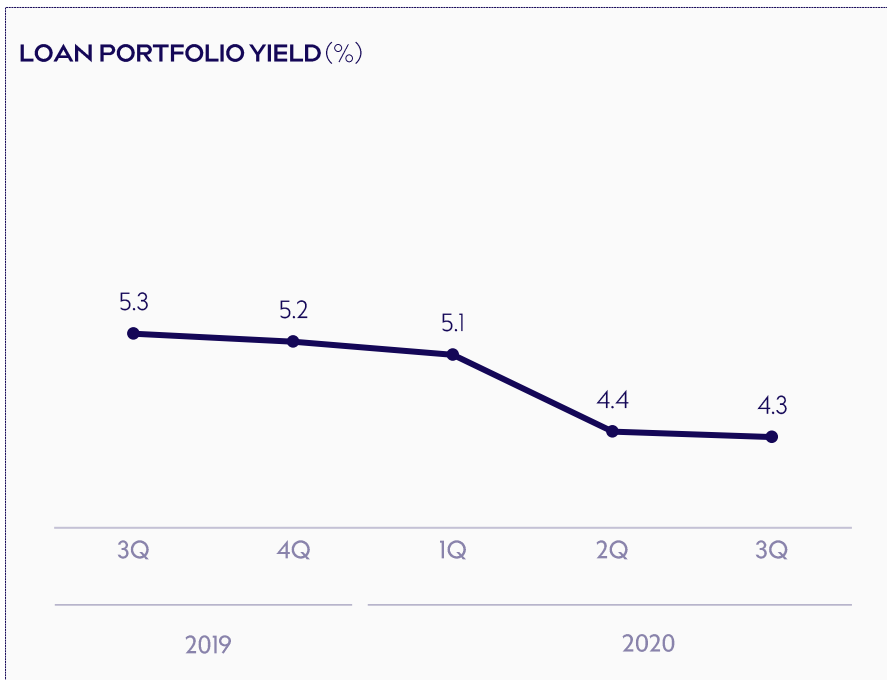


SEGMENT PROPORTION ON TOTAL GROSS PERFORMING LOAN PORTFOLIO



# LOAN PORTFOLIO YIELD EVOLUTION

Overall portfolio yield impacted by expansion in mortgage lending, further accelerated by Acquisition

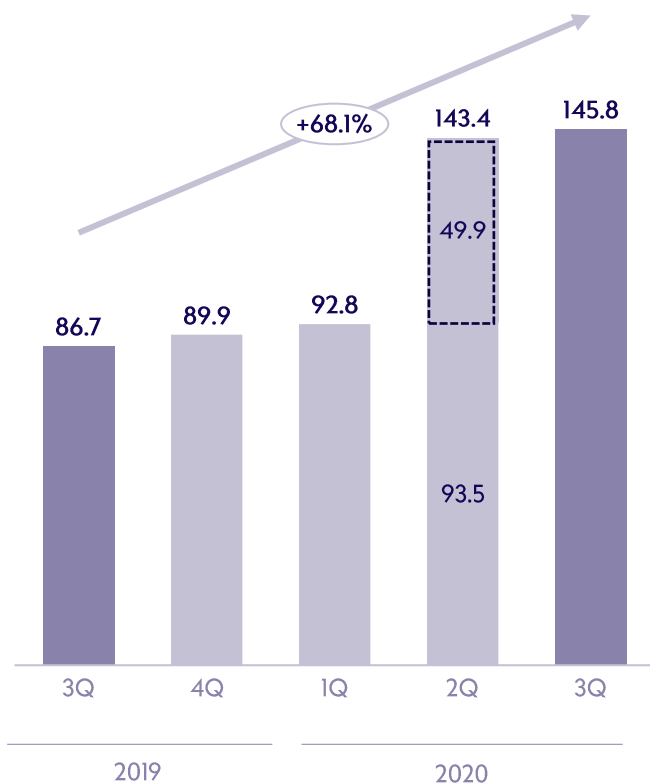


# RETAIL GROSS PERFORMING LOAN PORTFOLIO

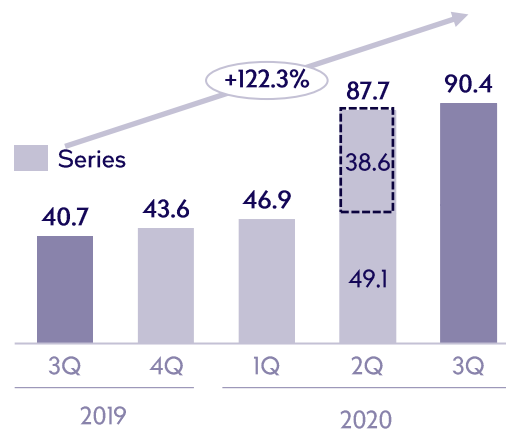
Mortgage lending drives growth in retail portfolio, Acquisition increased consumer unsecured portfolio

▤ Acquired portfolio

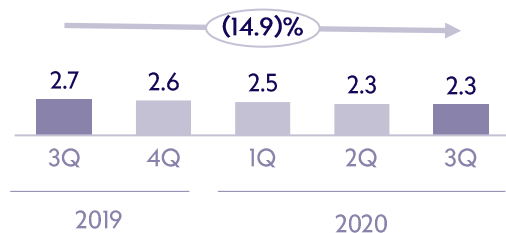
RETAIL LOAN PORTFOLIO (CZK bn)



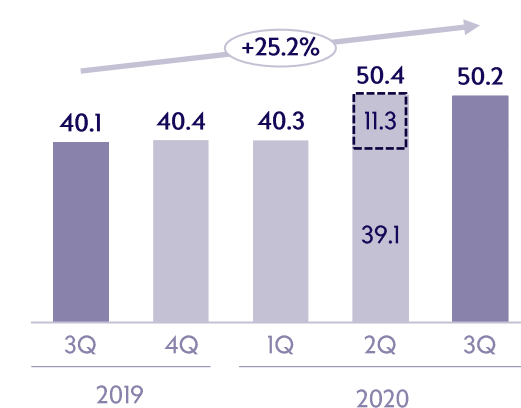
MORTGAGE PORTFOLIO<sup>(1)</sup> (CZK bn)



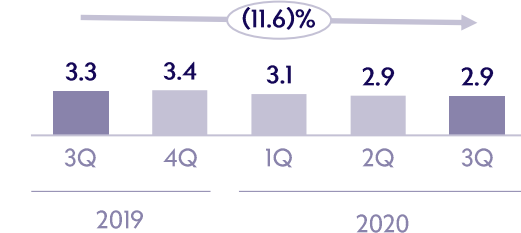
AUTO LOANS PORTFOLIO (CZK bn)



CONSUMER LOAN PORTFOLIO (CZK bn)



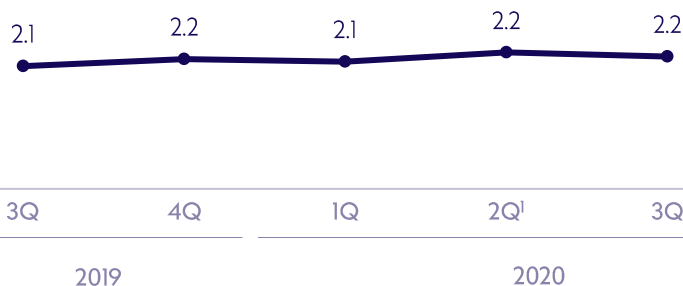
CREDIT CARD AND OVERDRAFT (CZK bn)



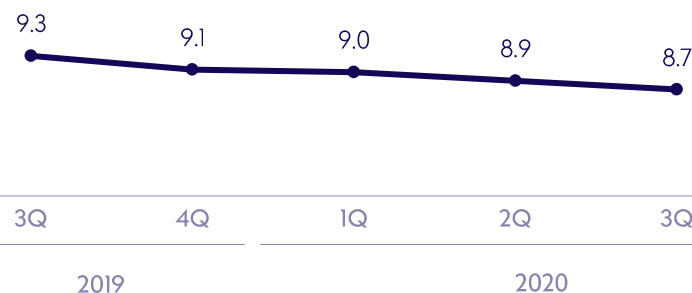
## YIELDS ON KEY RETAIL PRODUCTS

Retail product yields are broadly stable with continued pressure on consumer loan category due to competitive environment

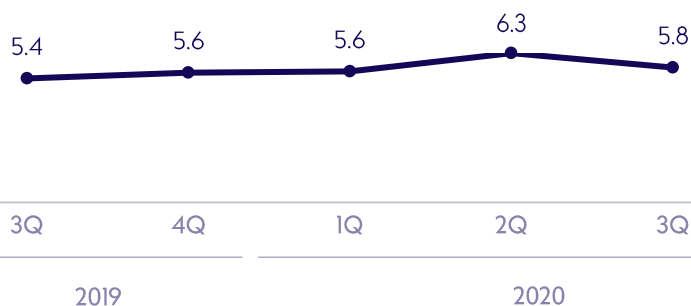
MORTGAGE YIELDS (%)



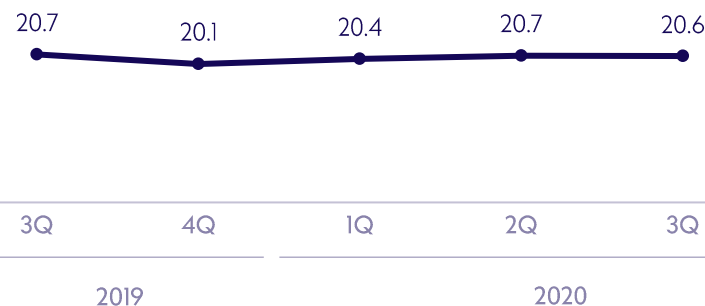
CONSUMER LOAN YIELDS (%)



AUTO LOANS YIELDS (%)



CREDIT CARD YIELDS (%)



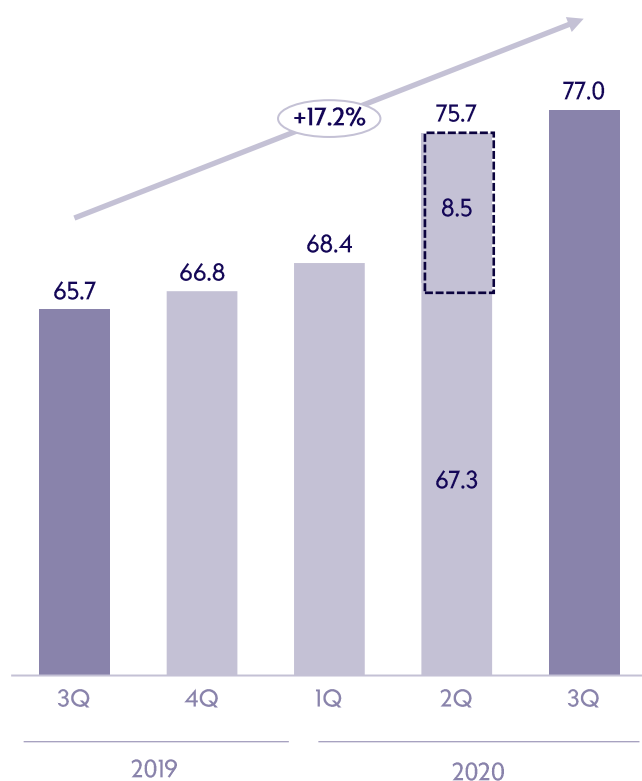


# COMMERCIAL GROSS PERFORMING LOAN PORTFOLIO

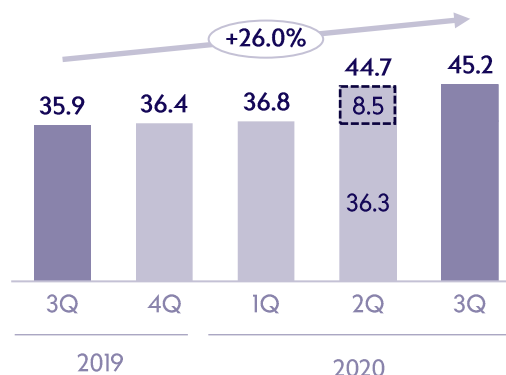
## Commercial portfolio growth supported by state guaranteed Covid lending to SME's and Small Businesses

Acquired portfolio

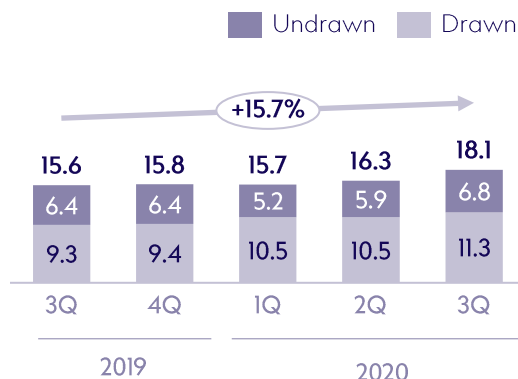
COMMERCIAL LOAN PORTFOLIO<sup>1</sup> (CZK bn)



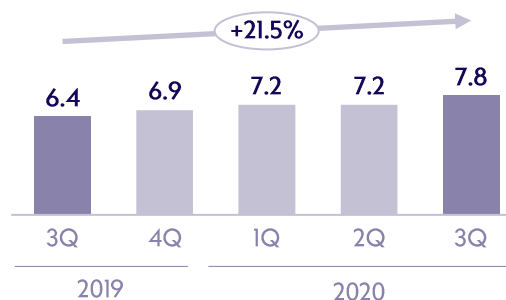
INVESTMENT LOAN PORTFOLIO (CZK bn)



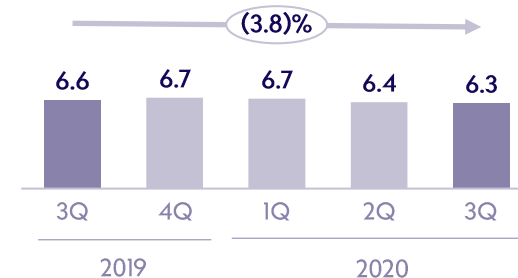
WORKING CAPITAL PORTFOLIO<sup>2</sup> (CZK bn)



SMALL BUSINESS LOAN PORTFOLIO (CZK bn)



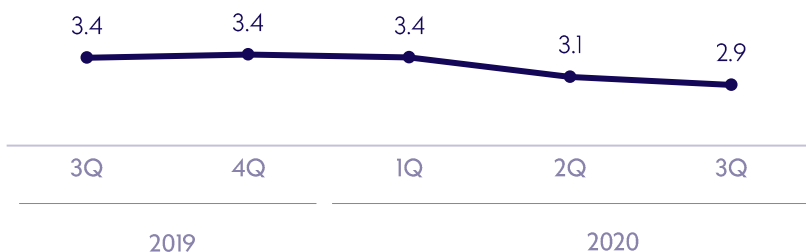
AUTO LOAN PORTFOLIO<sup>2</sup> (CZK bn)



## YIELDS ON KEY COMMERCIAL PRODUCTS

**SME yield declined due to change in interest rate environment and lower priced state guaranteed lending**

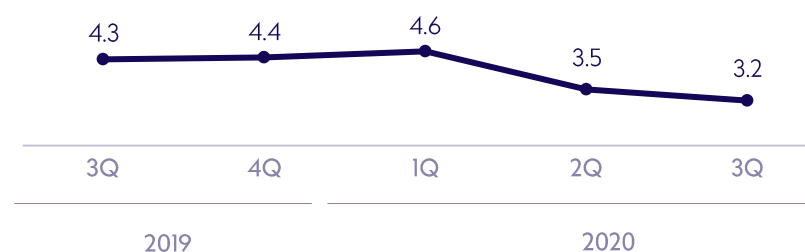
INVESTMENT LOAN YIELDS(%)



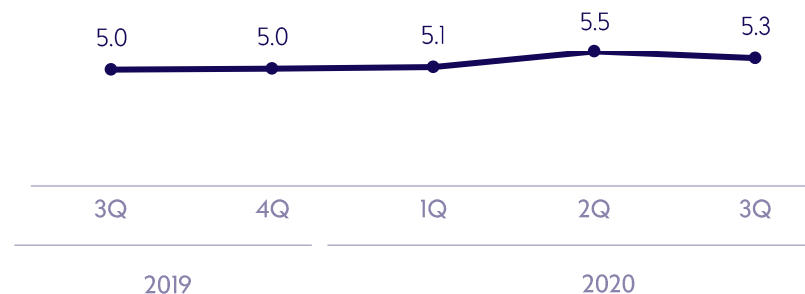
SMALL BUSINESS INSTALMENT LOAN YIELDS (%)



WORKING CAPITAL YIELDS (%)



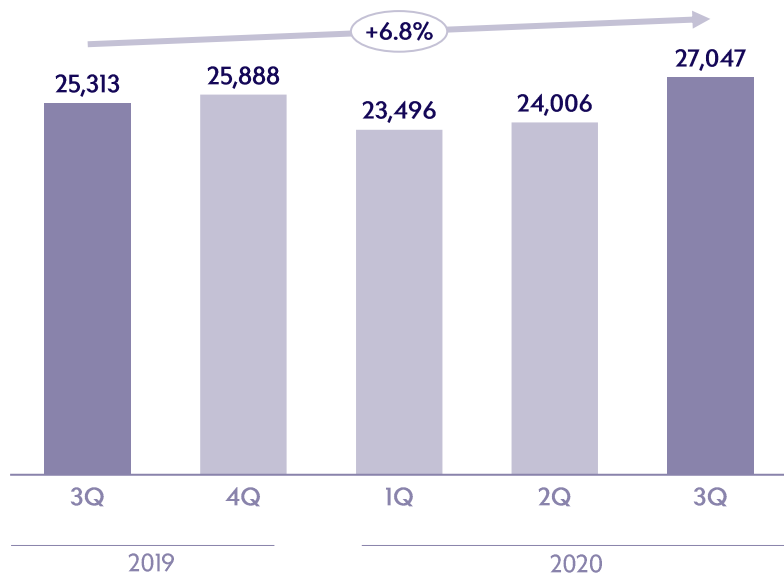
AUTO LOAN YIELDS (%)



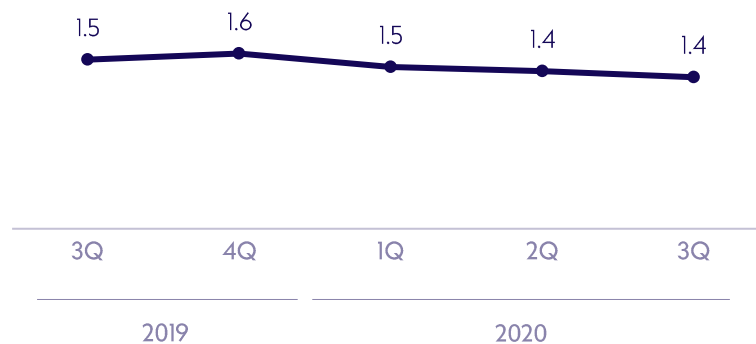
# INVESTMENT PORTFOLIO

## Excess liquidity used to purchase additional Czech sovereign bonds in 3Q 2020

VOLUME OF INVESTMENTS<sup>1</sup> (CZK m)



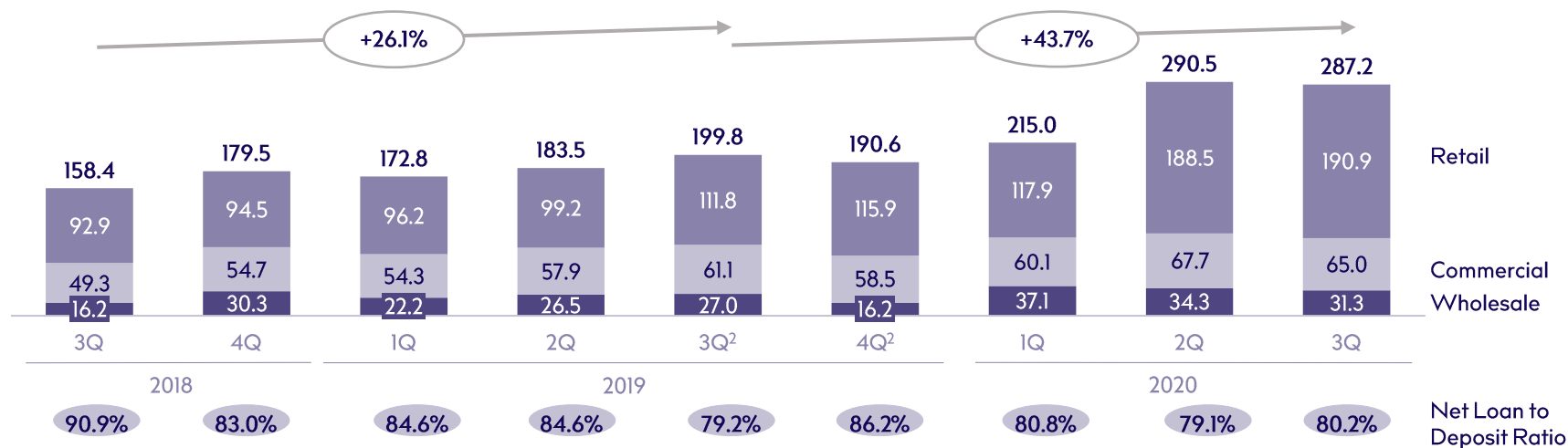
YIELD<sup>2</sup> (%)



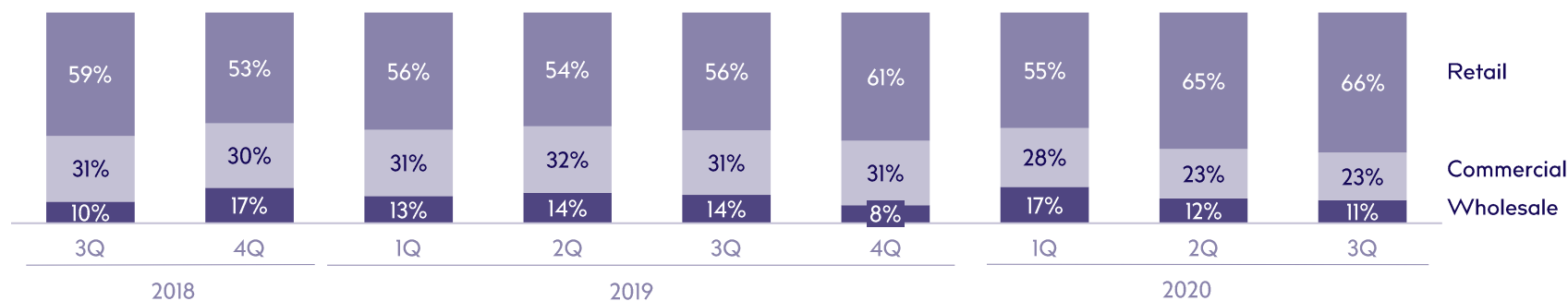
## FUNDING BASE

# Deposits growth driven by retail segment, increasing its weight in overall mix according to strategic objectives

CORE CUSTOMER DEPOSITS AND WHOLESALE<sup>1</sup> (CZK bn)



SEGMENT PROPORTION ON CORE CUSTOMER DEPOSITS AND WHOLESALE<sup>1</sup>

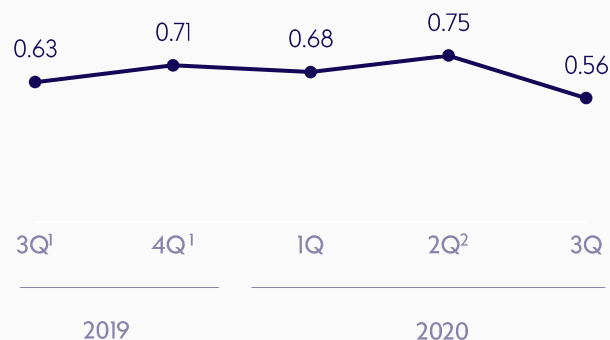


# COST OF FUNDS

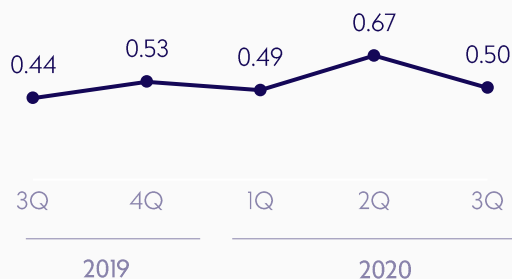
Visible decrease in Cost of Funds due to repricing across all segments, expected to continue into next three quarters

## DECOMPOSITION OF COST OF FUNDS

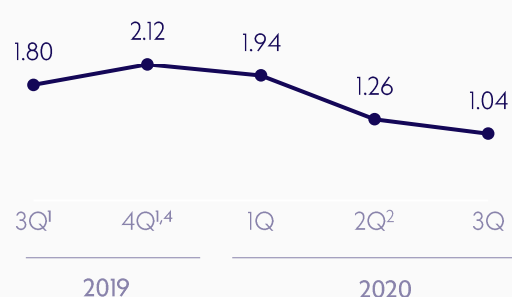
COST OF FUNDS (%)



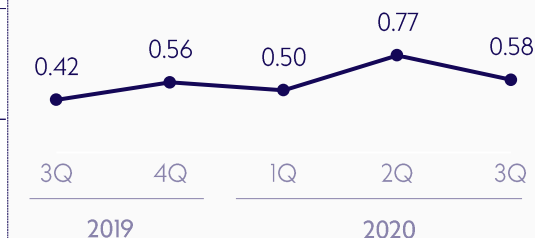
CORE CUSTOMER DEPOSITS (%)



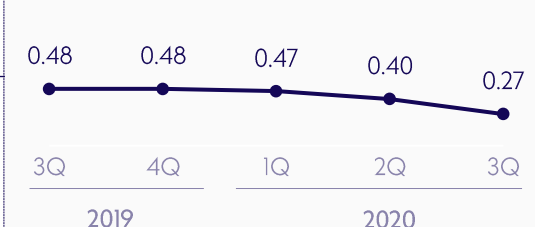
WHOLESALE<sup>3</sup>(%)



RETAIL (%)



COMMERCIAL (%)

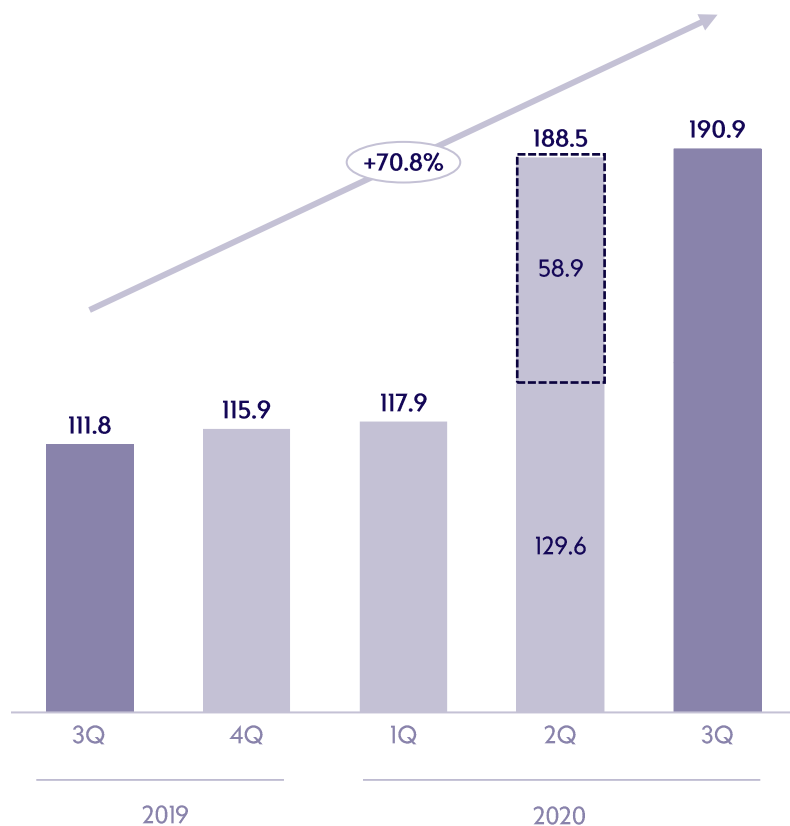


# RETAIL DEPOSIT PORTFOLIO DEVELOPMENT

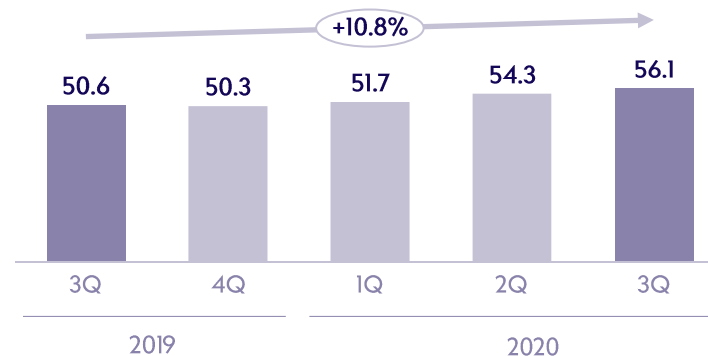
Solid growth through acquisition of savings accounts, further reinforced by inflow of current account balances

Acquired deposits

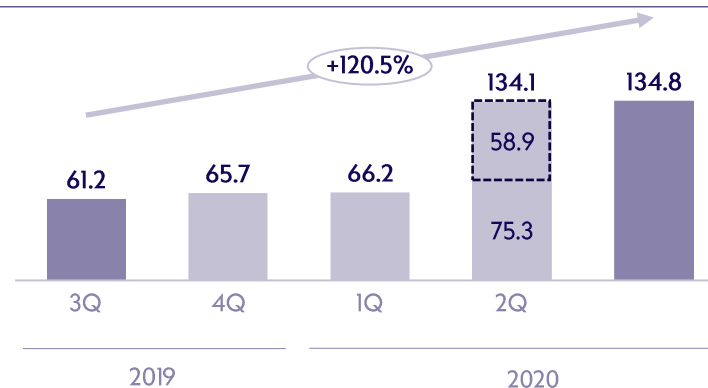
RETAIL CORE CUSTOMER DEPOSITS (CZK bn)



CURRENT ACCOUNT DEPOSITS (CZK bn)



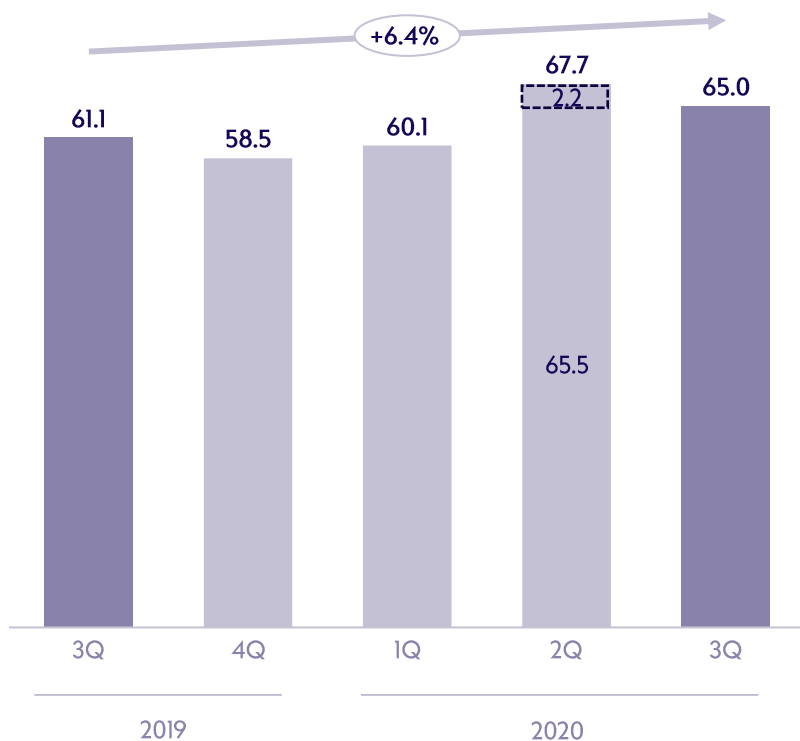
SAVINGS, TERM AND OTHER DEPOSITS<sup>(1)</sup> (CZK bn)



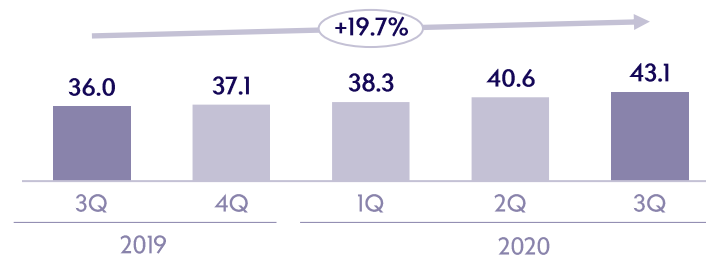
# COMMERCIAL DEPOSITS PORTFOLIO DEVELOPMENT

## Commercial current accounts drive deposits growth in commercial segment

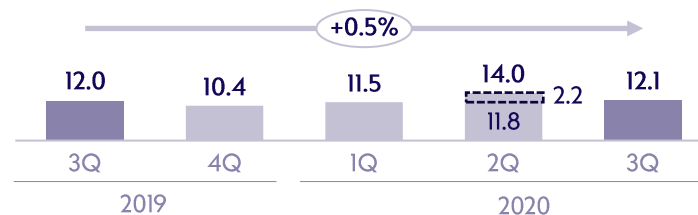
COMMERCIAL CORE CUSTOMER DEPOSITS (CZK bn)



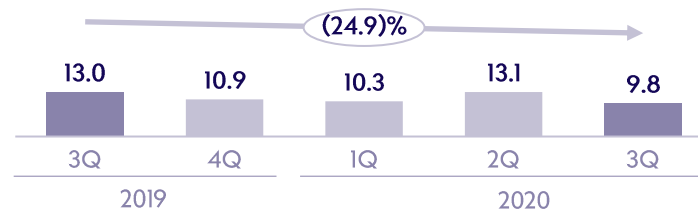
CURRENT ACCOUNT DEPOSITS (CZK bn)



SAVINGS, TERM AND OTHER DEPOSITS<sup>1</sup> (CZK bn)



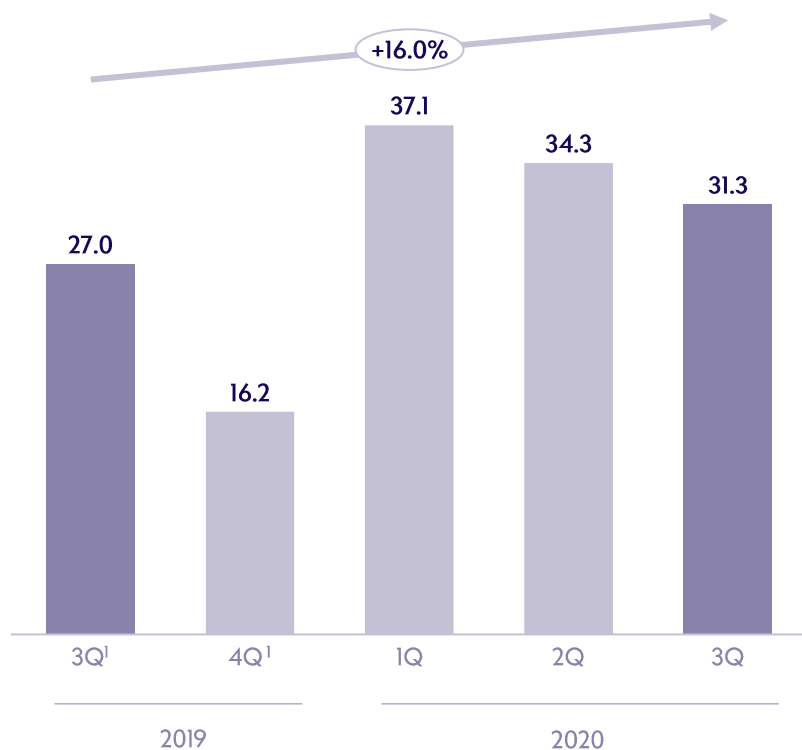
FINANCIAL INSTITUTIONS DEPOSITS<sup>2</sup> (CZK bn)



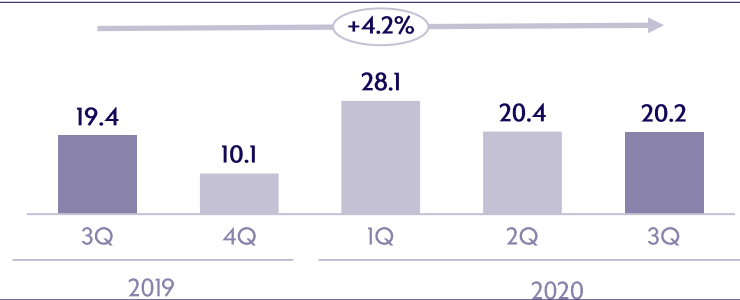
# WHOLESALE FUNDING DEVELOPMENT

Funding base further strengthened by acquisition related mortgage bonds in the amount of CZK 4.2 billion

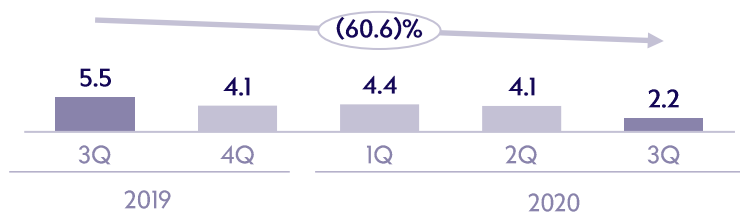
WHOLESALE FUNDING (CZK bn)



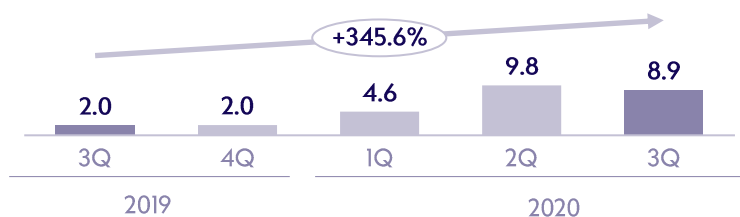
REPO OPERATIONS (CZK bn)



DUE TO BANKS (CZK bn)



ISSUED BONDS (CZK bn)





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## COST OF RISK

COVID-19 related provisioning continued in 3Q 2020, although with lesser intensity

### COST OF RISK(CZK m)

METRICS	2019				2020			
	1Q	2Q	3Q	YtD	1Q	2Q	3Q	YtD
COST OF RISK	(14)	147	168	301	684	1,849	554	3,087
Retail	(61)	78	105	122	379	1,185	329	1,893
Commercial	48	68	63	179	305	664	225	1,194
IMPACT OF COVID	-	-	-	-	125	794	150	1,069
IMPACT OF MACRO	27	47	6	80	350	626	335	1,311
IMPACT OF ACQUISITION	-	-	-	-	-	259	-	259
COST OF RISK (%)	(0.04)	0.40	0.45	0.27	1.73	3.39	1.01	2.07

### COST OF RISK (%)

METRICS	3Q19 YtD	3Q20 YtD
COST OF RISK	0.27	2.07
Retail	0.20	2.01
Commercial	0.36	2.18
IMPACT OF COVID	-	0.72
IMPACT OF MACRO	0.08	0.88
IMPACT OF ACQUISITION	-	0.17
TOTAL NPL COVERAGE <sup>1</sup>	103.3	166.3

## 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 1,311m**

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

**CZK 822m**

- 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 47m**

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

**CZK 201m**

- 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.

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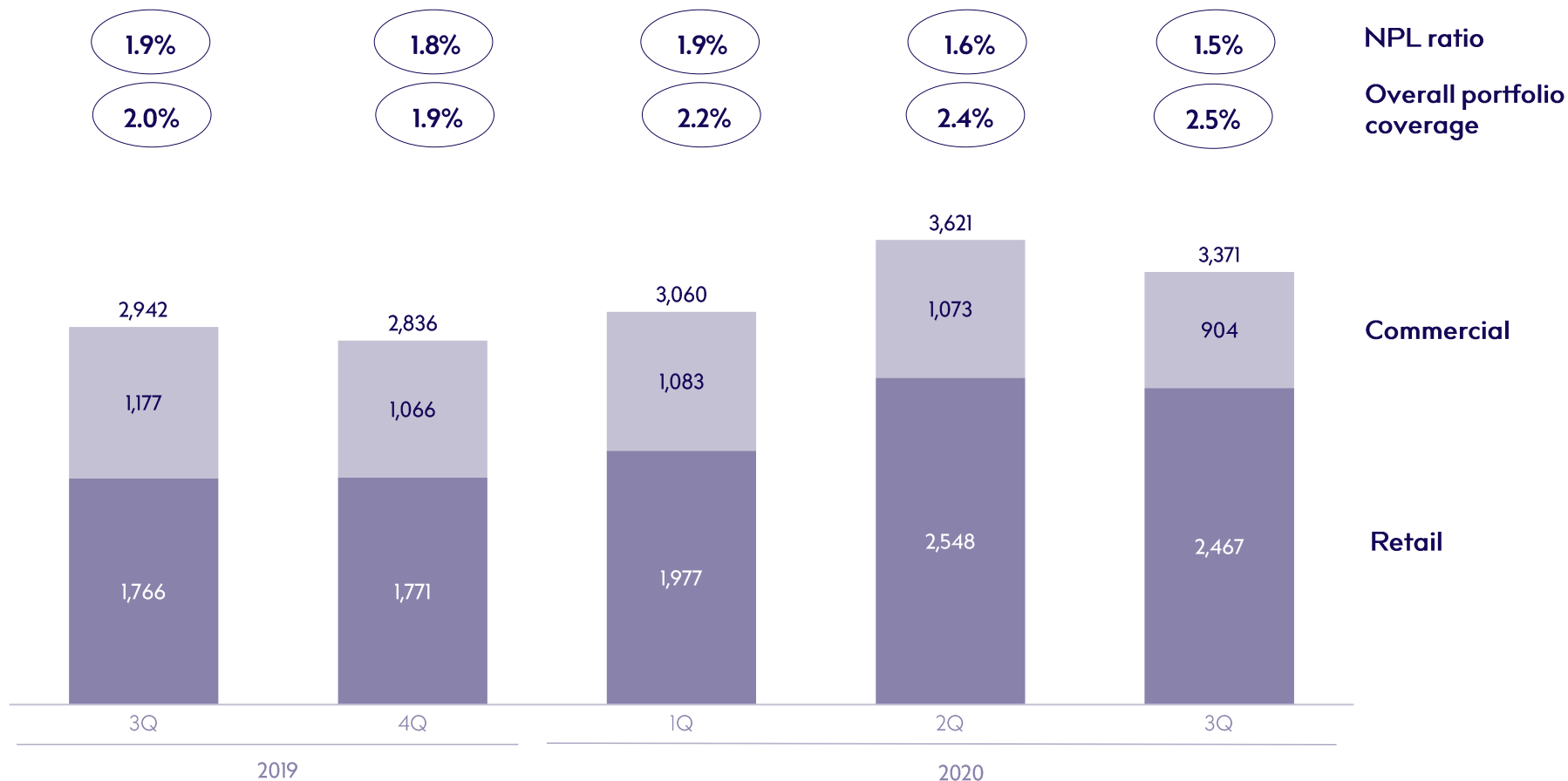
**CZK 2,380m**

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

# LOAN BOOK QUALITY OVERVIEW

NPL ratio at historically low level and further improved through receivable disposals and write-offs in 3Q 2020

NPL DEVELOPMENT<sup>(1)</sup> (CZK m)

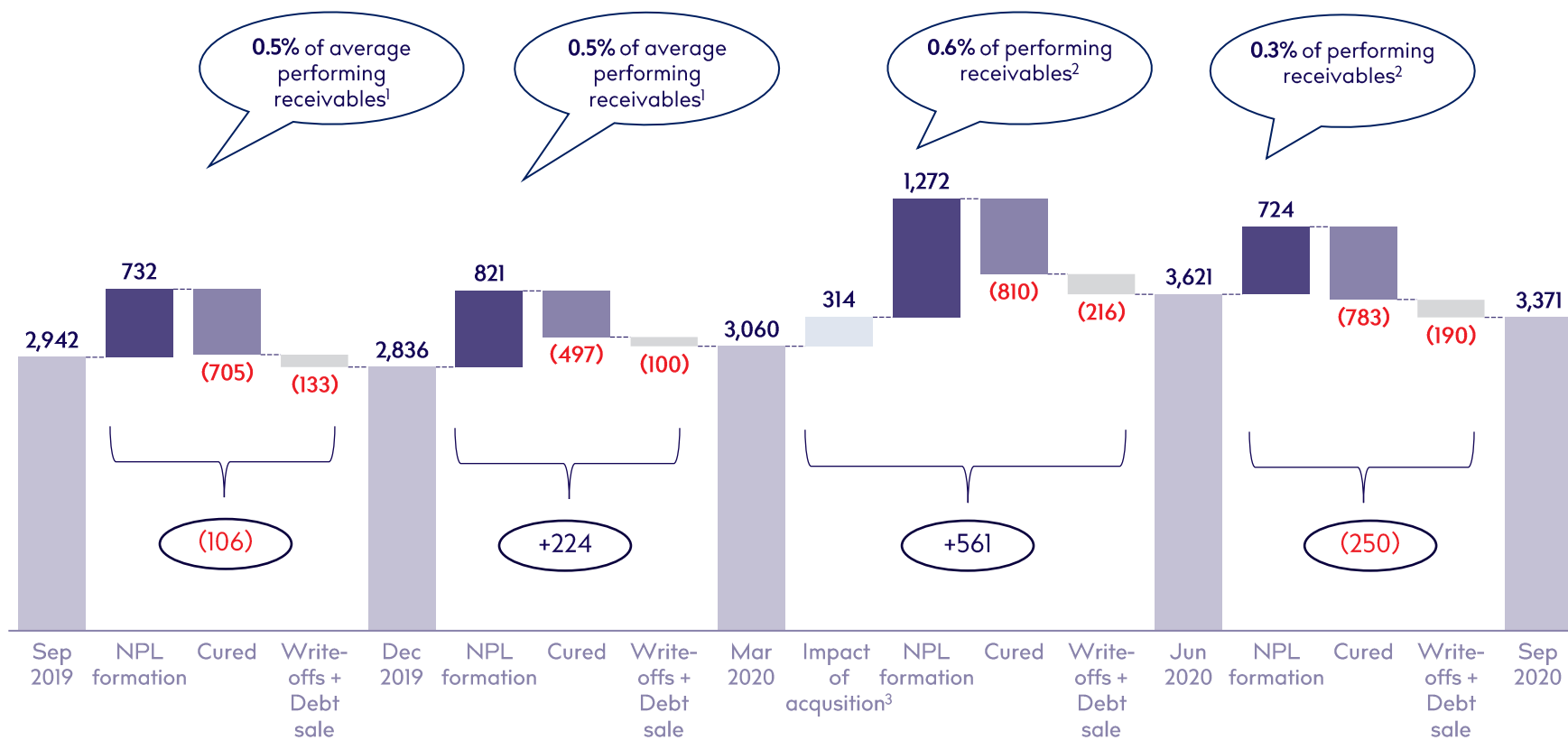


# NON-PERFORMING LOAN DEVELOPMENT

## Decline in NPL net formation driven by loan repayment moratorium and stable cure rate

○ Net increase / decrease of NPL's

NPL FORMATION (CZK m)



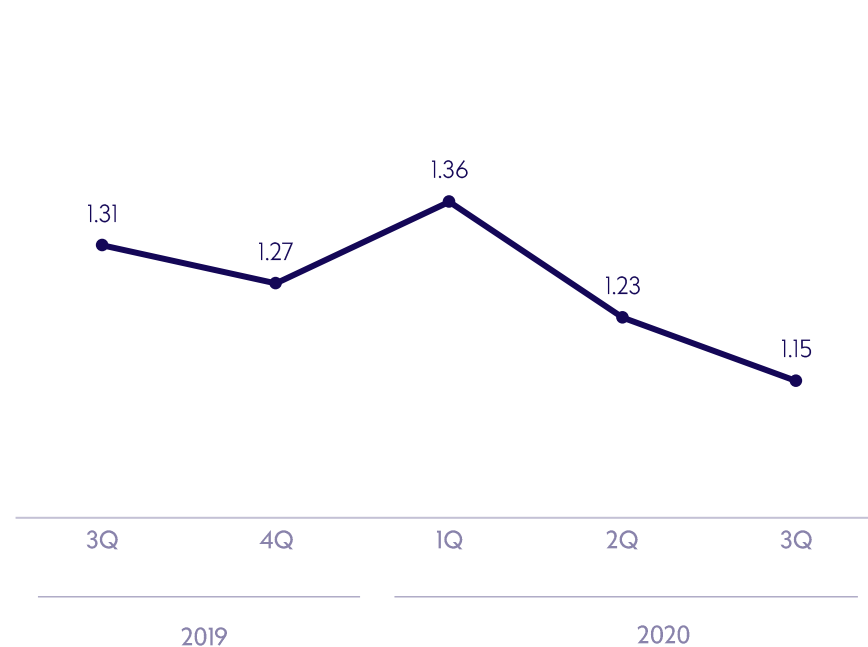
# DAYS PAST DUE DELINQUENCY DEVELOPMENT

Delinquencies are stable or declining supported by repayment moratorium and “so far” good performance across portfolio

30+ AND 60+ DELINQUENCY EVOLUTION<sup>1</sup> (% of total gross balance)



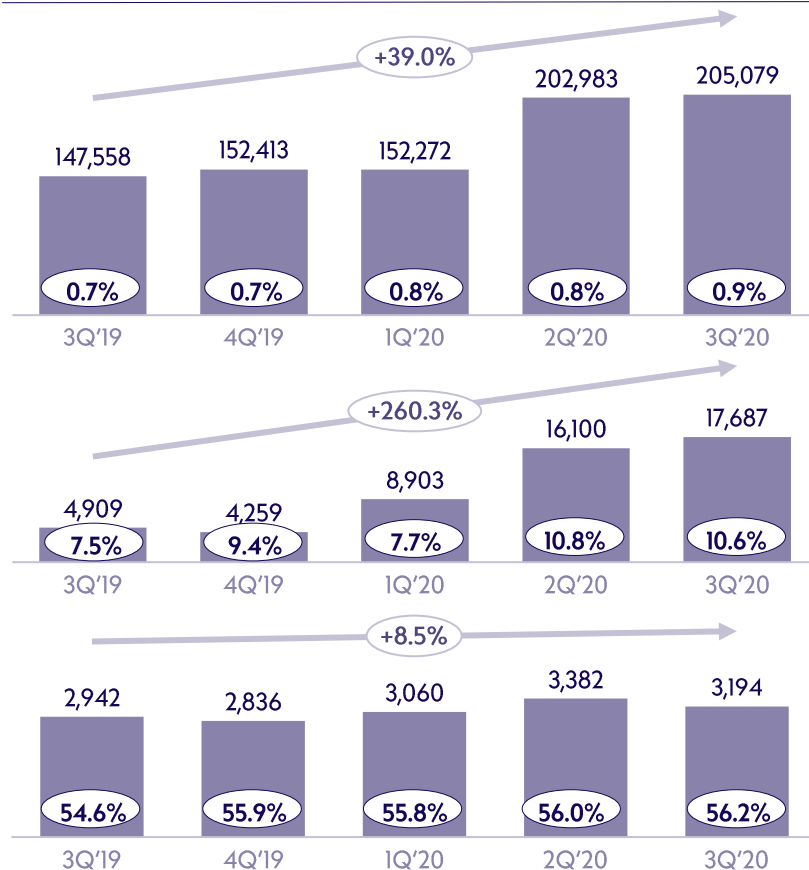
90+ DELINQUENCY EVOLUTION<sup>2</sup> (% of total gross balance)



# LOAN PORTFOLIO BALANCES, QUALITY AND COVERAGE

During three quarters MONETA downgraded CZK 13.8 billion of exposures mainly due to COVID-19 pandemic

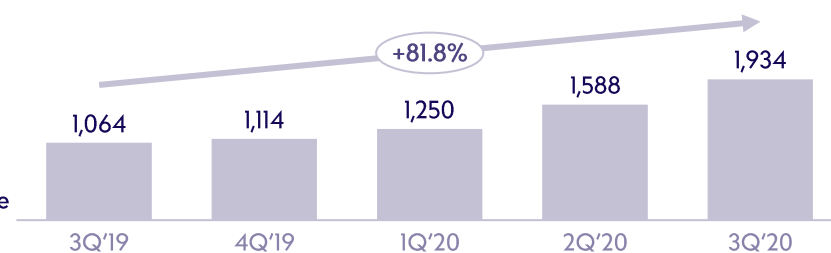
GROSS LOAN PORTFOLIO BALANCE<sup>1</sup> (CZK m)



PORTFOLIO PROVISIONING BALANCE<sup>2</sup> (CZK m)

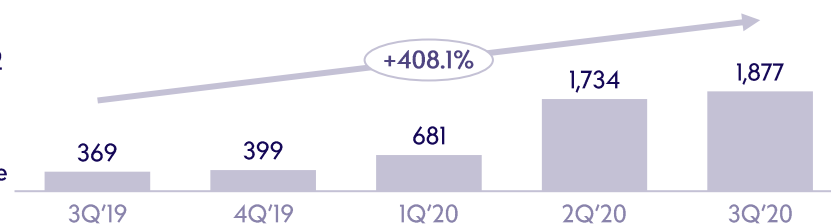
Stage 1

Coverage



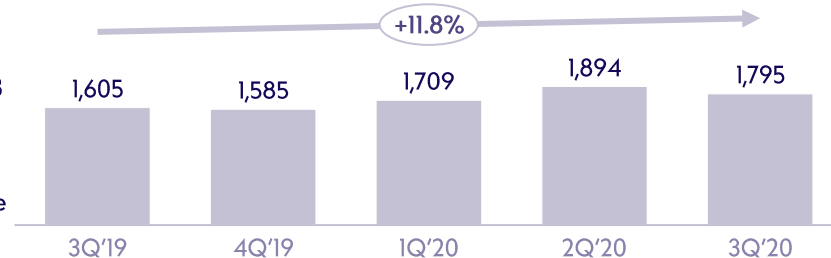
Stage 2

Coverage



Stage 3

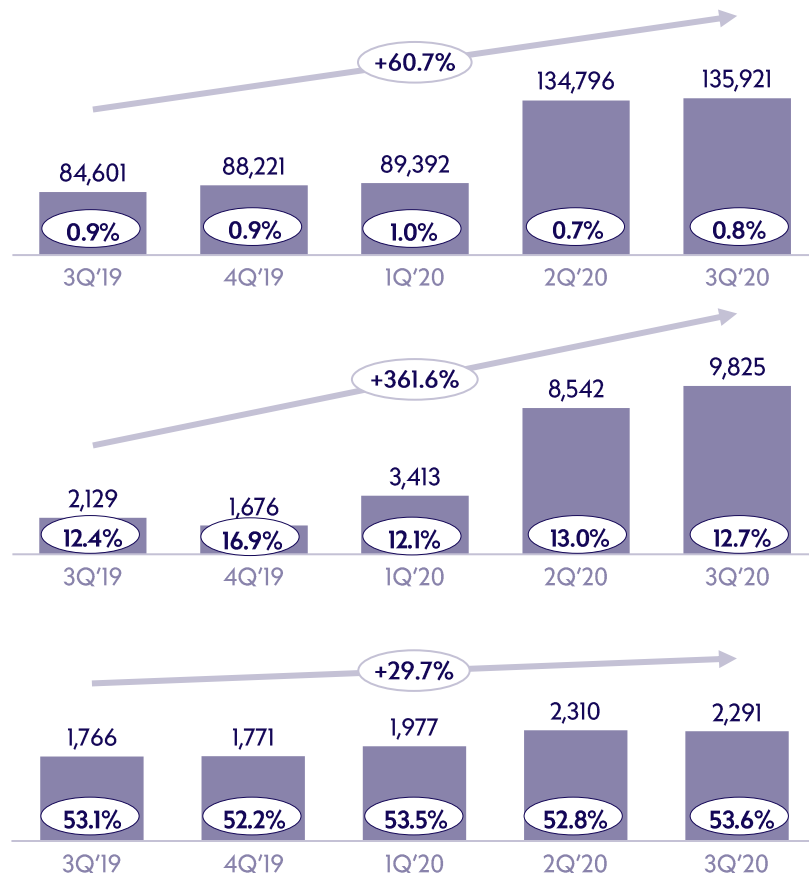
Coverage



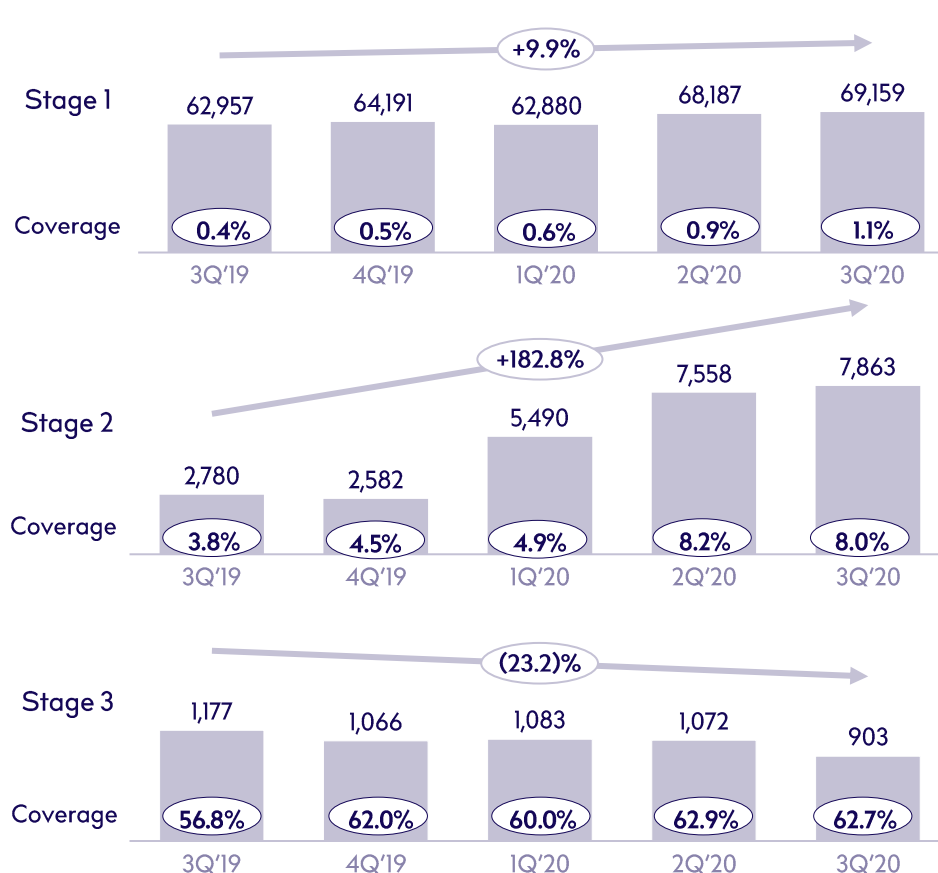
# LOAN PORTFOLIO BALANCES, QUALITY AND COVERAGE

**CZK 8.7 billion in retail and CZK 5.1 billion in commercial exposures were downgraded into Stage 2 and 3**

RETAIL GROSS LOAN PORTFOLIO BALANCE<sup>1</sup> (CZK m)



COMMERCIAL GROSS LOAN PORTFOLIO BALANCE<sup>2</sup> (CZK m)

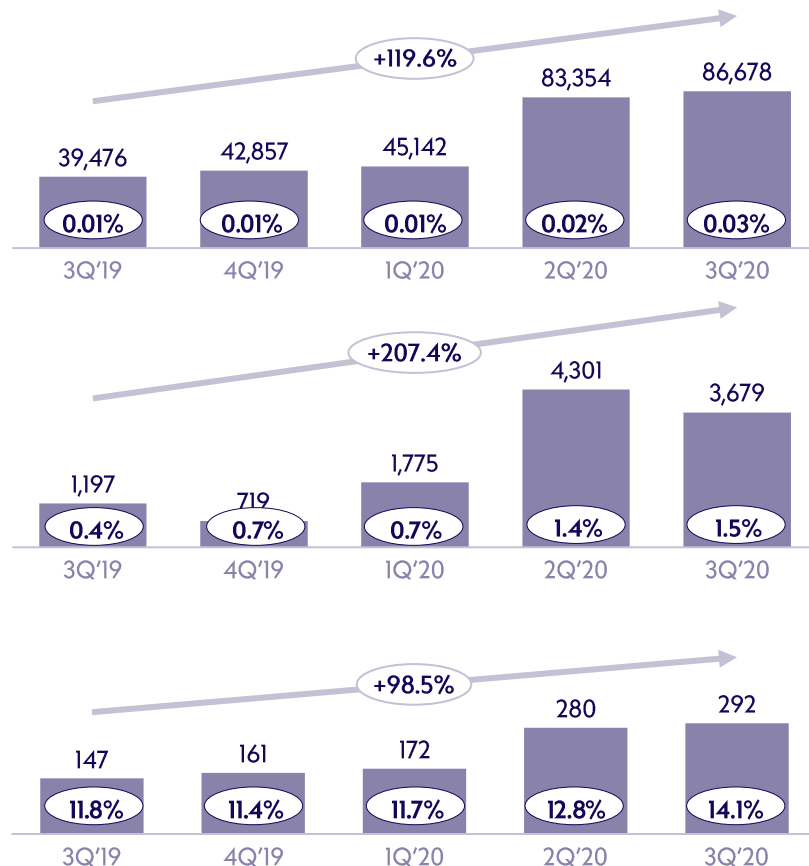




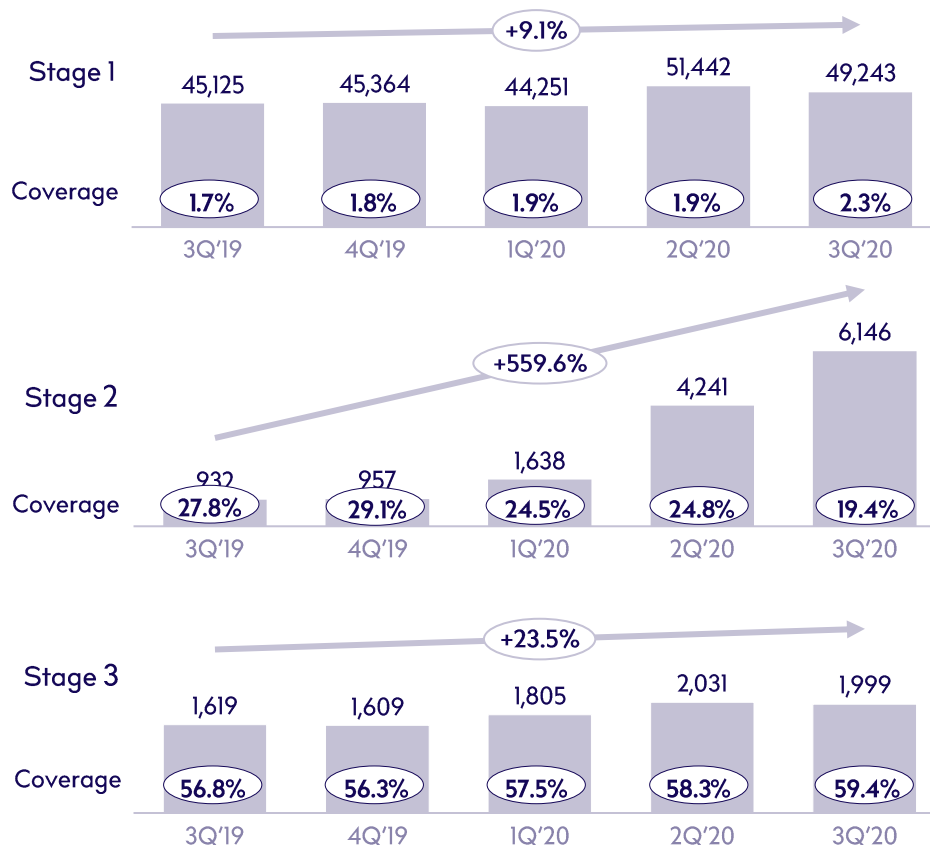
# RETAIL LOAN PORTFOLIO BALANCES, QUALITY AND COVERAGE

**CZK 3.1 billion in mortgages and CZK 5.6 billion in consumer credit were downgraded into Stage 2 and 3**

MORTGAGE GROSS LOAN PORTFOLIO BALANCE<sup>1</sup> (CZK m)



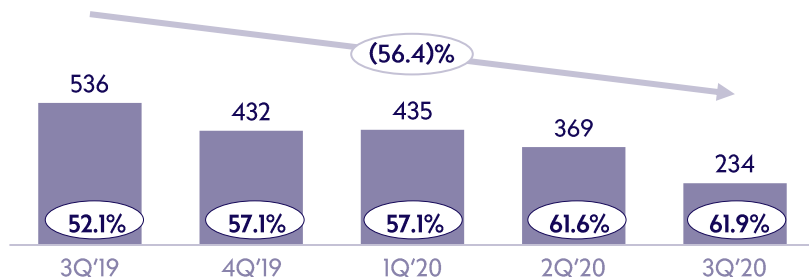
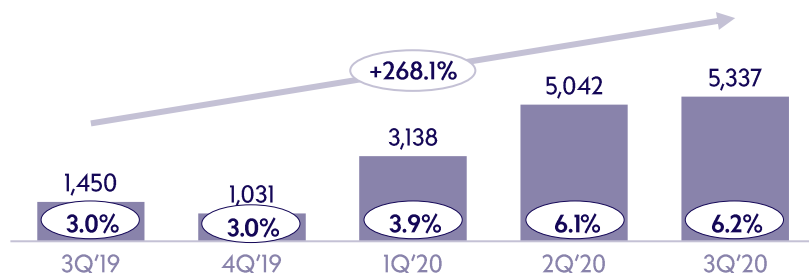
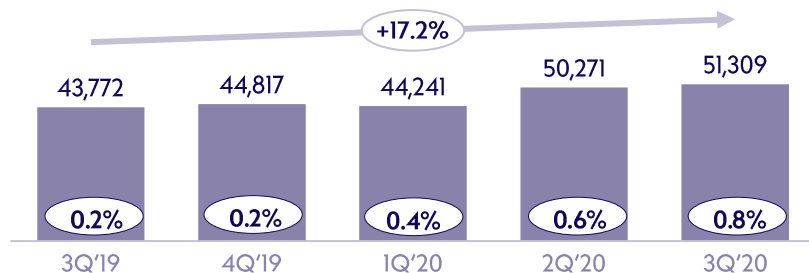
RETAIL UNSECURED GROSS LOAN PORTFOLIO BALANCE<sup>2</sup> (CZK m)



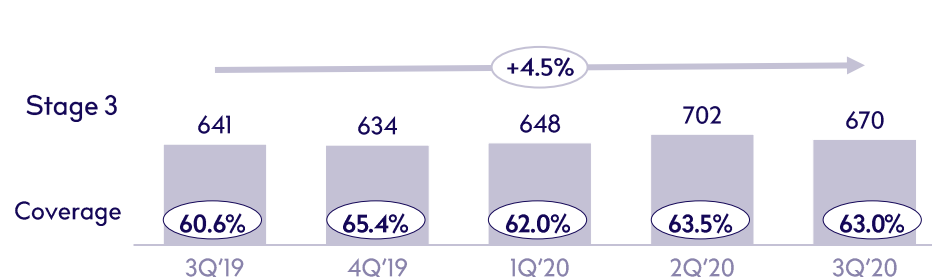
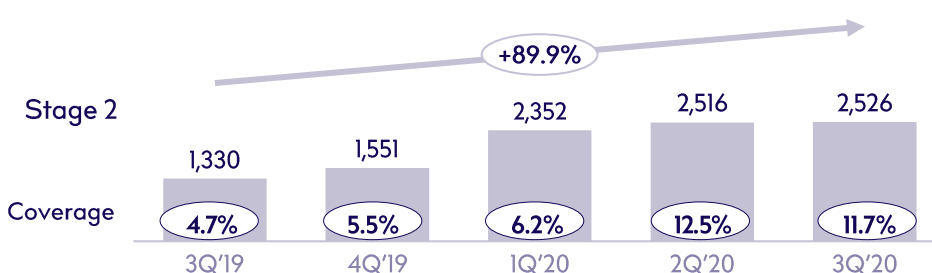
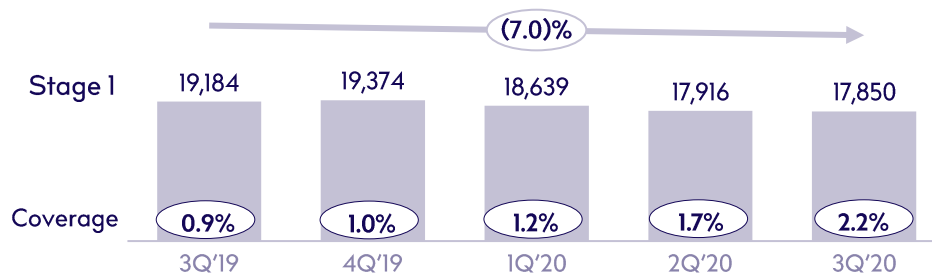
# COMMERCIAL LOAN PORTFOLIO BALANCES, QUALITY AND COVERAGE

CZK 4.1 billion in investment loans and CZK 1.0 billion in pool managed portfolio were downgraded into Stage 2 and 3

INDIVIDUALLY MANAGED GROSS LOAN PORTFOLIO BALANCE<sup>1</sup> (CZK m)



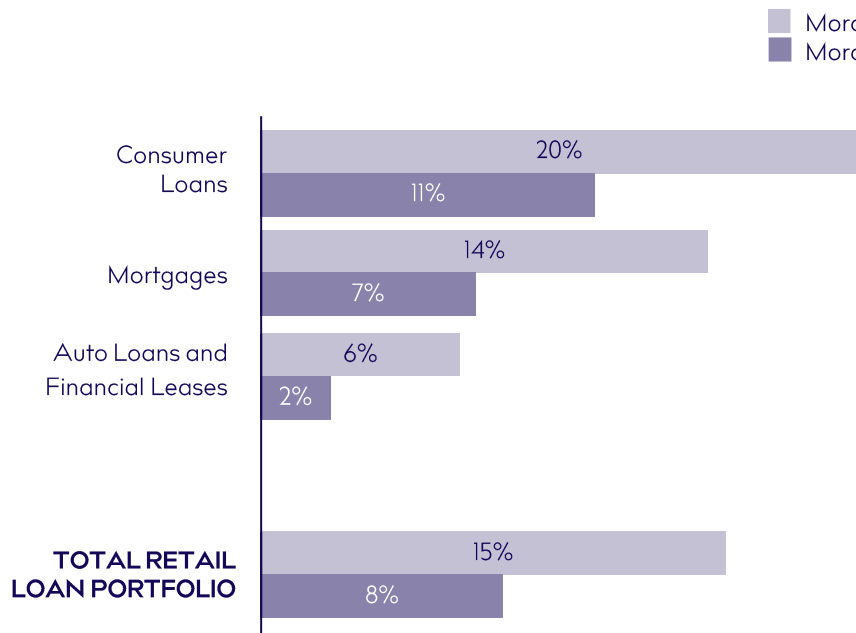
POOL MANAGED GROSS LOAN PORTFOLIO BALANCE<sup>2</sup> (CZK m)



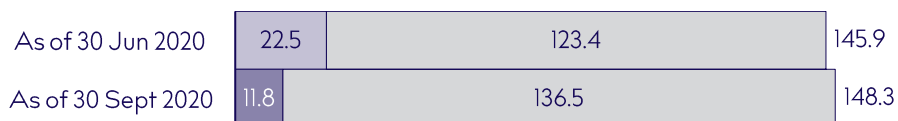
# LOAN REPAYMENT MORATORIUM

Reported moratorium balance decreased by CZK 15.5 billion compared to 2Q 2020 and currently stands at CZK 18.6 billion

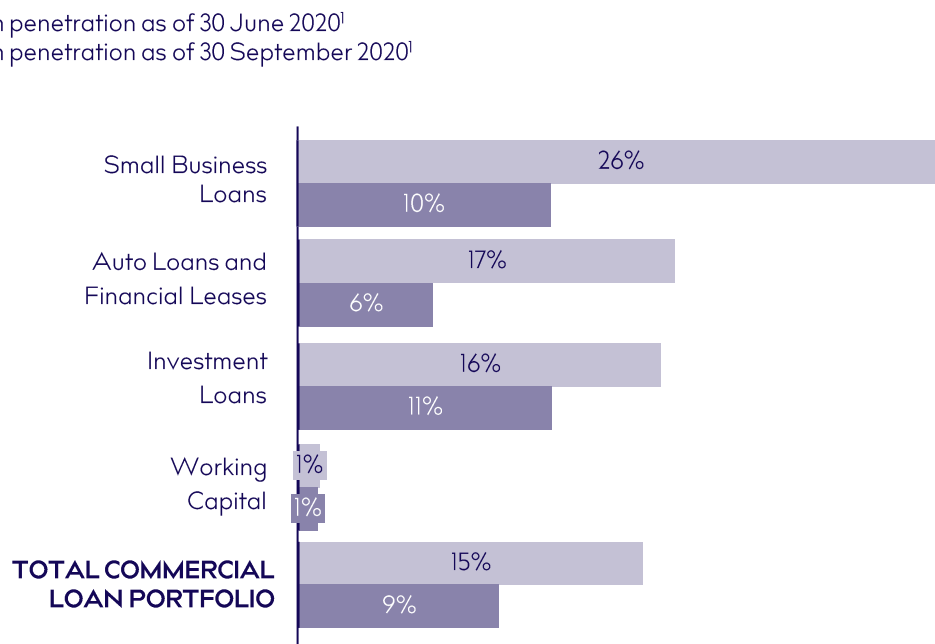
## PENETRATION OF MAIN RETAIL PRODUCTS



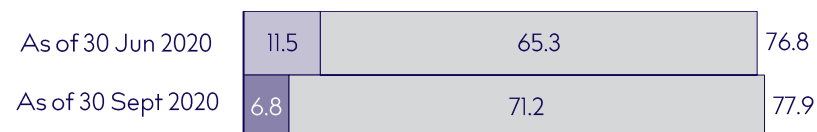
## TOTAL RETAIL GROSS LOAN PORTFOLIO BALANCE (CZK bn)



## PENETRATION OF MAIN COMMERCIAL PRODUCTS



## TOTAL COMMERCIAL GROSS LOAN PORTFOLIO BALANCE (CZK bn)



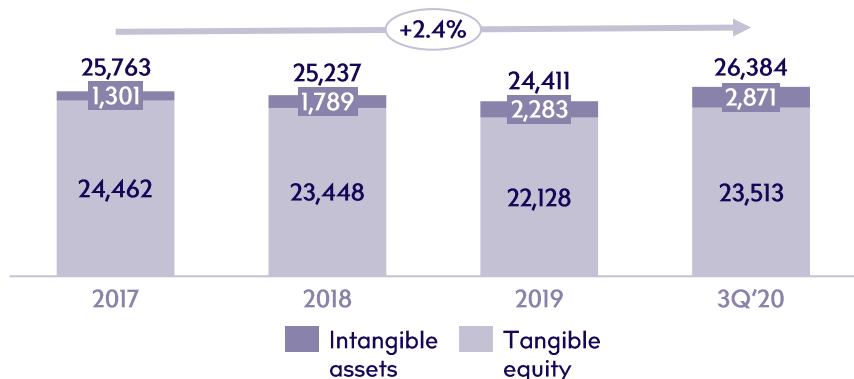
# Content

- Strategic Performance Highlights
- Operating Environment
- Banking Market Growth and Pricing
- Guidance 2020 - 2025
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- Balance Sheet Development
- Risk Metrics & Asset Quality
- **Capital Management**
- Measures Related to COVID-19 Pandemic
- Investor Relations News
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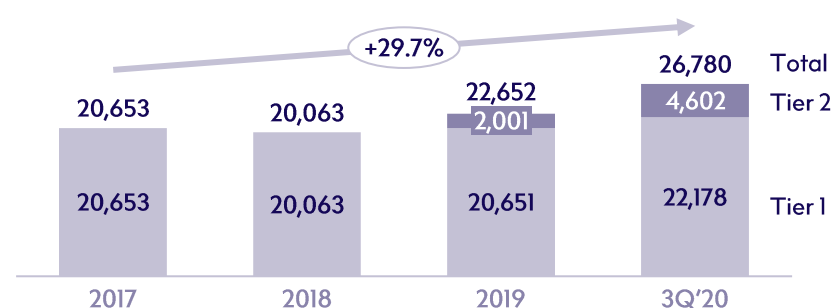
# CAPITAL MANAGEMENT

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

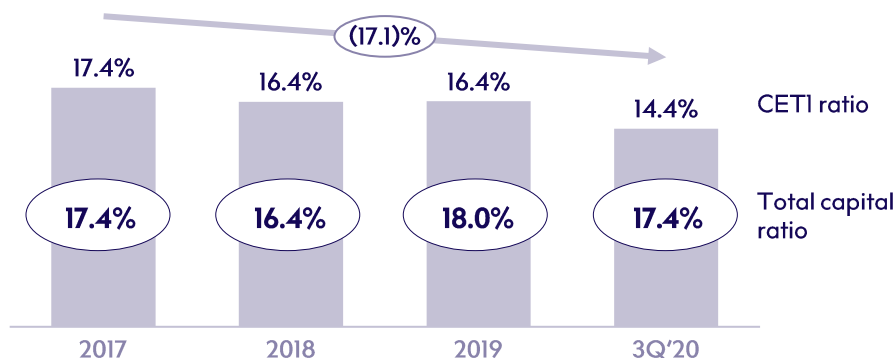
## ACCOUNTING EQUITY (CZK m)



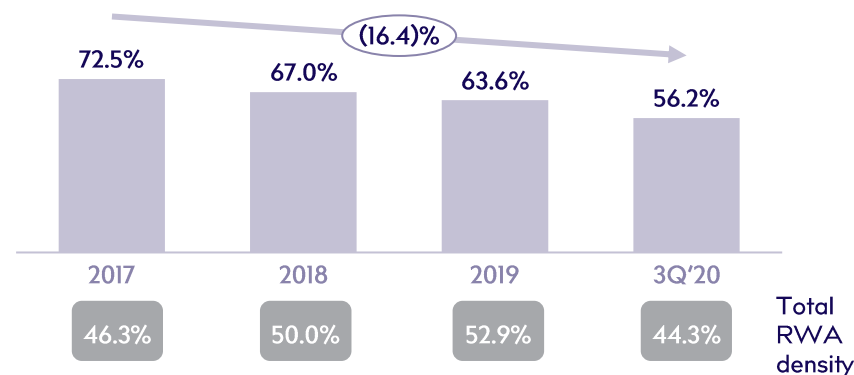
## REGULATORY EQUITY (CZK m)



## TOTAL CAPITAL ADEQUACY RATIO<sup>(1)</sup>



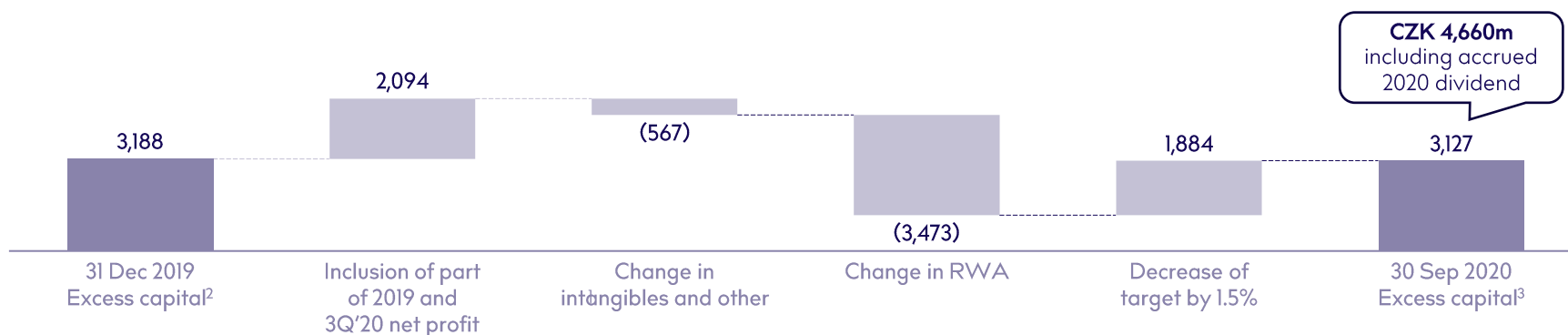
## LENDING PORTFOLIO RWA DENSITY



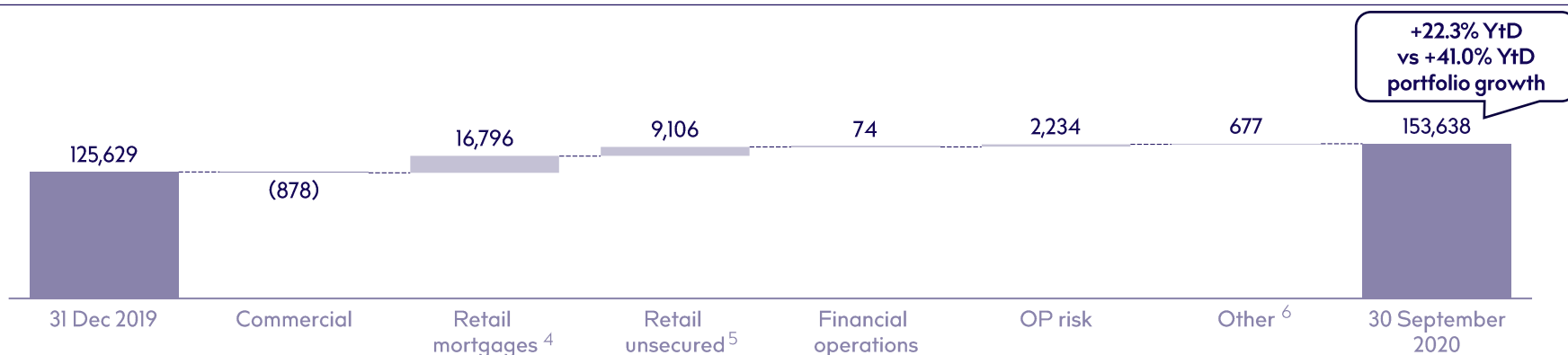
## EXCESS CAPITAL OVERVIEW

# Growth and shareholder distribution capacity substantiated by CZK 3.1 billion of excess capital

EXCESS CAPITAL OVER TIER 1 CAPITAL REQUIREMENT OF 12.4%<sup>(1)</sup> (CZK m)



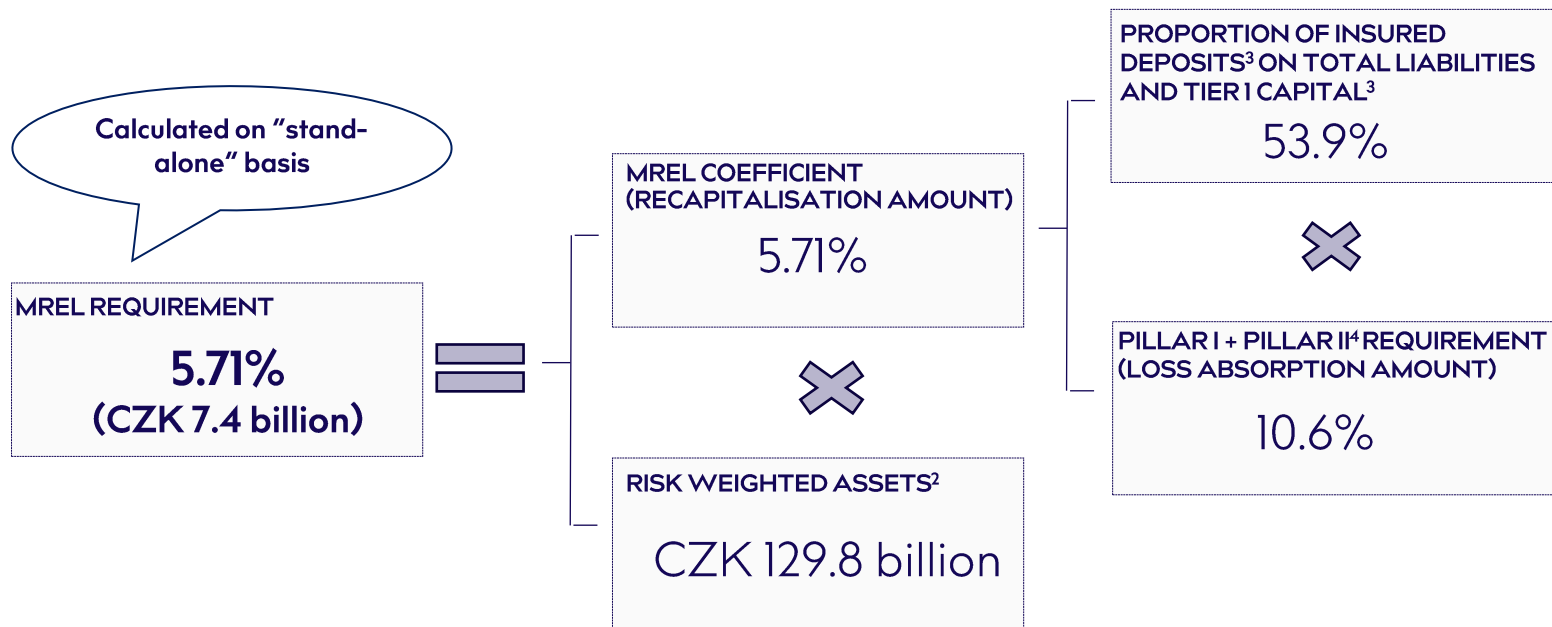
RISK WEIGHTED ASSETS (CZK m)



# MREL REQUIREMENT METHODOLOGY

**MONETA is required to cover 5.71% of RWAs by MREL eligible instruments<sup>1</sup> from 31 December 2023**

DECOMPOSITION OF MREL REQUIREMENT METHODOLOGY BASED ON CNB ANNOUNCEMENT RECEIVED IN SEPTEMBER 2020



- MONETA expects to issue CZK 5bn of senior unsecured bonds during 2022 to fulfil MREL requirement by 31 December 2023
- MREL requirement will be effective from 31 December 2023 and it is subject of annual review by CNB
- MONETA is required to comply with MREL on the stand-alone basis only, i.e. without subsidiaries

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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:** declared as of 5 October 2020 for next 30 days, lockdown declared from 22 October.

**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.). Moratorium will terminate by the end of October 2020.

**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

**New COVID programs:** **COVID Culture** – up to CZK 750 million from state to cover sunk costs in entertainment business, plus for cancelled events between 1 October and 20 November, **Antivirus Plus** = compensation for employer for personnel costs for employees under quarantine. Full compensation of personnel costs for employers impacted by full lockdown. Covid Rent = up to CZK 1.2 billion compensation to cover up to half of lease expenses of catering establishments for third quarter. **Postponement of VAT payments** till year end with no penalty if finally paid.

### 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.

**Strong prudency recommendation to financial institutions concerning classification treatment of loans** which will be restructured or otherwise impacted by COVID-19 pandemic.

**Weekly reporting requirement** to the Czech National Bank concerning financial and operational performance during previous week

# MONETA'S STATUS UPDATE

## Measures related to COVID-19 pandemic

### OPERATIONAL CONTINUITY

- Remote access – home office work for all employees at Prague headquarters, Ostrava in 50:50 regime
- Protective measures – secured disinfectants, regular cleaning, protective „plexiglass“ shields
- MONETA offered to its employees free corona virus testing

### LOAN RE-PAYMENT MORATORIUM

- CZK 18.6bn of underlying loan exposure under moratorium as of 30 September 2020 (CZK 11.8bn in retail segment and CZK 6.8bn in commercial segment)
- 8% total loan repayment moratorium penetration (8% in retail segment and 9% in commercial segment)
- CZK 1.4bn total value of deferred instalments under moratorium as of 23 October 2020

### COVID PROGRAMS

- CZK 2.5bn<sup>1</sup> approved guaranteed three- and four-years loans in COVID II, COVID III and COVID Praha programs, representing 16% market share<sup>2</sup> in number of approved applications
- 4.5% average interest rate<sup>1</sup> on guaranteed loans under COVID II, COVID III and COVID Praha programs
- CZK 10.8bn of available allocation in COVID III program, CZK 554.2m total signed volume<sup>3</sup> for SME clients and CZK 215.7m for Small Business clients

### EGAP COVID+, COSME, PGRLF LOAN PROGRAMS

- Enabled EGAP COVID+ program<sup>4</sup> for support of SME export financing - CZK 858.3m total signed<sup>3</sup> volume representing 7.2% share<sup>5</sup> on total EGAP COVID+ program financing
- In cooperation with European Investment Fund launched COVID 19 sub-window within COSME LGF guarantee program in August 2020 - CZK 411.1m total signed volume<sup>3</sup> for SME clients and CZK 438.9m for Small Business clients
- 4.8% average interest rate<sup>1</sup> on guaranteed loans under COSME program
- Participation in PGRLF loan programme to support agriculture where distributed almost CZK 0.4bn<sup>6</sup>

### CREDIT POLICY AND LOAN LOSS PROVISIONING

- Tightened credit criteria
- Reviewed and changed IFRS 9 macro input & parameters reflecting worsened macroeconomic outlook in 1H 2020
- Designed bottom up monitoring and implemented downgrading of both retail and commercial credit exposures

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# REPORTING DATE AND INVESTOR MEETINGS

## Investor interaction in 4Q 2020

Goldman Sachs Annual  
CEEMEA One-on-One  
Conference

10 November 2020  
Virtual Conference/London

WOOD Conference

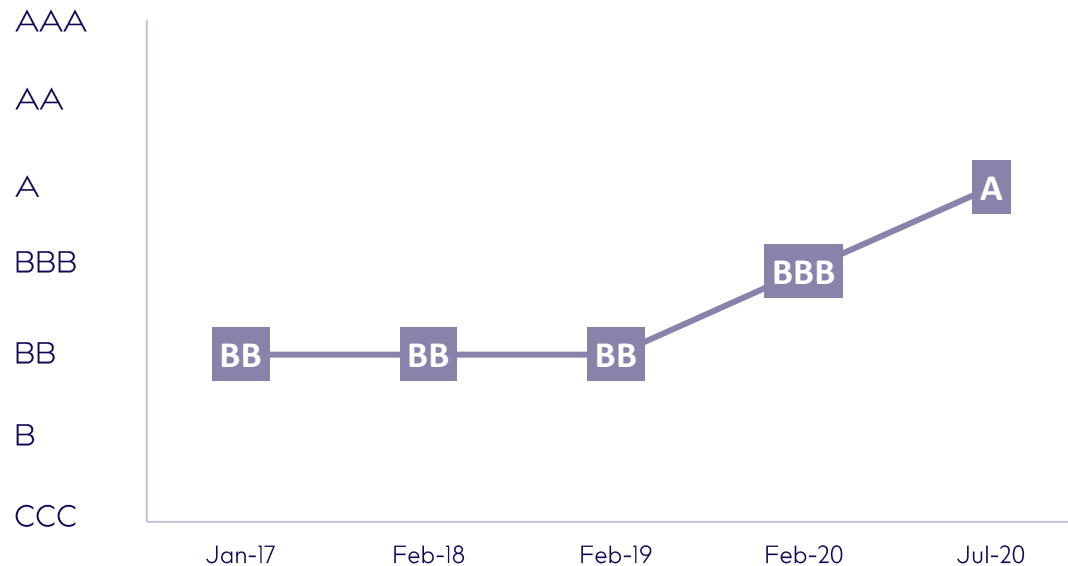
1 – 3 December 2020  
Virtual Conference/Prague

4Q 2020 Earnings

5 February 2021

## MONETA'S ESG RATING BY MSCI INDEX

MSCI<sup>1</sup> upgraded MONETA's Environmental, Social and Governance Rating to "A" from "BB" during last 18 months



# 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.



**GOLD MEDAL<sup>1</sup>** in the category of "The Most Engaged Employees"



**BRONZE MEDAL<sup>2</sup>** in the category of "Most Responsible Large Company"



**SILVER AWARD<sup>3</sup>** in the credit quality analysis of Czech banks in 2018



**THE WINNER** in the category "Ecology" for MONETA's electromobility<sup>4</sup>



MONETA is one of the 325 public companies globally to be included in Bloomberg's 2020 Gender-Equality Index<sup>5</sup>



**BRONZE AWARD** in the category of „CSR“ for MONETA's Package of help<sup>6</sup>

# MONETA NON-FINANCIAL ENVIRONMENTAL TARGETS

## MONETA reduced significantly its carbon footprint by 58.3%

INDICATOR	TARGET	2017	2018	2019	2020
<b>Reduction of MONETA carbon footprint</b>	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
<b>Electromobility</b>	To replace the majority of our diesel company cars with electric vehicles	12 electric vehicles put into operation = savings of 27.5 t CO <sub>2</sub> e	56 electric vehicles in operation = savings of 74.5 t CO <sub>2</sub> e	68 electric vehicles in operation = savings of 77.4 t CO <sub>2</sub> e	68 electric vehicles in operation
<b>Renewable (green) energy for our branches</b>	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
<b>Renewable (green) energy for our headquarters in Prague and Ostrava</b>	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
<b>Employee engagement (volunteers)</b>	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 <sup>2</sup> Established MON FAIR committee for diversity management

MONETA follows the Sustainable development goals!



Sustainability Reports and Rating:



Sustainability reporting since 2017



Rating "C"



## MARKET & INDUSTRY RECOGNITION

# MONETA received many recognitions for digitalization and innovation in 2020

### ZLATÁ KORUNA AWARDS IN 10 CATEGORIES



#### SMART BANKA

- 1<sup>st</sup> place – Online application
- 2<sup>nd</sup> place – Public award
- 3<sup>rd</sup> place – Innovation of the year
- 3<sup>rd</sup> place – Loan > 3.9% fully online

#### BUILDING SAVINGS

- 1<sup>st</sup> place – Kamarád+
- 3<sup>rd</sup> place – Stavební spoření 55+

#### RETAIL & SMALL BUSINESS LOANS

- 2<sup>nd</sup> place – Refinanso – fully online mortgage
- 2<sup>nd</sup> place – Loan fully online in 15 minutes
- 3<sup>rd</sup> place – Pružná hypotéka

#### CSR

- 3<sup>rd</sup> place – Balíček pomoci

### CX AWARDS 2020 CUSTOMER EXPERIENCE



MONETA received award for the BEST REACTION ON FEEDBACK as a result of implementation of feedTRACK application – intermediate customer experience

### GLOBAL FINANCE SAFEST BANK AWARD 2020



MONETA rated as the 5th Safest Bank in the Central and Eastern Europe for 2020

### BLOOMBERG GENDER EQUALITY INDEX 2020



INCLUSION IN  
JANUARY 2020

MONETA is the only company in the Czech Republic included in the Index from January 2020



# INVESTOR RELATIONS

## Contacts

**Linda Kavanová**  
**Jarmila Valentová**  
**Dana Laštovková**

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*Tel: +420 224 442 549*  
*[investors@moneta.cz](mailto:investors@moneta.cz)*  
*[www.moneta.cz](http://www.moneta.cz)*  
*Identification number: 25672720*

*Bloomberg: MONET CP*  
*ISIN: CZ0008040318*

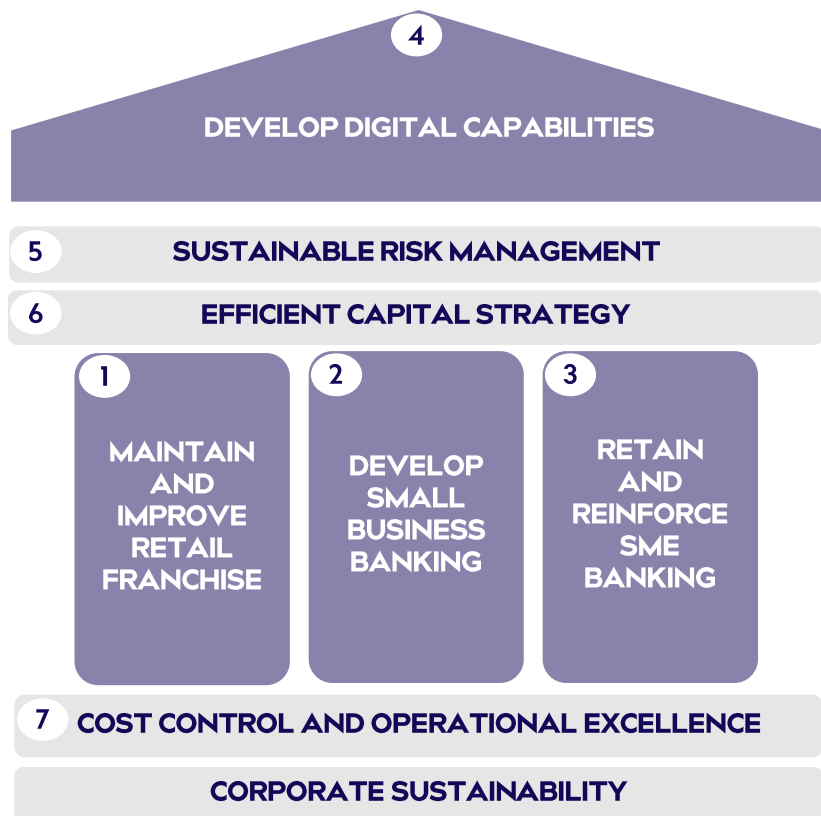
*Reuters: MONET.PR*  
*SEDOL: BD3CQ16*

# Appendix

- MONETA's Strategic Objectives
- Material Assumptions for Medium Term Guidance
- Capital and Regulatory Requirements
- Liquidity Management
- Asset under Management
- MONETA's Credit Rating
- MONETA's Shareholder Structure
- MONETA's Share Price and Volumes
- 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 TARGETS<sup>1</sup>:

### 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 online<sup>2</sup>
- ~ 50% of consumer loans new production to be originated online<sup>2</sup>
- ~ 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 minimum<sup>1</sup>

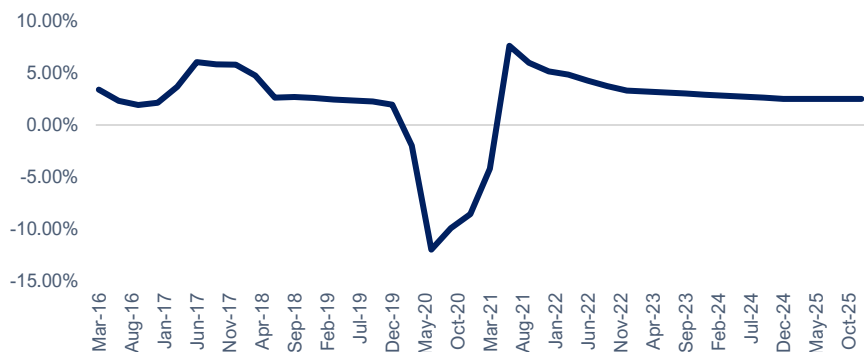
### 07 | COST CONTROL AND OPERATIONAL EXCELLENCE

- ~ 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

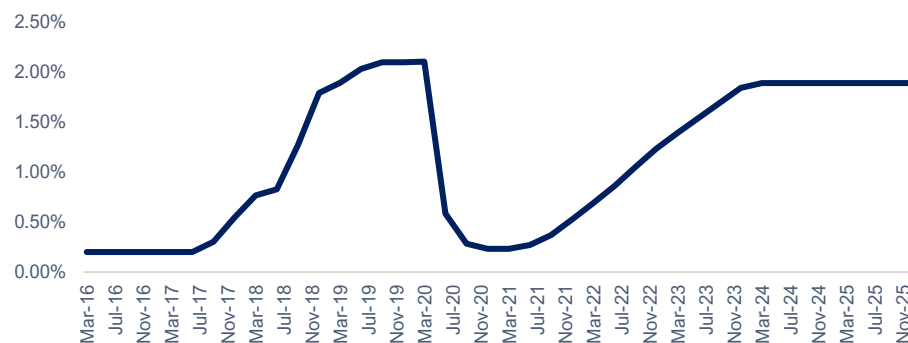
# MATERIAL ASSUMPTIONS FOR MEDIUM TERM GUIDANCE

## Macroeconomic recovery post COVID-19 and low interest rate environment

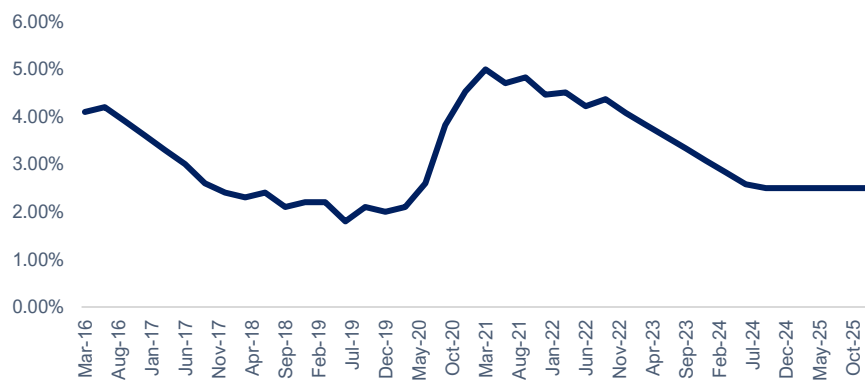
GDP OUTLOOK<sup>(1)</sup> (YoY %)



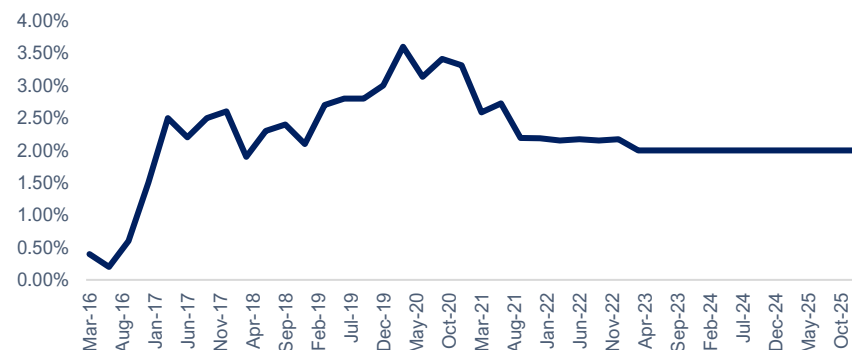
INTEREST RATE IM PRIBOR<sup>(1)</sup> (%)



UNEMPLOYMENT RATE OUTLOOK<sup>(1)</sup> (YoY %)



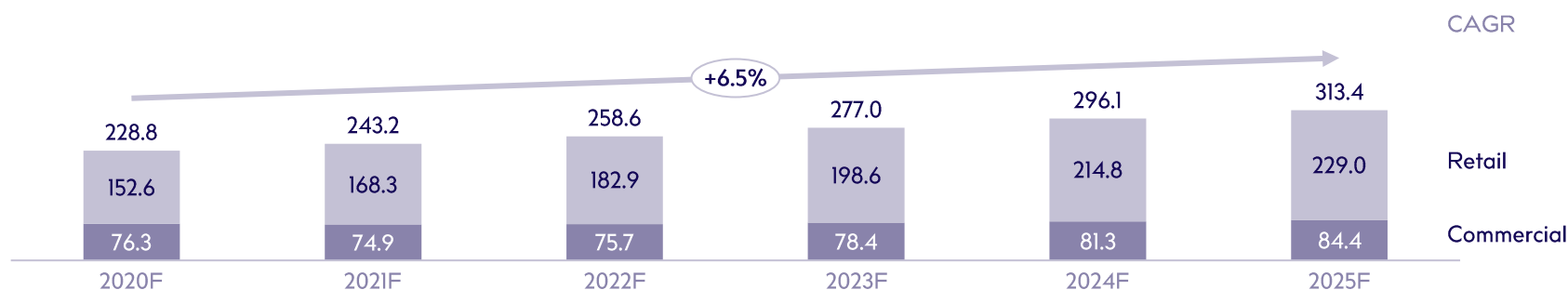
INFLATION PROJECTION (CPI)<sup>(1)</sup> (%)



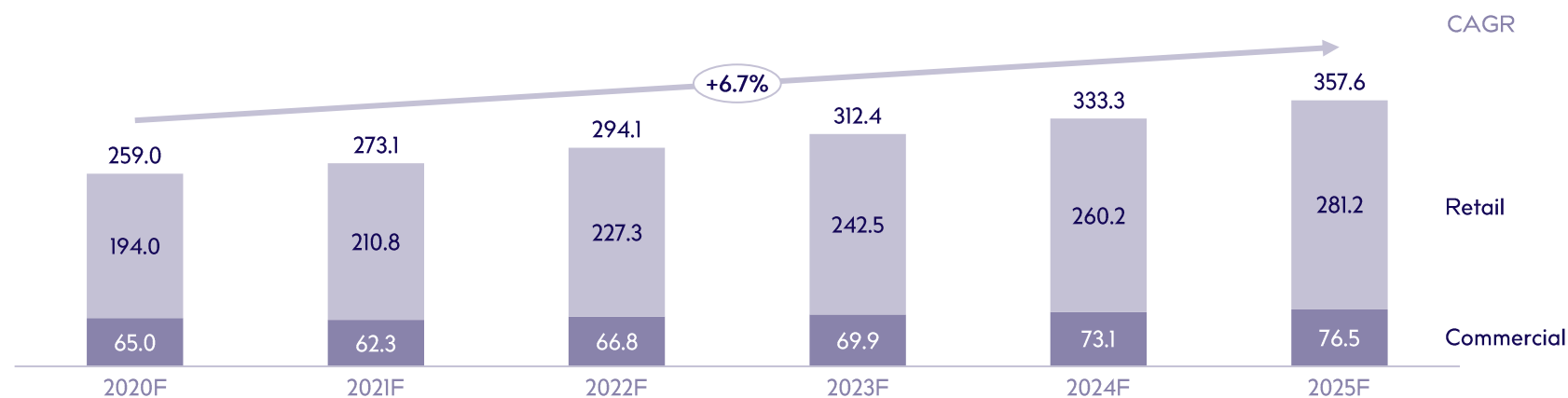
# MATERIAL ASSUMPTIONS FOR MEDIUM TERM GUIDANCE

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

### GROSS PERFORMING LOANS DEVELOPMENT (CZK bn)



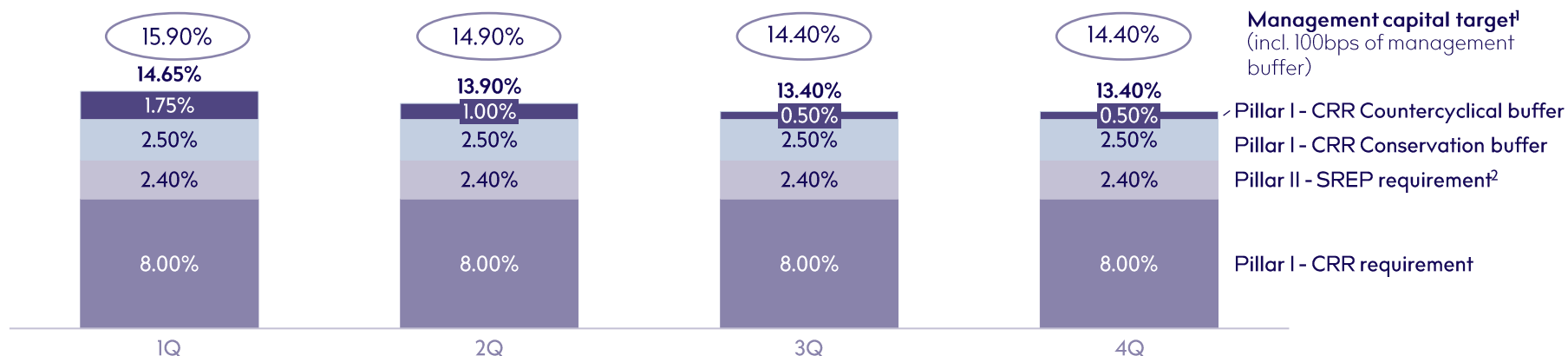
### CORE CUSTOMER DEPOSITS DEVELOPMENT (CZK bn)



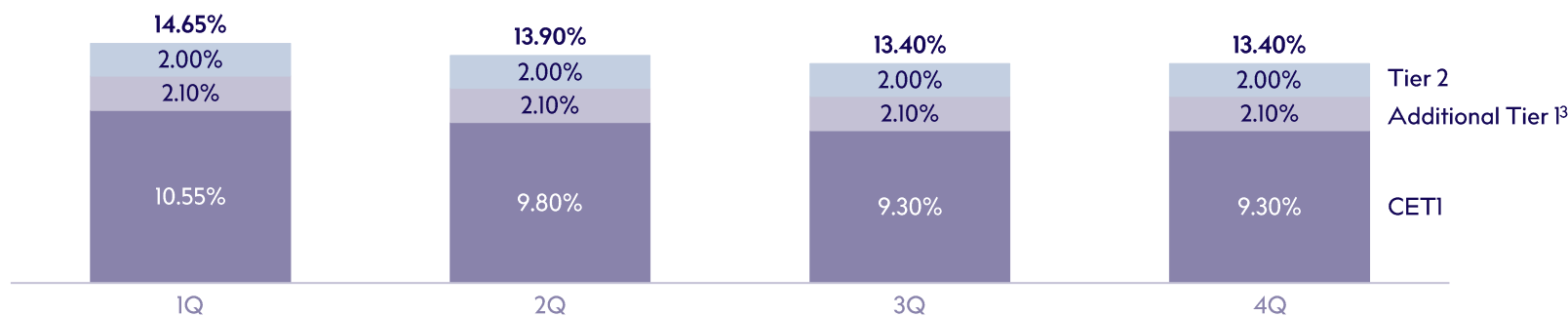
# CAPITAL & REGULATORY REQUIREMENTS

## MONETA has strong capital significantly above regulatory requirement

### DEVELOPMENT AND DECOMPOSITION OF REGULATORY CAPITAL REQUIREMENT



### ALLOWABLE CAPITAL STRUCTURE



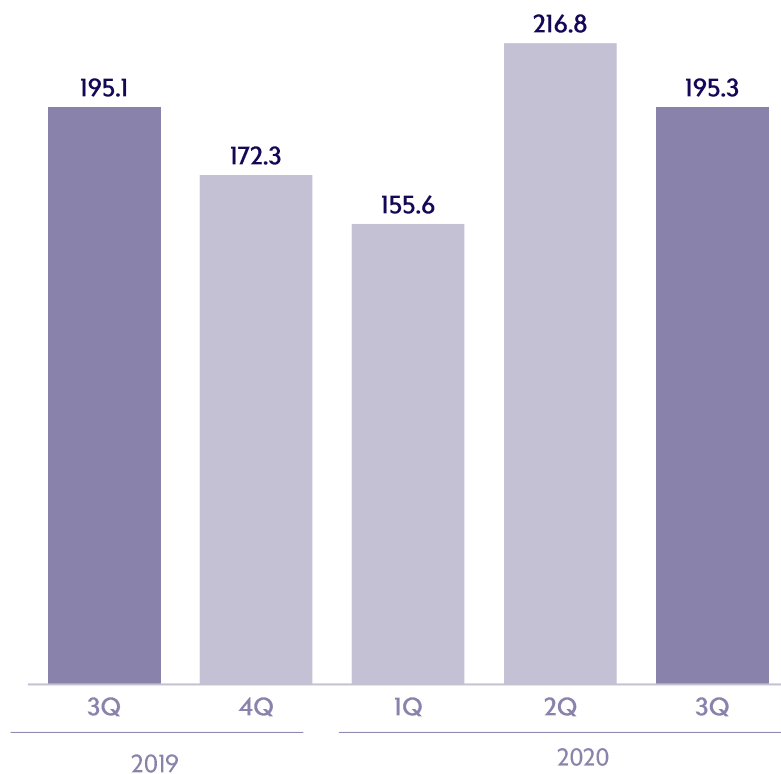
2020

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, 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 1 capital (AT1) issued, hence covers both CET 1 and AT1 requirements from its CET 1 capital position.

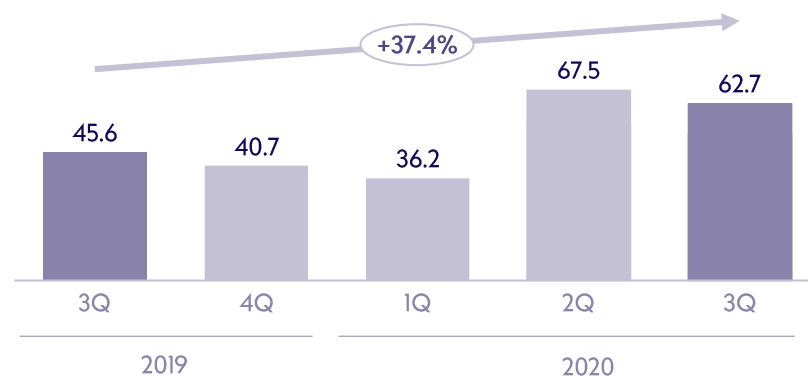
# LIQUIDITY MANAGEMENT

## Strong liquidity position significantly above regulatory requirement

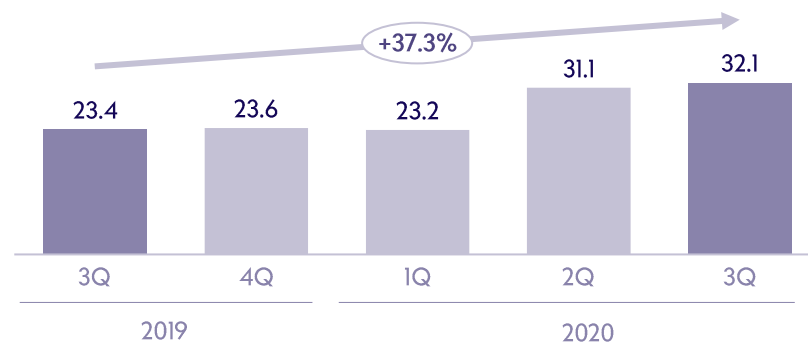
LIQUIDITY COVERAGE RATIO (%)



HIGH-QUALITY LIQUID ASSETS<sup>(1)</sup> (CZK bn)



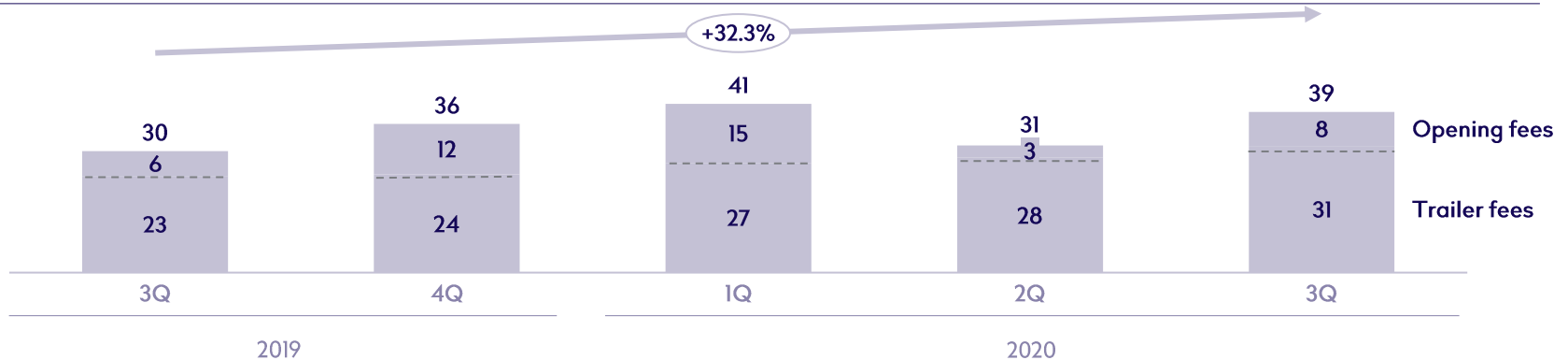
NET OUTFLOWS (CZK bn)



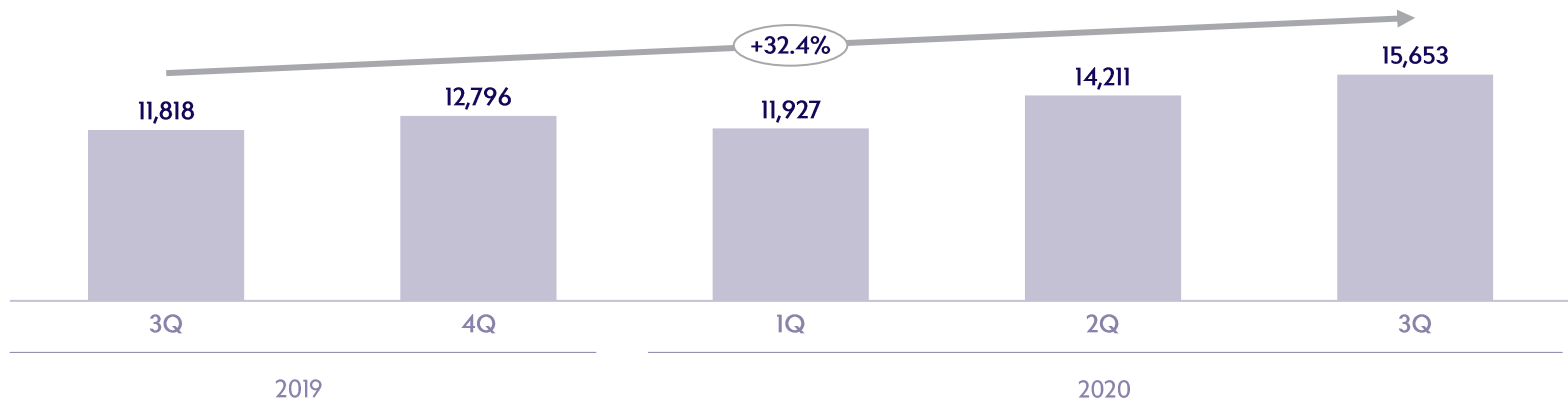
# ASSET MANAGEMENT OVERVIEW

Strategy focused on distribution of investment funds resulting in growth of commission income

COMMISSION INCOME FROM INVESTMENT FUNDS (CZK m)



ASSET MANAGEMENT (CZK m)





# MONETA'S CREDIT RATING

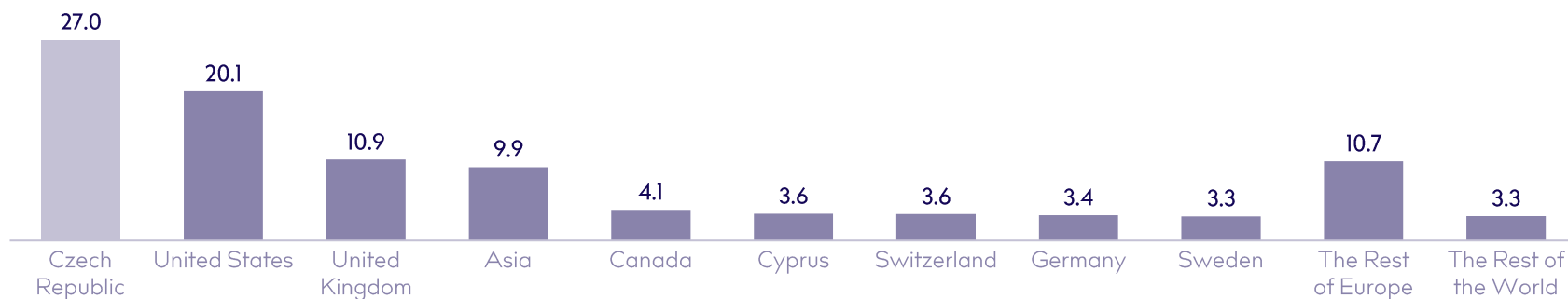
## S&P and Moody's reaffirmed investment grade rating

Rating Agency <sup>1</sup>	Long-term	Short-term	Outlook	Last report
Standard & Poor's	BBB	A-2	Stable	10 June 2020
Moody's	A2	P-1	Stable	7 September 2020

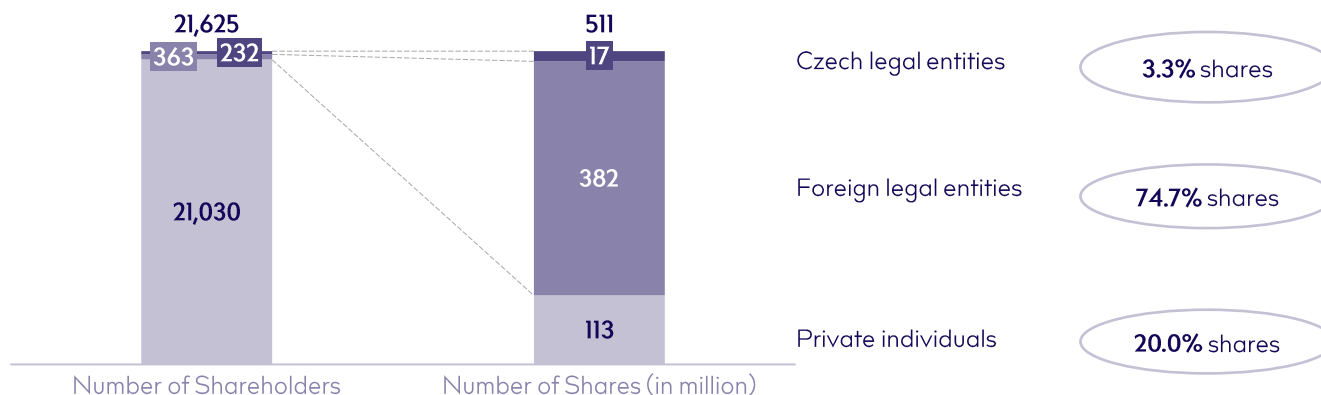
# SHAREHOLDER STRUCTURE

## 78% MONETA's shares owned by legal entities

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



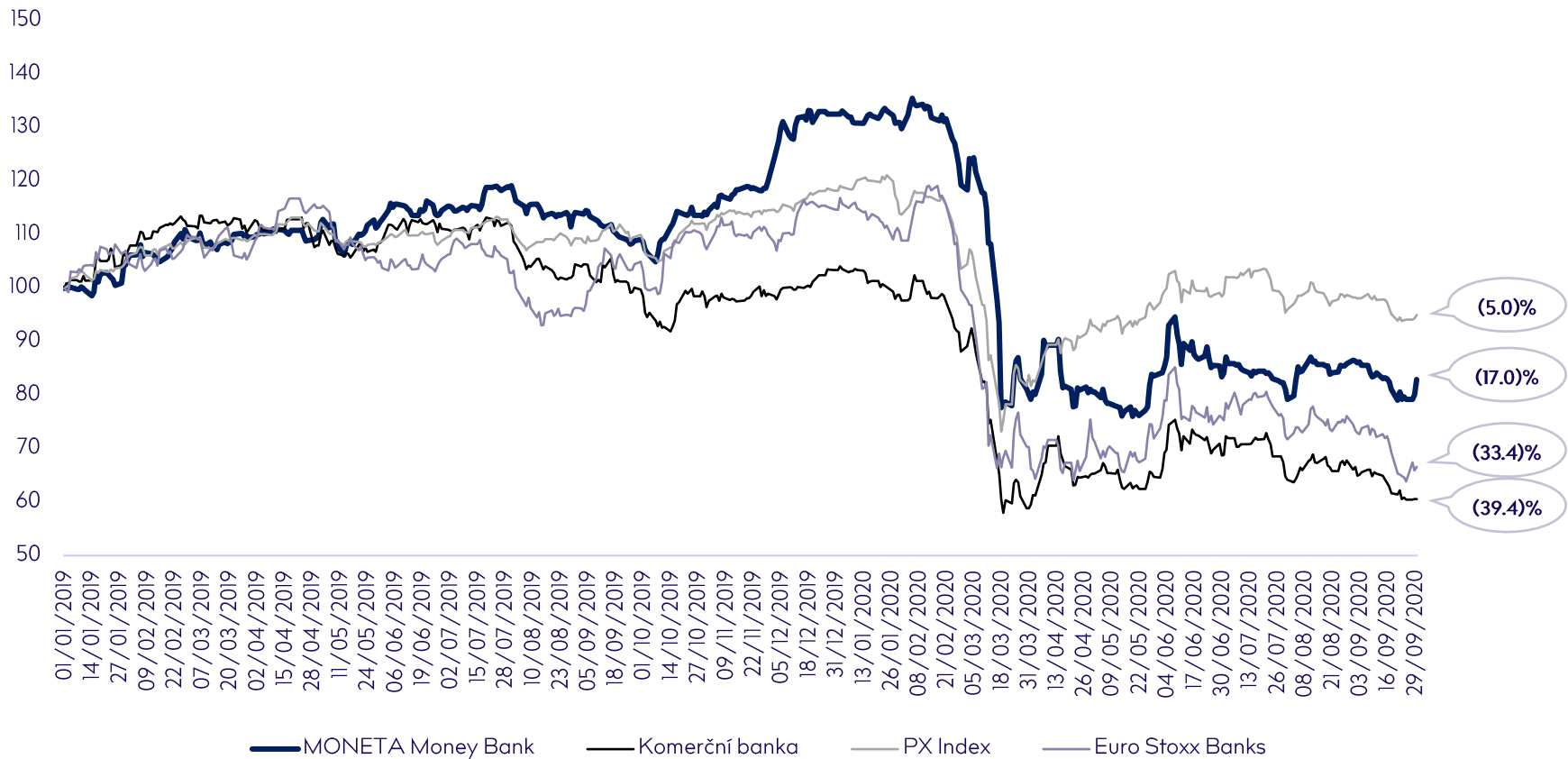
STRUCTURE BY TYPE OF SHAREHOLDER (as of September 2020)



## MARKET PRICE

# MONETA's total shareholder return

TOTAL SHAREHOLDERS RETURN (price rebased to 100)



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CZK m	30/09/2020	31/12/2019 <sup>1</sup>	% Change
Cash and balances with the central bank	10,017	6,697	49.6%
Derivative financial instruments with positive value	349	27	1192.6%
Investment securities	27,140	25,972	4.5%
Hedging derivatives with positive fair values	466	651	(28.4%)
Change in fair value of items hedged on portfolio basis	1,117	(239)	(567.4%)
Loans and receivables to banks	54,189	23,485	130.7%
Loans and receivables to customers	220,576	156,409	41.0%
Intangible assets	2,871	2,283	25.8%
Property and equipment	2,749	2,948	(6.8%)
Investments in subsidiaries and associates	2	2	0.0%
Current tax assets	323	7	4514.3%
Deferred tax assets	61	0	-
Other assets	1,200	811	48.0%
<b>Total Assets</b>	<b>321,060</b>	<b>219,053</b>	<b>46.6%</b>
Due to banks	3,260	7,091	(54.0%)
Due to customers	275,033	181,523	51.5%
Derivative financial instruments with negative value	386	40	865.0%
Hedging derivatives with negative fair values	2,569	148	1635.8%
Change in fair value of items hedged on portfolio basis	191	(22)	(968.2%)
Mortgage backed bonds	4,224	0	-
Subordinated liabilities	4,640	2,006	131.3%
Provisions	311	209	48.8%
Current tax liability	52	179	(70.9%)
Deferred tax liability	370	244	51.6%
Other liabilities	3,640	3,224	12.9%
<b>Total Liabilities</b>	<b>294,676</b>	<b>194,642</b>	<b>51.4%</b>
Share capital	10,220	10,220	0.0%
Statutory reserve	102	102	0.0%
Other reserves	38	(17)	(323.5%)
Retained earnings	16,024	14,106	13.6%
<b>Total Equity</b>	<b>26,384</b>	<b>24,411</b>	<b>8.1%</b>
<b>Total Liabilities &amp; Equity</b>	<b>321,060</b>	<b>219,053</b>	<b>46.6%</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION – QUARTERLY DEVELOPMENT

CZK m	30/09/2018	31/12/2018 <sup>1</sup>	31/03/2019	30/06/2019	30/09/2019	31/12/2019 <sup>1</sup>	31/03/2020	30/06/2020	30/09/2020
Cash and balances with the central bank	7,336	8,139	5,381	7,334	6,684	6,697	9,993	7,693	10,017
Derivative financial instruments with positive value	42	28	25	19	21	27	762	381	349
Investment securities	20,772	20,780	21,647	21,834	25,394	25,972	23,575	24,097	27,140
Hedging derivatives with positive fair values	242	53	57	36	156	651	739	538	466
Change in fair value of items hedged on portfolio basis	(331)	30	(5)	88	50	(239)	1,080	1,283	1,117
Loans and receivables to banks	17,836	33,436	28,184	28,443	38,926	23,485	44,339	65,447	54,189
Loans and receivables to customers	135,661	140,123	142,245	148,289	152,370	156,409	160,596	217,501	220,576
Intangible assets	1,700	1,789	1,870	1,997	2,144	2,283	2,383	2,843	2,871
Property and equipment	1,210	1,296	3,305	3,208	3,172	2,948	2,881	2,881	2,749
Investments in subsidiaries and associates	2	2	3	3	2	2	2	3	2
Current tax assets	25	16	30	28	18	7	30	240	323
Deferred tax assets	148	127	0	0	0	0	0	71	61
Other assets	770	1,113	986	672	766	811	1,195	1,037	1,200
<b>Total Assets</b>	<b>185,413</b>	<b>206,932</b>	<b>203,728</b>	<b>211,951</b>	<b>229,703</b>	<b>219,053</b>	<b>247,575</b>	<b>324,015</b>	<b>321,060</b>
Due to banks	9,201	10,716	4,660	8,353	5,549	7,091	11,610	5,834	3,260
Due to customers	149,209	168,792	168,128	175,186	192,273	181,523	198,754	274,920	275,033
Derivative financial instruments with negative value	34	44	16	99	9	40	365	336	386
Hedging derivatives with negative fair values	2	167	157	292	513	148	2,050	2,860	2,569
Change in fair value of items hedged on portfolio basis	0	0	0	0	0	(22)	304	275	191
Mortgage backed bonds	0	0	0	0	0	0	0	5,120	4,224
Subordinated liabilities	0	0	0	0	1,989	2,006	4,622	4,664	4,640
Provisions	260	261	241	246	227	209	199	273	311
Current tax liability	61	107	55	38	133	179	173	39	52
Deferred tax liability	238	177	237	249	258	244	354	429	370
Other liabilities	2,008	1,431	4,014	3,381	3,588	3,224	3,684	3,582	3,640
<b>Total Liabilities</b>	<b>161,013</b>	<b>181,695</b>	<b>177,508</b>	<b>187,844</b>	<b>204,539</b>	<b>194,642</b>	<b>222,115</b>	<b>298,332</b>	<b>294,676</b>
Share capital	511	511	511	511	511	10,220	10,220	10,220	10,220
Share premium	5,028	5,028	5,028	5,028	5,028	0	0	0	0
Statutory reserve	102	102	102	102	102	102	102	102	102
Share based payment reserve	(2)	(2)	(2)	(2)	(2)	0	0	0	0
Other reserves	0	0	0	0	0	(17)	302	56	38
Retained earnings	18,761	19,598	20,581	18,468	19,525	14,106	14,836	15,305	16,024
<b>Total Equity</b>	<b>24,400</b>	<b>25,237</b>	<b>26,220</b>	<b>24,107</b>	<b>25,164</b>	<b>24,411</b>	<b>25,460</b>	<b>25,683</b>	<b>26,384</b>
<b>Total Liabilities &amp; Equity</b>	<b>185,413</b>	<b>206,932</b>	<b>203,728</b>	<b>211,951</b>	<b>229,703</b>	<b>219,053</b>	<b>247,575</b>	<b>324,015</b>	<b>321,060</b>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CZK m	3Q 2020	3Q 2019	% Change
Interest and similar income	7,364	6,574	12.0%
Interest expense and similar charges	(1,195)	(663)	80.2%
Net interest income	6,169	5,911	4.4%
Fee and commission income	1,693	1,667	1.6%
Fee and commission expense	(284)	(218)	30.3%
Net fee and commission income	1,409	1,449	(2.8%)
Dividend income	2	1	100.0%
Net income from financial operations	543	382	42.1%
Other operating income	1,231	91	1252.7%
Total operating income	9,354	7,834	19.4%
Personnel expenses	(1,834)	(1,692)	8.4%
Administrative expenses	(969)	(943)	2.8%
Depreciation and amortisation	(841)	(719)	17.0%
Regulatory charges	(151)	(139)	8.6%
Other operating expenses	(270)	(225)	20.0%
Total operating expenses	(4,065)	(3,718)	9.3%
Profit for the period before tax and net impairment of financial assets	5,289	4,116	28.5%
Net impairment of financial assets	(3,087)	(301)	925.6%
Profit for the period before tax	2,202	3,815	(42.3%)
Taxes on income	(286)	(745)	(61.6%)
Profit for the period after tax	1,916	3,070	(37.6%)
- Change in fair value of investment securities recognised in OCI	0	0	n/a
- Cash flow hedges - effective portion of changes in fair value	68	0	n/a
- Deferred tax	(13)	0	n/a
Other comprehensive income, net of tax	55	0	n/a
Total comprehensive income attributable to the equity holders	1,971	3,070	(35.8%)

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

CZK m	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020	3Q 2020
Interest and similar income	1,953	2,120	2,105	2,157	2,312	2,359	2,388	2,596	2,380
Interest expense and similar charges	(94)	(148)	(158)	(202)	(303)	(345)	(345)	(513)	(337)
Net interest income	1,859	1,972	1,947	1,955	2,009	2,014	2,043	2,083	2,043
Fee and commission income	531	591	522	575	570	595	556	523	614
Fee and commission expense <sup>1</sup>	(84)	(51)	(56)	(91)	(71)	(94)	(70)	(100)	(114)
Net fee and commission income	447	540	466	484	499	501	486	423	500
Dividend income	1	1	1	0	0	1	1	0	1
Net income from financial operations	112	98	100	173	109	147	374	8	161
Other operating income	336	26	36	27	28	22	20	1,155	56
Total operating income	2,755	2,637	2,550	2,639	2,645	2,685	2,924	3,669	2,761
Personnel expenses	(571)	(581)	(546)	(579)	(567)	(626)	(536)	(664)	(634)
Administrative expenses <sup>1,2</sup>	(367)	(453)	(319)	(321)	(303)	(343)	(297)	(314)	(358)
Depreciation and amortisation	(160)	(182)	(246)	(234)	(239)	(248)	(257)	(292)	(292)
Regulatory charges	0	0	(139)	0	0	0	(152)	1	0
Other operating expenses <sup>2</sup>	3	(171)	(85)	(87)	(53)	(84)	(90)	(81)	(99)
Total operating expenses	(1,095)	(1,387)	(1,335)	(1,221)	(1,162)	(1,301)	(1,332)	(1,350)	(1,383)
Profit for the period before tax and net impairment of financial assets	1,660	1,250	1,215	1,418	1,483	1,384	1,592	2,319	1,378
Net impairment of financial assets	(151)	(274)	14	(147)	(168)	(216)	(684)	(1,849)	(554)
Profit for the period before tax	1,509	976	1,229	1,271	1,315	1,168	908	470	824
Taxes on income	(267)	(139)	(246)	(242)	(257)	(219)	(177)	(1)	(108)
Profit for the period after tax	1,242	837	983	1,029	1,058	949	731	469	716
Change in fair value of investment securities recognised in OCI	0	0	0	0	0	1	0	0	0
Cash flow hedges – effective portion of changes in fair value	0	0	0	0	0	(22)	394	(304)	(22)
Deferred tax	0	0	0	0	0	4	(75)	58	4
Other comprehensive income, net of tax	0	0	0	0	0	(17)	319	(246)	(18)
Total comprehensive income attributable to the equity holders	1,242	837	983	1,029	1,058	932	1,050	223	698

# KEY PERFORMANCE RATIOS

	3Q 2020	FY 2019	Change in bps
<b>Profitability</b>			
Yield (% Avg Net Customer Loans)	4.6%	5.3%	(70)
Cost of Funds (% Avg Deposits and Loans) <sup>1,2</sup>	0.66%	0.54%	11
Cost of Funds on Core Customer Deposits (% Avg Deposits) <sup>3</sup>	0.56%	0.36%	20
NIM (% Avg Int Earning Assets) <sup>1,4,5</sup>	2.9%	3.8%	(90)
Cost of Risk (% Avg Net Customer Loans)	2.07%	0.35%	172
Risk-adj. Yield (% Avg Net Customer Loans)	2.5%	4.9%	(240)
Net Fee & Commission Income / Operating Income (%)	15.1%	18.5%	(340)
Net Non-Interest Income / Operating Income (%)	34.0%	24.7%	930
Cost to Income Ratio	43.5%	47.7%	(420)
RoTE	10.9%	18.2%	(730)
RoE	9.7%	16.5%	(680)
RoAA <sup>1</sup>	0.9%	1.9%	(100)
<b>Liquidity / Leverage</b>			
Net Loan to Deposit ratio <sup>1</sup>	80.2%	86.2%	(600)
Total Equity / Total Assets	8.2%	11.1%	(290)
Liquid Assets <sup>1,4</sup> / Total Assets	28.5%	25.6%	290
<b>Capital Adequacy</b>			
RWA density	44.3%	52.9%	(860)
Regulatory leverage	6.4%	8.7%	(230)
Total CAR (%)	17.4%	18.0%	(60)
Tier I Ratio (%)	14.4%	16.4%	(200)
<b>Asset Quality</b>			
Non-Performing Loan Ratio (%)	1.5%	1.8%	(30)
Core Non-Performing Loan Coverage (%)	53.8%	55.9%	(210)
Total NPL Coverage (%)	166.3%	109.2%	5,710
Loan to value ratio (%) <sup>6</sup>	62.8%	63.3%	(50)
Loan to value ratio on new volumes (% ,weighted average)	68.3%	68.7%	(40)

Note: (1) Repo transactions with banks and customers which are closed on back-to-back basis by reverse repo transactions with CNB are included; (2) Deposits include subordinated debt; (3) Repo transactions with banks and customers which are closed on back-to-back basis by reverse repo transactions with CNB are not included; (4) Interest earning assets include encumbered assets; (5) Hedging derivatives are excluded from calculation of interest earning assets; (6) On performing loans only.



# KEY PERFORMANCE RATIOS – QUARTERLY DEVELOPMENT

	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020	3Q 2020
<b>Profitability</b>									
Yield (% Avg Net Customer Loans)	5.5%	5.5%	5.3%	5.3%	5.3%	5.2%	5.1%	4.4%	4.3%
Cost of Funds (% Avg Deposits and Loans) <sup>1,2,5</sup>	0.24%	0.35%	0.36%	0.45%	0.63%	0.71%	0.68%	0.75%	0.56%
Cost of Funds on Core Customer Deposits (% Avg Deposits) <sup>3</sup>	0.17%	0.22%	0.22%	0.24%	0.44%	0.53%	0.49%	0.67%	0.50%
NIM (% Avg Int Earning Assets) <sup>1,4,5</sup>	4.1%	4.1%	3.9%	3.9%	3.7%	3.7%	3.6%	2.7%	2.6%
Cost of Risk (% Avg Net Customer Loans)	0.45%	0.79%	(0.04)%	0.40%	0.45%	0.56%	1.73%	3.39%	1.01%
Risk-adj. Yield (% Avg Net Customer Loans)	5.0%	4.7%	5.3%	4.9%	4.9%	4.7%	3.4%	1.0%	3.3%
Net Fee & Commission Income / Operating Income (%) <sup>5</sup>	16.2%	20.5%	18.3%	18.3%	18.9%	18.7%	16.6%	11.5%	18.1%
Net Non-Interest Income / Operating Income (%) <sup>5</sup>	32.5%	25.2%	23.6%	25.9%	24.0%	25.0%	30.1%	43.2%	26.0%
Cost to Income Ratio <sup>5</sup>	39.7%	52.6%	52.4%	46.3%	43.9%	48.5%	45.6%	36.8%	50.1%
RoTE	21.9%	14.3%	16.1%	18.6%	18.4%	17.2%	12.7%	8.2%	12.2%
RoE	20.4%	13.3%	15.0%	17.1%	16.8%	15.6%	11.5%	7.3%	10.9%
RoAA <sup>1</sup>	2.7%	1.7%	1.9%	2.0%	1.9%	1.7%	1.3%	0.6%	0.9%
<b>Liquidity / Leverage</b>									
Net Loan to Deposit ratio <sup>1</sup>	90.9%	83.0%	84.6%	84.6%	79.2%	86.2%	80.8%	79.1%	80.2%
Total Equity / Total Assets	13.2%	12.2%	12.9%	11.4%	11.0%	11.1%	10.3%	7.9%	8.2%
Liquid Assets <sup>1,4</sup> / Total Assets	24.8%	30.1%	27.1%	27.2%	30.9%	25.6%	31.5%	30.0%	28.5%
<b>Capital Adequacy</b>									
RWA Density	54.2%	50.0%	51.9%	50.3%	48.4%	52.9%	45.9%	43.7%	44.3%
Regulatory leverage	9.0%	8.2%	8.8%	8.4%	8.0%	8.7%	8.0%	6.3%	6.4%
Total CAR (%)	16.6%	16.4%	17.0%	16.7%	18.1%	18.0%	21.0%	17.4%	17.4%
Tier I Ratio (%)	16.6%	16.4%	17.0%	16.7%	16.5%	16.4%	17.4%	14.4%	14.4%
<b>Asset Quality</b>									
Non-Performing Loan Ratio (%)	3.0%	2.8%	2.0%	1.8%	1.9%	1.8%	1.9%	1.6%	1.5%
Core NPL Coverage (%) <sup>6</sup>	63.4%	66.3%	60.7%	56.7%	54.6%	55.9%	55.8%	53.4%	53.8%
Total NPL Coverage (%)	95.8%	99.9%	108.4%	109.4%	103.3%	109.2%	118.9%	144.7%	166.3%
Loan to value ratio (%) <sup>7</sup>	61.1%	61.7%	62.1%	62.1%	63.2%	63.3%	63.9%	63.0%	62.8%
Loan to value ratio on new volumes (%)	68.3%	68.1%	68.0%	68.4%	68.5%	69.8%	68.4%	68.6%	67.1%

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) 2Q 2020 restated; (6) 2Q 2020 restated due to inclusion of POCI; (7) 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, loan to deposit ratio, total NPL coverage, NPL / Non-performing loans, NPL ratio, overall portfolio coverage, 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 of the Acquired Entities
Acquisition gain	Difference between final consideration for acquired entities and fair market value of acquired assets
AFS	Available for sale
Annualized	Adjusted so as to reflect the relevant rate on the full year basis.
ARAD	ARAD is a public database that is part of the information service of the Czech National Bank. It is uniform system of presenting time series of aggregated data for individual statistics and financial market areas.
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
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 (excl. deposit Interest Rate Swaps) divided by average balance of Due to banks and Due to customers and issued bonds.

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 impact of acquisition, COVID-19 and macroeconomic measures. If Core Cost of Risk shown in CZK then it corresponds to „Net impairment of financial assets“ without impact.
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
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.
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.

## 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 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 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)
Individually managed loan portfolio	Portfolio includes investment commercial loans and secured commercial loans
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/thś	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 / 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
MPSV	Ministry of Labor and Social Affairs
MONETA	MONETA has the same meaning as the Group
MREL	Minimum Requirement of Own Funds and Eligible Liabilities
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 / 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)
OPEX / Cost Base	Total operating expenses
OP risk	Operational risk
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
Pool managed loan portfolio	Portfolio includes unsecured commercial loans and overdrafts to commercial clients
Portfolio yield	Please refer to definition of yield
Q	Quarter
Q+Q	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 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.
RoTE / RoTE	Return on tangible equity calculated as annualized profit after tax for the period divided by tangible equity
Retail clients	Clients/individuals who has their product signed using their personal identification number
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
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 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 has their product on identification number with an annual turnover above CZK 60 milion
SREP	Supervisory Review and Evaluation Process, when supervisor regularly assess 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	MONETA Stavební Spořitelna, a.s., dříve 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