MONETA Money Bank, a.s.

Consolidated financial report as of and for the nine months ended 30 September 2016

Contents

1 Disclaimer

This report may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and forward-looking statements with respect to the financial condition, results of operations, capital position and business of MONETA Money Bank, a.s. ("the Company") and its consolidated subsidiaries (together, "**forward-looking statements**"). Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant 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 are attainable, will actually occur or will be realised or are complete or accurate.

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2 Letter from the CEO

Dear shareholders,

2016 has so far been a transformational year for MONETA Money Bank. Following our successful IPO and the beginning of our separation from GE Capital in May, the management team has set a new direction for the bank as we head towards full independence.

Our strategic goal continues to be to deliver growth through maintaining and extending the bank's leading position in the Czech retail market, to further develop small business banking, and to become the bank of choice for SMEs across the Czech Republic. With this in mind, I am pleased to report strong progress in the delivery of this plan. In the nine months to 30 September 2016, net performing loans grew by 2.7% year-on-year, outperforming GDP growth, and have grown by 1.9% in the year-to-date despite the challenging competitive landscape in which we are operating. We have seen particularly good performances in new volumes in key categories such as consumer finance, mortgages and automated small business lending.

Strong new lending in retail and commercial in a competitive environment

MONETA's comprehensive retail credit offering continues to see strong demand from customers across the Czech Republic. We have seen a 29% year-on-year increase in new lending volumes in the first nine months of 2016 to CZK 19.2billion, driven by a 27% increase in consumer loans and a 32% increase in auto loans. In addition, we have now seen a return to growth in our mortgage book (1.5% vs. Q2 2016), driven by our competitive pricing and proactive new client acquisition with a larger mortgage sales force and cooperation with brokers. While we continue to see growth being offset by early repayments, our enhanced salesforce and our focus on building our intermediary relationships is clearly having a positive impact on that business.

In our commercial business, our focus is on supporting Czech businesses to achieve their own ambitions. Total lending reached CZK 55 billion, an increase of 1.8% year-on-year. We have seen particularly strong volume growth in higher margin small business lending, which grew 41% in the first 9 months of 2016 versus the same period in 2015, and our investment loan portfolio, which has grown 8% year-on-year. In AGRO, we have seen a 22% increase in new investment loans volume over the period, and we continue to see a strong pipeline. Auto continues to grow with a 5% increase in lending balance driven by market growth and higher sales force efficiency. In Leasing, while we continued to see headwinds and where lending decreased to CZK 11.7 billion, we see the new business

volumes stabilising and are working to return the business to growth.

We continue to focus on asset quality and have seen further improvements in our non-performing loan ratio, which fell to 6.5% from 11.7% at the end of 2015. We maintain a prudent Total NPL coverage ratio of 81.6%. Our cost of risk remains low, at 0.75%, and well within our guidance of 1%.

Despite this growth in new lending we continue to see intensive competition across all segments in the Czech Republic. Yields continue to decline with total yields of 7.6% in Q3, a decline of 30 bps compared with Q2 driven by pricing pressure and margin erosion on roll-overs and new transactions. Net interest income, at CZK 6.3bn billion in the first nine months of 2016, has also declined, although the rate at which this has fallen on a quarter-by-quarter basis is declining. This represents an annualized net interest margin of 6.0% in the three quarters of 2016, broadly in line with expectations.

We continue to focus on efficiency and have continued to manage our cost base down. In the first nine months of 2016 our total operating costs have fallen by 10%, versus the same period in 2015, and our cost to income ratio at the end of September was 44.3%. This figure includes CZK 278 million of costs associated with our rebranding, IPO and separation from GE.

Capital management is another important focus for us. We have delivered one of three risk weighted asset (RWA) optimisation projects in the third quarter which will free up CZK 905 million of capital and further reduces RWA density to 83%. The other two measures remain on track. Our CET1 tier ratio improved to 18.3%, above our management target of 15.5%.

Strong progress made towards being a fully independent Czech bank

An important part of our transition to being an independent Czech bank is our rebranding to Moneta Money Bank. We have now fully rebranded our branch, online footprint and ATM network well within schedule and within our budget of CZK 191 million, and are already starting to see some positive impact from the rebranding. Un-prompted brand recognition is already 25%, which is a great start and one that we aim to build on.

Our comprehensive programme of initiatives to separate from GE Capital continues at pace and within the CZK 1 billion budget. We expect to deliver complete separation ahead of time.

Our digital investments – where we have committed CZK 600 million over three years – are also showing early signs of success. We launched in July our Smart Banka mobile app which has already seen 81,000 downloads. Since our website redesign, we continue to see strong traffic, with around 1.2 million visitors to our website in September. Sales leads originating from the website have now exceeded 16% of total consumer loan production.

Our results in the first nine months of the year demonstrate that execution of our strategy to return to profitable growth is on track. Despite a competitive environment, we have maintained and extended our strong position across our target segments and product categories, continued to actively manage our costs, and have a clear programme of capital management that is delivering results.

On the back of this performance and subject to regulatory, and corporate law limitations, we intend to propose in 2017 to shareholders for their approval a dividend of between 100 - 110% of our consolidated profit after tax for the year 2016, significantly above our published dividend policy target of at least 70% of consolidated profit after tax. For the years to come, we intend to maintain our published dividend policy.

As we continue to progress towards being a fully independent, Czech bank, I am excited about the progress we are making and at the opportunities that lie ahead for us.

Tomas Spurny
CEO and Chairman of the Management Board of
MONETA Money Bank, a.s.

3 Key performance indicators

	Nine months ended 30 Sep 2016	Year ended 31 Dec 2015	Change
Profitability			
Yield (% Avg. Net Customer Loans)	7.8%	8.7%	(91) bps
Cost of Funds (% Avg Deposits)	0.17%	0.21%	(4) bps
Net Interest Margin (% Avg Int Earning Assets)	6.0%	6.7%	(69) bps
Cost of Risk (% Avg Net Customer Loans)	0.75%	0.79%	(4) bps
Risk Adjusted Yield (% Avg Net Customer Loans)	7.1%	8.0%	(87) bps
Net Fee & Commission Income / Total operating income (%)	17.9%	19.3%	(144) bps
Net Non-Interest Income / Total operating income (%)	24.1%	23.1%	99 bps
Reported RoTE	16.5%	16.5%	0 bps
Adjusted RoTE (at 15.5% CET1 Ratio)	19.0%	18.3%	71 bps
Return on average assets	3.0%	3.2%	(21) bps
Liquidity / Leverage			
Net Loan to Deposit Ratio	95.2%	99.8%	(452) bps
Total Equity / Total Assets	18.1%	19.9%	(174) bps
Liquid Assets / Total Assets	23.0%	20.6%	238 bps
LCR	175%	140%	3,490 bps
Equity			
Total Equity	26,434	27,839	(5.0) %
Tangible Equity	25,744	27,306	(5.7) %
Capital Adequacy			
RWA / Total Assets	83.0%	90.4%	(738) bps
CET1 ratio (%)	18.3%	17.7%	68 bps
Tier 1 ratio (%)	18.3%	17.7%	68 bps
Total capital ratio (%)	18.3%	17.7%	68 bps
Asset Quality			
Non Performing Loan Ratio (%)	6.5%	11.7%	(519) bps
NPL Ratio – Retail (%)	9.7%	17.0%	(723) bps
NPL Ratio – Commercial (%)	3.1%	5.9%	(282) bps
Core NPL Coverage (%)	70.9%	77.4%	(654) bps
Core NPL Coverage – Retail (%)	71.6%	79.1%	(751) bps
Core NPL Coverage – Commercial (%)	68.6%	72.2%	(362) bps
Total NPL Coverage (%)	81.6%	84.0%	(244) bps
Efficiency			
Cost to Income Ratio	44.3%	45.7%	(144) bps
FTEs	3,081	3,097	(0.5) %
Branches	230	229	0.4 %
ATMs	624	628	(0.6) %

Note: All ratios annualised.

4 Macroeconomic Environment

The positive economic environment persisted throughout the first nine months of 2016, with GDP growing by 2.6% year-on-year in Q2 2016. The economy was strongly supported by industrial production as well as internal household demand. Good financial prospects of Czech consumers were a result of growing real wages, declining unemployment, subdued inflation and loose monetary policy of the Czech National Bank.

Favourable economic conditions and extremely low interest rates continued to support the solid growth of the Czech lending markets. The growth of retail lending was driven by mortgages and consumer loans, on the commercial side growth of both short-term and medium to long term loans was observed, predominantely in foreign currency lending.

While the growth in 2015 was driven by private and government investments, strongly supported by EU subsidies, the economic dynamics in 2016 are anchored to a large extent in household demand.

As consumer confidence remains on very high levels, we expect that positive external conditions will prevail also in the next quarters.

Persistent low inflation incentivises Czech National Bank to keep the monetary policy extremely loose with an exchange rate commitment of keeping koruna close to CZK 27 to the euro and, according to Czech National Bank officials' annoucements, the monetary policy should remain unchanged until mid-2017.

The positive business market sentiment prevails, with the biggest concern represented by geopolitical risks, namely world economic development affected by US presidential elections, conflicts in Middle East and policy change pressures within European Union. The agricultural sector remains strong despite dry summer.

Due to positive economic development in the country, the Czech banking sector remains highly resilient and keeps the growing trend in both loans and deposits, up 6% and 7%, respectively in the first nine months of 2016. Despite the growth in balances, interest and fee income continued to decline as a result of competitive pressure and an overliquid market.

The lending market was supported by a growth of both retail (up 5% year-to-date) as well as commercial (up 9% year-to-date) segments. The increase in retail loans was recorded in close-end products, while revolving facilities continued to decrease. In contrary, the growth of the commercial segment was broad-based and came from all subsegments.

The money supply as measures by the M2 aggregate increased by 5% year-to-date and was suppoted by increasing retail (up 5% year-to-date) as well as commercial (up 8% year-to-date) deposits. As the growth rate of deposits exceeed that of loans, the excess of free unused liquidity on the markets enlarged, incentivising the financial institutions to place it on the market through cheaper loans.

Overall industry interest income and interest expense dropped in the first half of 2016 by 4% and 9% year-on-year, respectively. The decline in the interest expense was not sufficient to fully offset the reduction in the interest income, and thus the market net interest margin dropped by 2% in the same period.

Similarly, the drop in the market fee income (8% year-on-year) outweighed the decrease of the fee expense (11% year-on-year) and the industry-wide net interest income was lower by 7% in the same period.

This negative trend was more than offset by increasing income from dividends (up 61% year-on-year) and significant extraordinary gain from VISA transaction in the first half of 2016. Therefore, the total industry operating income went up by 12% year-on-year in the same period.

Net impairment of financial assets increased in the first half of 2016 (9% year-on-year), while operating expenses remained broadly flat.

Given the above mentioned extraordinary positive factor and in contrary to the performance in the first quarter of 2016, the aggregate net income of the Czech banking sector increase by 19% in the first half of 2016 year-on-year.

The capital position of the Czech banking sector remains highly conservative with the total capital adequacy ratio around 18%. Additionally, Czech banks maintain a high quality of capital with the CET1 capital adequacy ratio being maintained at 17%. The stability of the banking sector continues to be supported by an improvement in banks' asset quality. The non-performing loans ratio stood at 5.2% as of September 2016.

5 Group performance

5.1 Business performance

The overall financial performance of the Group in the nine months ended 30 September 2016 developed in line with management's expectations. The Group generated profit after tax of CZK 3.2 billion, ahead of expectations, driven primarily by lower operating expenses.

The Group's overall portfolio of net customer loans grew by 1.0% to CZK 109.5 billion in the nine months ended 30 September 2016, with a balanced mix of commercial and retail loans. The loan portfolio was negatively impacted by a reduction in the legacy NPL. The net balance growth in the performing loan portfolio amounted to 1.9% during the same period.

The retail loan portfolio returned to growth during the period standing at CZK 54.4 billion as at 30 September 2016, recording an increase of 1.4% or CZK 0.7 billion when compared to the 31 December 2015 balance. This growth is primarily attributable to the continuing strong uplift in new volumes of consumer loans, which were up 27% in the first nine months of 2016 year-on-year. This uplift was a result of the new pricing introduced in late 2015, driving the consumer loan book up by 5.5% in the first nine months of 2016. The balance of Auto loans & leases also increased, by 10.5% over the same period. The increase in these two product classes was partially offset by a persistent decrease in outstanding credit card balances and overdrafts (down 13.9% over the same period). The mortgage book has turned back to growth in the third quarter, recording an increase of 1.5% in that period, albeit still declining by 0.4% when measured over the period of the first nine months of 2016.

The commercial portfolio stood at CZK 55.0 billion as at 30 September 2016, an increase of 0.6% from the 31 December 2015 balance. Investments loans were up by 7.4%, or CZK 2 billion over the same period. This increase was partially offset by the balance of Auto and Equipment loans and leases, which declined by 8.8% or CZK 1.4 billion in the first nine months of 2016. The balance in this category continues to be negatively impacted by the lower production at MONETA Leasing, s.r.o. resulting from the recent sales force attrition. The management has been working on a number of steps to mitigate this issue, including backfilling of vacant positions. As of 30 September 2016, about 75% of the sales roles were filled.

The Group continued expanding its small business sales force, which resulted in a significant upswing in unsecured business new lending (by 41% year-on-year).

The Group's customer deposits continued to grow predominantly in the retail segment and stood at CZK 114.9 billion as at 30 September 2016, increasing 5.7% compared to CZK 108.7 billion as at 31 December 2015. Balance increases came primarily from current accounts, helping to keep the cost of funding at record low levels. The loan to deposit ratio stood at 95%, below the Group's medium term target of less than 100%. The continued growth in deposits, primarily driven by an increasing average balance, further reinforces the self-funding capacity of the Group and its solid liquidity position.

5.2 Financial performance

The Group's net interest margin declined to 6.0% for the nine months ended 30 September 2016, from 6.7% for the year ended 31 December 2015, which was broadly in line with management expectations. The decline was a result of the recently introduced new pricing for consumer loans, a continued consolidation of credit card balances and increased competitive pressure on new volume rates in both the retail and commercial segments.

Net fee and commission income of CZK 1,489 million for the nine months ended 30 September 2016 went down by 14.0% year-on-year; consistent with management expectations. The drop was predominantly a result of the recently introduced cap on the interchange fees and a continued decline of servicing fees on current accounts and consumer lending products as experienced in prior years.

Net income from financial operations amounted to CZK 406 million in the first nine months of 2016 (CZK 253 million in the comparable period). The major driver of the increase was a gain of CZK 158 million on the VISA transaction recognized in the second quarter of 2016.

Operating expenses for the first nine months of 2016 amounted to CZK 3,692 million, down 10.0% year-on-year. The decrease in spend was driven by lower depreciation and amortization, extraordinary reserve releases relating to facility restructuring and employee retention, lower GE recharges, and reduced deposit insurance and resolution fund charges. The Group incurred CZK 278 million of operating and CZK 139 million of capital expenditure on the Initial Public Offering (IPO) and post-Offering separation during the first nine months of 2016. As of 30 September 2016, the digital presence as well as the full branch network had been rebranded, with the company ATMs following shortly afterwards.

Net impairment of loans and receivables of CZK 612 million for the nine months ended 30 September 2016 increased 9.9% from CZK 557 million year-on-year. The net impairment was positively influenced, across the segments, by the continuing strong macroeconomic environment and, on the commercial side, by an introduction of new PD and LGD models. The Group significantly reduced its NPL ratio to 6.5% as at 30 September 2016, from 11.7% as at 31 December 2015, mainly through NPL write offs and sales (total NPL reduction by CZK 6.3 billion on gross basis). The negative impact of the NPL liquidation on the Net impairment of loans and receivables amounted approximately to CZK 50 million. The Group maintained the overall total NPL coverage (including total loan allowances) at a comparatively high level of 81.6% as at 30 September 2016 versus 84.0% at 31 December 2015.

Profit after tax for the first nine months of 2016 attributable to shareholders of the Company was CZK 3,187 million.

The Group delivered an annualised risk adjusted yield of 7.1% for the first nine months of 2016, down by 87 bps when compared to the performance in the year ending 31 December 2015 and broadly in line with management expectations.

Annualised return on tangible equity for the nine months ended 30 September 2016 equalled 16.5% and remained at the same level as in the year ending 31 December 2015. When adjusted to the management target of CET1 Ratio at 15.5%, the return on tangible equity for the current period would amount to 19.0%, well above the management target of a minimum of 14%.

As at 30 September 2016, the CET1 Ratio was 18.3%, increase of 68 bps when compared to the level as at 31 December 2015.

5.3 Outlook for 2016 and risks

We expect the positive external environment to continue over the rest of the year, with the Czech economy growing by 2.2% in 2016 and the Group's performing loan book following a similar rate. With persistently strong liquidity, deposit growth is expected to exceed that of the loan book; thus helping to maintain a loan to deposit ratio of less than 100%.

The yield is expected to continue its decline broadly in line with guidance provided, i.e., following the trend observed in the preceding two years supplemented by the impact of the repricing of the consumer loans front book in December 2015; an effect that is expected to gradually translate into the back book over the average turn of the consumer loan portfolio of 17 months following the repricing, versus the previously estimated period of 21 months.

Management estimates the operating cost for 2016 to reach approximately CZK 5.0-5.1 billion. This is lower than prior year and due to savings related to exit from GE group (GE Trademark and lower Transitional Agreements cost), reassessment of useful lives of intangible assets, reserve releases, lower facility spend and other savings.

Management maintains its guidance for net impairment of loans and receivables at 1% of the average balance of net loans and receivables to customers, assuming no unexpected deterioration in the overall portfolio quality and no major single commercial default.

The adjusted return on tangible equity (at the management target of 15.5% CET1 Ratio) is expected to exceed 14%.

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

- The intense competition in the financial services industry, with strong pressure on prices and margins.

- Risk of unfavourable development of the economic environment which may result in a fall in demand for credit products offered principally to individuals and SMEs, as well as greater credit risk.
- Risk that despite the mitigating steps implemented by the management the staff attrition at Leasing platform would materially impact the commercial performance.
- Interest rate risk, particularly on the negative rate side.
- Ability to do business with certain customers and secure financing given that the Group does not have a credit rating.
- Changes in the legal environment, including consumer protection laws.
- Changes in the regulatory environment, including capital and liquidity requirements.
- Unsettled court and administrative proceedings, particularly as described under paragraph 8.12.

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

Basic details of MONETA	
Name:	MONETA Money Bank, a.s.
Registered office:	Vyskočilova 1422/1a, 140 28 Praha 4 – Michle
Company ID no.:	25672720
Legal form:	Joint-stock company
Date of registration:	9 June 1998
Registered share capital:	CZK 511,000,000
Paid up:	100%

Branches, ATMs and employees:

Number of branch offices as at 30 September 2016: 230 and 31 December 2015: 229.

Number of ATMs as at 30 September 2016: 624 and 31 December 2015: 628.

Number of employees (FTE) in the first nine months ended 30 September 2016: 3,081, decrease of 0.5% from the year ended 31 December 2015.

Business activities:

The Company and its consolidated subsidiaires (the "Group") operates in the Czech Republic and focuses primarily on secured and unsecured consumer lending and commercial financing.

The retail portfolio consists of secured and unsecured lending. Unsecured lending includes consumer loans, credit cards, and consumer overdrafts. Secured lending is provided in the form of mortgages, auto & equipment loans and auto & equipment leases.

Commercial lending products comprise of working capital, investment loans, auto & equipment loans, auto & equipment financial leases, automated overdrafts, inventory & fleet finance and unsecured business loans. Additionally the Group offers guarantees, letters of credits and foreign exchange transactions.

In addition to lending products, the Group provides a wide range of deposit and transactional products to retail and commercial customers. The Group also issues debit and credit cards in cooperation with VISA and MasterCard. The Group sells payment protection and other insurance products which are underwritten and administered by third parties. Finally, the Group sells investment products of third parties.

Ownership structure:

As at 30 September 2016, GE Capital International Holdings Limited ("GE") retained approximately 42.51% of shares s in the Company. On 29 September 2016, GE announced that it sold further 125 million of shares in the Company representing approximately 24.5% of the Company's registered share capital. Following the completion of this sale on 4 October 2016, GE retained ownership interest of approximately 18.05%.

The latest available list of shareholders holding more than 1% of the shares is available in the investor relations section of the Company's website at https://investors.moneta.cz/shareholder-structure.

Group's Supervisory Board:

In connection with the Offering and the Listing (IPO) , the previous members of the Supervisory Board resigned from their positions and the following new members were elected on 21 April 2016.

The Group's Supervisory board has held five meetings in the first nine months of 2016.

Name	Position held from
Christopher Michael Chambers, Chairman of the Supervisory Board	21 April 2016
Richard Alan Laxer, Vice Chairman of the Supervisory Board	21 April 2016
Michal Petrman, Member of the Supervisory Board	21 April 2016
Clare Ronald Clarke, Member of the Supervisory Board	21 April 2016
Denis Arthur Hall, Member of the Supervisory Board	21 April 2016

Group's Management Board:

Philip Holemans, member of the Management Board, has been appointed as the Vice Chairman of the Management Board as at 20th April 2016.

The Management Board has held 28 meetings in the first nine months of 2016.

Name	Position held from
Tomáš Spurný, Chairman of the Management Board	1 October 2015
Philip Holemans, Vice Chairman of the Management Board	20 April 2016*
Jan Novotný, Member of the Management Board	16 December 2013
Carl Normann Vökt, Member of the Management Board	25 January 2013

* Previously member of the Management Board starting from 17 July 2014.

7 Condensed consolidated interim financial statements for the nine months ended 30 September 2016

7.1 Condensed consolidated statement of profit or loss and other comprehensive income for the three-month and the nine-month periods ended 30 September 2016

		Quarter ended		Nine months ended	
CZK m	Note	30 Sep 16	30 Sep 15	30 Sep 16	30 Sep 15
Interest and similar income		2,097	2,367	6,475	7,166
Interest expense and similar charges		(48)	(50)	(143)	(162)
Net interest income	8.7.	2,049	2,317	6,332	7,004
Fee and commission income		555	647	1,712	1,968
Fee and commission expense		(74)	(82)	(223)	(237)
Net fee and commission income	8.8.	481	565	1,489	1,731
Dividend income		0	2	12	9
Net income from financial operations		93	83	406	253
Other operating income		36	59	99	111
Total operating income		2,659	3,026	8,338	9,108
Personnel expenses		(604)	(543)	(1,655)	(1,665)
Other administrative expenses		(509)	(389)	(1,465)	(1,371)
Depreciation and amortisation		(63)	(120)	(204)	(385)
Other operating expenses		(120)	(213)	(368)	(682)
Total operating expenses	8.9.	(1,296)	(1,265)	(3,692)	(4,103)
Profit for the period before tax and net impairment of loans, receivables and financial assets available for sale		1,363	1,761	4,646	5,005
Net impairment of loans and receivables	8.15.2.4.	(188)	(322)	(612)	(557)
Profit for the period before tax		1,175	1,439	4,034	4,448
Taxes on income		(266)	(306)	(847)	(945)
Profit for the period after tax		909	1,133	3,187	3,503
Items that are or might be reclassified to profit or loss					
- Change in fair value of AFS investments recognised in OCI		76	210	52	49
- Change in fair value of AFS investments recognised in P&L		(2)	0	(160)	(13)
- Deferred tax		(12)	(40)	22	(7)
Other comprehensive income, net of tax		62	170	(86)	29
Total comprehensive income attributable to the equity holders		971	1,303	3,101	3,532

Earnings per share				
Profit for the year after tax attributable to the equity holders (in CZK m)	909	1 133	3 187	3 503
Weighted average of ordinary shares (millions of shares)*	511	511	511	511
Basic and Diluted earnings per share (in CZK)	1,78	2,22	6,2	6,9

*In April 2016, the nominal value of one share was changed from CZK 1,000,000 to CZK 1. See note 8.5. The comparatives of weighted average number of shares are calculated in line with guidance in IAS 33 (Earnings per Share) in order to ensure a comparison on year-to-year basis.

7.2 Condensed consolidated statement of financial position as at 30 September 2016

CZK m	Note	30 Sep 16	31 Dec 15
Assets			
Cash and balances with the central bank		20,311	15,475
Financial assets at fair value through profit or loss		5	7
Financial assets available for sale		12,868	13,255
Loans and receivables to banks		344	139
Loans and receivables to customers	8.10.	109,479	108,437
Intangible assets		586	429
Property and equipment		450	485
Non-current assets held for sale		0	22
Goodwill		104	104
Investments in associates		2	2
Current tax assets		307	172
Deferred tax assets		622	944
Other assets		668	566
TOTAL ASSETS		**145,746**	140,037
Liabilities			
Deposits from banks	8.11.	865	289
Due to customers	8.11.	114,945	108,698
Financial liabilities at fair value through profit or loss		2	8
Provisions		475	543
Current tax liabilities		5	1
Deferred tax liabilities		265	220
Other liabilities		2,755	2,439
Total liabilities		**119,312**	**112,198**
Equity			
Share capital		511	511
Share premium		5,028	5,028
Legal and statutory reserve		102	167
Available for sale reserve		396	482
Share based payment reserve		(2)	(2)
Retained earnings		20,399	21,653
Total equity		**26,434**	**27,839**
TOTAL LIABILITIES AND EQUITY		145,746	140,037

7.3 Condensed consolidated statement of changes in equity for the nine months ended 30 September 2016

CZK m	Share capital	Share premium	Legal and statutory reserve	AFS reserve	Share based payment reserve	Retained earnings	Total
Balance 1 Jan 16	**511**	**5,028**	**167**	**482**	**(2)**	**21,653**	**27,839**
Transactions with owners of the company							
Dividends						(4,506)	(4,506)
Transfers to / from reserve funds			(65)			65	0
Total comprehensive income							
Profit for the year after tax						3,187	3,187
Other comprehensive income, net of tax							
Change in fair value of AFS assets							
- Change in fair value of AFS investments recognised in OCI				52			52
- Change in fair value of AFS investments recognised in P&L				(160)			(160)
- Deferred tax				22			22
Balance 30 Sep 16	**511**	**5,028**	**102**	**396**	**(2)**	**20,399**	**26,434**
Balance 1 Jan 15	**510**	**4,702**	**158**	**359**	**(2)**	**36,856**	**42,583**
Transactions with owners of the company							
Dividends						(19,700)	(19,700)
Transfers to / from reserve funds							
Total comprehensive income							
Profit for the year after tax						3,503	3,503
Other comprehensive income after tax							
Change in fair value of AFS assets							
- Change in fair value of AFS investments recognised in OCI				49			49
- Change in fair value of AFS investments recognised in P&L				(13)			(13)
- Deferred tax				(7)			(7)
Balance 30 Sep 15	**510**	**4,702**	**158**	**388**	**(2)**	**20,659**	**26,415**

7.4 Condensed consolidated statement of cash flows for the nine months ended 30 September 2016

	Nine months ended	
CZK m	30 Sep 16	30 Sep 15
Cash flows from operating activities		
Profit after tax	3 187	3 503
Adjustments for:		
- Depreciation and amortization	204	385
- Net impairment of loans and receivables	612	557
- Net loss gain on sale of available for sale financial assets	(158)	(14)
- Amortisation of coupon of financial assets available for sale	(64)	(67)
- Net loss (-)/gain (+) on sale of tangible and intangible assets	(2)	6
- Dividend income	(12)	(9)
- Taxes on income	847	945
Changes in:		
- Financial assets at fair value through profit or loss	2	6
- Loans and receivables to customers	(1 654)	(1 488)
- Other assets	(102)	59
- Deposits from banks	576	107
- Due to customers	6 247	9 238
- Financial liabilities at fair value through profit or loss	(6)	4
- Other liabilities and provisions	248	538
Income taxes paid	(589)	(553)
Net cash from / (used in) operating activities	**9 336**	**13 217**
Cash flows from investing activities		
Acquisition of financial assets available for sale	(2 363)	(16 392)
Proceeds from financial assets available for sale	2 864	23 771
Acquisition of property and equipment and Intangible assets	(333)	(100)
Proceeds from the sale of property and equipment and Intangible assets	31	10
Dividend received	12	9
Net cash from / (used in) investing activities	**211**	**7 298**
Cash flows from financing activites		
Dividend paid	(4 506)	(19 700)
Net cash from/(used in) financing activities	**(4 506)**	**(19 700)**
Net change in cash and cash equivalents	**5 041**	**815**
Cash and cash equivalents at the beginning of the period	15 614	12 279
Cash and Cash equivalents at the end of period	20 655	13 094
Interest received*	6 144	6 588
Interest paid*	(186)	(198)

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

8 Notes to condensed consolidated interim financial statements

8.1 Reporting entity

MONETA Money Bank, a.s. (the 'Company' or the 'Bank') is a company domiciled in the Czech Republic. These condensed consolidated interim financial statements ('interim financial statements') as at and for the nine months ended 30 September 2016 comprise the Company 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 2015 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. These condensed consolidated interim financial statements were neither reviewed nor audited.

There have been no changes in significant accounting policies since the last annual financial statements.

The Group's interim financial statements were authorised for issue by the Management Board on 9 November 2016.

Going Concern

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

Functional and presentation currency

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

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.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those that applied to the last annual financial statements.

8.4 Consolidation group

The definition of the consolidation group as at 30 September 2016 has not changed compared to other interim financial statements presented in 2016 and 31 December 2015.

The Group's companies included in consolidation as at 30 September 2016, together with the ownership were as follows:

Name	Registered office	Business activity	The Company's share	Method of consolidation
MONETA Auto, s.r.o.	Vyskočilova 1422/1a, 140 00 Prague 4	Auto financing (Loans and Leases)	100%	Full
MONETA Leasing, s.r.o.	Holandská 1006/10, Štýřice, 639 00 Brno	Financing of loans and leasing	100%	Full
MONETA Leasing Services, s.r.o.	Holandská 1006/10, Štýřice, 639 00 Brno	Lease and rental of movables	100%	Full
Inkasní Expresní Servis s.r.o.	Vyskočilova 1422/1a, 140 28 Prague 4	Debt recovery services	100%	Full
CBCB - Czech Banking Credit Bureau, a.s.	Na Vítězné pláni 1719/4, 140 00 Prague 4	Banking Credit Register	20%	Equity

Rebranding

As part of the overall separation from GE Capital, the Company ceased using the GE corporate brand. On 1 May 2016 the Company was officially renamed as MONETA Money Bank, a.s. The legal and commercial names of the Company and its three consolidated subsidiaries were changed on 1 May 2016 as follows:

Old name till 30 April 2016	New name from 1 May 2016
GE Money Bank, a.s.	MONETA Money Bank, a.s.
GE Money Auto, s.r.o.	MONETA Auto, s.r.o.
GE Money Leasing, s.r.o.	MONETA Leasing, s.r.o.
GE Money Leasing Services, s.r.o.	MONETA Leasing Services, s.r.o.

Offering to institutional investors and listing

Following the strategy announced by General Electric Company in April 2015 to sell most of its financial services businesses and focus on its industrial businesses, the sole shareholder of the Company, GE Capital International Holdings Limited (the "GE") offered 51% of the common shares of the Company (the "Offering") to institutional investors and the Company applied for the admission of all common shares to trading on the Prime Market of Prague Stock Exchange (the "Listing"). The Offering was completed and settled on 10 May 2016. The conditional trading in the shares commenced on 6 May 2016 and the official trading in shares commenced on 10 May 2016. In addition, the Offering incorporated an overallotment option to the benefit of underwriters exercisable within 30 days starting on the first day of conditional trading in the shares of up to 7.65% of the shares to cover overallotments or short positions incurred in connection with the Offering, if any. The underwriters exercised the overallotment option with respect to 6.48% of the common shares of the Company.

On 29 September 2016, GE announced that it had sold 125.0m shares in the Company equal to approximately 24.5% of the Company's share capital. Following the completion of this equity offering, GE has a remaining ownership interest of approximately 18.05%.

8.5 Change in registered share capital

On 21 April 2016, 511 ordinary registered book-entry shares in the Company with a par value of CZK 1,000,000 each were split into 511,000,000 fully paid ordinary registered book-entry shares with a par value of CZK 1.00 each.

8.6 Dividends paid

On 13 April 2016 the Company paid a pre-listing dividend of CZK 4,506 million (including withholding tax) to GE Capital International Holdings Limited. The size of the dividend paid equalled the net income of the Group for 2015, hence the dividend changed neither the regulatory capital nor the CET1 Ratio of the Group.

8.7 Net interest income

CZK m	Quarter ended		Nine months ended	
	30 Sep 16	30 Sep 15	30 Sep 16	30 Sep 15
Interest income from financial assets measured at amortised cost	2,075	2,345	6,411	7,099
Loans to customers	*2,071*	*2,342*	*6,403*	*7,093*
Cash and deposit with central bank and other banks	*4*	*3*	*8*	*6*
Interest income from available-for-sale financial assets	22	22	64	67
Interest income and similar income	2,097	2,367	6,475	7,166
Interest expense from financial liabilities measured at amortised cost	(48)	(50)	(143)	(162)
Deposits from customers	*(48)*	*(50)*	*(143)*	*(162)*
Interest expense and similar expense	(48)	(50)	(143)	(162)
Net interest income	2,049	2,317	6,332	7,004

8.8 Net fee and commission income

CZK m	Quarter ended		Nine months ended	
	30 Sep 16	30 Sep 15	30 Sep 16	30 Sep 15
Lending servicing fees	62	75	195	238
Deposit servicing fees	143	170	447	536
Interchange fees	29	66	80	189
Insurance	93	88	275	274
Penalty fee (incl. early termination fees)	102	113	324	347
Transaction fees and other	126	135	391	384
Fee and commission income	**555**	**647**	**1 712**	**1 968**
Fee and commission expense	**(74)**	**(82)**	**(223)**	**(237)**
Net fee and commission income	**481**	**565**	**1 489**	**1 731**

8.9 Total operating expenses

CZK m	Quarter ended		Nine months ended	
	30 Sep 16	30 Sep 15	30 Sep 16	30 Sep 15
Personnel expenses	(604)	(543)	(1 655)	(1 665)
Other administrative expenses*	(509)	(389)	(1 465)	(1 371)
- out of which Rebranding & IPO	(133)	0	(253)	0
Depreciation and amortisation	(63)	(120)	(204)	(385)
Other operating expenses	(120)	(213)	(368)	(682)
Total operating expenses	**(1,296)**	**(1,265)**	**(3,692)**	**(4,103)**
FTEs (average)	**3,113**	**3,054**	**3,081**	**3,118**

*The Group had recognized the full annual contribution to the resolution and recovery fund and the deposit insurance fund as of 30 September 2016. Following the market practice, the total amount charged to expense in 2016 of CZK 68 million was reclassified in the quarter ended 30 June 2016 and the nine months period ended 30 September 2016 from Other operating expanses to Other administrative expenses. The contribution to the resolution and recovery fund and deposit insurance fund for the nine months ended 30 September 2015 was at CZK 137 million (for quarter ended 30 September 2015: 40 million) and it is included in the Other operating expenses.

8.10 Net lending portfolio

Retail net loan balances by product

CZK m	30 Sep 16	31 Dec 15
Consumer Loans	32,202	30,526
Mortgages	15,324	15,387
Credit Card & Overdraft	4,657	5,407
Auto & Equipment Loans and Financial Leases	2,163	1,958
Other	98	427
Retail loan balances	54,444	53,705

Commercial net loan balances by product

CZK m	30 Sep 16	31 Dec 15
Investment Loans	29,084	27,078
Working Capital	8,526	8,788
Auto & Equipment Loans and Financial Leases	14,912	16,354
Unsecured Installment Loans and Overdraft	1,673	1,646
Inventory Financing and Other	840	866
Commercial loan balances	55,035	54,732

8.11 Due to customers and deposits from banks

CZK m	30 Sep 16	31 Dec 15
Retail Current Accounts	36,035	31,527
Retail Savings Accounts and Term Deposits	34,850	33,264
Commercial Current Accounts	33,719	30,766
Commercial Savings Accounts and Term Deposits	10,528	13,180
Other	678	250
Total due to customers and deposits from banks	115,810	108,987

CZK m	30 Sep 16	31 Dec 15
Current Accounts	69,754	62,293
Savings Accounts	42,494	40,806
Term Deposits and Other	3,562	5,888
Total due to customers and deposits from banks	115,810	108,987

8.12 Legal risks

The below legal risks, to which the Company is exposed, have been already disclosed to investors in the prospectus of the Company and relating to the Offering and the Listing (IPO). As required by Section 119(2)(d)(1) of Czech Act No. 256/2004 Coll., on conducting business in the capital markets, as amended, the Company updates these legal risks as follows:

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

Developments, which occurred in the third quarter of the year 2016, relating to litigation risks in respect of the acquisition by the Company from Agrobanka of a part of Agrobanka's banking business in June 1998 (the "**Acquisition**") and the ongoing liquidation of Agrobanka are set-out below (*for further information, please see also the Half-Year Report*):

– Agrobanka is in the final phase of its liquidation and the liquidator of Agrobanka expects that the liquidation balance will be paid to Agrobanka's shareholders at the beginning of the year 2017.

– In August 2016, three persons jointly filed action with the Municipal Court in Prague and requested the court to authorise them to convene a shareholders meeting of Agrobanka to approve certain Agrobanka's financial statements. The main effect of such court proceedings is that the deregistration of Agrobanka from the Czech Commercial Register will be delayed until the court proceedings are terminated.

– In October 2016, Arca Services, a.s. ("**Arca Services**") filed action with the District Court for Prague 4 against the Company, Agrobanka and Mr. Jiří Klumpar (a forced administrator of Agrobanka in 1998) challenging the validity of the Acquisition. As disclosed by the Company in the Half-Year Report, if this was found by courts to be the case, the consequences could be the unwinding of the Acquisition and the return by the Company to Agrobanka of all assets and/or liabilities deemed to belong to Agrobanka or, alternatively, a payment by the Company of their financial equivalent to Agrobanka.

  As already disclosed by the Company in the Half-Year Report, the Company believes that the Acquisition is legal, valid and enforceable and that Arca Services does not have a standing to claim otherwise. The Company also believes that the unwinding of the Acquisition would be difficult to implement in practice given that 18 years have elapsed since the completion of the Acquisition. In addition, similar claims were filed in past and such claims were dismissed by Czech higher instance courts (including the Czech Supreme Court). Nevertheless, the deregistration of Agrobanka from the Czech Commercial Register will be delayed until the court proceedings initiated by Arca Services are terminated.

– Arca Capital group might attempt to acquire 1% or more of shares in Agrobanka and, as a result, to become the so-called qualified shareholder of Agrobanka in order to enhance its legal position in pursuing legal attacks against Agrobanka and/or the Company.

– In September 2016, Czech media published information that Arca Capital group filed a criminal complaint, in which it asserted that the signatories to the settlement documentation concluded in 2010 among the Company, GE Group, Agrobanka and Agrobanka shareholders and related transactions within Agrobanka liquidation, including Agrobanka's liquidator and corporate bodies and representatives of two GE Group entities and the Company, may allegedly have committed certain criminal offences under Czech law in connection with the 2010 settement, namely bribery and breaching of fiduciary duties when administering third party's assets.

  The criminal complaint is not publicly available and the Company possesses no further information as to its content. While the Office of the Prague Municipal State Prosecutor confirmed that the Office had received the criminal complaint, it denied to comment on the criminal complaint's content and further steps of the Prague Municipal State Prosecutor.

The Company and Agrobanka denied all allegations made in connection with the criminal complaint as the 2010 settlement among the Company, GE Group, Agrobanka and Agrobanka shareholders and the process of Agrobanka's liquidation are in full compliance with law.

As already noted in the Half-Year Report, the Company cannot assure that there will be no further legal or other attacks against the Company and/or Agrobanka in connection with the Acquisition, the 2010 settlement or the liquidation of Agrobanka.

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

In August 2015, the CTI issued a decision imposing a fine of CZK 5 million on MA for alleged breach of Czech consumer credit law by MA. According to the CTI, consumer credit agreements entered into from 2011 to 2014 between MA and its consumer clients and related credit documents did not include correct information regarding the annual percentage rate of the loan ("APR") and the total amount repayable by the consumer to MA in connection with the loan agreement. MA lodged an appeal against this decision with the General Director of the CTI. On 14 July 2016, the General Director of the CTI decreased the amount of fine to CZK 4 million and affirmed the opinion of the CTI. MA believes that the relevant consumer credit agreements concluded by MA from 2011 to 2014 are in compliance with Czech consumer credit law and is considering filing with a competent Czech court an action against the decision of the General Director of the CTI. Consumers which are parties to the relevant consumer credit agreements concluded by MA from 2011 to 2014 may attempt to bring legal proceedings in light of the CTI decision alleging that (i) they are not liable to pay to MA the interest rate and other fees agreed in the relevant consumer credit agreements and (ii) they are liable to pay only a discount rate published by the CNB and that MA may be required to return to customers an amount of already paid interest and fees insofar as those interest and fees exceeded the CNB's discount rate.

The CTI initiated several additional administrative proceedings and compliance reviews of MA's compliance with Czech consumer credit law. In one of these proceedings, the CTI imposed a fine of CZK 100,000 due to an alleged breach by MA of Czech credit check requirements. MA appealed and the appeal is being heard by the General Director of the CTI. If this decision on a breach of Czech credit check requirements did become enforceable, consumers which were parties to the relevant consumer credit agreements may attempt to bring legal proceedings in light of the CTI decision alleging that (i) the relevant consumer agreements are not valid and enforceable and (ii) that they are not liable to pay to MA the interest rate and other fees agreed in the relevant consumer credit agreements and they are liable to only return the principal amount of the loan and MA may be required to return to customers an amount of already paid interest and fees.

8.13 Segment Reporting

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

The Management Board of the Company (the chief operating decision maker) does not use the below presented segmental view on all items of the Statement of Profit and Loss. For this reason Operating expenses, Taxes and consequently Profit for the year before tax and Profit for the year after tax is not reported for segments but only on the Total level. This change of reporting was made as part of the separation of the Group from GE.

CZK m	Commercial	Retail	Treasury/Other	Total
Quarter ended 30 Sep 2016				
Interest and similar income	550	1 522	25	2,097
Interest expense and similar charges	(12)	(36)	0	(48)
Net fee and commission income	139	340	2	481
Dividend income	0	0	0	0
Net income from financial operations	0	0	93	93
Other operating income	4	32	0	36
Total operating income	681	1,858	120	2,659
Net impairment of loans and receivables	(83)	(105)	0	(188)
Net impairment of other receivables	0	0	0	0
Risk adjusted operating income	598	1,753	120	2,471
Total operating expense				(1,296)
Profit for the period before tax				1,175
Tax on income				(266)
Profit for the period after tax				909

CZK m	Commercial	Retail	Treasury/Other	Total
Quarter ended 30 Sep 2015				
Interest and similar income	634	1,708	25	2,367
Interest expense and similar charges	(12)	(38)	0	(50)
Net fee and commission income	144	421	0	565
Dividend income	0	0	2	2
Net income from financial operations	0	0	83	83
Other operating income	8	51	0	59
Total operating income	774	2,142	110	3,026
Net impairment of loans and receivables	(183)	(154)	0	(337)
Net impairment of other receivables	0	15	0	15
Risk adjusted operating income	591	2,003	110	2,704
Total operating expense				(1,265)
Profit for the period before tax				1,439
Tax on income				(306)
Profit for the period after tax				1,133

CZK m	Commercial	Retail	Treasury/Other	Total
Nine months ended 30 Sep 2016				
Interest and similar income	1,699	4 704	72	6,475
Interest expense and similar charges	(37)	(106)	0	(143)
Net fee and commission income	431	1 053	5	1 489
Dividend income	0	0	12	12
Net income from financial operations	0	0	406	406
Other operating income	19	80	0	99
Total operating income	2,112	5,731	495	8,338
Net impairment of loans and receivables	(119)	(495)	0	(614)
Net impairment of other receivables	0	2	0	2
Risk adjusted operating income	1,993	5,238	495	7,726
Total operating expense				(3,692)
Profit for the period before tax				4,034
Tax on income				(847)
Profit for the period after tax				3,187

CZK m	Commercial	Retail	Treasury/Other	Total
Nine months ended 30 Sep 2015				
Interest and similar income	1,864	5,229	73	7,166
Interest expense and similar charges	(35)	(127)	0	(162)
Net fee and commission income	435	1,299	(3)	1,731
Dividend income	0	0	9	9
Net income from financial operations	0	0	253	253
Other operating income	18	93	0	111
Total operating income	2,282	6,494	332	9,108
Net impairment of loans and receivables	(281)	(298)	0	(579)
Net impairment of other receivables	0	22	0	22
Risk adjusted operating income	2,001	6,218	332	8,551
Total operating expense				(4,103)
Profit for the period before tax				4,448
Tax on income				(945)
Profit for the period after tax				3,503

Assets and liabilities by segment

CZK m	Commercial	Retail	Treasury/Other	Total
Nine months 30 September 2016				
Total assets of the segment	58,468	57,683	29,595	145,746
Net value of loans and receivables to customers	55,035	54,444	0	109,479
Total liabilities of the segment	46,451	72,861	0	119,312

CZK m	Commercial	Retail	Treasury/Other	Total
Year ended 31 December 2015				
Total assets of the segment	58,056	57,022	24,959	140,037
Net value of loans and receivables to customers	54,732	53,705	0	108,437
Total liabilities of the segment*	45,559	66,639	0	112,198

* Split in Total liabilities of the segment is restated compared to the values stated in the last annual financial statements due to the improvement of allocation among the segments.

8.14 Related parties

The following transactions were done between related parties in:

CZK m	Management Board, Supervisory Board and other managers*	GE Capital International Holdings Limited	Other related parties	Total
Quarter ended 30 Sep 2016				
Operating expenses	(30)	0	(45)	(75)
Other operating income	0	106	0	106
Quarter ended 30 Sep 2015				
Operating expenses	(35)	(16)	(83)	(134)
Other operating income	0	0	25	25
Nine months ended 30 Sep 2016				
Operating expenses	(103)	(56)	(173)	(332)
Other operating income	0	106	5	111
Nine months ended 30 Sep 2015				
Operating expenses	(117)	(68)	(390)	(575)
Other operating income	0	0	50	50

*Operating expenses includes total compensation paid to members of the Management Board, Supervisory Board and other members of the senior management in that period.

The following transactions were done between related parties as of:

30 Sep 2016

CZK m	Management Board, Supervisory Board and other managers	GE Capital International Holdings Limited	Other related parties	Total
Loans and receivables to customers	11	0	0	11
Due to customers	12	0	575	587
Other assets	0	106	0	106

31 Dec 2015

CZK m	Management Board, Supervisory Board and other managers	GE Capital International Holdings Limited	Other related parties	Total
Loans and receivables to customers	11	0	0	11
Financial assets at fair value through profit or loss	0	0	6	6
Due to customers	7	0	574	581
Financial liabilities at fair value through profit or loss	0	0	7	7
Other liabilities	0	0	1	1

8.15 Risk management

The aim of the Group is to achieve competitive yields at an acceptable risk level as part of its business activities. Risk management covers the control of risks associated with all business activities in the environment in which the Group operates and ensures that the risks taken are in compliance with regulatory limits.

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

8.15.1 Capital Management

Regulatory capital and its components and capital adequacy:

CZK m	30 Sep 16	31 Dec 15
Regulatory Capital	22,177	22,343
RWA	120,969	126,565
out of which Credit Risk	104,005	109,601
out of which Operational Risk	16,964	16,964

Capital adequacy (%)	30 Sep 16	31 Dec 15
RWA / Total Assets	83.0%	90.4%
CET1 Ratio	18.3%	17.7%
Tier 1 Ratio	18.3%	17.7%
Total Capital Ratio	18.3%	17.7%

The framework used for capital management involves monitoring and complying with the capital adequacy limit in accordance with the Basel III rules codified in Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended.

In order to calculate the regulatory capital requirement for credit risk on a consolidated basis, the Group uses the standardised (STA) approach. To calculate the capital requirement for operational risk, the Company uses the alternative standardised approach (ASA) on an individual basis. The standardised approach (TSA) is used to calculate the capital requirement for operational risk on a consolidated basis for the rest of the consolidated Group.

8.15.2 Credit risk

8.15.2.1 Loans and receivables to customers

CZK m	30 Sep 16	31 Dec 15
Retail	59,102	62,717
Commercial	56,481	57,499
Gross loans and receivables to customers	115,583	**120,215**
Loss allowances for loans and receivables to customers	(6,104)	(11,778)
Net loans and receivables to customers	109,479	**108,437**
Gross loans and receivables to customers without impairment	108,100	106,192

8.15.2.2 Loans and receivables to banks and customers according the categorization

CZK m	30 September 2016			31 December 2015		
	Receivables to banks	Loans and receivables to customers	Total	Receivables to banks	Loans and receivables to customers	Total
Performing before due date	344	102,076	102,420	139	101,141	101,280
Performing past due date	0	6,024	6,024	0	5,051	5,051
Total performing	344	108,100	108,444	139	106,192	106,331
Total non-performing	0	7,483	7,483	0	14,023	14,023
Gross loans and receivables	344	115,583	115,927	139	120,215	120,354
Allowances	0	(6,104)	(6,104)	0	(11,778)	(11,778)
Net loans and receivables	**344**	**109,479**	**109,823**	**139**	**108,437**	**108,576**
Individual allowances	0	(404)	(404)	0	(1,027)	(1,027)
Portfolio allowances	0	(5,700)	(5,700)	0	(10,751)	(10,751)
Total allowances	0	(6,104)	(6,104)	**0**	**(11,778)**	**(11,778)**

8.15.2.3 Non-performing loans and receivables to customers

CZK m	30 Sep 16	31 Dec 15
Retail	5,756	10,641
Commercial	1,727	3,382
Total NPL	7,483	**14,023**

CZK m	30 Sep 16	31 Dec 15
Retail	4,119	8,414
Commercial	1,185	2,443
Total allowances to NPL	5,304	**10,857**

CZK m	30 Sep 16	31 Dec 15
Retail		
Total coverage	80.9%	84.7%
NPL ratio	9.7%	17.0%
Commercial		
Total coverage	83.7%	81.8%
NPL ratio	3.1%	5.9%
Total		
Total coverage	81.6%	84.0%
NPL ratio	6.5%	11.7%

The Group significantly reduced the NPL ratio to 6.5% as at 30 September 2016 from 11.7% as at 31 December 2015 mainly through NPL write offs and sales (reduction by CZK 6.3 billion on gross basis) with a total negative Cost of Risk impact of approximately CZK 50 million. The unfavourable impact of the write offs on the net impairment of loans and receivables was partially offset by the gain from the NPL sale. As a result, the overall total NPL coverage ratio (including total loan allowances) stood at a comparatively high level of 81.6% as at 30 September 2016 versus 84% at 31 December 2015.

8.15.2.4 Net impairment of loans and receivables

CZK m	Quarter ended		Nine months ended	
	30 Sep 16	30 Sep 15	30 Sep 16	30 Sep 15
Additions and release of allowances	(247)	(327)	(749)	(575)
Additions and release of unused committments allowances	(7)	2	(1)	2
Use of loan loss allowances	450	354	6 266	1 379
Income from previously written-off receivables	66	5	138	16
Write-offs of uncollectible receivables and losses arising from sold receivables	(450)	(354)	(6 266)	(1 379)
Change in allowances to operating receivables	0	(2)	0	0
Net impairment of loans and receivables	(188)	(322)	(612)	(557)

Net impairment of loans and receivables of CZK 612 million for the nine months ended 30 September 2016 increased by 9.9% from CZK 557 million year-on-year. The net impairment was influenced by the execution of the Group's strategy to further reduce the legacy NPL portfolio and maintain solid NPL coverage, and benefitted from a continued low rate of NPL formation.

8.15.2.5 Maximum credit risk exposures

CZK m 30 Sep 2016	Statement of financial position	Offbalance sheet	Total credit risk exposure	Available collateral*
Cash and balances with the central bank	20,311	0	20,311	0
Financial assets at fair value through profit or loss	5	0	5	0
Currency swaps	3	0	3	0
Currency forwards	2	0	2	0
Financial assets available for sale	12,868	0	12,868	0
Treasury bills	0	0	0	0
Treasury bonds	12,787	0	12,787	0
Equity investments	72	0	72	0
Receivables	9	0	9	0
Loans and receivables to banks	344	0	344	0
Current accounts at banks	244	0	244	0
Term deposits at banks payable within 3 months	100	0	100	0
Loans and receivables to customers	109,479	16,605	126,084	46,192
Consumer authorized overdrafts and credit cards	4,657	5,953	10,610	0
Consumer loans	32,202	371	32,573	0
Mortgages	15,324	797	16,121	15,195
Commercial loans	40,105	9,449	49,554	20,537
Auto & Equipment Lease	7,082	0	7,082	6,202
Commercial	7,082	0	7,082	6,202
Retail	0	0	0	0
Auto & Equipment Loans	9,993	35	10,028	4,258
Commercial	7,830	35	7,865	4,258
Retail	2,163	0	2,163	0
Other loans	116	0	116	0
Commercial	18	0	18	0
Retail	98	0	98	0
Issued guarantees and credit limits on guarantees	0	1,470	1,470	0
Letter of credit	0	1	1	0
Other assets	2,739	0	2,739	0

CZK m 31 Dec 15	Statement of financial position	Off-balance sheet	Total credit risk exposure	Available collateral*
Cash and balances with the central bank	15,475	0	15,475	0
Financial assets at fair value through profit or loss	7	0	7	0
Currency swaps	6	0	6	0
Currency forwards	1	0	1	0
Financial assets available for sale	13,255	0	13,255	0
Treasury bills	1,557	0	1,557	0
Treasury bonds	11,563	0	11,563	0
Equity investments	135	0	135	0
Loans and receivables to banks	139	0	139	0
Current accounts at banks	129	0	129	0
Term deposits at banks payable within 3 months	10	0	10	0
Loans and receivables to customers	108,437	14,576	123,013	47,246
Consumer authorized overdrafts and credit cards	5,407	6,231	11,638	0
Consumer loans	30,526	149	30,675	0
Mortgages	15,387	477	15,864	15,227
Commercial loans	38,340	7,675	46,015	20,433
Auto & Equipment Lease	8,038	0	8,038	6,901
Commercial	8,025	0	8,025	6,901
Retail	13	0	13	0
Auto & Equipment Loans	10,274	44	10,318	4,685
Commercial	8,329	44	8,373	4,685
Retail	1,945	0	1,945	0
Other loans	465	0	465	0
Commercial	38	0	38	0
Retail	427	0	427	0
Issued guarantees and credit limits on guarantees	0	1,450	1,450	0
Letter of credit	0	17	17	0
Other assets	2,724	0	2,724	0

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

8.16 Fair values of financial assets and liabilities

The following table shows the carrying values and fair values of financial assets and liabilities that are not presented in the Group's statement of financial position at fair values. The fair value includes anticipated future losses while the carrying value (amortised cost and related impairment) includes only losses arising at the end of the reporting period.

CZK m	30 Sep 2016	31 Dec 2015	30 Sep 2016	31 Dec 2015
	Carrying value		Fair value	
FINANCIAL ASSETS				
Cash and balances with the central bank	20,311	15,475	20,311	15,475
Loans and receivables to banks	344	139	344	139
Loans and receivables to customers	109,479	108,437	113,002	111,856
FINANCIAL LIABILITIES				
Deposits from banks	865	289	865	289
Due to customers	114,945	108,698	114,945	108,698

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

	30 Sep 2016			31 Dec 2015		
CZK m	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Financial assets at fair value through profit or loss		5			7	
Financial assets available for sale	12,546	241	81	11,315	1,805	135
FINANCIAL LIABILITIES						
Financial liabilities at fair value through profit or loss		2			8	

There were no transfers between level 1 and 2 during the period of nine months ended 30 September 2016 and the year ended 31 December 2015.

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

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

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

The level 3 assets include equity instruments not traded on the market where the fair value is calculated using the valuation techniques including expert appraisals.

Movement analysis of level 3 financial assets and liabilities

CZK m	As at 1 January 2016	Sales	Additions	Total gains and losses in the period recognised in OCI	As at 30 Sep 2016
Available for sale					
Equity investments	135	(158)	37	58	72
Other istruments designated as AFS	0	0	8	1	9
Total	135	(158)	45	59	81

CZK m	As at 1 January 2015	Sales	Additions	Total gains and losses in the period recognised in OCI	As at 31 Dec 2015
Available for sale					
Equity investments	31	0	0	104	135

8.17 Subsequent events

The Company's management is not aware of any other events that have occurred since the date of condensed consolidated statement of financial position that would have any material impact on the condensed consolidated interim financial statements for the nine months ended 30 September 2016.

9 Management affidavit

To the best of our knowledge, we believe that this consolidated report gives a fair and true view of the Group's financial position, business activities and results from the first nine months of 2016, and outlook for the development of Group's financial situation, business activities and results.

Prague, 9 November 2016

Signed on behalf of the Management Board:

Tomáš Spurný

Chairman of the Management Board

Philip Holemans

Vice Chairman of the Management Board

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. These financial data and measures are cost of funds/cost of funding, net interest margin, net non-interest income, return on average assets, reported return on tangible equity, yield on net customer loans, cost to income ratio, tangible equity, adjusted return on tangible equity, adjusted tangible equity, adjustment for cost of funds, excess capital, cost of risk, risk adjusted yield on net customer loans, risk adjusted operating income, loan to deposit ratio, regulatory capital, CET1, CET1 Ratio, Tier 1 Capital, LCR, total NPL coverage, NPL, core NPL coverage, NPL ratio, risk weighted assets, new volume and average turn.

These alternative performance measures are included to (i) extend the financial disclosure also to metrics which are used, along with IFRS measures, by the management in valuating of the Group's performance, and (ii) provide to investors further basis, along with IFRS measures, for measuring of the Group's performance. Because of the discretion that the Group has in defining these measures and calculating the reported amounts, care should be taken in comparing these various measures with similar measures used by other companies. These measures should not be used as a substitute for evaluating the performance of the Group based on the Consolidated Financial Statements of the Group. Non-IFRS measures have limitations as analytical tools, and investors should not consider them in isolation, or as a substitute for analysis of the Group's results as reported under IFRS and set out in the Consolidated Financial Statements of the Group, and investors should not place any undue reliance on non-IFRS measures. Non-IFRS measures presented in this report should not be considered as measures of discretionary cash available to the Group to invest in the growth of the business, or as measures of cash that will be available to the Group to meet its obligations. Investors should rely primarily on the Group's IFRS results and use the non-IFRS measures only as supplemental means for evaluating the performance of the Group.

10.1 Adjusted Return on Tangible Equity – Reconciliation

The following table shows the Group's annualised adjusted return on tangible equity, adjusted at management target CET1 Ratio of 15.5 %, for the period of nine months ended 30 September 2016 and the year ended 31 December 2015:

CZK million (unless otherwise indicated)	30 Sep 2016	31 Dec 2015
Reported Profit after tax (A)	**3,187**	**4,506**
Excess Capital (B=H-(GxJ))	3,427	2,725
Cost of funds% (C)	0.1%	0.2%
Tax Rate (D)	**19%**	**19%**
Adjustment for cost of funds (E = B x C x (1-D))	(4)	(5)
Adjusted Profit after tax (F)	**3,183**	**4,501**
Reported Total Risk Exposures (G)	120,969	126,565
Regulatory Capital (H)	22,177	22,343
Reported CET1 % (I = H / G)	18.3%	17.7%
Target CET1 % (J)	**15.5%**	15.5%
Excess Capital (B = H - (G x J))	3,427	2,725
Equity (K)	**26,434**	27,839
Intangible Assets and Goodwill (L)	690	533
Tangible Equity (M = K - L)	**25,744**	**27,306**
Excess Capital (B = H - (G x J))	3,427	2,725
Adjusted Tangible Equity (N = M - B)	**22,317**	**24,581**
Reported Return on Tangible Equity (A / M)	**16.5%**	**16.5%**
Adjusted Return on Tangible Equity (F / N)	**19.0%**	**18.3%**

Note: Reported Return on Tangible Equity and Adjusted Return on Tangible Equity for the nine months ended 30 September 2016 annualised

The reported return on tangible equity is based on actual financial figures for the respective period as calculated in the above tables. Adjusted return on tangible equity is based on a management target CET1 Ratio of 15.5 % (an anticipated 14.5% required regulatory capital (including a 0.5% countercyclical buffer) and a 1%. management buffer). In addition to a capital rebase to 15.5%. CET1, earnings have been adjusted for substitution of capital assuming the blended cost of funding of the period (annualised 0.2 % in period of nine months ended 30 September 2016 and 0.2 % in 2015) and 19.0 % corporate tax rate. Earnings have not been adjusted for potential liquidity constraints.

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

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

11 Glossary

Adjusted RoTE or adjusted return on tangible equity (at 15.5% CET1 Ratio)	Adjusted return on tangible equity is based on a management target CET1 Ratio of 15.5% (an anticipated 14.5% required regulatory capital (including a 0.5% countercyclical buffer) and a 1% management buffer).
Annualised	Adjusted so as to reflect the relevant rate on the full year basis.
Average turn	Ratio of average net outstanding balance over new volumes for the period
CEO	Chief executive officer
CET1	Common equity tier 1 capital represents regulatory capital which mainly consists of paid-up registered share capital, share premium, retained profits, disclosed reserves and reserves for general banking risks, which must be netted off against accumulated losses, certain deferred tax assets, certain intangible assets and shares held by the Company in itself
CET1 Ratio	CET1 as a percentage of risk-weighted assets
Company	MONETA Money Bank, a.s.
Cost of Funds (% Avg Deposits)	Interest expense and similar charges for the period divided by average balance of deposits from banks and due to customers
CoR or Cost of Risk or Cost of Risk (% Avg Net Customer Loans)	Net impairment of loans and receivables for the period divided by average balance of net loans to customers
Cost to Income Ratio	Ratio (expressed as a percentage) of total operating expenses for the period to total operating income for the period
Core NPL Coverage	Ratio (expressed as a percentage) of provisions for non-performing loans and receivables to total non-performing loans and receivables
FTE	The average recalculated number of employees during the period is an average of the figures reported to Czech Statistical Authority (CSA) on a monthly basis in accordance with Article 15 of Czech Act No. 518/2004. The figures reported to CSA equal to quotient of the following nominator and the following denominator. The nominator is defined as all hours worked by all employees, their related leaves/holidays and their related sickdays. The denominator represents a standard working hours per an employee and a month.
GDP	Gross domestic product
Group	Company and its consolidated subsidiaries
H	Half-year
k	thousands
KPI	Key performance indicator
Liquid Assets	Liquid assets comprise of cash and balances with central banks, financial assets at fair value through profit or loss, financial assets - available for sale and loans and receivables to banks
LCR	Liquidity Coverage Ratio measures the ratio (expressed as a percentage) of a bank's buffer of high quality liquid assets to its projected net liquidity outflows over a 30-day stress period, as calculated in accordance with EU Regulation 2015/61
LGD	Loss given default
Loan to Deposit Ratio or L/D Ratio	Loan to deposit ratio calculated as net loans and receivables to customers divided by customer deposits
LTM	Last twelve months
m	Millions

M2	Monetary aggregate comprising currency in circulation, overnight deposits, deposits with agreed maturity, deposits redeemable at notice and repurchase agreements.
Net Income	Profit for the period after tax
Net Interest Earning Assets	Cash and balances with the central bank, financial assets at fair value through profit and loss, financial assets available for sale, loans and receivables to banks and loans and receivables to customers
Net Interest Margin (% Avg Int Earning Assets)	Net interest and similar income divided by average balance of net interest earning assets
Net Non-Interest Income	Total operating income less net interest and similar income for the period
New volume	Aggregate of loan principal disbursed in the period for non-revolving loans
No.	Number
NPL	Non-performing loans as determined in accordance with the Prudential Rules Decree
NPL Ratio or Non-performing Loans Ratio	Ratio (expressed as a percentage) of total gross receivables categorized as non-performing to total gross receivables
PD	Probability of default
Q	Quarter
Reported RoTE	Profit after tax divided by tangible equity
Return on average assets	Return on average assets calculated as profit after tax for the period divided by average balance of total assets
Regulatory Capital	CET1
Risk Adjusted Operating Income	Calculated as total operating income less net impairment of loans and receivables and Net impairment of other receivables
Risk Adjusted Yield or Risk Adjusted Yield (% Avg Net Customer Loans)	Interest and similar income from loans to customers less net impairment of loans and receivables divided by average balance of net loans to customers
RWA	Risk Weighted Assets
SME	An enterprise with an annual turnover of up to CZK 200 million
Tangible Equity	Calculated as total equity less intangible assets and goodwill
Tier 1 Capital	The aggregate of CET1 Capital and Additional Tier 1 which mainly consists of share capital, to the extent not included in CET1 Capital, and certain unsecured subordinated debt instruments without a maturity date
Tier 1 Ratio	Tier 1 as a percentage of risk-weighted assets
Tier 2 Capital	Regulatory capital which consists of certain unsecured subordinated debt obligations with payment restrictions
Total Capital Ratio	Tier 1 Capital and Tier 2 Capital as a percentage of risk-weighted assets
Total NPL Coverage	Ratio (expressed as a percentage) of individual and portfolio provisions for loans and receivables to total non-performing loans and receivables
Yield (% Avg Net Customer Loans)	Interest and similar income from loans to customer divided by average balance of net loans to customers