Mandatory Disclosure
PUBLIC DISCLOSURE OF INSIDE INFORMATION

MONETA Money Bank, a.s.

Consolidated interim financial report as of and for the three months ended 31 March 2023

Contents

1 Disclaimer

Forward-looking statements

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

Any forward-looking statements involve material assumptions and subjective judgements which may or may not prove to be correct and there can be no assurance that any of the matters set out in forward looking statements will actually occur or will be realised or that such matters are complete or accurate. The assumptions may prove to be incorrect and involve known and unknown risks, uncertainties, contingencies and other important factors, many of which are outside the control of the Group. Actual achievements, results, performance or other future events or conditions may differ materially from those stated, implied and/or reflected in any forward-looking statements due to a variety of risks, uncertainties and other factors. Any forward-looking statement contained in this report is made as at the date of this report. The Bank does not assume, and hereby disclaims, any obligation or duty to update forward-looking statements if circumstances or management's assumptions beliefs, expectations or opinions should change, unless it would be required to do so under applicable law or regulation. For these reasons, recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements.

Dividend Guidance

Subject to corporate, regulatory and regulator's limitations, the Bank's target is to distribute the Group's excess capital above that required to meet the Group's internal target of the capital adequacy ratio, which is currently 16.6% (effective since 1 April 2023). However, the internal capital adequacy ratio target is not legally binding upon the Group and is subject to change on the basis of the ongoing re-assessment by the Management Board of the Bank based on the business results and development.

Material assumptions for forward-looking statements

When preparing Guidance for 2023–2027[1] MONETA has made several economic, market, operational, regulatory and other assumptions of both quantitative and judgemental nature. These assumptions include the following:

- GDP to decline in 2023 by 0.7% and then return to moderate growth of around 2.5% annually.
- 1M PRIBOR assumed to decrease from 6.9% in 2023 to 2.9% in 2027[2].
- Gross performing loan balance is expected to grow at 1.3% CAGR in the 5 years until 2027.
- Customer deposits balance is expected to grow at 1.0% CAGR in the 5 years until 2027.

Third parties' data

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

[1] Five-year guidance published on 3rd February 2023.
[2] Internal forecast derived from macroeconomic forecast from CNB published on November 2022 https://www.cnb.cz/en/monetary-policy/forecast/cnb-forecast-archive/CNB-forecast-Autumn-2022/

2 Letter from the CEO

Dear Shareholders,

I am pleased to report that our results are in line with the guidance that we provided on 3 February 2023. Broadly speaking our operating income has developed according to our expectations, and we anticipate an improvement in net interest income starting and gradually accelerating during the second and third quarters of 2023. Notably, we have solid results with respect to net fee and commission income. The result is positively influenced through our strengthened distribution of third-party products, namely life and pension insurance.

We managed to contain our operating costs at a stable level. The only cost category that increased considerably relates to mandatory contributions to regulatory funds and is directly linked to significant growth in our client deposits.

With respect to our Cost of Risk, we have exceeded our expectations for the quarter due to unbudgeted and significantly better than expected results pertaining to the sales of non-performing receivables.

Additionally, our effective tax rate has decreased considerably due to investment in government bonds, the interest from which is exempt from corporate income tax.

Furthermore, our liquidity is very strong with a Liquidity Coverage Ratio of 274 per cent, and high-quality liquid assets constitute approximately 31 per cent of our client deposits.

Our capital position stands at 18.1 per cent on a consolidated basis and we are well poised to meet additional capital requirements later this year.

Our balance sheet reached CZK 405 billion in the first quarter. The increase in our balance sheet is due to focused efforts on deposit growth: we attracted an additional CZK 16 billion in deposits, which contributed to our overall core deposit balance reaching CZK 350 billion by the end of the first quarter. More than 70 per cent of our deposit growth originates from the retail segment, with the remaining 30 per cent from our SME and Small Business segment. It is important to note that the deposit insurance scheme covers 83 per cent of our deposit base, and we would like to further increase this ratio.

On the asset side we are managing our gross performing loan portfolio at a stable level of CZK 267 billion and focusing our lending activity towards high margin products. In this respect, we are seeking repricing of the portfolio through interest rates reflecting the current environment. Hence, during 2023 we are not expecting material growth in the absolute size of our loan book.

We increased our investment securities portfolio through purchases of government bonds, here we aim at optimising both returns and the tax position of MONETA during 2023 and beyond. We are also focused on managing interest rate risk and maturities mismatched within our balance sheet. Specifically, at the end of the first quarter we carried CZK 151 billion of assets and derivative instruments bearing variable rates.

Our business performance during the first quarter continued to evolve in line with our targets. Most importantly, we continued to attract deposit clients for both savings and current account products. We achieved 500 per cent growth in distribution of pension insurance and managed a solid 19 per cent growth in sales of life insurance policies. Our consumer lending new volume, and the number of lending contracts, reached approximately 75 per cent of the previous year's level. This is mainly due to tightening of our underwriting criteria, which are also negatively impacted by the higher cost of living and this resulted in lower approval rates. With respect to our credit applications, we have accomplished a steady flow comparable to the first quarter of 2022.

In parallel, we see a significant decrease in our off-balance sheet mortgage commitments, where previously concluded transactions are nearing full drawdown. During the first quarter, we signed new mortgage contracts of CZK 472 million, a decrease of 91 per cent compared to performance in previous year. Newly signed mortgages have an average rate around 6 per cent.

In the commercial segment we continued to successfully offer our payment services, current accounts and savings products. The business results in term of numbers and volumes are comparable to last year. Regarding lending, we continued to successfully distribute our products to self-employed individuals and small businesses. However, the rate of growth has slowed down considerably, which is again due to inflationary pressures on the approval criteria, resulting in a lower conversion of applications into transactions. On the SME front, we managed to maintain the stability of the overall balance of this segment. Here, we see a considerable decline in demand for investment loans and other credit products that MONETA offers.

With respect to asset management distribution, where we offer a portfolio of 36 collective investment funds, we experienced a renewed interest in such products. Distribution has improved quite considerably when compared to the fourth quarter of last year. During this quarter we added the Espiria Nordic Corporate Bond fund to our offering.

And perhaps lastly, with respect to our cost performance we have significantly adjusted our employment base to current market conditions, resulting in a decrease of 13 per cent compared to the same period last year. The savings from restructuring of the employment base have financed salary adjustments in order to keep MONETA competitive in the labour market. Apart from these steps, we continue to focus on productivity improvement across all units of MONETA, deploying digitisation and other measures to contain inflationary pressures. We have also managed to return approximately 40 per cent of our office space in Ostrava location and hence will generate cost savings of nearly CZK 20 million. In parallel, we have decreased our car fleet to 217 vehicles, and now electric cars comprise 61 per cent of our fleet, in line with our ESG strategy.

Regarding ESG, we continue to progress on multiple dimensions focusing on eliminating the gender pay gap and preparing for disclosure requirements which will become effective in 2024. And I am also proud to report that both Sustainalytics and MSCI either improved or kept stable their assessment of MONETA. These results serve as motivation for our staff across MONETA. Some of the implemented measures are impacting the way we work and are leading to a fundamental change in approach.

On 24 March 2023, we published an invitation to our Annual General Meeting. The key topics to be decided by the General Meeting are approval of financial statements, proposed distribution of dividend and approval of our remuneration report. Apart from these, the Management Board proposed a new candidate to our Supervisory Board which if approved will again further improve our gender diversity. I am pleased to report that both proxy voting agencies, Glass Lewis and ISS, are recommending positive votes on all the items published in our invitation.

CURRENT ENVIRONMENT

The Czech economy is slowing down. Reported GDP development was positive 0.3 per cent growth for the fourth quarter of last year. The Czech National Bank has declared that our economy "entered a mild recession". For this quarter we expect that GDP will be slightly negative. However, unemployment seems to be stable and slightly improving despite the negative GDP performance. Overall, we observed still strong growth in wages, albeit below the inflation rate, hence real incomes are decreasing. Consumer demand has declined, and we observe a higher rate of savings, supported by higher deposit rates offered on both savings and term deposit products. The growth estimate for the Czech economy is currently 0.3 per cent for 2023. Economic recovery is expected to materialise during 2024.

Inflation remains high; in March it stood at 15 per cent. Key contributors to high inflation are food prices and the cost of housing. On the other hand, we are witnessing a decline in energy and fuel related costs. These are positively impacted by commodity markets and the strong Czech crown. The local currency has considerably strengthened against both the euro and the dollar. The CNB expectation for annual inflation stands at 10.8 per cent. The Ministry of Finance expects a similar rate, at 10.9 per cent. For 2024 inflation should materialise at the level of 2.4 per cent. Therefore, on this basis we do not expect a near term decline in the key short-term interest rate set by the CNB. This expectation builds upon recent statements by various senior officials of the CNB.

Interest rates continue to reflect inflation and restrictive monetary policy as exercised by the CNB. The yield curve remains inverted: short term one-month PRIBOR stands at approximately 7.1 per cent while the long term stands at approximately 4.6 per cent, considering the latest indications as of 20 April 2023 of relevant interest rate swap offers. Since the end of 2022, short-term rates have been stable while medium- and long-term rates have decreased by 15 to 20 basis points. Overall, the interest rate swap market remains relatively volatile showing price movements at the level of 20 to 30 basis points on a weekly horizon in average year-to-date. Since January this year, the difference between the lowest and highest medium- and long-term rates have been at the level of 110 to 120 basis points. Forward rate agreements express an anticipated short-term rate decline to 6.2 per cent within a 12-month time frame. As a result of the current inflationary and interest rate environment, MONETA expects that key rate decreases may come one or two quarters later than previously anticipated.

The high state budget deficit supports high inflation and justifies the restrictive monetary policy of the CNB. On the political front, the governing coalition seeks to consolidate the state budget through increased taxation and lower expenditures. The first attempt involved the so-called “windfall tax” levied upon banks and energy sector. This levy will most likely fail to meet the government’s expectations. At least two major energy companies have decided to move their operations abroad. Additionally, there are statements by senior executives as well as various analysts that the six banks impacted by the “windfall tax” will optimise their future tax liabilities and so government expectations will not materialise. The potential increase of taxation through restructuring Value Added Tax, as recently reported by the Czech media, would create considerable challenges for the ruling coalition from both its parliamentary opposition and various public opinion makers. This backlash is also compounded by opposition to reforming the state-run pension scheme and to increasing the retirement age.

During the first quarter, the government benefited from materially better inflows to the state treasury. This is due to the inflationary effect on prices and therefore VAT receipts. Furthermore, individual tax withholdings are growing in line with nominal wage growth at nearly 8 per cent on an annualised basis. In short, inflation significantly improved such inflows. However, the state deficit reached the record level of CZK 166.2 billion in March. This is due to an inability to influence increased mandatory expenditures implemented by the previous government. These social and other expenditures are now limiting the current government in its endeavour to rectify and lower the deficit. Accordingly, the CNB expressed a strong resolve to lower key short term rates based upon the materialisation of two key developments: consolidation of the public deficit and a significant fall in inflation into single digit territory. Both currently seem to be “a bridge too far”.

There is a significant positive factor for the Czech economy and that is related to the tragic events and ongoing war in Ukraine. As the Czech Republic provides refuge for nearly half a million refugees, the economy on balance benefits. This is visible through a considerable decrease of available jobs compared to job seekers, where one can observe that this demand versus supply metric is gradually moving to equilibrium. The stable level of unemployment also testifies to the fact that the Czech economy absorbed without major difficulty the inflow of people into the labour market. Although the initial inflow of refugees undoubtedly put significant strain on public budgets, in the medium- to long-term this influx will help the economy to grow, and so become a positive contributor to government income.

In the above context, the government continues to maintain target for the 2023 state budget deficit of CZK 295 billion. Based on recent developments, that target may be a challenge.

Within these circumstances, MONETA continues to prepare for recession and the potential for higher credit losses during the later part of the year. This preparation manifests itself in our estimate of new business volumes, credit losses and efforts to streamline our business model. In parallel, we continue to seek client deposit growth to benefit from the inverted yield curve and will adjust our tactical posture based upon developments in monetary policy.

LIQUIDITY POSITION

Our liquidity position is the strongest since MONETA's IPO in 2016. Currently, we command CZK 108 billion of high-quality liquid assets which represent 31 per cent of our CZK 350 billion client deposit base and 39 per cent of our CZK 279 billion on-demand deposits. We increased our high-quality liquid assets by CZK 44 billion compared to first quarter of 2022 and CZK 22 billion since 2022 year-end.

The solid liquidity is further attested by our current Liquidity Coverage Ratio (LCR) which stands at 274 per cent, placing us in the upper quartile of European banks. Our client deposits are covered by deposit insurance to the level of 83 per cent, or CZK 292 billion as at the end of March. In this respect, we are confident that in the highly unlikely event of a liquidity outflow we would be able to withstand it and continue to meet our regulatory requirements with respect to LCR and Net Stable Funding Ratio metrics. It is important to say, that we began to implement this strategy during the third quarter of last year and are satisfied with the results so far.

It is also important to point out that the structure of our client deposits is highly diversified into deposit accounts with relatively low balance. If we consider the concentration aspect, our top 20 depositors represent 3 per cent of our total client deposit base. And furthermore, our top 50 depositors account for only 4 per cent of total deposits. Therefore, we believe that from the perspectives of concentration and diversification we are a well-structured retail bank, enjoying high confidence and security net of the Czech deposit insurance scheme.

Now, if we consider our investment securities portfolio which currently stands at CZK 80 billion, which is up 38.4 per cent compared to year end 2022, I would like to point out several aspects as pertaining to this asset class. We hold predominantly government bonds and are resolved to hold these until maturity; therefore, our entire holding is classified as Hold to Collect (HTC). We continue to invest into various issues of government bonds due to their exemption from income tax, and we also typically hedge the yield from such bonds through interest rates swaps where we exchange the fixed rate for variable. Hence, we are able to enhance the yield through the tax benefit. Currently, we cover 53 per cent of HTC bond holdings through such hedging operations. Overall, 95 per cent of our current investment securities portfolio consists of Czech government bonds. The average maturity of the investment securities portfolio is 4 years with average yield including hedging of 4.8 per cent.

With respect to liquidity management our government bonds portfolio can be easily converted into cash liquidity through facilities offered by the CNB. Such conversions are available within minutes and are mandatory for the CNB to maintain. Thus, in case of liquidity needs, we are in the position to freely borrow liquidity against these government bonds holdings. In the very unlikely scenario where MONETA would be forced to sell 50 per cent of its holdings, we estimate the resulting loss would be equal to approximately one month's profit. It is important to stress that prior to the need to repo or sell these bonds, MONETA has currently CZK 43 billion in cash placed with the CNB that could be used for potential short-term liquidity needs.

From the profitability point of view, we receive an interest rate spread of 1.7 per cent measured against our Cost of Funds. Additionally, we are not subject to a capital charge as government bonds are considered risk-free and their risk-weighting is nil. Thus, the government bond portfolio significantly contributes to our Return on Equity as well as mitigating our tax position.

1Q 2023 MONETA'S PERFORMANCE

Our financial results for the first quarter of this year are in line with our business plan and the guidance that we gave earlier this year. MONETA's operating income in the period was, as we expected, impacted by high market interest rates and an increasing Cost of Funds. Our net interest income decreased by 16.2 per cent to CZK 2 billion against the same period last year as a result of higher market rates, which increased yields on our commercial and mortgage portfolios but at the same time, the average Cost of Funding increased to 2.9 per cent.

Our net fee and commission income increased by 19.4 per cent year-on-year to CZK 616 million, thanks mainly to commissions from third-party products where insurance related income contributed CZK 282 million and investment fund related fee income contributed CZK 72 million. We continue to see increased transactional activity which also contributed to higher fee income. The income from financial operations increased by 161.4 per cent, which was driven by higher income from client foreign currency transactions.

Overall, our operating income reached CZK 2.8 billion, down 6 per cent compared to the first quarter of 2022.

Operating expenditures remained stable year-on-year, at CZK 1.5 billion, despite the pressure of inflation and higher contributions to regulatory funds, which rose by 22.5 per cent due to a significant increase in client deposits year-on-year. We maintained thorough cost discipline across all areas of our operations, despite strong upward wage pressure.

We recorded an operating profit of CZK 1.3 billion in the first quarter, a decrease of 13.6 per cent year-on-year.

Our Cost of Risk was positive in the period under review, representing a net release of CZK 116 million or positive 0.17 per cent measured against the average net loan portfolio. The main drivers were NPL disposals that realised an income of CZK 221 million, and a better than expected performance of our portfolio, i.e. low delinquencies, and further upgrades of COVID-related exposures. This positive impact was partially offset by the creation of additional management overlay in the amount of CZK 76 million, which brings our total management overlay balance to CZK 923 million.

MONETA had an effective tax rate of 14 per cent for the quarter, thanks mainly to our government bond holdings, the income from which is tax exempt.

Our net profit in the first quarter of 2023 was CZK 1.2 billion, resulting in a Return on Tangible Equity of 16.8 per cent.

MONETA has a strong capital adequacy ratio of 18.1 per cent. This is above our current consolidated capital target of 16.6 per cent, which already includes an additional increase in the countercyclical buffer by 50bps to 2.5 per cent effective from 1 April 2023.

At the end of the first quarter of 2023, we had stable client base of 1.5 million clients.

1Q 2023 BUSINESS PERFORMANCE

Also our business performance was in line with our own expectations and our guidance to the market. Given the current economic uncertainties, we have taken a more cautious approach to providing new lines of credit, and overall, our retail and commercial portfolios are stable. New lending volumes are decreasing across our whole portfolio, which reflects our more conservative view on originations. However, we have seen lower attrition rates because such is the market environment that borrowers are unable to shop around for lower interest rates.

Customer deposits in the first quarter reached a historic high of CZK 350 billion. Our current account deposits were down 4.7 per cent compared to year-end, while our savings account and term deposits rose by 11.2 per cent during the same period.

Retail segment[3]

Our mortgage business during the first quarter remained stable, with mortgage receivables at CZK 132 billion. Newly disbursed mortgage volumes, however, continued to decline, by 61 per cent year-on-year. Consumer lending was also stable at CZK 48 billion. Our credit card and overdraft lending decreased by 3.1 per cent compared to year end, to CZK 2.4 billion. Auto loans stood at CZK 2.6 billion.

Our retail deposit base increased by 4.6 per cent to CZK 268 billion compared to 2022 year-end. Our investment funds portfolio increased to CZK 31 billion as at 31 March, recording fee income of CZK 72 million for the quarter, down 1.9 per cent year-on-year.

Sales of third-party products, particularly pension and life insurance, enjoyed a healthy first quarter. Sales of pension insurance contracts were particularly high, increasing by more than 500 per cent year-on-year, with more than 10,000 new contracts signed during the quarter.

Commercial segment[3]

Our investment loans remained stable at CZK 46 billion. Working capital loans decreased by 8.5 per cent during the quarter to stand at CZK 13 billion. Our Small Business loan portfolio increased by 1.6 per cent to CZK 13 billion. Auto commercial loans reached CZK 7 billion, up by 2.9 per cent compared to year end.

The commercial deposit base increased by 5.8 per cent year to date to CZK 82 billion.

Our market shares during the first quarter of 2023 were as follows: consumer lending at 16 per cent (our aim is to maintain this share of the market); mortgage lending at 8 per cent, and asset management at 4 per cent.

[3] Gross performing loan portfolio.

DIGITAL STRATEGY PROGRESS REVIEW

The number of digital users continues to grow. Our award-winning Smart Banka application is now used by more than 934,000 clients, which is 12 per cent up from the end of 2022. The volume of transactions made by clients on the Smart Bank is increasing: of all online banking transactions, 67 per cent are made via our mobile app.

Our Smart Finance offering for Small Business clients, which we introduced in 2022, is performing well. Fully online loan applications for Small Business clients, mainly in the agricultural sector, has so far originated more than CZK 500 million of loans through the application. Small Business clients can also open savings account fully online.

Our digital channels delivered excellent results in deposit products. In the first quarter of 2023, 46 per cent of new retail current accounts, 63 per cent of new retail savings accounts and 53 per cent of new retail term deposits were opened online.

On the loan side, 48 per cent of consumer lending new volumes and 29 per cent of small business instalment loans new volumes were originated through our digital channels in the year-to-date.

RISK MANAGEMENT

As I said at the start of my letter, MONETA's Cost of Risk was positive during the first quarter of 2023, representing a net release of CZK 116 million or positive 0.17 per cent of the average net portfolio thanks to NPL disposals and overall good payment discipline of our clients. As a result, the NPL ratio further decreased to 1.3 per cent in the first quarter compared to 1.4 per cent at 2022 year-end.

During the quarter MONETA sold NPL in the total nominal amount of CZK 584 million, which generated income of CZK 221 million, exceeding our expectations. As mentioned earlier in this letter, positive results in Cost of Risk were partially offset by the creation of another management overlay in the amount of CZK 76 million. MONETA is steeling itself for the likely onset of recession and, by extension, an expected worsening of our portfolio quality. Total overlay stood at CZK 923 million as at 31 March 2023.

CAPITAL POSITION

MONETA is well capitalised. Our regulatory capital stands at CZK 31 billion, and we currently have CZK 2.5 billion of excess capital above the management capital target of 16.6 per cent. Our consolidated capital adequacy ratio is 18.1 per cent, with a CET1 ratio of 15.4 per cent. The capital requirement stands at 15.6 per cent, or 16.6 per cent including the management buffer. The countercyclical buffer increased from 2 per cent to 2.5 per cent effective 1 April 2023.

The total requirement for capital and eligible liabilities (MREL) stands at 20.1 per cent, or 21.1 per cent including the management buffer. Our MREL ratio was 21.5 per cent as at 31 March 2023. MONETA plans to introduce MREL eligible subordinated deposits during May 2023.

ESG

I am pleased to report that the gender pay-gap, as defined by the Bloomberg Gender-Equality Index, continues to shift in the right direction in MONETA, decreasing to 1.98 per cent from 2.79 per cent year-on-year. By comparison, the average gross pay gap in European Union countries is around 13 per cent, while in the Czech Republic the gender pay gap is 16.4 per cent. We are therefore pleased that MONETA is succeeding in reducing this trend in the long-term and is getting closer to our goal of having a zero gender pay gap for comparable positions by 2026. Long-term low gender pay inequality, an inclusive culture, the consistent implementation of policies and actions that help prevent sexual harassment, and our development programme for talented women have all contributed to MONETA's standing in Bloomberg's prestigious Gender-Equality Index. We are among the Index's 484 members for the fourth time in a row. MONETA remains the only Czech company in the Index.

In line with sustainability and environmental goals, we are continuing to reduce our fleet of company cars. We plan to sell 100 cars with internal combustion engines in the first half of this year by offering them at auction to our employees.

In February, the Pride Business Forum Foundation charter was signed at MONETA's headquarters.

We established the foundation in cooperation with Prague Pride, a non-profit organisation, in order to foster equality for gay, transgender and bisexual people. Particular focus is placed on supporting activities that cover education, diversity and inclusion in the workplace.

And last but not least, I would like to update you on our MON FAIR initiatives. With effect from 1 April, we introduced extra home-office days for employees with chronic diseases, including for women suffering from endometriosis, a condition that affects approximately 15 per cent of the female population of working age. At the same time, where the scope of work allows, we have also extended the number of home-office days for parents whose children are under nine-years-old. The Management Board has also approved the opening of children's facilities in MONETA premises to enable parents to return to work earlier from parental and maternity leave, which will be realised during the second and third quarters.

I would like to thank all of our staff for their professionalism and dedication.

Sincerely,

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

3 Key Performance Indicators

	Three months ended 31 Mar 2023	Year ended 31 Dec 2022	Change
Profitability			
NIM (% Avg. Int Earning Assets)[4,5,6]	2.1%	2.6%	(50)bps
Yield (% Avg. Net Customer Loans)	4.4%	4.2%	20bps
Cost of Funds (% Avg. Deposits and Received Loans)[7]	2.94%	1.66%	128bps
Cost of Funds on Core Customer Deposits (% Avg. Deposits)	2.91%	1.62%	129bps
Cost of Risk (% Avg. Net Customer Loans)	(0.17)%	0.03%	(20)bps
Risk-adj. Yield (% Avg. Net Customer Loans)	4.6%	4.2%	40bps
Net Fee & Commission Income / Operating Income (%)	21.7%	19.0%	270bps
Net Non-Interest Income / Operating Income (%)	28.6%	23.2%	540bps
RoTE	16.8%	18.7%	(190)bps
RoE	15.0%	16.7%	(170)bps
RoAA[5]	1.2%	1.4%	(20)bps
Liquidity / Leverage			
Core Loan to Deposit Ratio	76.0%	80.5%	(450)bps
Net Loan to Deposit Ratio[5]	75.9%	80.4%	(450)bps
Total Equity / Total Assets	8.0%	8.0%	-
Liquid Assets[4,5]/ Total Assets	31.7%	27.9%	380bps
LCR	273.9%	213.7%	6,020bps
Equity			
Total Equity (CZK m)	32,306	31,091	3.9%
Tangible Equity (CZK m)	28,982	27,712	4.6%
Capital Adequacy			
RWA Density	41.4%	43.4%	(200)bps
Regulatory Leverage	6.4%	6.7%	(30)bps
CAR Ratio (%)	18.1%	18.0%	10bps
Tier 1 Ratio (%)	15.4%	15.3%	10bps
Asset Quality			
Non-Performing Loan Ratio (%)	1.3%	1.4%	(10)bps
NPL Ratio Retail (%)	1.5%	1.5%	-
NPL Ratio Commercial (%)	0.9%	1.1%	(20)bps
Core Non-Performing Loan Coverage (%)	51.4%	53.4%	(200)bps
Core NPL Coverage Retail (%)	48.6%	51.4%	(280)bps
Core NPL Coverage Commercial (%)	61.0%	59.5%	150bps
Total NPL Coverage (%)	137.1%	134.8%	230bps
Efficiency			
Cost to Income Ratio	54.3%	46.2%	810bps
FTEs (at the end of the period)[8]	2,553	2,699	(146)
Branches	140	153	(13)
Tied agents offices	29	31	(2)
ATMs[9]	2,047	1,413	634

All ratios are annualised.

[4] Interest earning assets include encumbered assets.
[5] Including opportunistic repo operations.
[6] Hedging derivatives are excluded from calculation of interest earning assets.
[7] Deposits include issued bonds and exclude opportunistic repo transactions and CSA.
[8] Members of the Supervisory Board and the Audit Committee are excluded.
[9] ATM network including 850 KB ATMs, 369 Air Bank ATMs and 265 UniCredit Bank ATMs as of 31 March 2023.

4 Macroeconomic Environment

In the first quarter of 2023, the Czech economy continued to struggle with the impact of the ongoing Russian invasion of Ukraine. A period of high inflation and high interest rates resulted in a shallow economic recession, characterised by a decline in retail sales. Although the situation is slowly improving, a visible economic recovery is likely to be seen only in the second half of the year.

In the last quarter of last year, the gross domestic product of the Czech economy fell by 0.4% quarter on quarter, while annual growth fell to 0.3%[10]. Growth came mainly from the manufacturing sector, with demand side economic performance driven mainly by foreign demand and gross fixed capital formation. Government spending also contributed positively, but household spending recorded a significant decline.

According to sectoral indicators, the economic situation was not very favourable in the first quarter of this year. Retail sales continued to decline year-on-year in the first two months of 2023, falling by 6.4%[11] in February. This is influenced by weak consumer economic confidence and continued double-digit inflation. Despite the difficulties on the consumer side, industry is managing to maintain year-on-year growth, with production up 2.0%[12] year-on-year in February. Growth is coming mainly from manufacturing, where car production in particular is making up for lost output from the past two years.

Year-on-year consumer price growth reached 15%[13] in March, with housing and food prices the main inflation drivers. Inflation has been slowing in recent months, mainly due to energy and fuel prices, which have returned to more stable levels after the frenzied ride of last year. With no further acceleration in inflation, interest rates have remained broadly unmoved throughout the first quarter, with the Czech National Bank still maintaining its main monetary policy rate at 7%[14].

The economic problems have still not had a significant impact on the labour market, which remains a stable part of the domestic economy. The unemployment rate, as measured by the ILO methodology, reached 2.5%[15] in February and was at the same level as in February of the previous year. Thus, the labour market seems to be affected by unfavourable external developments in a different way, mainly through a reduction in real wages. In fact, average nominal gross wages grew by only 7.9%[16] year-on-year in the fourth quarter of 2022, lagging far behind inflation. Real wages thus fell by 6.7%.

The Czech economy is in a downturn. In the second half of last year, we experienced a slight recession caused by a fall in consumption. However, the economic situation started to slowly improve at the beginning of this year, and so, provided that there is no further escalation of economic problems, and the economy is sufficiently supplied with raw materials, according to the latest macroeconomic forecast of the Czech National Bank,[17] the economy should return to growth in the second half of this year.

The banking sector's total operating income increased by 27% year-on-year in 2022[18]. Net interest income grew by 33% year-on-year[18], same as Net non-interest income (+11% year-on-year)[18]. The Czech banking sector's net profit increased by 46% year-on-year to record CZK 102.6 billion[18]. Operating expenses progressed by 9% year-on-year; cost of risk grew by 141% year-on-year[18]. The annualised return on equity measured by net profit to Tier 1 capital increased to 16.7%[18] in the fourth quarter of 2022 compared to the same period of the previous year.

Market net loans continued in growth by 6% year-on-year[18] in the fourth quarter of 2022, same as Total assets (+5% year-on-year)[18]. Total assets to Tier 1 ratio increased to 14.5%[18]. NPL balances declined by 18% year-on-year[18]. Core coverage progressed to 52.6%[18] level. Tier 1 capital decreased by 1% year-on-year[18] to CZK 615.5 billion[18] in

[10] Source: Quarterly Sector Accounts – 4th quarter of 2022.
[11] Source: Czech Statistical Office, Retail trade – February 2023.
[12] Source: Czech Statistical Office, Industry – February 2022.
[13] Source: Czech Statistical Office, Consumer price indices – inflation – March 2022.
[14] Source: Czech National Bank, CNB Board Decision 29 March 2023.
[15] Source: Czech Statistical Office, Rates of employment, unemployment and economic activity – February 2022.
[16] Source: Czech Statistical Office, Average wages – 4th quarter of 2022.
[17] Source: Czech National Bank, CNB forecast – Winter 2023, published on 2 February 2023.
[18] Source: Czech National Bank, ARAD quarterly mandatory disclosures, banking sector including building societies.

the fourth quarter of 2022. Regulatory Tier 1 capital to risk weighted assets declined to 19.2%[19].

[19] Source: CNB Core and encouraged financial soundness indicators (consolidated) to 30 September 2022.

5 Group Performance

5.1 Business Performance

The Group generated consolidated Net profit of CZK 1,215 million in the first quarter of 2023.

The Group recorded a gross performing loan balance year-to-date decline of 1.0% to CZK 267.3 billion as at 31 March 2023, compared to 31 December 2022.

The retail gross performing loan balance decreased by 0.7% when compared to 31 December 2022, standing at CZK 185.4 billion as at 31 March 2023. Majority of this decline was driven by drop of mortgage balances, declining by CZK 0.7 billion to CZK 132.3 billion, due to drop of new production of mortgage loans decreasing by 61.0% during the three months ended 31 March 2023. The gross performing consumer lending balance stood at CZK 48.1 billion and decreased by 1.0% when compared to 31 December 2022. MONETA Auto retail loans recorded a slight balance decline of 1.0% since 31 December 2022 and outstanding credit card and overdraft balances declined by 3.1% in the same period amid continuing trend of switching to instalment lending.

The commercial gross performing loan balance stood at CZK 82.0 billion as at 31 March 2023, a 1.8% decline compared to 31 December 2022 balance. Small business lending balances slightly increased by 1.6% year-to-date to CZK 12.6 billion as at 31 March 2023. The investment loan balance slightly decreased with balance at CZK 46.0 billion as at 31 March 2023. Working capital balance declined by 8.5% to CZK 13.0 billion as at 31 March 2023. The combined balance of MONETA Auto commercial portfolio and MONETA Leasing fell to CZK 10.3 billion, down 2.3% compared to 31 December 2022.

The Group's core customer deposits increased in both retail and commercial segments, totaling CZK 349.9 billion as at 31 March 2023, increasing 4.8% from CZK 333.8 billion as at 31 December 2022. The Cost of Funds on core customer deposits amounted to 2.91% and the Group's overall Cost of Funds amounted to 2.94% for the three months ended 31 March 2023. The Core Loan to Deposit Ratio stood at 76.0%. The Due to banks balance stood at CZK 5.4 billion as at 31 March 2023, a CZK 0.5 billion decrease when compared to 31 December 2022.

The Group maintained a highly liquid position, with Liquidity coverage ratio at 273.9% at the Group level, well above the regulatory requirement.

5.2 Financial Performance

Operating income in the first quarter of 2023 amounted to CZK 2.8 billion, down 6.0% year-on-year, primarily due to Net Interest Income decline.

Net interest income amounted to CZK 2.0 billion for the three months ended 31 March 2023, a 16.2% decrease year-on-year. The yield on loan portfolio increased to 4.4% for the three months of 2023, compared to 4.0% in the same period of 2022. The Group's Net interest margin fell to 2.1% in the three months ended 31 March 2023, compared to 2.8% in the first three months of 2022.

Net fee and commission income for the three months ended 31 March 2023 increased by 19.4% year-on-year to CZK 616 million, driven by successful distribution of third-party products and a transaction and other fee income increase. Net income from financial operations amounted to CZK 183 million in the first three months of 2023, compared to CZK 70 million in the same period of 2022.

Operating expenses for the three months of 2023 amounted to CZK 1,545 million, a 1.6% increase, compared to the same period of 2022, driven by higher regulatory charges, partially offset by lower administrative and other operating expenses and personnel expenses. The Group incurred CZK 578 million of personnel expenses, representing a slight year-on-year decline. Administrative and other operating expenses decreased by 6.7% year-on-year and reached CZK 377 million. Depreciation and amortisation expenses increased by 3.5% and stood at CZK 323 million. Regulatory charges reached CZK 267 million, growing 22.5% year-on-year due to deposit base increase and higher contribution to the Deposit Insurance Fund.

In the category Net impairment of financial assets, the Group reported a positive result (i.e. a provision release) of CZK 116 million for the three months ended 31 March 2023, compared to provision release of CZK 95 million in the same period last year. Cost of risk were positively impacted by release of provisions related to upgrade of NPL exposures as well as by successful disposals. In relative terms, the Cost of Risk amounted to a provision release of 17bps for the three months ended 31 March 2023, compared to 15bps provision release for the three months of 2022.

Group NPL Ratio decreased to 1.3% as at 31 March 2023 from 1.4% as at 31 December 2022. Total NPL Coverage stood at 137.1% as at 31 March 2023, compared to 134.8% at 31 December 2022.

As a result, the consolidated Net profit for the three months of 2023 reached CZK 1,215 million, a 5.8% decrease year-on-year. Annualised RoTE for the three months ended 31 March 2023 decreased to 16.8%, from 18.8% for the three months ended 31 March 2022.

The capitalisation remained strong with Capital Adequacy Ratio at 18.1% as at 31 March 2023, compared to 18.0% as at 31 December 2022.

5.3 Outlook for 2023 and Risks

According to the latest Czech National Bank macroeconomic forecast, announced on 2 February 2023, the Czech economy will still face a mild recession in the first half of this year. In the second half of the year, however, a recovery should take place, given the slow disappearance of the main negative factors. Although the full-year GDP change in 2023 is forecasted to be negative at (0.3)%, the economy will return to decent growth of 2.2% in the following year.[20]

The CNB's forecast assumes that inflation will reach 10.8% on average in 2023 and will continue to fall gradually to levels around the central bank's inflation target of 2.1% on average in 2024. This corresponds with the two-week repo rate at levels around 7% until the second half of this year and decreasing slowly to 3.9% in the last quarter of 2024.

The economic outlook for the Czech Republic's near future is improving. Concerns about energy supplies are slowly dissipating thanks to the well-handled winter and the recent fall in prices. The inflationary factors that were observed last year have disappeared and current inflation seems to be fed mainly by momentum. The economic recovery that is expected to take place in the second half of the year will return the economy to a normal growth rate. The main problem for the domestic economy is slowly becoming the rapidly growing public debt, which could have the potential to undermine future economic performance.

Group delivered CZK 1,215 million of net profit in the three months of 2023, and the management expects the net profit to amount to at least CZK 4.3 billion for the full year 2023, in line with the Guidance published on 3 February 2023.

Total Operating income was down 6.0% year-on-year at CZK 2.8 billion and the management expects the full-year 2023 Total operating Income to reach CZK 12.0 billion amid favorable interest rate environment.

Operating expenses reached CZK 1.5 billion with the Cost to Income Ratio at 54.3%. The Group remains committed to keep the Cost base at or below CZK 5.7 billion for the full year 2023.

The annualised Cost of Risk amounted to positive 0.17% for the three months of the year 2023, supported good performance across retail and commercial portfolios and successful NPL disposals. The full-year 2023 Cost of Risk are projected at between 25-45bps on reported basis.

[20] Source: Czech National Bank, CNB forecast – Winter 2023, published on 2 February 2023.

(All amounts in CZK millions unless otherwise stated)

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

BASIC DETAILS ABOUT MONETA MONEY BANK	
Name	MONETA Money Bank, a.s.
Registered Office	Vyskočilova 1442/1b, 140 00 Praha 4 – Michle
Company ID	25672720
Legal form	Joint stock company
Date of registration	9 June 1998
Registered share capital	10,200,000,000
Paid up	100%

Branches, ATMs and employees:

Number of branches as at 31 March 2023: 140 and 31 December 2022: 153.

Number of offices of tied agents as at 31 March 2023: 29 (31 as at 31 December 2022).

Number of ATMs as at 31 March 2023[21]: 2,047 and 31 December 2022: 1,413.

Number of employees (FTEs) as at 31 March 2023 was 2,553 (decrease of 146 compared to the year end 2022).

Business activities:

The Bank and its consolidated subsidiaries (the "Group") operates in the Czech Republic and focuses primarily on secured and unsecured consumer lending, commercial financing and building savings. The consumer portfolio consists of secured and unsecured lending. Unsecured lending products include consumer and auto loans, credit cards, personal overdrafts, building savings and bridging loans. Secured lending is provided in the form of mortgages and finance leases. Commercial lending products range from working capital, investment loans, finance leases, auto loans, inventory financing, financing of small businesses and entrepreneurs through guarantees, letters of credits and foreign exchange transactions. The Group provides a wide range of deposit and transactional products to retail and commercial customers.

The Group issues debit and credit cards in cooperation with VISA and cooperates with EVO Payments International in acquiring services. In addition, the Group intermediates additional payment protection insurance which covers the customer's monthly loan payment in the event of unemployment, accident or sickness. The Group also acts as the intermediary to provide its customers with other insurance and investment products.

Ownership structure:

The latest available list of entities recorded in the registry of book-entry shares of the Bank kept by the Central Securities Depository in Prague (Centrální depozitář cenných papírů, a.s.) with a shareholding interest of more than 1% of the Bank's registered share capital is available in the investor relations section of the Bank's website at: https://investors.moneta.cz/shareholder-structure. Such entities may not necessarily be the beneficial shareholders of the Bank but may hold shares of the Bank for the beneficial shareholders (such as securities brokers, banks, custodians or nominees).

[21] ATM network including 850 KB ATMs, 369 Air Bank ATMs and 265 UniCredit Bank ATMs as of 31 March 2023

(All amounts in CZK millions unless otherwise stated)

Bank's Supervisory Board

The Bank's Supervisory board held 2 meetings in the first three months of 2023.

Name	Position	Member position held from	Member position held to
Gabriel Eichler	Chairman of the Supervisory Board*	26 October 2017	20 December 2025
Miroslav Singer	Vice-chairman of the Supervisory Board**	24 April 2017	28 April 2025
Michal Petrman	Member of the Supervisory Board	21 April 2016	2 September 2024
Clare Ronald Clarke	Member of the Supervisory Board	21 April 2016	2 September 2024
Denis Arthur Hall	Member of the Supervisory Board	21 April 2016	2 September 2024
Tomáš Pardubický***	Member of the Supervisory Board	26 October 2017	24 April 2023
Zuzana Filipová	Member of the Supervisory Board	7 May 2021	7 May 2025
Klára Escobar	Member of the Supervisory Board	7 May 2021	7 May 2025
Jana Výbošťoková	Member of the Supervisory Board	7 May 2021	7 May 2025

* Mr. Gabriel Eichler was elected as Chairman of the Supervisory Board with effect from 2 August 2018.

** Mr. Miroslav Singer was elected as Vice-chairman of the Supervisory Board with effect from 22 May 2017.

*** Mr. Tomáš Pardubický has decided to resign as a member of the Supervisory Board and also from his membership in the committees of the Supervisory Board as at 24 April 2023.

Bank's Management Board

The Bank's Management Board held 12 meetings in the first three months of 2023.

Name	Position	Member position held from	Member position held to
Tomáš Spurný	Chairman of the Management Board	1 October 2015	2 October 2023
Carl Normann Vökt	Vice-chairman of the Management Board*	25 January 2013	27 January 2025
Jan Novotný	Member of the Management Board	16 December 2013	18 December 2025
Jan Friček	Member of the Management Board	1 March 2019	2 March 2027
Klára Starková	Member of the Management Board	1 June 2021	1 June 2025

* Mr. Carl Normann Vökt was elected as Vice-chairman of the Management Board with effect from 1 March 2019.

7 Condensed Consolidated Interim Financial Statements for the Three-month Period Ended 31 March 2023 (Unaudited)

7.1 Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the Three-month Period Ended 31 March 2023 (Unaudited)

CZK m	Note	Quarter ended 31 Mar 2023	Quarter ended 31 Mar 2022
Interest and similar income		4,855	3,351
Interest expense and similar charges		(2,824)	(928)
Net interest income	**8.7**	**2,031**	**2,423**
Fee and commission income		760	637
Fee and commission expense		(144)	(121)
Net fee and commission income	**8.8**	**616**	**516**
Dividend income		1	1
Net income from financial operations		183	70
Other operating income		13	14
Total operating income		**2,844**	**3,024**
Personnel expenses		(578)	(586)
Administrative expenses		(365)	(391)
Depreciation and amortisation		(323)	(312)
Regulatory charges		(267)	(218)
Other operating expenses		(12)	(13)
Total operating expenses	**8.9**	**(1,545)**	**(1,520)**
Profit for the period before tax and net impairment of financial assets		**1,299**	**1,504**
Net impairment of financial assets	8.19.6	116	95
Profit for the period before tax		**1,415**	**1,599**
Taxes on income		(200)	(309)
Profit for the period after tax		**1,215**	**1,290**
Other comprehensive income, net of tax		**-**	**-**
Total comprehensive income attributable to the equity holders		**1,215**	**1,290**
Profit for the period after tax attributable to the equity holders		**1,215**	**1,290**
Weighted average of ordinary shares (millions of shares)		511	511
Basic and Diluted earnings per share (in CZK)		2.38	2.52

7.2 Condensed Consolidated Statement of Financial Position as at 31 March 2023 (Unaudited)

CZK m	Note	31 Mar 2023	31 Dec 2022
Assets			
Cash and balances with the central bank		7,441	12,467
Derivative financial instruments with positive fair value	8.20	726	761
Investment securities	8.10, 8.20	80,195	57,951
Hedging derivatives with positive fair values		4,345	4,942
Change in fair value of items hedged on portfolio basis		(1,597)	(2,090)
Loans and receivables to banks	8.11	40,638	37,886
Loans and receivables to customers	8.12	266,012	268,752
Intangible assets		3,324	3,379
Property and equipment		2,360	2,318
Investments in associates		4	3
Current tax assets		8	6
Other assets		1,129	1,135
TOTAL ASSETS		**404,585**	**387,510**
Liabilities			
Derivative financial instruments with negative fair value	8.20	719	747
Due to banks	8.13	5,439	5,953
Due to customers	8.13	350,329	334,251
Hedging derivatives with negative fair values		935	845
Change in fair value of items hedged on portfolio basis		(287)	(438)
Issued bonds	8.14	5,479	5,520
Subordinated liabilities	8.15	4,630	4,687
Provisions		250	306
Current tax liability		515	482
Deferred tax liability		476	496
Other liabilities		3,794	3,570
Total liabilities		**372,279**	**356,419**
Equity			
Share capital		10,220	10,220
Statutory reserve		102	102
Other reserves		1	1
Retained earnings		21,983	20,768
Total equity		**32,306**	**31,091**
TOTAL LIABILITIES AND EQUITY		**404,585**	**387,510**

7.3 Condensed Consolidated Statement of Changes in Equity for the Three-month Period Ended 31 March 2023 (Unaudited)

CZK m	Share capital	Statutory reserve	Reserve from revaluation of FVTOCI	Retained earnings	Total
Balance as reported 1 Jan 2023	**10,220**	**102**	**1**	**20,768**	**31,091**
Transactions with owners of the company					
Dividends	-	-	-	-	-
Total comprehensive income					
Profit for the period after tax	-	-	-	1,215	1,215
Other comprehensive income after tax					
Change in fair value of FVTOCI investment securities	-	-	-	-	-
Deferred tax	-	-	-	-	-
Balance 31 Mar 2023	**10,220**	**102**	**1**	**21,983**	**32,306**
Balance as reported 1 Jan 2022	**10,220**	**102**	**1**	**19,158**	**29,481**
Transactions with owners of the company					
Dividends	-	-	-	-	-
Total comprehensive income					
Profit for the period after tax	-	-	-	1,290	1,290
Other comprehensive income after tax					
Change in fair value of FVTOCI investment securities	-	-	-	-	-
Deferred tax	-	-	-	-	-
Balance 31 Mar 2022	**10,220**	**102**	**1**	**20,448**	**30,771**

7.4 Condensed Consolidated Statement of Cash Flows for the Three-month Period Ended 31 March 2023 (Unaudited)

CZK m	Three months ended	
	31 Mar 2023	31 Mar 2022
Cash flows from operating activities		
Profit after tax	**1,215**	**1,290**
Adjustments for:		
Depreciation and amortisation	323	312
Net impairment of financial assets (excl. cash collection and recovery)	(86)	(96)
Net gain on revaluation of investment securities	(1)	(1)
Accrued coupon, amortisation of discount/premium of investment securities	(198)	(197)
Net interest income from hedging derivatives	117	(46)
Net gain/ loss from revaluation of hedging derivatives	604	(676)
Net gain/ loss from revaluation of hedged items on portfolio basis	(621)	627
Net gain/loss from unrealised FX	7	(2)
Change in provisions not recognised in depreciation and amortisation	(28)	18
Net loss on sale and other disposal or impairment of tangible and intangible assets	4	2
Dividend income	(1)	(1)
Tax expense	200	309
	1,535	**1,539**
Changes in:		
Loans and receivables to customers and banks	2,798	(1,013)
Other assets	6	77
Due to banks	(514)	10,143
Due to customers	16,078	13,980
Other liabilities and provisions	224	(861)
	20,127	**23,865**
Income taxes paid	(190)	(143)
Net cash used in operating activities	**19,937**	**23,722**
Cash flows from investing activities		
Acquisition of investment securities	(21,912)	-
Acquisition of property and equipment and intangible assets	(311)	(301)
Proceeds from the sale of property and equipment and intangible assets	15	-
Dividends received	1	-
Net cash used in investing activities	**(22,207)**	**(301)**

(All amounts in CZK millions unless otherwise stated)

Cash flows from financing activities		
Proceeds from issued bonds	-	2,385
Dividends paid	-	(1,533)
Net cash used in financing activities	**-**	**852**
Net change in cash and cash equivalents	**(2,270)**	**24,273**

Cash and cash equivalents at the beginning of the period	**50,101**	**26,476**
Effect of exchange rate fluctuations on cash and cash equivalents	(24)	41
Cash and cash equivalents at the end of the period	**47,807**	**50,790**
Interest received*	5,424	3,423
Interest paid*	(2,903)	(610)

* Lines “Interest received” and “Interest paid” represent interest as per contractual rate and are included in cash flows from operating activities.

8 Notes to Unaudited Condensed Consolidated Interim Financial Statements

8.1 Reporting Entity

MONETA Money Bank, a.s. (the "Bank") is a company domiciled in the Czech Republic. These condensed consolidated interim financial statements ("interim financial statements") as at and for the three months ended 31 March 2023 comprise the Bank and its consolidated subsidiaries (together referred to as the "Group").

8.2 Basis of Preparation and Presentation

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2022 ("last annual financial statements"). These interim financial statements do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. These interim financial statements were neither audited nor reviewed by an auditor.

The Group's interim financial statements were authorised for issue by the Management Board on 26 April 2023.

Going concern

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

Functional and presentation currency

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

8.3 Use of Judgements and Estimates

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

Significant judgements made by the management in applying the Group's accounting policies and the key sources of uncertainty estimation are significantly impacted by the situation related to the macroeconomic and geopolitical situation.

In the area of expected cash flows resulting from loan receivables, used for determination of amortised cost of the debt financial assets, are made significant estimates, related to future development of prepayments of the loan's notional amount, by the management of the Group.

(All amounts in CZK millions unless otherwise stated)

8.4 Significant Accounting Policies

The significant accounting policies used in preparation of these interim financial statements are consistent with those used in the last Consolidated Annual Financial Statements.

The current macroeconomic environment constitutes significant and unprecedented source of uncertainty regarding future credit losses mainly due to environment of high inflation and elevated interest rates. To appropriately reflect the adverse forward-looking risks in its ECL model, the Group extended framework of the management overlays in 2022. As of 31 December 2022, the total management overlay amount stood at CZK 847 million. In the first quarter of 2023, the framework of management overlays was updated and further extended to account for potential risks associated with expiration of COVID guarantees programs. As of 31 March 2023, the total management overlay amount stood at CZK 923 million.

In the first quarter of 2023, the Group closely monitored evolution of the macroeconomic prognoses provided by Czech public authorities such as Ministry of Finance of the Czech Republic and Czech National Bank and concluded that the forward-looking macroeconomic scenarios implemented in August 2022 are appropriate with respect to the current macroeconomic situation in the first quarter of 2023.

Following table shows overview of internal scenarios based on prognoses of MFCR and CNB:

GDP Growth Year	MFCR (1/2023)	CNB (2/2023)	MONETA
2023	(0.5)%	(0.3)%	1.1%
2024	3.0%	2.2%	3.8%
Unemployment Year	**MFCR (8/2022)**	**CNB (8/2022)**	**MONETA**
2023	3.2%	2.7%	2.7%
2024	3.0%	3.3%	2.8%

8.5 Consolidation Group

The definition of the consolidation group as at 31 March 2023 has not changed compared to the last Consolidated Annual Financial Statements.

Apart from the Bank, the Group's companies included into the consolidation group as at 31 March 2023 together with the ownership were as follows:

Name	Registered office	Business activity	The Bank's share	Method of consolidation
MONETA Auto, s.r.o.	Vyskočilova 1442/1b, 140 00 Prague 4	Auto financing (Auto Loans)	100%	Full
MONETA Leasing, s.r.o.	Vyskočilova 1442/1b, 140 00 Prague 4	Financing of loans and leasing	100%	Full
MONETA Stavební Spořitelna, a.s.	Vyskočilova 1442/1b, 140 00 Prague 4	Building savings and bridging loans	100%	Full
CBCB – Czech Banking Credit Bureau, a.s.	Štětkova 1638/18, 140 00 Prague 4	Banking Credit Register	20%	Equity

8.6 Dividends Paid

No dividends were paid during the first three months of 2023.

8.7 Net Interest Income

CZK m	Quarter ended 31 Mar 2023	Quarter ended 31 Mar 2022
Interest income from financial assets measured at amortised cost	4,231	3,146
Loans to customers	2,957	2,588
out of which: interest income from impaired loans	38	53
out of which: penalty interest	5	6
out of which: EIR amortisation, modification/derecognition and amortisation of FV adjustments	(151)	(140)
Loans to banks	768	325
out of which: interest income from repurchase and reverse repurchase agreements	759	322
Cash and deposit with central bank and other banks	113	55
Interest income from investment securities at amortised cost	392	174
Other interest income**	1	4
Interest income from hedging derivatives	624	205
Interest income and similar income	**4,855**	**3,351**
Interest expense from financial liabilities measured at amortised cost	(2,650)	(850)
Due to banks	(14)	(118)
Due to customers	(2,484)	(663)
out of which: arising from repurchase agreements	-	(7)
out of which: amortisation of acquisition FV adjustments	6	11
Subordinated liabilities	(42)	(42)
Mortgage-backed bonds	(27)	(23)
Other issued bonds*	(64)	(4)
Other interest expense**	(19)	-
Interest from hedging derivatives	(169)	(73)
Interest expense from lease liabilities	(5)	(5)
Interest expense and similar expense	**(2,824)**	**(928)**
Net interest income	**2,031**	**2,423**

* MREL requirement eligible bonds are included.

** Represents interest income or expense respectively from received or provided collateral resulting from Credit Support Annex (CSA).

8.7.1 Analysis of deferred costs and fees directly attributable to origination of new loan products that are integral part of the effective interest rate for a three-month period

Quarter ended 31 Mar 2023 CZK m	Balance at the beginning of the period	Amortisation	Derecognitions / Modifications	Additions to deferred fees	Additions to deferred costs	Balance at the end of the period
Consumer Loans	150	(3)	-	(15)	15	147
Mortgages	1,639	(54)	(1)	(1)	11	1,594
Credit Cards & Overdrafts	12	(2)	-	-	1	11
Auto Loans and Finance Leases	192	(23)	(1)	-	31	199
Retail loans deferrals	**1,993**	**(82)**	**(2)**	**(16)**	**58**	**1,951**
Investment Loans	508	(21)	-	(3)	11	495
Working Capital	(3)	-	-	(1)	1	(3)
Auto & Equipment Loans and Finance Leases	231	(37)	-	-	39	233
Unsecured Instalment Loans and Overdrafts	98	(9)	-	(2)	13	100
Commercial loans deferrals	**834**	**(67)**	**-**	**(6)**	**64**	**825**
Total loan deferrals	**2,827**	**(149)**	**(2)**	**(22)**	**122**	**2,776**

Quarter ended 31 Mar 2022 CZK m	Balance at the beginning of the period	Amortisation	Derecognitions / Modifications	Additions to deferred fees	Additions to deferred costs	Balance at the end of the period
Consumer Loans	125	(7)	(3)	(14)	39	140
Mortgages	1,605	(67)	(3)	(3)	119	1,651
Credit Cards & Overdrafts	16	(3)	-	-	2	15
Auto Loans and Finance Leases	165	(26)	(1)	-	25	163
Retail loans deferrals	**1,911**	**(103)**	**(7)**	**(17)**	**185**	**1,969**
Investment Loans	536	16	1	(4)	8	557
Working Capital	(1)	-	-	(1)	1	(1)
Auto & Equipment Loans and Finance Leases	223	(37)	-	-	34	220
Unsecured Instalment Loans and Overdrafts	92	(10)	-	(1)	12	93
Commercial loans deferrals	**850**	**(31)**	**1**	**(6)**	**55**	**869**
Total loan deferrals	**2,761**	**(134)**	**(6)**	**(23)**	**240**	**2,838**

8.8 Net Fee and Commission Income

CZK m	Quarter ended	
	31 Mar 2023	31 Mar 2022
Insurance	282	176
Investment funds	72	73
Penalty fees (incl. early termination fees)	67	76
Deposit servicing fees	103	101
Lending servicing fees	56	53
Transactional and other fees	180	158
Fee and commission income	760	637
Fee and commission expense	(144)	(121)
Net fee and commission income	**616**	**516**

8.9 Total Operating Expenses

CZK m	Quarter ended	
	31 Mar 2023	31 Mar 2022
Personnel expenses	(578)	(586)
Administrative expenses	(365)	(391)
Depreciation and amortisation	(323)	(312)
out of which depreciation of right-of-use assets	(83)	(84)
Regulatory charges*	(267)	(218)
Other operating expenses	(12)	(13)
Total operating expenses	**(1,545)**	**(1,520)**
FTEs (average)**	**2,545**	**2,895**
FTEs (at the end of the period)***	**2,553**	**2,929**

* The line “Regulatory charges” includes contributions to the Deposit Insurance Fund of CZK 127 million in 2023, contributions to the Resolution and Recovery Fund of CZK 134 million in 2023 and contributions to the Investor Compensation Fund of CZK 6 million in 2023.

** Members of the Supervisory Board and the Audit Committee are excluded. The average recalculated number of employees during the period is an average of the figures reported to Czech Statistical Authority in accordance with Art. 15 of Czech Act No. 518/2004.

*** Members of the Supervisory Board and the Audit Committee are excluded.

8.10 Investment Securities

CZK m	31 Mar 2023	31 Dec 2022
Debt securities measured at amortised cost	80,144	57,879
out of which: government bonds	76,415	54,479
out of which: corporate bonds	3,729	3,400
Debt securities measured at FVTPL	25	46
Equity securities measured at FVTOCI	1	1
Equity securities measured at FVTPL	25	25
Total investment securities	**80,195**	**57,951**

8.11 Loans and Receivables to Banks

CZK m	31 Mar 2023	31 Dec 2022
Current accounts at banks	595	446
Overnight deposits	1,323	482
Term deposits in banks payable within 3 months	-	453
Receivables arising from reverse repurchase agreements	38,448	36,253
Cash collaterals granted	271	251
Other	1	1
Total Loans and receivables to banks	**40,638**	**37,886**
Included in cash equivalents	40,366	37,634

8.12 Loans and Receivables to Customers

CZK m	31 Mar 2023			31 Dec 2022		
	Gross carrying amount	Allowance/ Provision	Net book value	Gross carrying amount	Allowance/ Provision	Net book value
Consumer Loans	49,744	(2,366)	47,378	50,348	(2,600)	47,748
Mortgages	133,254	(600)	132,654	133,930	(592)	133,338
Credit Cards & Overdrafts	2,479	(212)	2,267	2,570	(233)	2,337
Auto Loans and Finance Leases	2,598	(79)	2,519	2,623	(75)	2,548
Other	10	(10)	-	10	(10)	-
Total Retail	**188,085**	**(3,267)**	**184,818**	**189,481**	**(3,510)**	**185,971**
Investment Loans	46,097	(336)	45,761	46,341	(311)	46,030
Working Capital	13,090	(226)	12,864	14,333	(195)	14,138
Auto & Equipment Loans and Finance Leases	9,451	(244)	9,207	9,730	(244)	9,486
Unsecured Instalment Loans and Overdrafts	13,033	(716)	12,317	12,930	(829)	12,101
Inventory Financing and Other	1,065	(20)	1,045	1,045	(19)	1,026
Total Commercial	**82,736**	**(1,542)**	**81,194**	**84,379**	**(1,598)**	**82,781**
Total Loans and receivables to customers	**270,821**	**(4,809)**	**266,012**	**273,860**	**(5,108)**	**268,752**

8.13 Due to Banks and Due to Customers

Breakdown of Due to banks:

CZK m	31 Mar 2023	31 Dec 2022
Deposits on demand	606	334
Cash collateral received*	3,189	3,931
Other due to banks**	1,644	1,688
Total Due to banks	**5,439**	**5,953**

* Cash collaterals received represent CSA[22] Collaterals of other financial institutions for derivative transactions.

** Other due to banks comprises:

- Loan provided by European Investment Bank in January 2021 to MONETA Money Bank, a.s. This loan amounts to CZK 1,644 million at 31 March 2023 (31 December 2022: CZK 1,688 million).

Breakdown of Due to customers:

CZK m	31 Mar 2023	31 Dec 2022
Retail current accounts	54,926	57,786
Retail savings accounts and term deposits	185,822	169,602
Retail building savings	27,021	28,664
Commercial current accounts	41,557	43,437
Commercial savings accounts and term deposits	38,868	32,474
Commercial building savings	1,270	1,323
Cash collateral received	424	491
Other due to customers	441	474
Total Due to customers	**350,329**	**334,251**

[22] Credit Support Annex ("CSA") is a legal document which regulates credit support (collateral) for derivative transactions.

8.14 Issued Bonds

Mortgage-Backed Bonds Issued

The Bank issued 2 tranches of mortgage-backed securities externally in the total nominal amount of CZK 1,900 million for funding purposes. The rest of remaining issued securities are held by MONETA Stavební Spořitelna, a.s., and therefore eliminated on a consolidated basis. Below listed 2 tranches are owned by third parties.

ISIN	Issue date	Currency	Maturity date	Interest rate	Total nominal amount outstanding CZK m
CZ0002005564	23.05.2018	CZK	23.05.2023	1.72% p.a.	650
CZ0002005689	04.07.2018	CZK	04.07.2023	7.25% p.a.	1,250

Amortised cost of the outstanding mortgage-backed bonds held by external owners:

CZK m	31 Mar 2023	31 Dec 2022
Mortgage-backed bonds at amortised cost	1,929	1,948
Total	**1,929**	**1,948**

The Group did not have any defaults of principal or interest or other breaches with respect to mortgage-backed bonds during the year 2023.

Other Bonds Issued

The Bank issued the senior preferred bonds in the total nominal amount of CZK 3,849 million. These bonds are denominated in EUR and CZK. The EUR tranche was settled on 3 February 2022 and the CZK tranche was settled on 15 December 2022.

The Bank issued the bonds as a part of compliance with the minimum requirement for own funds and eligible liabilities ("MREL") requirement which was set for the Bank by CNB (note 8.19.1).

ISIN	Issue date	Currency	Maturity date	Interest rate	Call option	Total nominal amount outstanding EUR m / CZK m
XS2435601443	03.02.2022	EUR	03.02.2028	1.625% p.a.	after 5 years	100
CZ0003707671	15.12.2022	CZK	15.12.2026	8.00% p.a.	after 3 years	1,500

Amortised cost of the outstanding other bonds:

CZK m	31 Mar 2023	31 Dec 2022
Other bonds issued	3,550	3,572
Total	**3,550**	**3,572**

The Group did not have any defaults of principal or interest or other breaches with respect to other issued bonds during the year 2023.

8.15 Subordinated Liabilities

Subordinated debt securities issued are the Bank's sources of debt funding and are subordinated to all other liabilities of the Bank. As of 31 March 2023, they form a part of the Tier 2 capital of the Bank as defined by the CNB for the purposes of determination of its capital adequacy (note 8.19.1).

These instruments are initially measured at fair value minus incremental direct transaction costs and subsequently measured at their amortised cost using effective interest method.

The Bank issued debt securities in total nominal amount of CZK 4,602 million.

Name	ISIN	Issue date	Currency	Maturity date	Interest rate	Call option	Total nominal amount at issue date CZK m
MB 3.30/29	CZ0003704918	25.9.2019	CZK	25.9.2029	3.30% p.a.	after 5 years	2,001
MB 3.79/30	CZ0003705188	30.1.2020	CZK	30.1.2030	3.79% p.a.	after 5 years	2,601

Amortised cost of the outstanding subordinated debt securities:

CZK m	31 Mar 2023	31 Dec 2022
Subordinated debt securities at amortised cost	4,630	4,687
Total	**4,630**	**4,687**

The Bank did not have any defaults of principal or interest or other breaches with respect to subordinated liabilities during the year 2023.

8.16 Legal Risks

The legal risks, to which the Group is exposed, have been disclosed in the Bank's 2022 Consolidated Annual Financial Report.

8.16.1 Legal disputes

The Group is not a party to any significant legal disputes.

8.17 Segment Reporting

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

The Management Board of the Bank (the chief operating decision makers) does not use the below presented segmental view on all items of the Statement of Profit or Loss. For this reason, Operating expenses, Taxes and consequently Profit for the period before tax and Profit for the period after tax are not reported for segments but only on the Total level.

Quarter ended 31 Mar 2023 CZK m	Commercial	Retail	Treasury / Other	Total
Interest and similar income	1,128	1,828	1,899	4,855
Interest expense and similar charges	(453)	(2,036)	(335)	(2,824)
Net fee and commission income	152	468	(4)	616
Dividend income	-	-	1	1
Net income from financial operations	49	118	16	183
Other operating income	5	8	-	13
Total operating income	**881**	**386**	**1,577**	**2,844**
Net impairment of financial assets	2	114	-	116
Risk adjusted operating income	**883**	**500**	**1,577**	**2,960**
Total operating expenses				(1,545)
Profit for the period before tax				**1,415**
Tax on income				(200)
Profit for the period after tax				**1,215**

Quarter ended 31 Mar 2022 CZK m	Commercial	Retail	Treasury / Other	Total
Interest and similar income	941	1,647	763	3,351
Interest expense and similar charges	(96)	(560)	(272)	(928)
Net fee and commission income	144	374	(2)	516
Dividend income	-	-	1	1
Net income from financial operations	-	-	70	70
Other operating income	4	10	-	14
Total operating income	**993**	**1,471**	**560**	**3,024**
Net impairment of financial assets	29	66	-	95
Risk adjusted operating income	**1,022**	**1,537**	**560**	**3,119**
Total operating expenses				(1,520)
Profit for the period before tax				**1,599**
Tax on income				(309)
Profit for the period after tax				**1,290**

Assets and liabilities by segment:

31 Mar 2023 CZK m	Commercial	Retail	Treasury / Other	Total
Total assets of the segment	89,758	188,080	126,747	404,585
Net value of loans and receivables to customers	81,194	184,818	-	266,012
Total liabilities of the segment	83,941	271,603	16,735	372,279

31 Dec 2022 CZK m	Commercial	Retail	Treasury / Other	Total
Total assets of the segment	91,540	189,161	106,809	387,510
Net value of loans and receivables to customers	82,782	185,970	-	268,752
Total liabilities of the segment	79,213	259,735	17,471	356,419

8.18 Related Parties

The Group's related parties include associates, key members of the management and members of the Supervisory Board and their close family members.

Transactions provided by the Group to related parties represent bank services (esp. loans and interest-bearing deposits); expenses from transactions with related parties comprise remuneration to members of Supervisory Board, Management Board and other Key Executive Managers.

Transactions with related parties are carried out in the normal course of business operations and conducted under normal market conditions.

Tanemo a.s., a subsidiary of PPF Group, became a related party with significant influence on MONETA in 2021, thus transactions with entities from PPF Group are considered as related party transactions.

The following transactions were undertaken with related parties:

31 Mar 2023 CZK m	Related parties with significant influence on MONETA	Associates	Key members of the management* and Supervisory Board	Total
Loans and receivables to customers	-	-	33	33
Derivative financial instruments with positive fair value	58	-	-	58
Hedging derivatives with positive fair value	502	-	-	502
Due to customers	18	-	9	27
Due to banks	426	-	-	426
Derivative financial instruments with negative fair value	68	-	-	68
Hedging derivatives with negative fair value	44	-	-	44

* Includes members of Management Board and other Key Executive Managers.

31 Dec 2022 CZK m	Related parties with significant influence on MONETA	Associates	Key members of the management* and Supervisory Board	Total
Loans and receivables to customers	-	-	38	38
Derivative financial instruments with positive fair value	65	-	-	65
Hedging derivatives with positive fair value	542	-	-	542
Due to customers	20	-	20	40
Due to banks	512	-	-	512
Derivative financial instruments with negative fair value	77	-	-	77
Hedging derivatives with negative fair value	21	-	-	21

* Includes members of Management Board and other Key Executive Managers.

Quarter ended 31 Mar 2023 CZK m	Related parties with significant influence on MONETA	Associates	Key members of the management* and Supervisory Board	Total
Interest expense and similar charges	(2)	-	-	(2)
Interest and similar income	54	-	-	54
Fee and commission income	1	-	-	1
Fee and commission expense	(2)	-	-	(2)
Net income from financial operations	(67)	-	-	(67)
Operating expenses	(10)	(8)	(23)	(41)
Dividend income	-	1	-	1

* Includes members of Management Board and other Key Executive Managers.

Quarter ended 31 Mar 2022 CZK m	Related parties with significant influence on MONETA	Associates	Key members of the management* and Supervisory Board	Total
Interest expense and similar charges	(7)	-	-	(7)
Interest and similar income	16	-	-	16
Fee and commission income	-	-	-	-
Fee and commission expense	(2)	-	-	(2)
Net income from financial operations	91	-	-	91
Operating expenses	(14)	(6)	(57)	(77)
Dividend income	-	1	-	1

* Includes members of Management Board and other Key Executive Managers.

8.19 Risk Management

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

The risk management policies and practices have not changed since 31 December 2022 and are described in the Annual Financial Report for 2022.

8.19.1 Capital management

Regulatory Capital and its components and capital adequacy:

CZK m	31 Mar 2023	31 Dec 2022
Regulatory Capital	**30,830**	**30,944**
Tier 1	26,228	26,342
Tier 2	4,602	4,602
RWA	**170,381**	**171,718**
out of which: Credit Risk	150,413	153,601
out of which: Operational Risk	19,039	17,435
out of which: CVA	928	681
out of which: Trading Book	1	1

Capital adequacy (%)	31 Mar 2023	31 Dec 2022
RWA Density*	41.4%	43.4%
CET1 Ratio	15.4%	15.3%
Tier 1 Ratio	15.4%	15.3%
Total Capital Ratio (CAR)	18.1%	18.0%

* RWA density is calculated in compliance with BIS Working Papers: Leverage and Risk Weighted Capital Requirements.

The framework used for capital management involves monitoring and complying with the capital adequacy limit in accordance with the Basel III rules codified in Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended (hereafter "CRR"), Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended (hereafter "CRD"), and Directive (EU) 2014/59 of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended (hereafter "BRRD"), and their implementing measures. This European regulatory framework was significantly revised in May 2019 by adoption of the so-called Banking Package, which introduced amendments to, inter alia, CRR (hereafter "CRR II")[23], CRD (hereafter "CRD V")[24] and BRRD (hereafter "BRRD II")[25]. Furthermore, the regulatory framework within the Czech legal system is comprised mainly of Banking Act No. 21/1992 Coll., as amended, CNB Decree No. 163/2014 Coll., as amended, and Act No. 374/2015 Coll., on recovery and resolution in the financial market, as amended (hereafter "Recovery and Resolution Act").

In order to calculate the regulatory capital requirement for credit risk, on individual as well as on consolidated basis, the Bank uses the standardised (STA) approach. To calculate the regulatory capital requirement for operational risk, the Bank uses the alternative standardised approach (ASA) on an individual basis in 2022, from 2023 the Bank has started using the standardised approach (TSA). The standardised approach (TSA) is used to calculate the capital requirement for operational risk on a consolidated basis for the rest of the Group.

[23] Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012.
[24] Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures.
[25] Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC.

The Bank calculates regulatory capital requirements against the market risk of the trading book since the third quarter of 2018.

Since 2020, the CNB as the national resolution authority has identified banks with critical functions, including the Bank, which may not be orderly dissolved via general corporate law liquidation or insolvency proceedings and failure of which would be dealt with pursuant to the Recovery and Resolution Act and set a specific Minimum Requirement for Own Funds and Eligible Liabilities (hereafter "MREL") for each of them.

In April 2022, the Bank received an updated MREL specification from the CNB pursuant to which it must comply with the MREL requirement on an individual basis of 17.1% of its total risk exposure and 4.98% of its total exposure effective from 1 January 2024. The MREL requirement is calculated as a sum of a Loss Absorption Amount (Pillar I capital requirement of 8% and Pillar II capital requirement of 2.4%[26] – values valid as of the date of the initiation of the planning process for resolution) and a Recapitalisation Amount set at 6.7%. The combined buffer requirement (a capital conservation buffer of 2.5% and a countercyclical capital buffer of 2% – values valid from 1 January 2023; from 1 April 2023 the countercyclical capital buffer has increased to 2.5%) is not taken into account in the MREL calculation and the Bank must comply with it on top of the MREL requirement. The CNB set a transitional period for the Bank to meet the MREL requirement by 31 December 2023. The Bank must also fulfil an interim target level of the MREL requirement of 13.5% (that is the corresponding Recapitalisation Amount of 3.1%) of its total risk exposure and 3.93% of its total exposure from 1 January 2022. The CNB further expects that the Bank will maintain capital and eligible liabilities of at least 15.1% of its total risk exposure (that is the corresponding Recapitalisation Amount at 4.7%) and 4.4% of its total exposure from 1 January 2023.

8.19.2 Loans and receivables to banks and customers according to their categorisation

The following table shows categorisation of receivables to banks and customers summarised according to Stages applied for measurement of allowance for credit losses:

31 Mar 2023	Loans and receivables to banks				Loans and receivables to customers				
CZK m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Performing before due date	40,638	-	-	40,638	244,113	16,469	-	30	260,612
Performing past due date*	-	-	-	-	3,791	2,901	-	8	6,700
Total performing	40,638	-	-	40,638	247,904	19,370	-	38	267,312
Total non-performing	-	-	-	-	-	-	3,487	22	3,509
Gross loans and receivables	**40,638**	**-**	**-**	**40,638**	**247,904**	**19,370**	**3,487**	**60**	**270,821**
Individual allowances	-	-	-	-	-	-	(60)	-	(60)
Portfolio allowances	-	-	-	-	(1,468)	(1,570)	(1,741)	30	(4,749)
Total allowances	**-**	**-**	**-**	**-**	**(1,468)**	**(1,570)**	**(1,801)**	**30**	**(4,809)**
Net loans and receivables	**40,638**	**-**	**-**	**40,638**	**246,436**	**17,800**	**1,686**	**90**	**266,012**

* Due days are calculated on instalments of principal, interest, and fees.

[26] Although Pillar II capital requirement was set only on a consolidated basis, its value was used for setting of MREL requirement on an individual basis.

31 Dec 2022	Loans and receivables to banks				Loans and receivables to customers				
CZK m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Performing before due date	37,886	-	-	37,886	248,812	15,090	-	32	263,934
Performing past due date*	-	-	-	-	2,842	3,287	-	8	6,137
Total performing	37,886	-	-	37,886	251,654	18,377	-	40	270,071
Total non-performing	-	-	-	-	-	-	3,764	25	3,789
Gross loans and receivables	**37,886**	**-**	**-**	**37,886**	**251,654**	**18,377**	**3,764**	**65**	**273,860**
Individual allowances	-	-	-	-	-	-	(39)	-	(39)
Portfolio allowances	-	-	-	-	(1,446)	(1,670)	(1,982)	29	(5,069)
Total allowances	**-**	**-**	**-**	**-**	**(1,446)**	**(1,670)**	**(2,021)**	**29**	**(5,108)**
Net loans and receivables	**37,886**	**-**	**-**	**37,886**	**250,208**	**16,707**	**1,743**	**94**	**268,752**

* Due days are calculated on instalments of principal, interest, and fees.

8.19.3 Walk of allowances to Loans and receivables to customers

Walk of allowances to Loans and receivables for the three-month period – **retail customers**

	Quarter ended 31 Mar 2023				
CZK m	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at the beginning of the period	**747**	**1,323**	**1,464**	**(24)**	**3,510**
Purchases and originations	54	26	7	(1)	86
Derecognition and maturities	(30)	(36)	(148)	2	(212)
Transfer to (out) Stage 1	364	(342)	(22)	-	-
Transfer to (out) Stage 2	(60)	170	(110)	-	-
Transfer to (out) Stage 3	(3)	(114)	117	-	-
Remeasurements, changes in models and methods	(334)	201	162	(1)	28
Use of allowances (write offs)	-	-	(144)	(1)	(145)
Foreign exchange adjustments	-	-	-	-	-
Balance at the end of the period	**738**	**1,228**	**1,326**	**(25)**	**3,267**

	Quarter ended 31 Mar 2022				
CZK m	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at the beginning of the period	**1,030**	**658**	**2,402**	**(16)**	**4,074**
Purchases and originations	87	7	5	-	99
Derecognition and maturities	(85)	(43)	(10)	2	(136)
Transfer to (out) Stage 1	135	(67)	(68)	-	-
Transfer to (out) Stage 2	(28)	568	(540)	-	-
Transfer to (out) Stage 3	(15)	(55)	70	-	-
Remeasurements, changes in models and methods	(131)	(104)	203	(2)	(34)
Use of allowances (write offs)	-	-	(27)	-	(27)
Foreign exchange adjustments	-	-	-	-	-
Balance at the end of the period	**993**	**964**	**2,035**	**(16)**	**3,976**

Walk of allowances to Loans and receivables for the three-month periods – **commercial customers**

	Quarter ended 31 Mar 2023				
CZK m	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at the beginning of the period	**699**	**347**	**557**	**(5)**	**1,598**
Purchases and originations	76	3	8	-	87
Derecognition and maturities	(10)	(6)	(83)	-	(99)
Transfer to (out) Stage 1	88	(82)	(6)	-	-
Transfer to (out) Stage 2	(18)	38	(20)	-	-
Transfer to (out) Stage 3	(2)	(40)	42	-	-
Remeasurements, changes in models and methods	(99)	82	58	-	41
Use of allowances (write offs)	-	-	(81)	-	(81)
Foreign exchange adjustments	(4)	-	-	-	(4)
Balance at the end of the period	**730**	**342**	**475**	**(5)**	**1,542**

	Quarter ended 31 Mar 2022				
CZK m	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at the beginning of the period	**719**	**193**	**747**	**(5)**	**1,654**
Purchases and originations	103	1	2	-	106
Derecognition and maturities	(31)	(6)	(16)	-	(53)
Transfer to (out) Stage 1	56	(20)	(36)	-	-
Transfer to (out) Stage 2	(15)	126	(111)	-	-
Transfer to (out) Stage 3	(5)	(34)	39	-	-
Remeasurements, changes in models and methods	(119)	15	28	-	(76)
Use of allowances (write offs)	-	-	(56)	-	(56)
Foreign exchange adjustments	(1)	-	-	-	(1)
Balance at the end of the period	**707**	**275**	**597**	**(5)**	**1,574**

8.19.4 Break-down of allowances according to loan type and stages

31 Mar 2023 CZK m	Stage 1	Stage 2	Stage 3	POCI	Total
Retail loans	**738**	**1,228**	**1,326**	**(25)**	**3,267**
Consumer Loans	522	825	1,043	(24)	2,366
Mortgages	115	301	185	(1)	600
Credit Cards & Overdrafts	73	77	62	-	212
Auto Loans and Finance Leases	27	25	27	-	79
Other	1	-	9	-	10
Commercial loans	**730**	**342**	**475**	**(5)**	**1,542**
Investment Loans	265	48	28	(5)	336
Working Capital	154	42	30	-	226
Auto & Equipment Loans and Finance Leases	89	41	114	-	244
Unsecured Instalment Loans and Overdraft	219	205	292	-	716
Inventory Financing and Other	3	6	11	-	20
TOTAL allowances to Lending portfolio	**1,468**	**1,570**	**1,801**	**(30)**	**4,809**
Debt instruments measured at amortised costs	21	-	-	-	21
TOTAL allowances Financial Assets	**1,489**	**1,570**	**1,801**	**(30)**	**4,830**
Financial guarantees	8	3	1	-	12
Loan commitments – Retail	43	16	-	-	59
Loan commitments – Commercial	41	3	-	-	44
TOTAL liabilities to off balance sheet items	**92**	**22**	**1**	**-**	**115**

31 Dec 2022 CZK m	Stage 1	Stage 2	Stage 3	POCI	Total
Retail loans	**747**	**1,323**	**1,464**	**(24)**	**3,510**
Consumer Loans	531	931	1,162	(24)	2,600
Mortgages	113	290	189	-	592
Credit Cards & Overdrafts	74	81	78	-	233
Auto Loans and Finance Leases	27	21	27	-	75
Other	2	-	8	-	10
Commercial loans	**699**	**347**	**557**	**(5)**	**1,598**
Investment Loans	254	40	22	(5)	311
Working Capital	142	38	15	-	195
Auto & Equipment Loans and Finance Leases	86	40	118	-	244
Unsecured Instalment Loans and Overdraft	214	223	392	-	829
Inventory Financing and Other	3	6	10	-	19
TOTAL allowances to Lending portfolio	**1,446**	**1,670**	**2,021**	**(29)**	**5,108**
Debt instruments measured at amortised costs	18	-	-	-	18
TOTAL allowances Financial Assets	**1,464**	**1,670**	**2,021**	**(29)**	**5,126**
Financial guarantees	11	5	-	-	16
Loan commitments – Retail	43	17	-	-	60
Loan commitments – Commercial	66	5	-	-	71
TOTAL liabilities to off balance sheet items	**120**	**27**	**-**	**-**	**147**

8.19.5 Coverage of non-performing loans and receivables

CZK m	31 Mar 2023	31 Dec 2022
Retail	2,730	2,852
Commercial	779	937
Total NPL	**3,509**	**3,789**

CZK m	31 Mar 2023	31 Dec 2022
Retail	1,328	1,467
Commercial	475	557
Total allowances to NPL	**1,803**	**2,024**

%	31 Mar 2023	31 Dec 2022
Retail	119.7%	123.1%
Commercial	198.0%	170.5%
Total NPL coverage*	**137.1%**	**134.8%**

%	31 Mar 2023	31 Dec 2022
Retail	1.5%	1.5%
Commercial	0.9%	1.1%
NPL Ratio	**1.3%**	**1.4%**

* Total NPL coverage ratio is calculated as total loss allowances for loans and receivables to customers divided by total NPL loans.

8.19.6 Net impairment of financial assets

CZK m	Quarter ended	
	31 Mar 2023	31 Mar 2022
Additions and release of loan loss allowances	63	95
Additions and release of allowances/provisions to unused commitments	32	4
Use of loan loss allowances	226	83
Income from previously written-off receivables	38	8
Write offs of uncollectable receivables	(229)	(90)
Change in allowances to Investment securities	(3)	-
Change in allowances to operating receivables	(3)	4
Collection expense	(8)	(9)
Net impairment of financial assets	**116**	**95**

8.19.7 Maximum credit risk exposures

31 Mar 2023 CZK m	Statement of financial position	Off-balance sheet	Total credit risk exposure	Available collateral*
Cash and balances with the central bank	**7,441**	**-**	**7,441**	**-**
Derivative financial instruments	**726**	**-**	**726**	**3,189**
Investment securities measured at FVTPL	**50**	**-**	**50**	**-**
Equity investments	25	-	25	-
Debt investments	25	-	25	-
Investment securities measured at FVTOCI	**1**	-	**1**	-
Equity investments	1	-	1	-
Investment securities measured at amortised cost	**80,144**	**-**	**80,144**	**-**
Treasury and corporate bonds	80,144	-	80,144	-
Hedging derivatives with positive fair values	**4,345**	**-**	**4,345**	**-**
Interest rate swaps	4,283	-	4,283	-
Cross currency interest rate swaps	62	-	62	-
Change in fair value of items hedged on portfolio basis	**(1,597)**	**-**	**(1,597)**	**-**
Loans and receivables to banks	**40,638**	**-**	**40,638**	**37,679**
Current accounts at banks	595	-	595	-
Overnight deposits	1,323	-	1,323	-
Term deposits at banks payable within 3 months	-	-	-	-
Receivables arising from reverse repurchase agreements	38,448	-	38,448	37,679**
Cash collaterals granted	271	-	271	-
Other	1	-	1	-
Loans and receivables to customers	**266,012**	**25,431**	**291,443**	**173,630**
Consumer authorised overdrafts and credit cards	2,267	4,354	6,621	-
Consumer loans	47,378	346	47,724	2,838
Mortgages	132,654	5,028	137,682	130,785
Commercial loans	70,942	15,352	86,294	37,436
Auto & Equipment Finance Lease	506	-	506	441
Commercial	506	-	506	441
Retail	-	-	-	-
Auto & Equipment Loans	12,265	351	12,616	2,130
Commercial	9,746	351	10,097	2,130
Retail	2,519	-	2,519	-
Issued guarantees and credit limits on guarantees	**-**	**2,059**	**2,059**	**257**
Issued letter of credit	**-**	**6**	**6**	**-**
Remaining assets	**6,825**	**-**	**6,825**	**-**

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

** Thereof securities obtained in repurchase agreements as collateral in the amount of CZK 0 million were transferred as collateral according to repurchase agreements as at 31 March 2023 (31 December 2022: CZK 0 million).

31 Dec 2022 CZK m	Statement of financial position	Off-balance sheet	Total credit risk exposure	Available collateral*
Cash and balances with the central bank	**12,467**	**-**	**12,467**	**-**
Derivative financial instruments	**761**	**-**	**761**	**3,931**
Investment securities measured at FVTPL	**71**	**-**	**71**	**-**
Equity securities	25	-	25	-
Debt securities	46	-	46	-
Investment securities measured at FVTOCI	**1**	**-**	**1**	**-**
Equity securities	1	-	1	-
Investment securities measured at amortised cost	**57,879**	**-**	**57,879**	**-**
Treasury and corporate bonds	57,879	-	57,879	-
Hedging derivatives with positive fair values	**4,942**	**-**	**4,942**	**-**
Interest rate swaps	4,919	-	4,919	-
Cross currency interest rate swaps	23	-	23	-
Change in fair value of items hedged on portfolio basis	**(2,090)**	**-**	**(2,090)**	**-**
Loans and receivables to banks	**37,886**	**-**	**37,886**	**35,526**
Current accounts at banks	445	-	445	-
Overnight deposits	482	-	482	-
Term deposits at banks payable within 3 months	453	-	453	-
Receivables arising from reverse repurchase agreements	36,254	-	36,254	35,526**
Cash collaterals granted	251	-	251	-
Other	1	-	1	-
Loans and receivables to customers	**268,752**	**30,661**	**299,413**	**174,135**
Consumer authorised overdrafts and credit cards	2,337	4,342	6,679	-
Consumer loans	47,748	431	48,179	2,837
Mortgages	133,338	7,039	140,377	130,986
Commercial loans	72,269	18,432	90,701	37,414
Auto & Equipment Finance Lease	620	1	621	532
Commercial	620	-	620	532
Retail	-	1	1	-
Auto & Equipment Loans	12,440	416	12,856	2,366
Commercial	9,892	416	10,308	2,366
Retail	2,548	-	2,548	-
Issued guarantees and credit limits on guarantees	**-**	**2,078**	**2,078**	**282**
Issued letter of credit	**-**	**5**	**5**	**-**
Remaining assets	**6,841**	**-**	**6,841**	**-**

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

** Thereof securities obtained in reverse repurchase agreements as collateral in the amount of CZK 0 million were transferred as collateral according to repurchase agreements as at 31 December 2022.

8.20 Fair Values of Financial Assets and Liabilities

The following table shows the carrying values and fair values of financial assets and liabilities that are not presented in the Group's statement of financial position at fair values:

CZK m	31 Mar 2023		31 Dec 2022	
	Carrying value	Fair value	Carrying value	Fair value
FINANCIAL ASSETS				
Cash and balances with the central bank	7,441	7,441	12,467	12,467
Investment securities at amortised cost*	80,144	70,908	57,879	47,538
Loans and receivables to banks	40,638	40,638	37,886	37,886
Loans and receivables to customers	266,012	252,980	268,752	254,681
FINANCIAL LIABILITIES				
Due to banks	5,439	5,341	5,953	5,899
Due to customers	350,329	350,329	334,251	334,251
Mortgage-backed securities	1,929	1,926	1,948	1,939
Other issued bonds	3,550	3,870	3,572	3,905
Subordinated liabilities	4,630	4,307	4,687	4,313

* Difference between fair value and carrying value is mainly driven by different market and effective interest rates of the government bonds.

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

CZK m	31 Mar 2023			31 Dec 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Derivative financial instruments	-	726	-	-	761	-
Debt securities measured at FVTPL	-	-	25	-	-	46
Equity securities measured at FVTPL	-	-	25	-	-	25
Equity securities measured at FVTOCI	-	-	1	-	-	1
Hedging derivatives with positive fair values	-	4,345	-	-	4,942	-
Change in fair value of items hedged on portfolio basis	-	-	(1,597)	-	-	(2,090)
FINANCIAL LIABILITIES						
Derivative financial instruments	-	719	-	-	747	-
Hedging derivatives with negative fair values	-	935	-	-	845	-
Change in fair value of items hedged on portfolio basis	-	-	(287)	-	-	(438)

There were no transfers between level 1 and 2 during the period of the three months ended 31 March 2023 and the year ended 31 December 2022.

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

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

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

The level 3 assets include equity instruments not traded on the market and the Change in fair value of items hedged on portfolio basis where the fair value is calculated using the valuation techniques including expert appraisals.

Movement analysis of level 3 financial assets and liabilities:

CZK m	As at 1 Jan 2023	Purchases/ Sales in the period	Total gains and losses in the period recognised in the profit or loss	Total gains and losses in the period recognised in OCI	As at 31 Mar 2023
Investment securities at FVTOCI	1	-	-	-	1
Investment securities at FVTPL	71	(23)	2	-	50
Total	**72**	**(23)**	**2**	**-**	**51**

CZK m	As at 1 Jan 2022	Purchases/ Sales in the period	Total gains and losses in the period recognised in the profit or loss	Total gains and losses in the period recognised in OCI	As at 31 Dec 2022
Investment securities at FVTOCI	1	-	-	-	1
Investment securities at FVTPL	62	9	-	-	71
Total	**63**	**9**	**-**	**-**	**72**

8.21 Subsequent Events

The General Meeting held on 25 April 2023 elected Ms. Kateřina Jirásková as a new member of the Supervisory Board. Ms. Jirásková replaced Mr. Tomáš Pardubický, whose function term ended on 24 April 2023.

The General Meeting held on 25 April 2023 approved the Management Board’s proposal for the distribution of the net profit for 2022. The amount of CZK 4,088 million will be distributed as dividend to shareholders and the remaining amount of CZK 599 million will be transferred to retained earnings.

9 Management Affidavit

The undersigned responsible persons of the issuer declare that, to the best of their knowledge, the condensed consolidated financial statements give a true and fair view of assets, liabilities, financial position, and financial performance of the issuer and its consolidated group, i.e. the report includes a description of important events that occurred during the first three months of the 2023 accounting period and their impact on the condensed consolidated financial statements, together with a description of the main risks and uncertainties for the remaining nine months of 2023, and, where applicable, a description of transactions with related parties during the first three months of 2023 that materially affected the results of operations of the issuer or its consolidated group and provides a true overview of this required information.

Prague, 26 April 2023

Signed on behalf of the Management Board:

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

Jan Friček
Member of the Management Board and CFO
of MONETA Money Bank, a.s.

10 Alternative Performance Measures

In this report, certain financial data and measures are presented which are not calculated pursuant to any accounting standard and which are therefore non-IFRS measures and alternative performance measures as defined in the European Securities and Markets Authority Guidelines on Alternative Performance Measures. These financial data and measures are core cost of funds, core cost of risk, core customer deposits, core loan to deposit ratio, core NPL coverage, cost of funds, cost of risk, cost to income ratio, dividend yield, excess capital, excess liquidity, LCR, legacy NPL, liquid assets, liquidity buffer, loan to deposit ratio, net interest margin, net non-interest income, new production / new volume, NPL / Non-performing loans, NPL ratio, online sales / origination / production / volume, operational risk, opportunistic repo operations, reported return on tangible equity, return on average assets, RWA, tangible equity, total NPL coverage, yield on net customer loans / loan portfolio yield.

All alternative performance measures included in this document are calculated for the 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 for evaluation of 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.

11 Glossary

Annualised	Adjusted so as to reflect the relevant rate on the full year basis
ARAD	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.
Average balance of due to banks and due to customers	Two-point average of the beginning and ending balances of Due to banks and Due to customers for the period
Average balance of net interest earning assets	Two-point average of the beginning and ending balances of Net Interest Earning Assets for the period
Average balance of net loans to customers	Two-point average of the beginning and ending balances of Loans and receivables to customers for the period
Bank	MONETA Money Bank, a.s.
Bps	Basis points
Building Savings Bank	MONETA Stavební Spořitelna, a.s.
Capital Adequacy Ratio or CAR or Total Capital Adequacy Ratio	Regulatory capital expressed as a percentage of RWA
CAGR	Compound Annual Growth Rate
CEO	Chief Executive Officer
CET1 Capital Ratio or CET1 ratio	CET1 Capital as a percentage of RWA (calculated pursuant to CRR)
CET1 of CET1 Capital	Common equity tier 1 capital represents regulatory capital which mainly consists of capital instruments and other items provided in the Article 26 of CRR, such as 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 Bank itself (calculated pursuant to CRR).
CNB	Czech National Bank
CoR or Cost of Risk (% Avg. Net Customer Loans)	Net impairment of loans and receivables for the period divided by average balance of net loans to customers. MONETA uses the Cost of Risk measure because it describes the development of the credit risk in relative terms to its average loan portfolio balance.
Core customer deposits	Due to customers excluding repo operations and CSA. MONETA uses this measure to show customer deposits without repo operations and CSA.
Core Loan to Deposit ratio	Core loan to deposit ratio calculated as net loans and receivables to customers divided by customer deposits excluding CSA and repos.
Core NPL Coverage	Ratio (expressed as a percentage) of Loss allowances for NPL to total NPL receivables. MONETA uses the core NPL coverage measure because it shows the degree to which its Stage 3 loan portfolio is covered by loss allowances for losses created for the Stage 3 loans.
Cost of Funds (% Avg. Deposits)	Interest expense and similar charges for the period (excl. deposit Interest Rate Swaps and Repo Interest Expenses) divided by average balance of due to banks, due to customers and issued bonds, excl. opportunistic repo operations and CSA. MONETA uses the Cost of Funds measure because it represents a relative measure of MONETA's cost of funding to its overall funding base comprised primarily of customer deposits.
Cost of Funds on Core Customer Deposits (% Avg. Deposits)	Interest expense and similar charges on customer deposits for the period divided by average balance customer deposits, excl. repo operations and CSA
Cost to Income Ratio	Ratio (expressed as a percentage) of total operating expenses for the period to total operating income for the period. MONETA uses the cost to income ratio measure because it reflects the cost efficiency in relative terms to generated revenues.
Credit Valuation Adjustment or CVA	The difference between the risk-free portfolio value and the fair value of the portfolio that takes into account the possibility of a counterparty’s default (calculated in accordance with CRR).

(All amounts in CZK millions unless otherwise stated)

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, a legal document which regulates credit support (collateral) for derivative transactions.
CTI	Czech Trade Inspection Authority
Customer deposits	Due to customers
CZK	Czech Koruna
Excess capital	Capital exceeding the management target CAR
FTEs	The recalculated number of employees at the end of the period
FVTOCI	Financial assets measured at Fair Value Through Other Comprehensive Income
FVTPL	Financial assets measured at Fair Value Through Profit or Loss
GDP	Gross Domestic Product
Gross performing loans	Performing Loans and Receivables to customers as determined in accordance with the Bank's loan receivables categorisation rules (Standard, Watch)
Group or MONETA	Bank and its consolidated subsidiaries
HTC	Held to Collect
HTCS	Held to Collect and Sell
IFRS	International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board, the International Accounting Standards (IASs) adopted by the International Accounting Standards Board, the Standing Interpretation Committee abstracts (SICs) and the International Financial Reporting Interpretation Committee abstracts (IFRICs) as adopted or issued by the International Financial Reporting Interpretation Committee, in each case, as codified in the Commission Regulation (EC) No. 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council, as amended, or otherwise endorsed for use in the European Union.
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)
k	thousands
Liquid Assets	Liquid assets comprise of cash and balances with central banks, investment securities and receivables to banks.
Liquidity Coverage Ratio or LCR	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 CRR and EU Regulation 2015/61
Loan to Deposit Ratio or L/D Ratio	Loan to deposit ratio calculated as net loans and receivables to customers divided by customer deposits. MONETA uses the loan to deposit ratio measure because this metric is used by the Management of MONETA to assess its liquidity level.
m	Millions
MONETA Auto	MONETA Auto, s. r. o.
MONETA Leasing	MONETA Leasing, s. r. o.
Mortgage Bank	Wüstenrot hypoteční banka a.s.
Net Customer Loans	Net loans and receivables to customers
Net Income or Profit after Tax or Net profit	Profit for the period after tax, on consolidated basis unless this report states otherwise.
Net Interest Earning Assets	Cash and balances with the central bank, investment securities loans and receivables to banks, loans and receivables to customers
Net Non-Interest Income	Total operating income less Net interest income for the period. MONETA uses the net non-interest income measure because this is an important metric for assessing and control of the diversity of revenue streams.
New Volume / New Production	Aggregate of loan principal disbursed in the period for non-revolving loans
NIM or Net Interest Margin (% Avg. Int Earning Assets)	Net interest income divided by Average balance of net interest earning assets. MONETA uses the net interest margin measure because this metric represents the primary measure of profitability showing margin between interest earned on interest earning assets (mainly loans to customers) and paid on interest bearing liabilities (mainly customer deposits) in relative terms to the average balance of interest earning assets.
No.	Number

NPL Coverage or Total NPL Coverage	Ratio (expressed as a percentage) of Loss allowances for loans and advances to customers to NPL receivables. MONETA uses the NPL coverage measure because it shows the degree to which its Stage 3 loan portfolio is covered by total loss allowances created for credit losses.
NPL Ratio or Non-Performing Loans Ratio	Ratio (expressed as a percentage) of total gross receivables categorised as non-performing to total gross receivables. MONETA uses the NPL ratio measure because it's the key indicator of portfolio quality and allows comparison to the market and peers.
NPL/Non-Performing Loans	Non-performing loans as determined in accordance with the Bank´s loan receivables categorisation rules (Substandard, Doubtful, Loss) and pursuant to CNB Decree 163/2014 Coll., Stage 3 according to IFRS 9.
OCI	Other Comprehensive Income
Online / Fully online volume / sales / origination / production	Online volume/sale represents volume from leads initiated through digital channels and disbursed either through digital channels or branches; fully online volume /sales = volume from leads both initiated and disbursed in digital channels; online initiated = volume from leads initiated in digital channels but disbursed at branch. MONETA uses the online sales/origination/production/volume because it reflects the production of MONETA's digital/online distribution channels.
Q	Quarter
Regulatory Capital	CET1 (calculated pursuant to CRR)
Return on Equity or RoE	Return on equity calculated as annualised profit after tax for the period divided by total equity
Return on Tangible Equity or RoTE	Consolidated profit after tax divided by tangible equity. MONETA uses the RoTE measure because it is one of the key performance indicators used to assess MONETA's rentability of tangible capital.
Risk Adjusted Operating Income	Calculated as total operating income less Net impairment of financial assets
Risk Adjusted Yield (% Avg. Net Customer Loans)	Interest and similar income from loans to customers less net impairment of financial assets divided by average balance of net loans to customers.
Risk-Weighted Assets or RWA or risk exposure	Risk weighted assets (calculated pursuant to CRR)
RoAA or Return on Average Assets	Return on average assets calculated as profit after tax for the year divided by Average balance of total assets. Average balance of total assets is calculated as two-point average from total assets as at the end of current year and prior year (31 December). MONETA uses the RoAA measure because it is one of the key performance indicators used to assess MONETA's rentability of assets.
RWA density	Ratio of RWA to the Leverage Exposure (consisting of On&Off-balance sheet Gross Loans and receivables and counterparty credit risk)
Small Business	Entrepreneurs and small companies with an annual turnover of up to CZK 60 million
Small business (new) production	New Volume of unsecured instalment loans and receivables to customers
SME	An enterprise with an annual turnover above CZK 60 million
Tangible Equity	Calculated as total equity less the intangible assets and goodwill
Tier 1 Capital	The aggregate of CET1 Capital and Additional Tier 1 capital 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 RWA
Tier 2 Capital	Regulatory capital which consists of capital instruments, subordinated loans and other items (including certain unsecured subordinated debt obligations with payment restrictions) provided in Article 62 of CRR.
Trading book	Trading book according to the 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 (article 4, para 86).
Yield on net customer loans (% Avg. Net Customer Loans)	Interest and similar income from loans to customer divided by Average balance of net loans to customers. MONETA uses the yield on net customer loans measure because it represents interest generated on the loan portfolio in relative terms to its average balance and is one of the key performance indicators of its lending activities.