



# Investor Presentation

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May, 2018

# ROAD TO MONETA MONEY BANK

More than twenty years of presence on the market

**1998-2016**

**2016/05>**



AGROBANKA  
ACQUISITION

INITIAL PUBLIC  
OFFERING

# MONETA MONEY BANK

## Company snapshot

Financial Metrics	FY 2016	in CZK FY 2017	1Q'18	FY 2016	in USD FY 2017	1Q'18
	NET CUSTOMER LOANS (bn)	111.9	123.7	126.3	5.42	5.99
CUSTOMER DEPOSITS (bn)	116.3	141.5	145.2	5.63	6.86	7.03
NET CUSTOMER LOANS/ DEPOSITS (%)	96.2	87.4	87.0	96.2	87.4	87.0
TANGIBLE EQUITY (bn)	26.4	24.5	24.9	1.28	1.19	1.20
CAPITAL ADEQUACY RATIO <sup>1</sup> (%)	20.5	17.4	16.6	20.5	17.4	16.6
TOTAL OPERATING INCOME (bn)	11.1	10.3	2.4	0.54	0.50	0.12
CONSOLIDATED NET PROFIT (bn)	4.1	3.9	1.2	0.20	0.19	0.06
RETURN ON AVERAGE ASSETS (%)	2.8	2.2	2.4	2.8	2.2	2.4
RETURN ON TANGIBLE EQUITY (%)	15.3	16.0	18.9	15.3	16.0	18.9

- **MONETA Money Bank** is a **leading retail and expanding small business bank** in the Czech Republic
- **4<sup>th</sup> largest branch** network with **206 branches** and **663 ATMs** as of March 2018, well-dispersed across the Czech Republic, serving ~1m customers (~9%<sup>2</sup> of CZ population)
- **Smart Banka** awarded **“best mobile application”** in the Czech Republic; **fully digital pre-approved unsecured loans** for existing retail and small business clients disbursed within 10 minutes after confirmation<sup>3</sup>
- **Well balanced business mix** with **51%** of net loans in retail<sup>4</sup> and **49%** in commercial<sup>4</sup> complemented by restarted growth in late 2016 and continuing in 2018
- **Dedicated management team** with a wealth of experience in financial services both domestically and internationally

# STRATEGIC OVERVIEW

Key goals (i) return to operating income growth, (ii) contain cost and (iii) become digital leader

DIGITAL CAPABILITIES		RESULTS		GUIDANCE		
		1Q 2017	1Q 2018	2018 <sup>1</sup>	2020	
RISK MANAGEMENT SUSTAINABILITY		<b>METRICS</b>				
EFFICIENT CAPITAL STRATEGY		<b>LOAN BOOK GROWTH</b> (YoY) <sup>2</sup>	5.7%	12.6%	≥ 9%	≥ 10%
MAINTAIN AND IMPROVE RETAIL FRANCHISE DEVELOP SMALL BUSINESS BANKING RETAIN AND REINFORCE SME BANKING	COST CONTROL AND OPERATIONAL EXCELLENCE	<b>TOTAL OPERATING INCOME</b> (CZK)	2.5bn	2.4bn	≥ 9.5bn	≥ 10.5bn
		<b>COST BASE</b> (CZK)	1.2bn	1.3bn	~ 4.9bn	~ 5.1bn
		<b>COST OF RISK<sup>3</sup></b> (bps) <i>Excluding legacy NPL sales (bps)</i>	28 61	(90) 62	35 – 45 <sup>1</sup> 80 – 90	70 – 80 85 – 95
CORPORATE SUSTAINABILITY		<b>CONSOLIDATED NET PROFIT</b> (CZK)	1.0bn	1.2bn	≥ 3.5bn <sup>1</sup>	≥ 3.8bn
		<b>RETURN ON TANGIBLE EQUITY</b>	15.3%	18.9%	≥ 14%	≥ 15%
		<b>EFFECTIVE TAX RATE</b>	20.0%	16.9%	~ 17%	~ 20%
<b>MANAGEMENT PLANS TO PROPOSE<sup>4</sup> 2017 – 2020 AGGREGATE DIVIDEND PAYOUT OF CZK 11.5 BILLION</b>						

## MONETA'S INVESTMENT THESIS

Targeting “return to growth” and stabilization of revenues by 2019 while delivering solid mid-term dividend returns



- Growth
- Profitability

1 Attractive Macro Environment and Profitable Banking Sector

2 Strong Business Model and Clearly Defined Strategy

3 Sustainable Risk Management

4 “Fortress” Balance Sheet

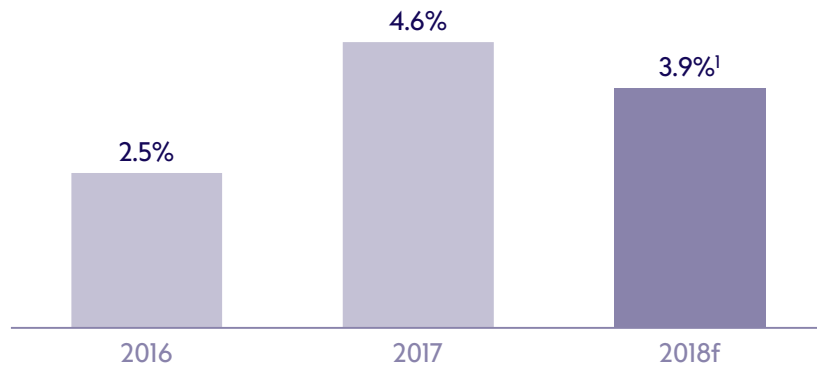
5 Attractive Profitability

6 Dedicated and Experienced Management Team

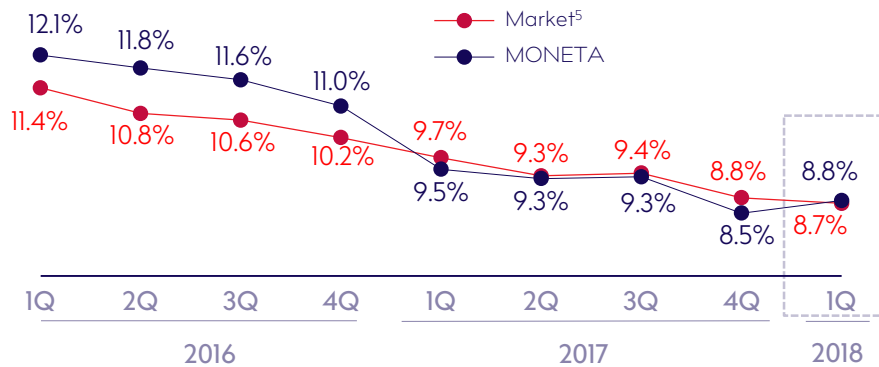
# ATTRACTIVE MACRO ENVIRONMENT, PROFITABLE BANKING SECTOR

## Macroeconomic outlook remains positive, no imminent rate hikes expected, MONETA consumer loan pricing above market

### STRONG GDP OUTLOOK



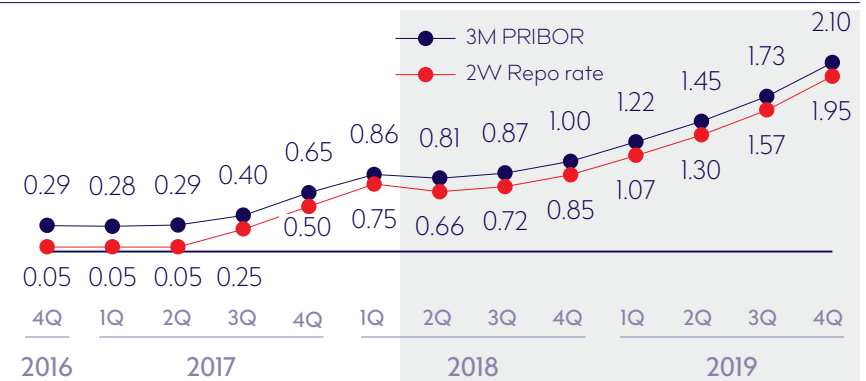
### NEW VOLUME PRICING OF CONSUMER LOANS



### KEY MACROECONOMIC INDICATORS<sup>1</sup>

INDICATOR	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18
Export <sup>2</sup>	0.4%	9.3%	4.9%	4.0%	4.9%	(2.3)%
Industrial production	3.5%	8.5%	4.3%	5.5%	7.9%	2.2%
Unemployment	5.0%	5.1%	4.2%	3.9%	3.6%	2.4%
Inflation (CSO)	1.4%	2.4%	2.2%	2.5%	2.6%	1.9% <sup>3</sup>
EUR/CZK	27.0	27.0	26.5	26.1	25.7	25.4
Banks' NPL ratio	4.8%	4.5%	4.3%	4.0%	4.0%	3.7%

### INTEREST RATE FORECAST<sup>4</sup>



Source: Czech Statistical Office, Ministry of Labor, Ministry of Finance, Czech National Bank, Latest (revised data)

(1) All data except Bank's NPL ratio, export and industrial productions represents quarterly averages; (2) Export following national concept; (3) Figure influenced by actualization of weights; (4) Latest CNB forecast from May 3, 2018 used for period 2Q 2018 to 4Q 2019 ([http://www.cnb.cz/cs/menova\\_politika/zpravy\\_o\\_inflaci/2018/2018\\_II/download/ZOI\\_II\\_2018\\_T\\_1\\_Makroindikatory.xlsx](http://www.cnb.cz/cs/menova_politika/zpravy_o_inflaci/2018/2018_II/download/ZOI_II_2018_T_1_Makroindikatory.xlsx)); (5) CNB ARAD, following CNB definition (includes Non-purposed and purposed consumer loans, Debt consolidations and American mortgages). New Volume pricing represented by annualized weighted average rate for Czech residents denominated in CZK only.

# ATTRACTIVE MACRO ENVIRONMENT, PROFITABLE BANKING SECTOR

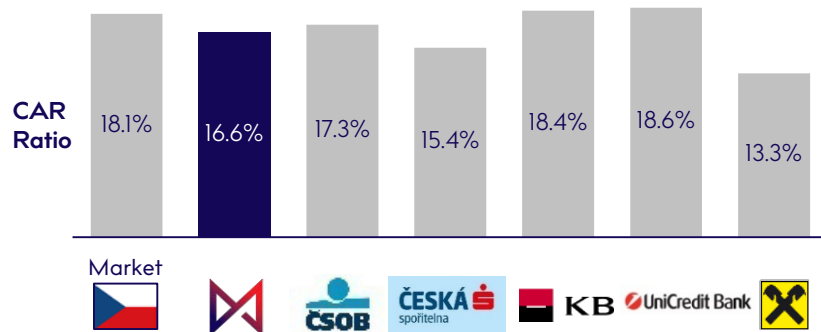
## Favorable economic development & outlook, banking sector with solid capitalization, strong liquidity and profitability

### COUNTRY WITH FAVORABLE ECONOMIC OUTLOOK

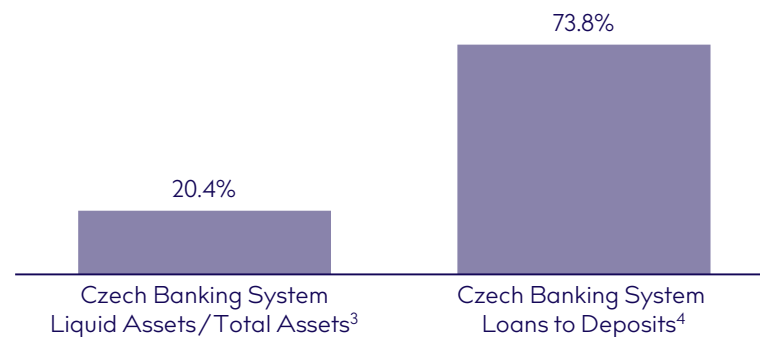
	2015	2016	2017	2018F <sup>1</sup>	
GDP Growth	5.4%	2.5%	4.6%	3.9%	Positive
Unemployment	6.5%	5.5%	4.2%	3.4%	Low
€/CZK	27.29	27.03	26.33	24.90	Appreciation
PRIBOR (3M)	0.31%	0.29%	0.41%	0.94%	Increasing
Inflation	0.3%	0.7%	2.5%	1.8%	Moderation

Czech Republic Country Rating<sup>2</sup>: A1/AA-. Outlook Stable

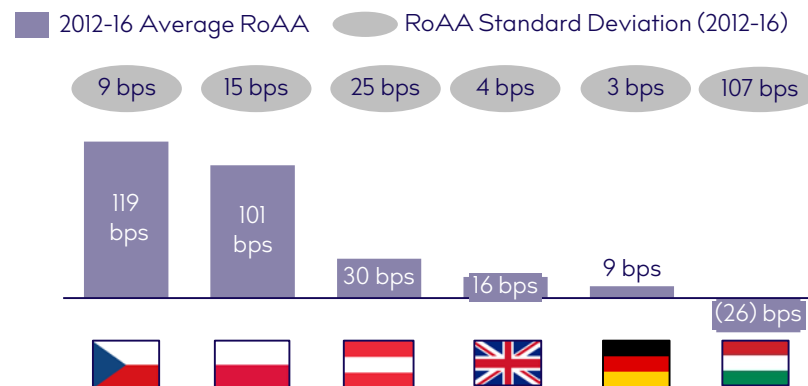
### WELL REGULATED BANKING SECTOR WITH STRONG CAPITALIZATION<sup>5</sup>



### SUPPORTED BY STRONG LIQUIDITY



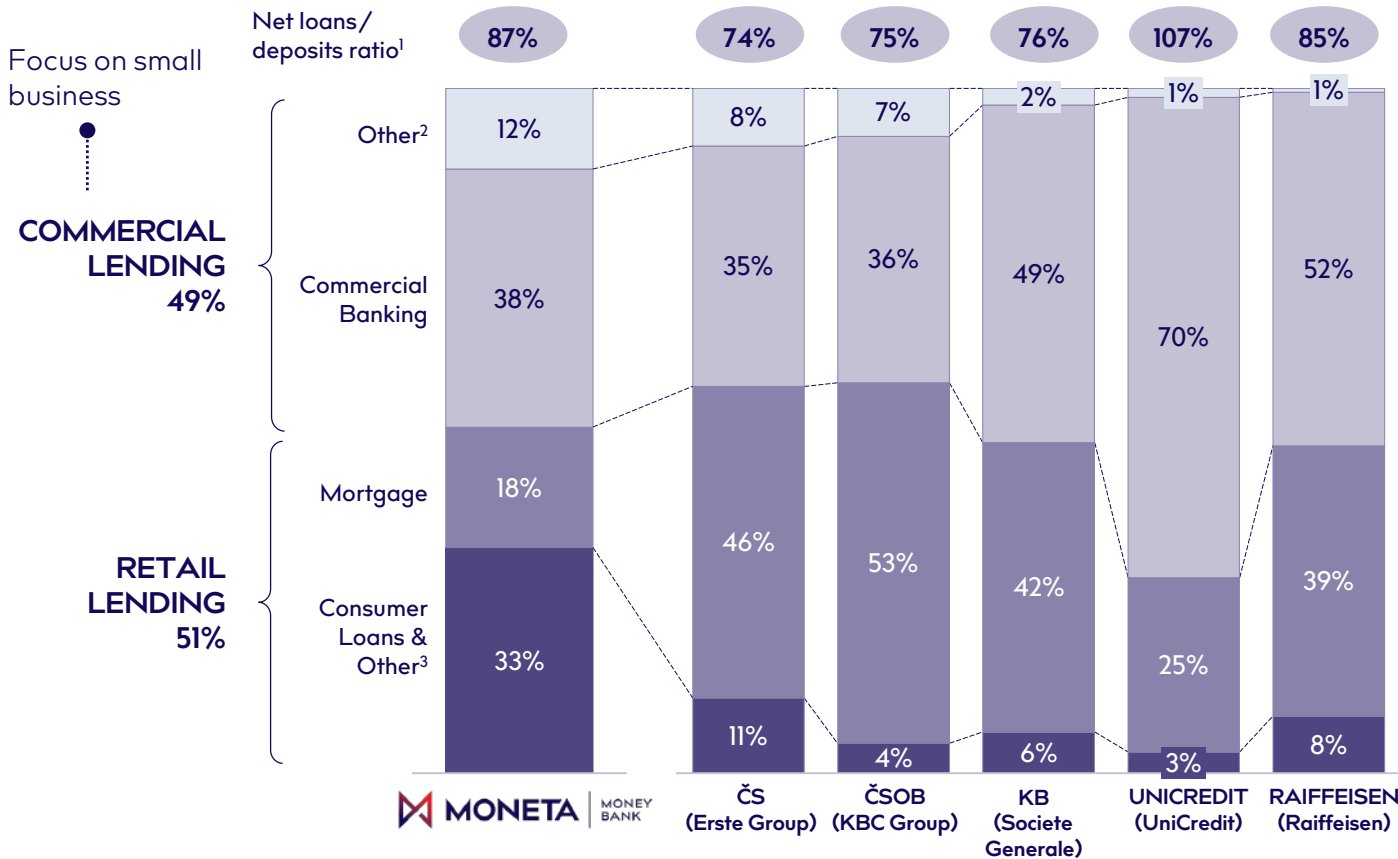
### CZECH BANKS ROAA AMONG HIGHEST AND MOST RESILIENT IN EU<sup>6</sup>



# STRONG BUSINESS MODEL AND CLEARLY DEFINED STRATEGY

Solid position in consumer lending, small business and SMEs with rapidly growing mortgages differentiates MONETA from competitors

## NET LOANS AND RECEIVABLES TO CUSTOMERS



### HIGHLIGHTS

- Focused on attractive **Retail and Commercial segment** through banking and asset-based financing solutions
- Leading presence in **unsecured consumer lending, strong focus on small business and mortgage franchise**
- Business philosophy firmly anchored on **risk adjusted return**

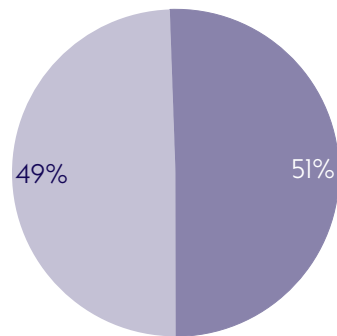


# STRONG BUSINESS MODEL AND CLEARLY DEFINED STRATEGY

## Balanced platform designed to serve targeted segments of retail and commercial customers

### NET LOANS & RECEIVABLES TO CUSTOMER

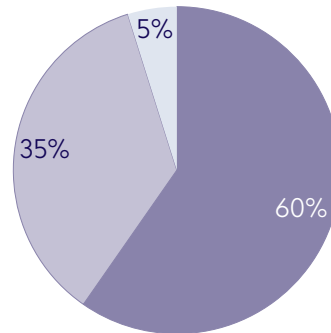
Total in IQ'18: CZK 126.3bn



■ Retail ■ Commercial

### CUSTOMER DEPOSITS

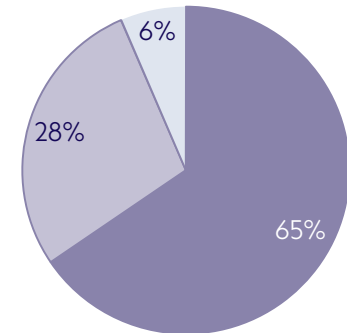
Total in IQ'18: CZK 145.2bn



■ Retail ■ Commercial ■ Repos

### TOTAL OPERATING INCOME

Total in IQ'18: CZK 2.4bn



■ Retail ■ Commercial ■ Treasury/Other

#### RETAIL

- Serving **~1 million** customers **~9%<sup>(1)</sup>** of Czech population
- **4<sup>th</sup> largest branch** network with **206 branches** (1,666 FTEs) & **663 ATMs** as of March 2018
- Providing **attractive products within the retail segment** with strong focus on **offering products through own network, digital and third party channels**

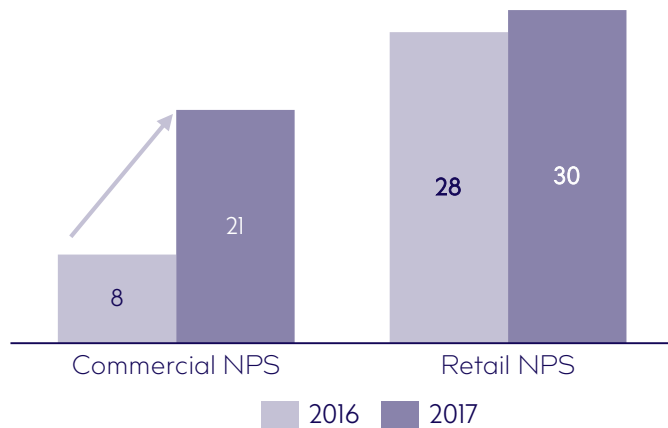
#### COMMERCIAL

- Serving **~95 thousand** customers and focusing on **small business lending and SMEs**
- National coverage with **26 dedicated teams for small business and 18 for commercial business** within the existing branch network
- Developing **small business banking** supported by **sales force expansion (161 FTEs)** and **building digital distribution**

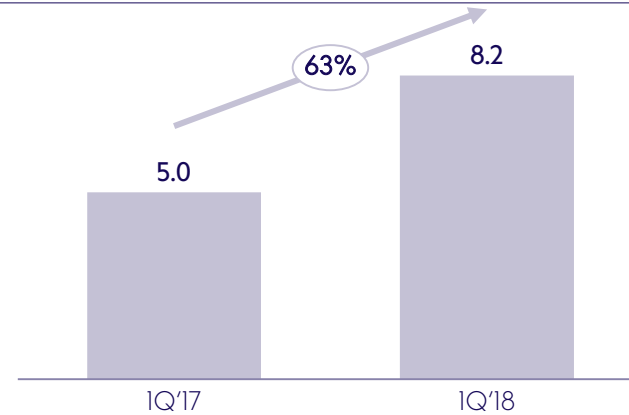
# STRONG BUSINESS MODEL AND CLEARLY DEFINED STRATEGY

## Accelerated new client acquisition, platform supported by loyal and satisfied customer, underpinned by better NPS

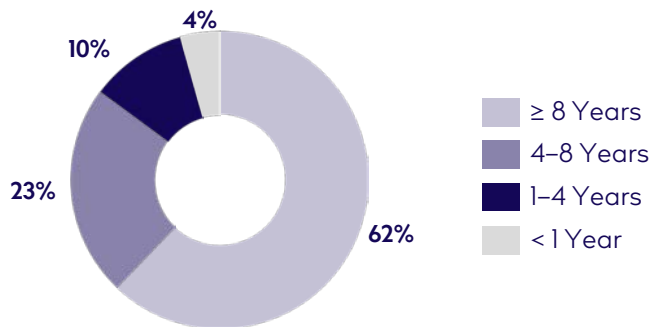
### SIGNIFICANTLY IMPROVED NPS<sup>1</sup> IN COMMERCIAL SEGMENT



### NEW CLIENT NET ACQUISITION<sup>2</sup> (number of clients in thousands)



### LOYAL CUSTOMER BASE<sup>3</sup>

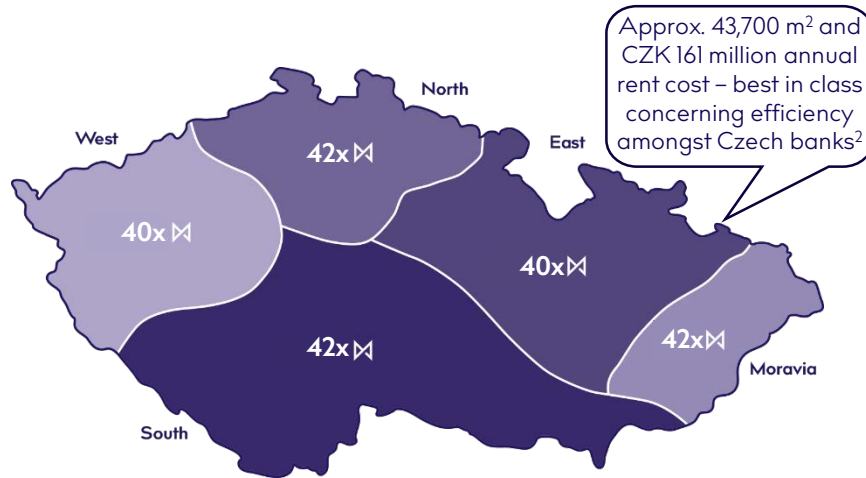


- Customer satisfaction confirmed by strong improvement of **Net Promoter Score (NPS)** in commercial especially in small business segment and stable NPS in retail
- **8,202** new clients acquired on net basis during 1Q'18 versus **5,047** in 1Q'17
- **Over 60% of customers** have been with the Bank **≥ 8 years**, witnessing solid customer base

# STRONG BUSINESS MODEL AND CLEARLY DEFINED STRATEGY

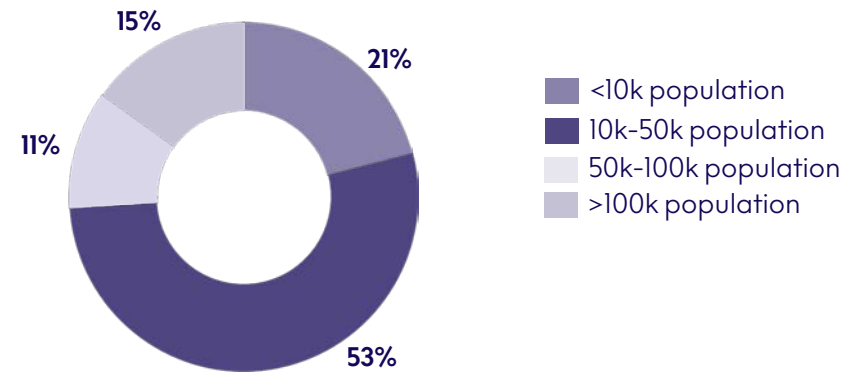
Strong footprint, namely in small cities, supported by call center, digital and 3<sup>rd</sup> party capabilities with solid level of efficiency

## BROAD AND BALANCED GEOGRAPHIC REACH<sup>1</sup>



## SOLID ACCESS TO CUSTOMERS IN SMALLER TOWNS

### DISTRIBUTION BY CITY POPULATION



## ADDITIONAL CHANNELS SUPPORTING BRANCH NETWORK

### CALL CENTRE

- 24/7 access to bank account
- On-line communication
- Proactively approaching customers

### BROKERS

- 58 retail brokers
- 51 commercial brokers
- Broad offer of lending and deposit products

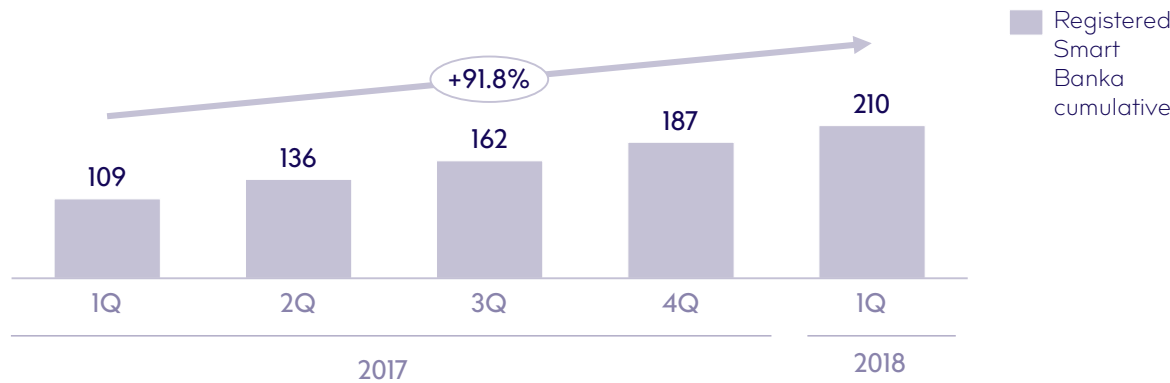
### DIGITAL

- Web portal
- Internet banking
- Mobile banking – SMART banka

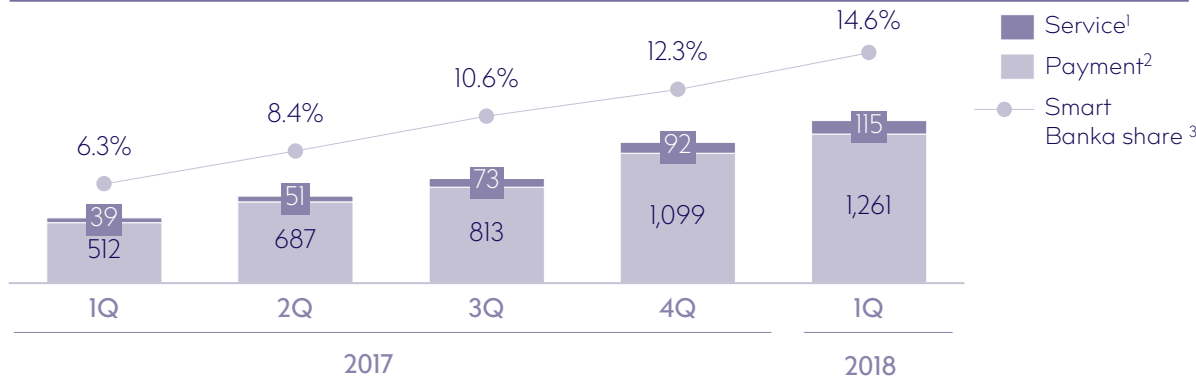
# STRONG BUSINESS MODEL AND CLEARLY DEFINED STRATEGY

## Significant growth of mobile banking acceptance confirming phenomenal success of Smart Banka

**DIGITAL BANKING PENETRATION DOUBLED** (number of clients in thousands)



**SMART BANKA TRANSACTIONS** (number of transactions in thousands)



### DELIVERIES

- **91.8% YoY growth** in Smart Banka; registered **users** reaching 210 thousand
- **14.6% Smart Banka payment transactions<sup>3</sup> share** of Bank's total e-payments<sup>2</sup> in 1Q 2018
- **Google Pay activation & payment protection insurance** newly available in Smart Banka

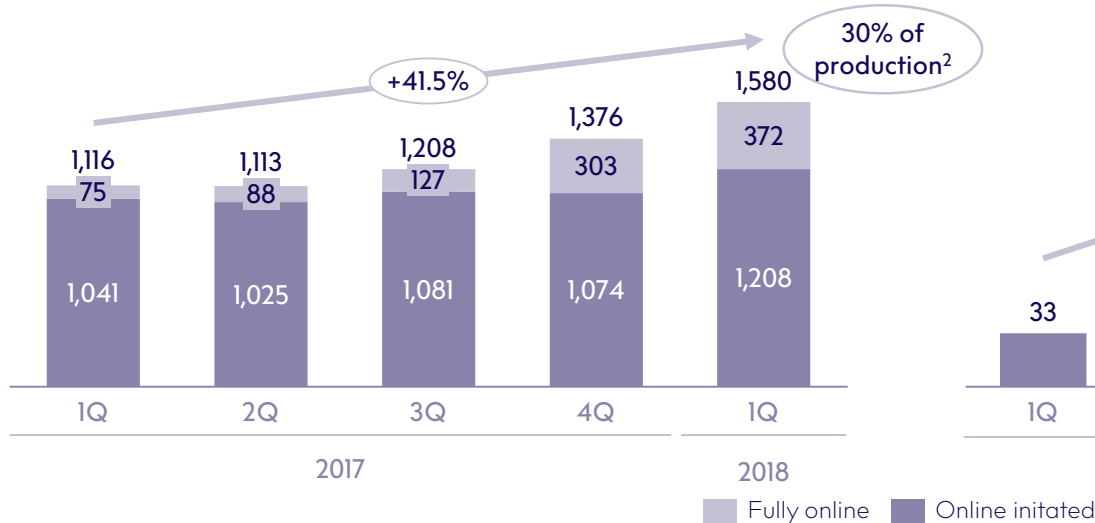
### ASPIRATIONS FOR 2018

- **Further enhancement of digital pre-approved unsecured loan** offer to expand the pool of eligible clients and accelerate take-up
- **Digitally enabled retail unsecured lending for new to bank clients** via tablet to be rolled out **during 1H'18**
- **New web presence** to be developed **in 2018** to drive online origination

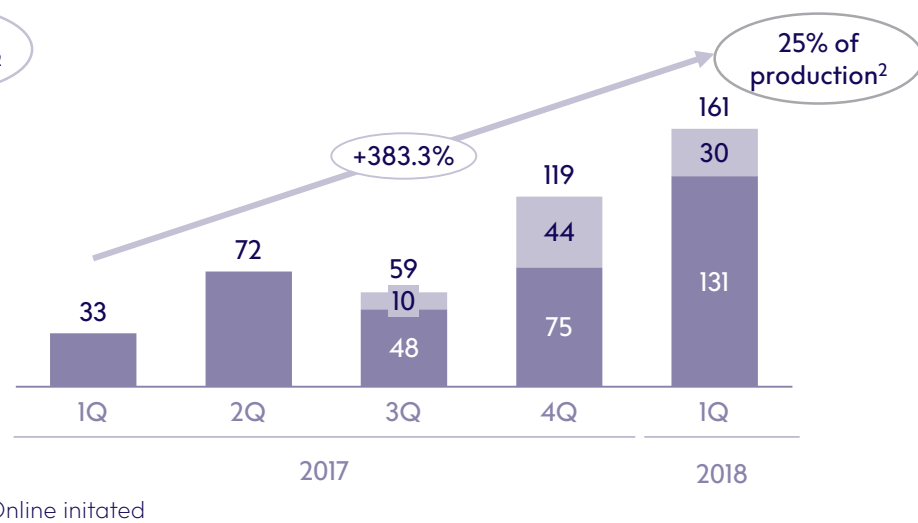
# STRONG BUSINESS MODEL AND CLEARLY DEFINED STRATEGY

## Continued increase in online originated lending in both consumer and small business segments

CONSUMER LOAN VOLUMES ORIGINATED ONLINE<sup>1</sup> (CZK m)



SMALL BUSINESS LOANS ORIGINATED ONLINE<sup>1</sup> (CZK m)



- **CZK 1.6bn consumer loans originated online**, reaching **30%** share of consumer loan production in 1Q'18 versus **17%** in 1Q'17
- **CZK 372m consumer loan volumes originated fully online** through Smart Banka and internet banking
- **CZK 19.4bn** of pre-approved unsecured loan limits available fully online to more than 100,000 existing retail clients

- **CZK 161m originated online**, reaching **25%** share of small business lending volume in 1Q'18 versus **10%** in 1Q'17
- **CZK 30m of small business loan volumes completed fully online**; **4.6%** of total small business loan production during 1Q'18
- **CZK 4.2bn** of pre-approved limits to more than 18,000 existing clients available online

# STRONG BUSINESS MODEL AND CLEARLY DEFINED STRATEGY

## MONETA continues digital strategy to serve digital sales and marketing capabilities

### 1Q 2018

#### CREDIT DISTRIBUTION

- Retail Credit Card
- Business Credit Card
- Retail consumer loan at branches via tablet<sup>2</sup>

### 2Q 2018

- Unsecured lending for companies online
- Retail consumer loan for 3rd parties via tablet

### 3Q-4Q 2018

- Retail consumer loan fully online for 3rd parties including consolidation
- Online lending for new to bank entrepreneur clients
- Moneta Auto new B2B platform
- Online mortgage approval and instant pricing offer
- Retail credit card fully online for 3rd parties

#### TRANSACTION BANKING DISTRIBUTION

- Retail current account with new value proposition
- Mobile payments for Android

- Retail current account fully online for new to bank via web
- Multibanking in Smart Banka<sup>3</sup>
- Retail current account fully online via API

- Small business & entrepreneur current account online
- Mobile payments for Apple<sup>1</sup>
- New Moneta Web portal

#### FEE PRODUCTS DISTRIBUTION

- Business payment insurance protection

- Personal belongings and Cyber insurance online

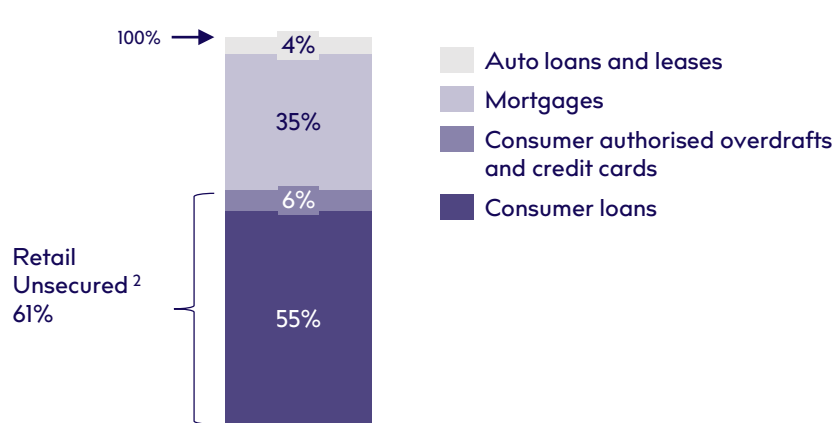
- Funds distribution on-line
- Standalone FX proposition
- Insurance cross-sell extension

FULL DIGITAL DISTRIBUTION STRATEGY 2018 – 2020 at [www.moneta.cz](http://www.moneta.cz)

# SUSTAINABLE RISK MANAGEMENT

## MONETA's lending franchise is equally distributed across retail and commercial

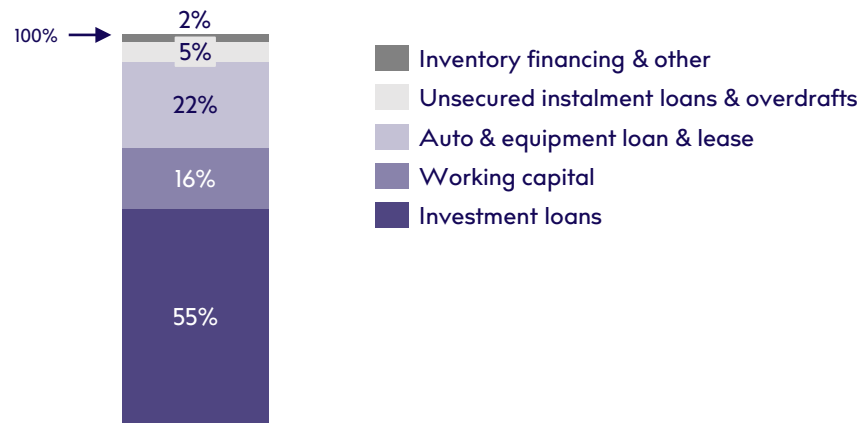
### RETAIL NET LOAN PORTFOLIO



Total **Net Loans** as of March 2018: **CZK 63,809m** (51% of Group Portfolio)

- **62%** of customers<sup>3</sup> ≥ 8 years with the bank, **in-depth knowledge of customer base**
- **59.8% Loan To Value ratio**<sup>4</sup> as of 31 March 2018, mortgage portfolio strongly collateralised
- **No retail FX lending**

### COMMERCIAL NET LOAN PORTFOLIO



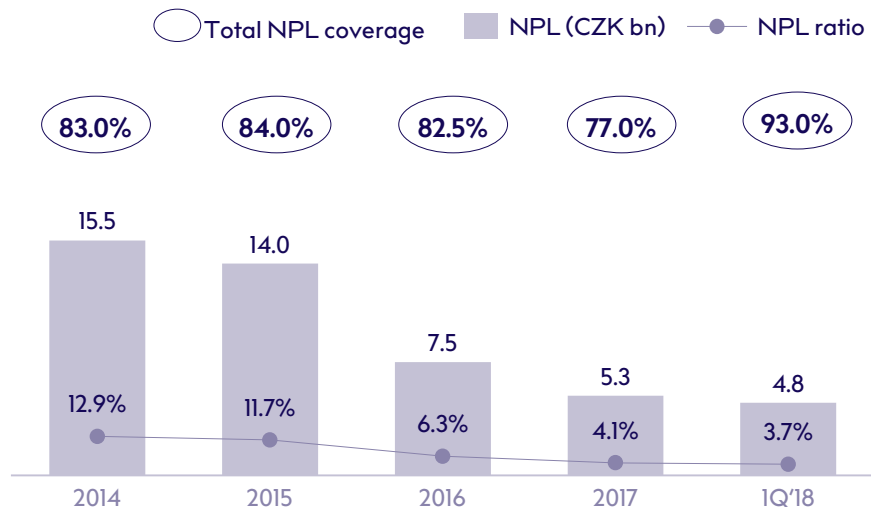
Total **Net Loans** as of March 2018: **CZK 62,452m** (49% of Group Portfolio)

- **9%** of the Group's total commercial exposures as of 31 March 2018 **relates to top 10 customers exposure** in aggregate value
- **44%**<sup>5</sup> of gross receivables with **real estate/land collateral** as of 31 March 2018
- **31% share** of agricultural sector, **12% share**<sup>6</sup> of services, **11% share** of commercial real estate

# SUSTAINABLE RISK MANAGEMENT

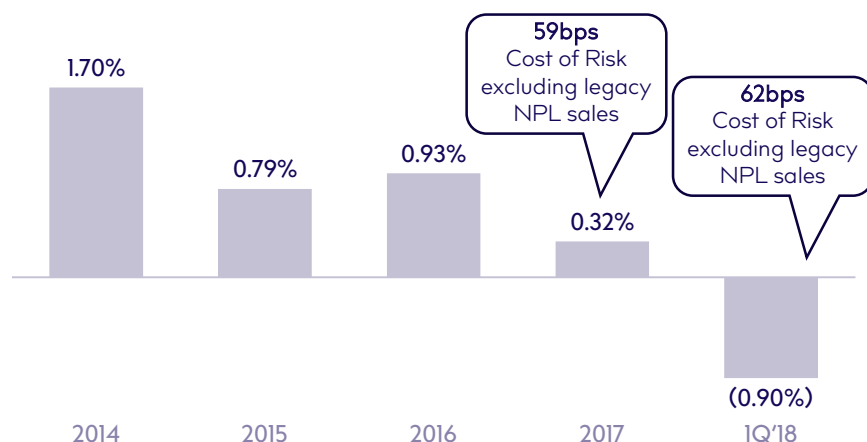
## Continued positive portfolio performance, Cost of Risk impacted by legacy NPL sales

### WELL PROVISIONED AND DECREASING NPL PORTFOLIO ...



- **3.7% NPL ratio** achieved through successful combination of NPL sales and write-offs
- **93.0% total NPL coverage** increase due to adoption of IFRS 9 in January'18
- **CZK 2.3bn** of NPL sales in 1Q'18 – balance sheet gross receivable value of **CZK 0.3bn**, off balance sheet value of **CZK 2.0bn**

### ... WITH LOW COST OF RISK



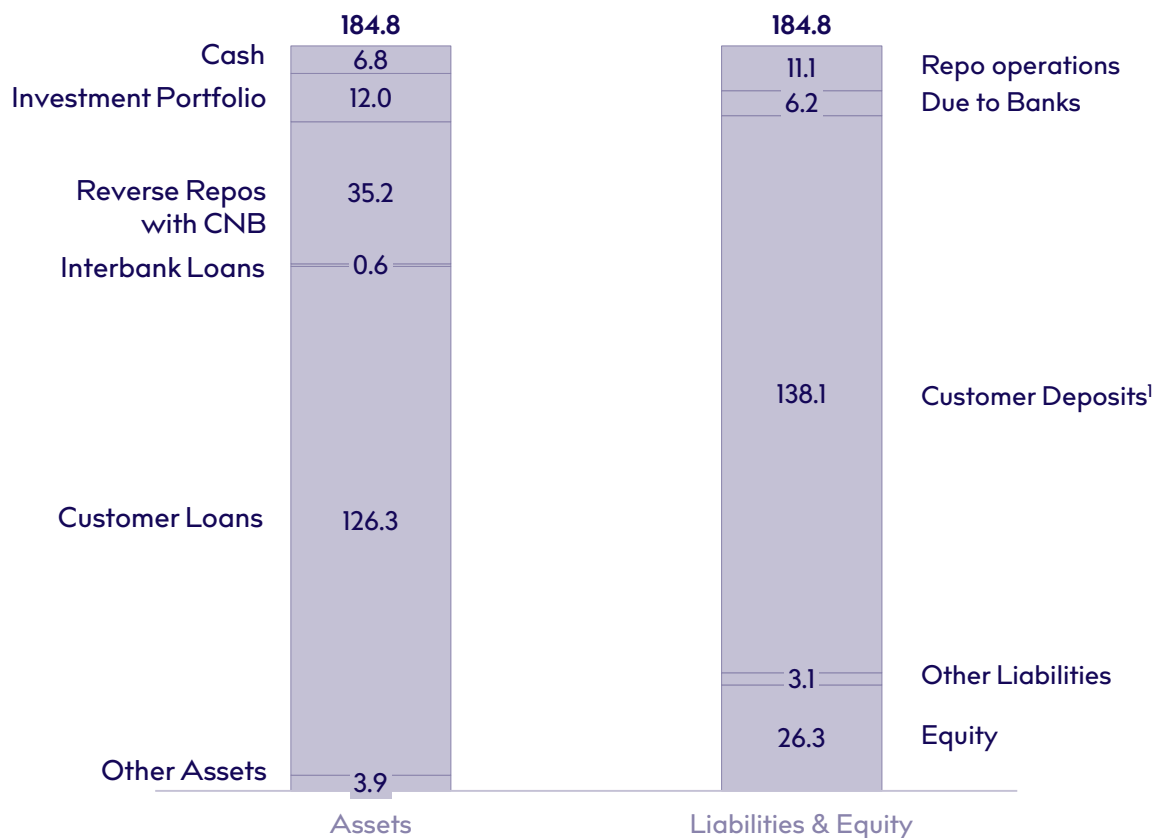
- **CZK 281m** net release of provisions or **(90)bps** total annualized YTD Cost of Risk in 1Q'18
- **CZK 475m** positive impact of legacy NPL sales in Cost of Risk, **62bps** Cost of Risk in 1Q'18 (excl. income from legacy NPL sales)
- **Cost of Risk** expected to **bottom out during 2018** based on latest CNB financial stability report



## "FORTRESS" BALANCE SHEET

# Maintaining highly liquid balance sheet with lower volume of opportunistic repo operations

BALANCE SHEET INFLUENCED BY REPO OPERATIONS (CZK bn)

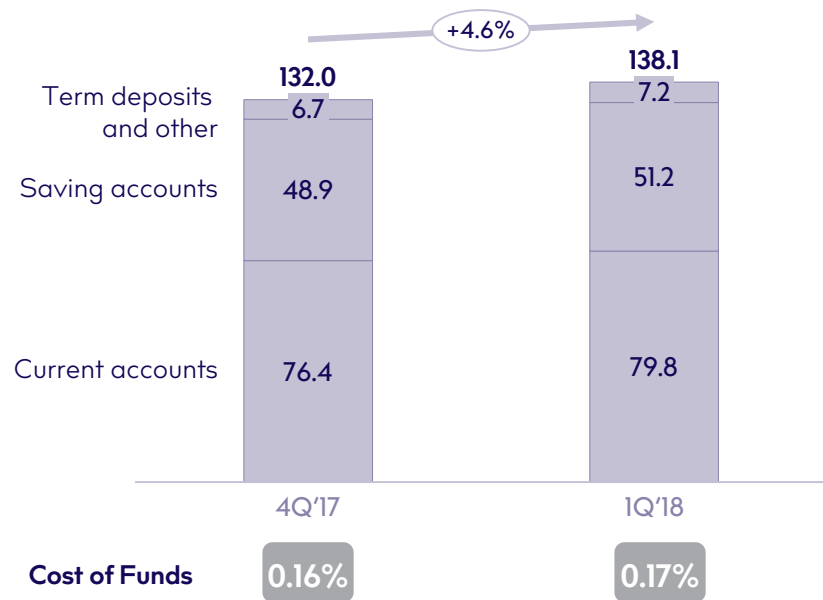


- **CZK 17.9bn YtD decrease** in reverse repo operations
- **CZK 6.1bn YtD increase** in customer deposits<sup>1</sup>
- **CZK 638m** adjustment to IFRS9 into equity position
- **87.0% Loan to Deposit** ratio remained stable compared to **87.4% in 4Q'17**
- **200.4% LCR** confirms **excellent liquidity position**
- **8.9% regulatory leverage<sup>2</sup>** (2017 at **8.1%**) against Czech bank industry leverage of **6.5%**<sup>3</sup>
- Sufficient capital to support 2018 lending growth and investments

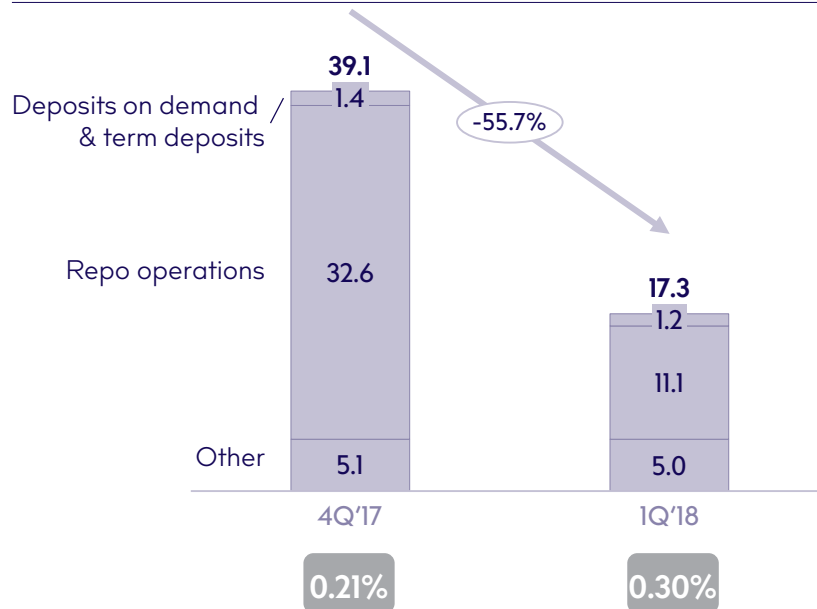
# "FORTRESS" BALANCE SHEET

## Fully self-funded with low cost of funds

CUSTOMER DEPOSITS<sup>1</sup> (CZK bn)



DUE TO BANKS AND REPO OPERATIONS<sup>2</sup> (CZK bn)



- **17bps** in 1Q'18 of **customer deposit Cost of Funds** remained relatively flat compared to 4Q'17
- **19bps total Cost of Funds** higher in 1Q'18 compared to **17bps** in 4Q'17, due to repo operations and higher expense on other non-deposit funding,
- **63%** share of **retail deposits** on customers deposits remained stable

Notes: Figures in chart may not add up due to rounding differences;

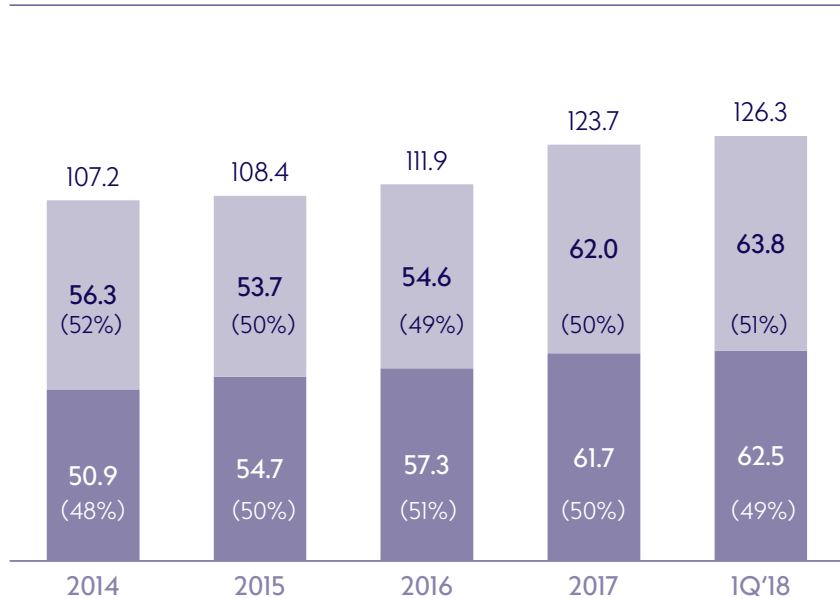
(1) Excluding CZK 7.1 billion of opportunistic repo transactions as at end of 1Q'18 (as at end of 4Q'17: 9.4 billion);

(2) Including opportunistic repo operations of CZK 9.5 billion as at end of 1Q'18 (out of which CZK 7.1 billion are classified as Customer deposits) and CZK 29.4 billion as at end of 4Q'17 (out of which CZK 9.4 billion are classified as Customer deposits).

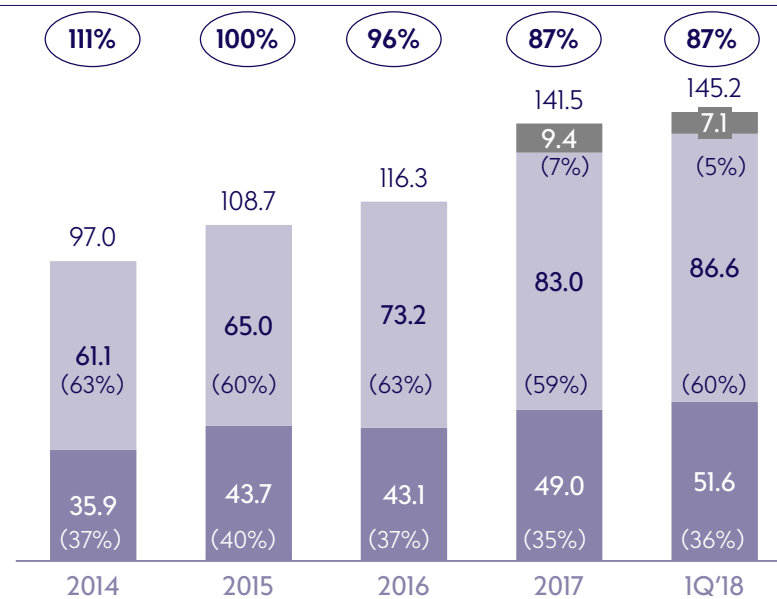
# "FORTRESS" BALANCE SHEET

## Solid growth in lending portfolio funded by strong growth in customer deposit base

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



CUSTOMER DEPOSITS PORTFOLIO EVOLUTION (CZK bn)



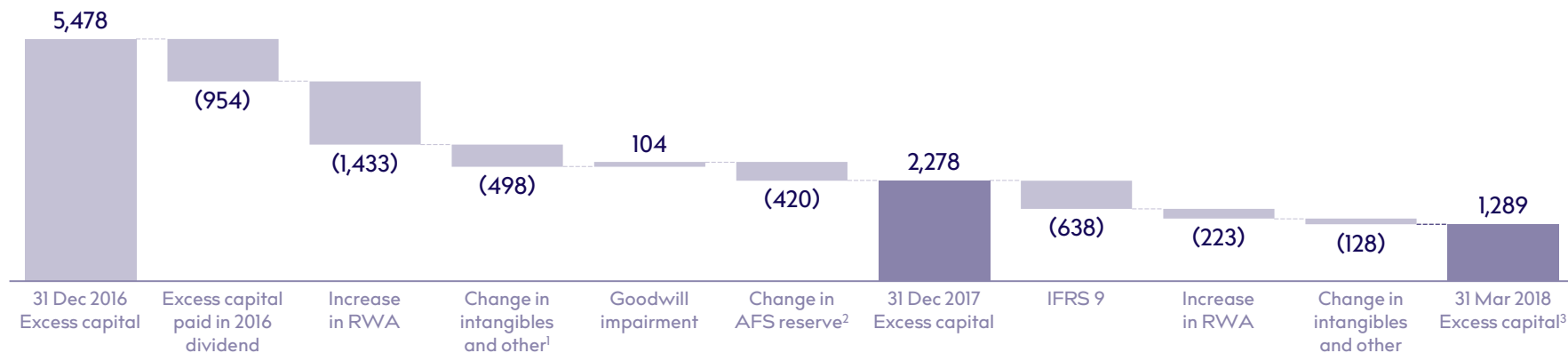
■ Other ■ Retail ■ Commercial ○ Net Loans / Deposits Ratio<sup>3</sup>

- **Well-diversified loan portfolio** splitted between retail and commercial segments
- **Lending operations are predominantly funded by deposits**, in particular by low-cost demand deposits
- Funding **by opportunistic repo transaction** continued in 1Q'18

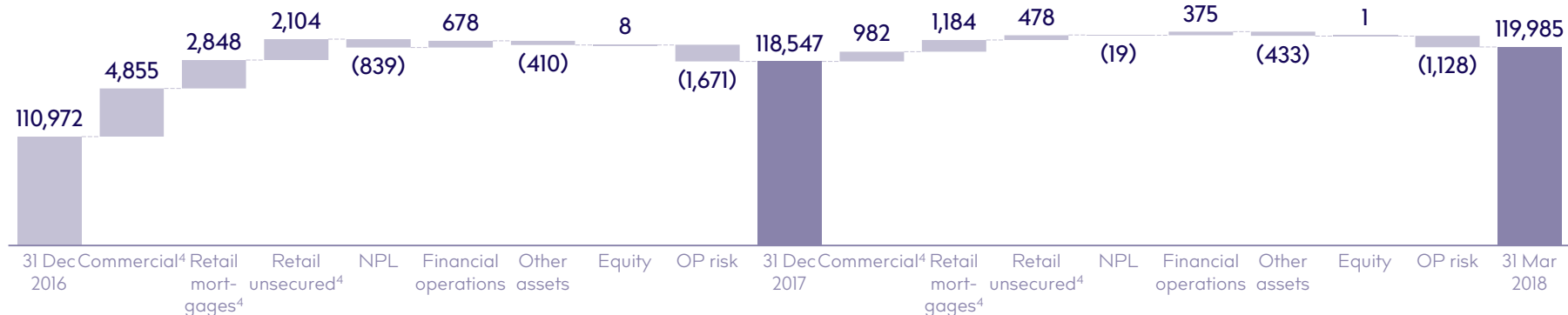
## "FORTRESS" BALANCE SHEET

# Existing excess capital expected to be used for 2017 dividend payment, organic growth and investment initiatives in 2018

### EXCESS CAPITAL EVOLUTION (CZK m)



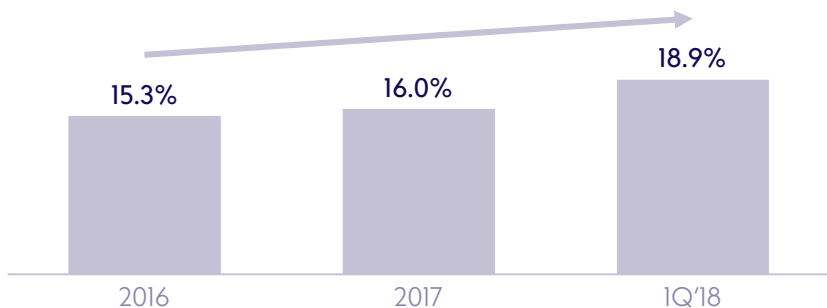
### RISK WEIGHTED ASSETS WALK (CZK m)



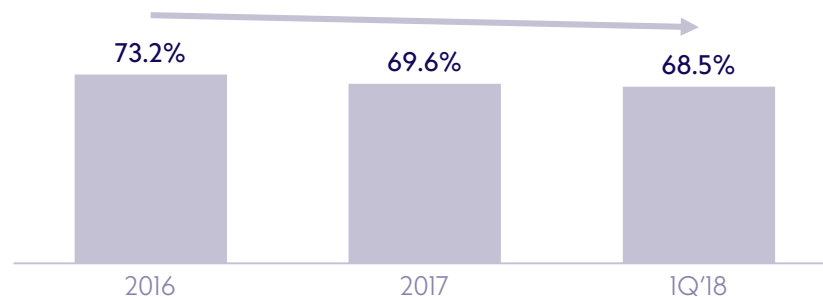
# "FORTRESS" BALANCE SHEET

## Delivering high returns with strong capitalization, further RWA optimization continued

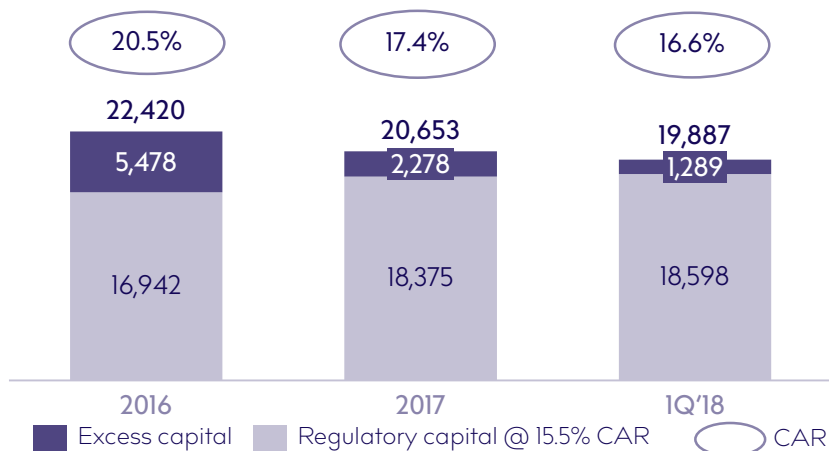
RETURN ON TANGIBLE EQUITY



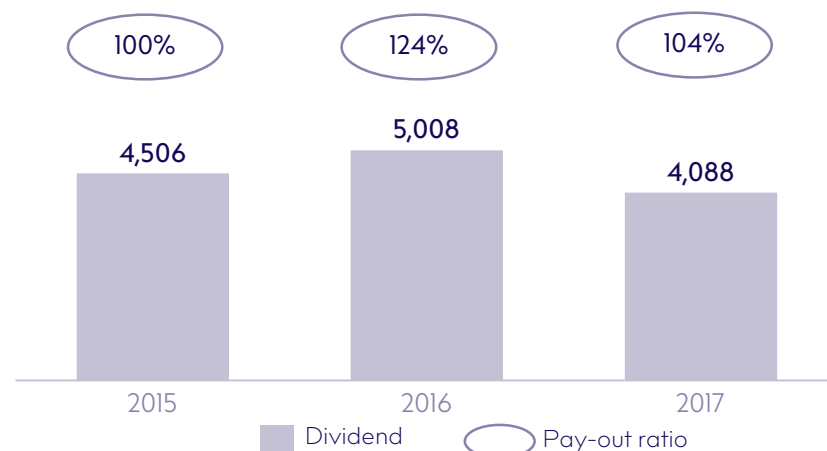
RISK WEIGHTED ASSETS DENSITY<sup>(1)</sup>



CAPITAL ADEQUACY RATIO AND REGULATORY CAPITAL (CZK m)



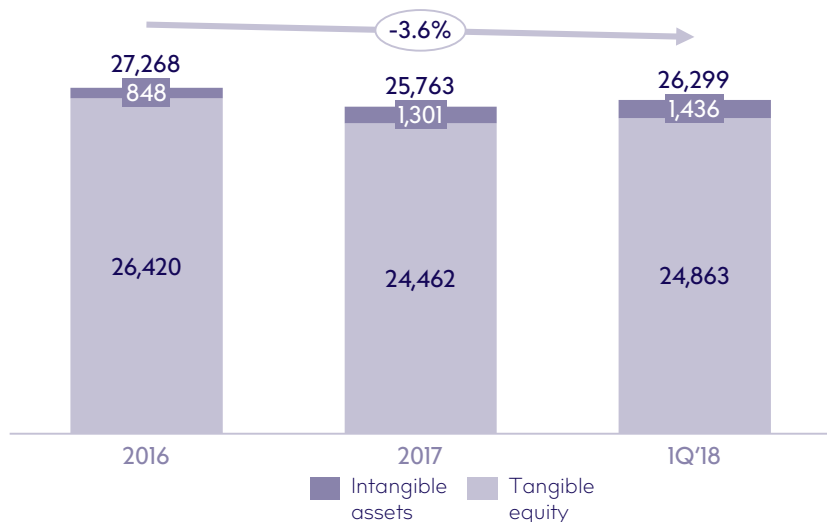
DIVIDEND PAY-OUT (CZK m)



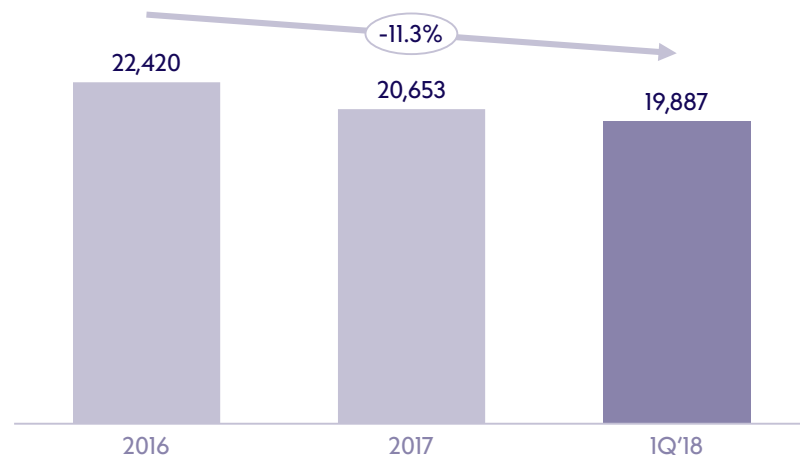
## "FORTRESS" BALANCE SHEET

Progressively moving towards 15.5% of medium term capital target

ACCOUNTING EQUITY (CZK m)



REGULATORY EQUITY (CZK m)



### INITIATIVES FOR CAPITAL OPTIMIZATION IN 2018

- Optimization of other assets with respect to risk weights
- Utilization of respective credit risk mitigation techniques connected to secured commercial loans
- Inclusion of half-year profit net of expected 70% dividend into regulatory capital<sup>2</sup>
- Review of credit conversion factor for off balance sheet exposures

# EXPERIENCED AND INTERNATIONAL MANAGEMENT TEAM

## International management team with strong expertise and high level of aspiration to deliver strategic objectives

### MANAGEMENT BOARD OF MONETA MONEY BANK

#### TOMÁŠ SPURNÝ

Chairman of the Management Board

Chief Executive officer, since 2015



Previously, CEO of Romania's biggest bank Banca Commercial Romana (2012–2015), CEO of CIB Bank Hungary (2009–2012), CEO of PPF Czech Republic (2007–2009), CEO of VÚB Banka (2002–2007) and a member of the board of Komerční Banka (2000–2002)

#### PHILIP HOLEMANS

Vice-Chairman of the Management Board

Chief Financial Officer, since 2014



Previously, CFO at GE Capital for Germany and Benelux

#### CARL NORMANN VÖKT

Member of the Management Board

Chief Risk Officer, since 2012



Previously, held the position of Chief Risk Officer at Bank BPH

#### JAN NOVOTNÝ

Member of the Management Board

Chief Commercial Banking Officer, since 2013



Previously, head of the SME segment at MONETA (joined MONETA<sup>1</sup> in 2003)

#### ALBERT PIET VAN VEEN

Member of the Management Board

Chief Operating Officer, since 2017



Previously, CIO at Schiphol Group Amsterdam

### TRACK RECORD OF SUCCESS

- **CEO with significant expertise** in financial services in the CEE region
- **International management team** with a **wealth of relevant experience** in the financial services industry
- **Deep operational know-how** coupled with strong knowledge of Czech banking
- Proven track record of delivering **profitability through the economic cycle**
- **Targeting alignment of senior management incentive scheme** towards external KPI' s in 2018

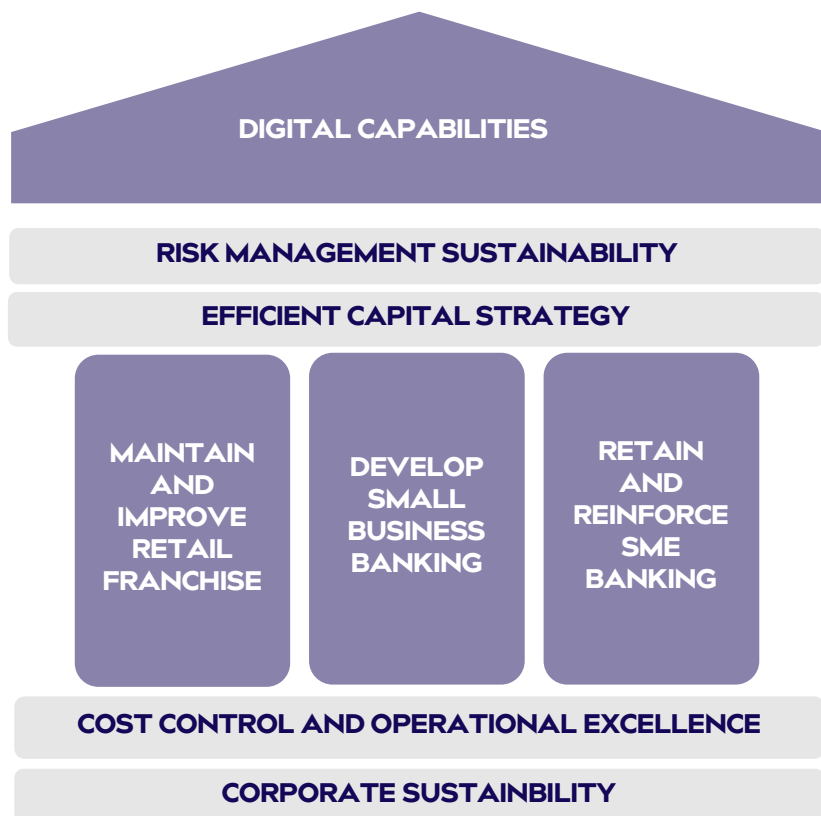
# 1Q 2018 Results

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## EXECUTING ON STRATEGY

# Portfolio growth supported by improved digital capabilities and underpinned by strong capital adequacy ratio



**12.6% YoY growth in gross performing loans** outperforming guidance

**16.1% YoY increase in RETAIL gross performing loan balance**

- **35.9% YoY** continued growth in gross performing **mortgage balance**<sup>1</sup>, achieving **market share** of **2.0%**<sup>2</sup> in 1Q'18 (**1.6%** in 1Q'17)
- **9.5% YoY** growth in gross performing **consumer loans balance** and maintaining **market share above 19%**<sup>3</sup>

**9.2% YoY growth in COMMERCIAL gross performing loan balance**

- **90.5% YoY** strong growth in gross performing **small business instalment loan balance**, with new volume up **89.9% YoY**
- **9.1% YoY** increase in gross performing **investment loan balance**

**Fully online Credit Card** originated via mobile for both retail and commercial clients introduced in **1Q'18**

**16.6% Capital Adequacy Ratio**<sup>4</sup> following IFRS 9 charge against equity, **CZK 120 billion of RWA**, **8.1% YoY RWA** growth

## EXECUTING ON STRATEGY

Generated consolidated net profit of CZK 1.2 billion, +12.8% increase compared to 1Q 2017

METRICS (CZK m, %)	1Q'18	1Q'17	CHANGE
NET INTEREST INCOME	1,796	1,892	(5.1%)
NET FEE AND COMMISSION INCOME	445	458	(2.8%)
OTHER INCOME	144	182	(20.9%)
<b>TOTAL OPERATING INCOME</b>	<b>2,385</b>	<b>2,532</b>	<b>(5.8%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>(1,255)</b>	<b>(1,152)</b>	<b>8.9%</b>
<b>COST OF RISK</b>	<b>281</b>	<b>(80)</b>	<b>&gt;(100%)</b>
PROFIT BEFORE TAX	1,411	1,300	8.5%
<b>NET PROFIT</b>	<b>1,173</b>	<b>1,040</b>	<b>12.8%</b>
<b>RETURN ON TANGIBLE EQUITY</b>	<b>18.9%</b>	<b>15.3%</b>	<b>360bps</b>

- **CZK 2.4bn of operating income, down 5.8% YoY**, in line with guidance
- **CZK 103m higher operating expenses YoY (up 8.9%), remained flat when adjusted for one-off provision release in 1Q'17**
- **52.6% Cost to Income** ratio in line with management expectations
- **Positive Cost of Risk**, supported by gain from legacy NPL sales (**62bps Cost of Risk** excluding gain of legacy NPL sale)
- **12.8% YoY higher net profit** driven by legacy NPL sale in 1Q'18 resulting in **18.9% RoTE**

# EXECUTING ON STRATEGY

## Key highlights

**8.8%**

**Pricing stabilization in consumer loan production**

**30bps uplift versus 4Q 2017 and 10bps above market<sup>1</sup>, defending market share above 19%<sup>2</sup>**

**CZK 475 m**

**Legacy NPL monetization continued**

**CZK 475 million gain delivered to Cost of Risk from sale of nominal value of CZK 2.3bn**

**8.2ths**

**New client acquisition accelerated**

**8,202 new clients acquired on net basis during 1Q 2018 versus 5,047 in 1Q 2017**

**26 branches**

**Completed first phase of branch network optimization**

**26 branch closures since 4Q 2017 enabled by success in digital origination**

**CZK 4.1bn**

**Pay-out of 2017 dividend of CZK 4.1bn pre-tax approved**

**Annual General Meeting held on 25 April 2018  
Payment date scheduled for 31 May 2018**

# ANNUAL GENERAL MEETING SUMMARY OF RESULTS

Held on 25 April 2018 with quorum of more than 56%

01.



**Annual Consolidated Financial Statements**

of MONETA Money Bank, a.s. as at 31 December 2017

02.



**Annual Separate Financial Statements**

of MONETA Money Bank, a.s. as at 31 December 2017

03.



**Resolution on distribution of profit of MONETA Money Bank, a.s.**

04.

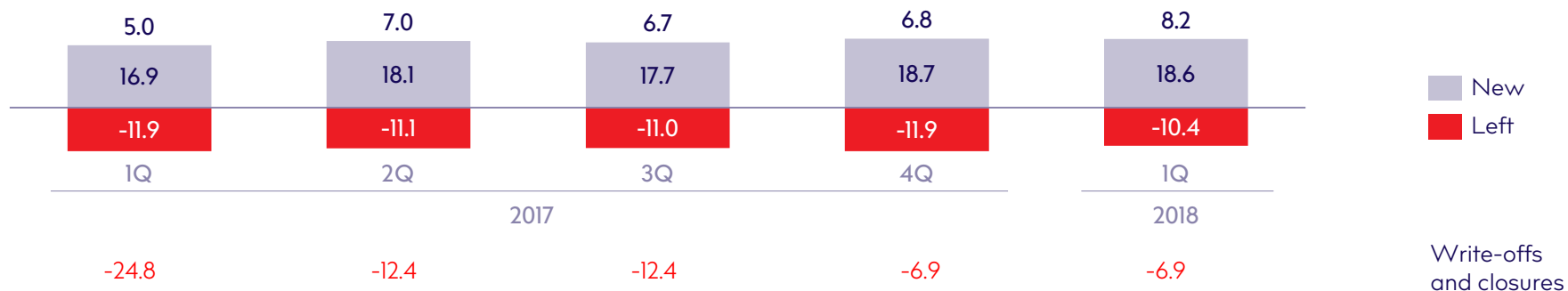


**Appointment of KPMG Česká republika Audit, s.r.o.** to conduct statutory audit of MONETA Money Bank, a.s. for financial year 2018

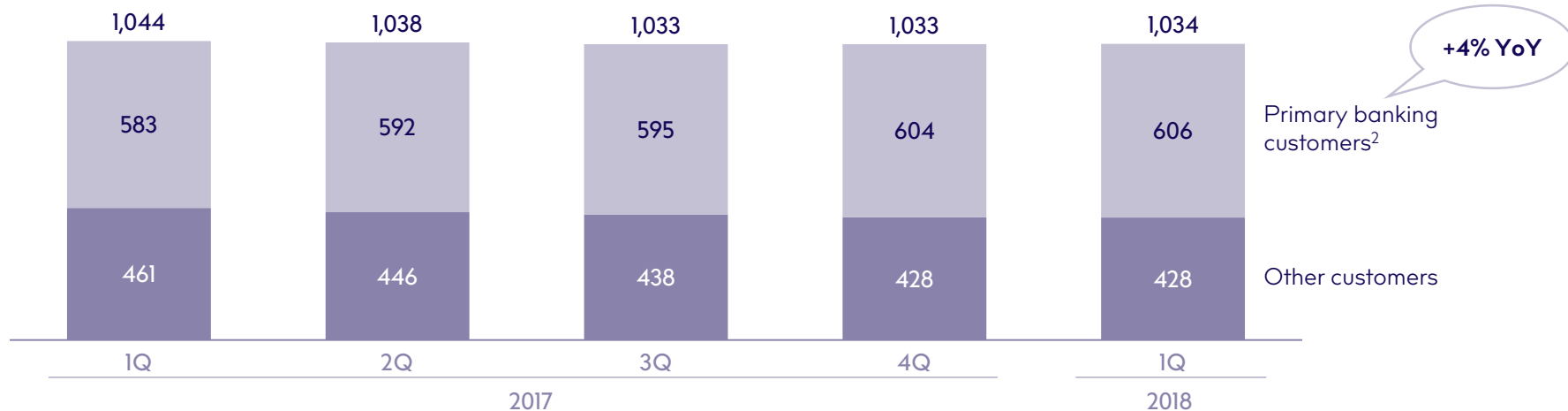
# CLIENT BASE EVOLUTION

## Improving client acquisition by 63% year on year

NET CLIENT ACQUISITION<sup>1</sup> (number of clients in thousands)



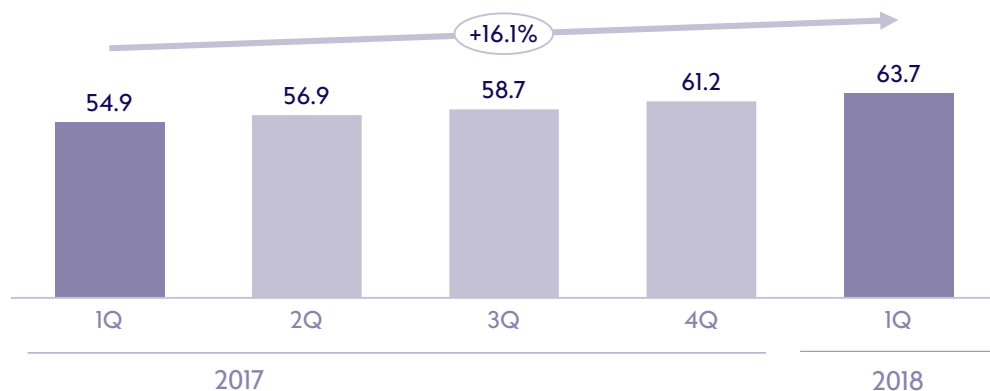
CLIENT BASE EVOLUTION<sup>2</sup> (number of clients in thousands)



# GROSS PERFORMING LOAN PORTFOLIO DEVELOPMENT<sup>1</sup>

## Solid performance in retail and commercial segments, supported by strong growth in mortgages and small business lending

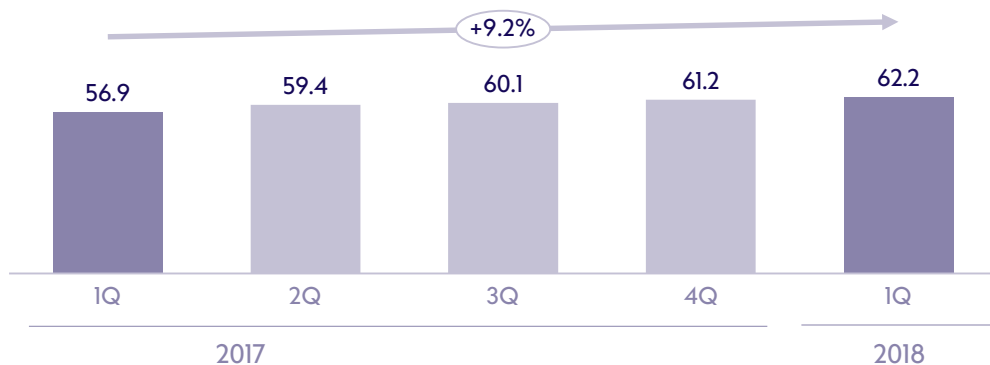
RETAIL GROSS PERFORMING LOAN BALANCE (CZK bn)



### RETAIL

- **35.9% YoY growth** in gross performing mortgage balance
- **25.5% YoY growth** in gross performing auto lending balance
- **9.5% YoY growth** in gross performing consumer loan balance
- **(14.3)% YoY decline** in gross performing credit card and overdraft balance

COMMERCIAL GROSS PERFORMING LOAN BALANCE (CZK bn)



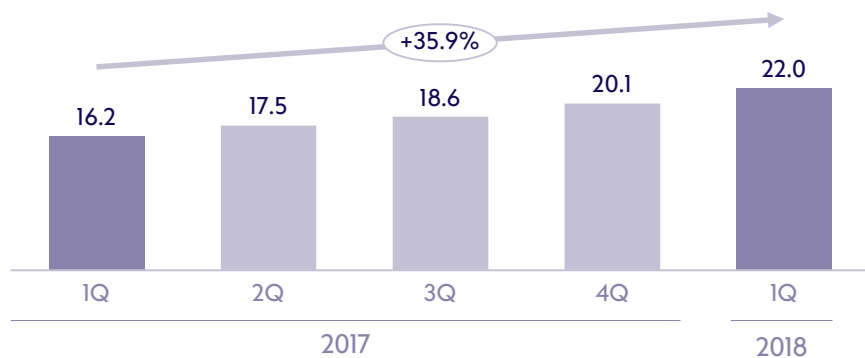
### COMMERCIAL

- **90.5% YoY growth** in small business gross performing instalment lending balance
- **15.0% YoY growth** in gross performing balance of drawn working capital
- **9.1% YoY growth** in investment loans gross performing balance
- **(1.7)% YoY decline** in gross performing balance of auto, inventory loans and leasing

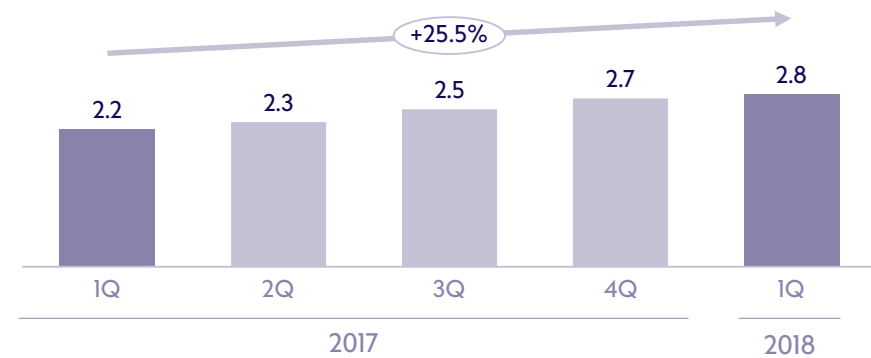
# GROSS PERFORMING RETAIL LOAN PORTFOLIO DEVELOPMENT<sup>1</sup>

## Strong growth across all retail products except credit cards and overdrafts

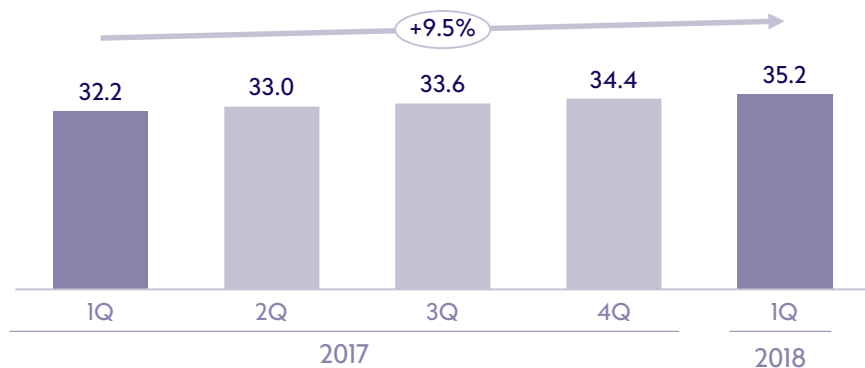
MORTGAGE BOOK DEMONSTRATING STRONG GROWTH (CZK bn)



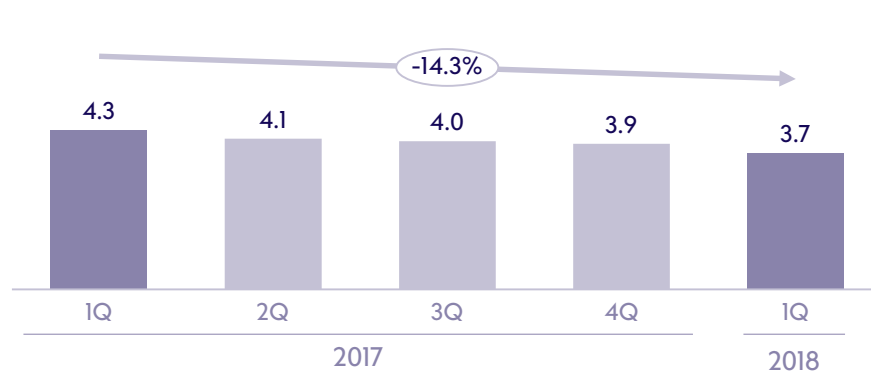
AUTO LENDING BALANCE EXHIBITS STRONG PERFORMANCE (CZK bn)



CONSUMER LOANS BALANCE SHOWS SOLID GROWTH (CZK bn)



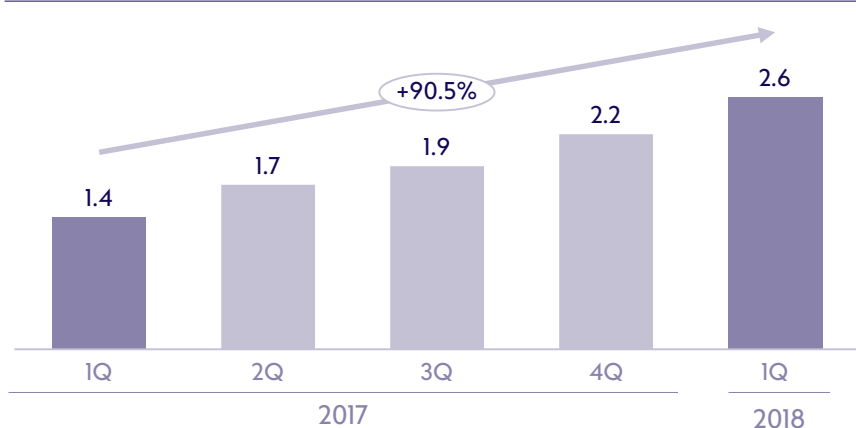
CREDIT CARD & OVERDRAFT BALANCE DECLINED (CZK bn)



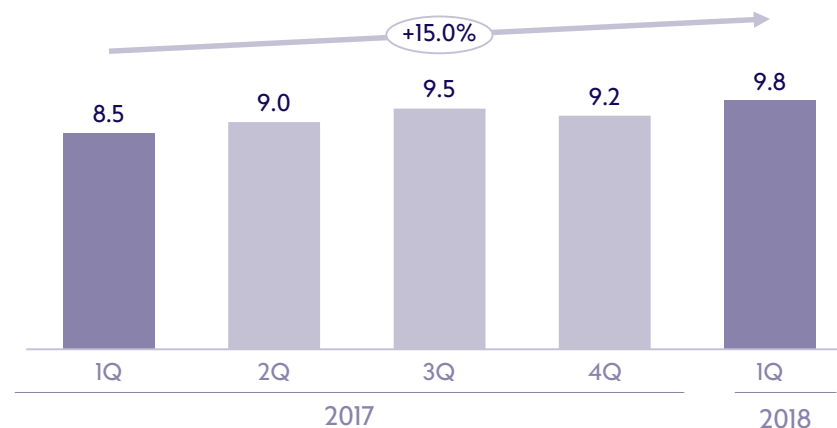
# GROSS PERFORMING COMMERCIAL LOAN PORTFOLIO DEVELOPMENT<sup>1</sup>

## Accelerated growth in small business lending complemented by strong increase in investment and working capital lending

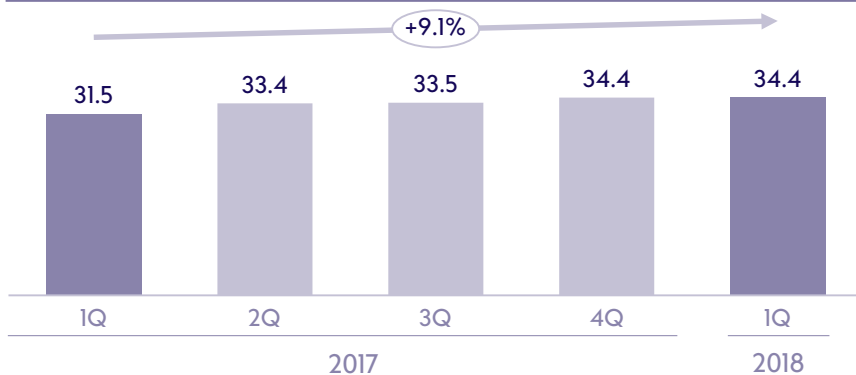
SMALL BUSINESS INSTALMENT LENDING BALANCE (CZK bn)



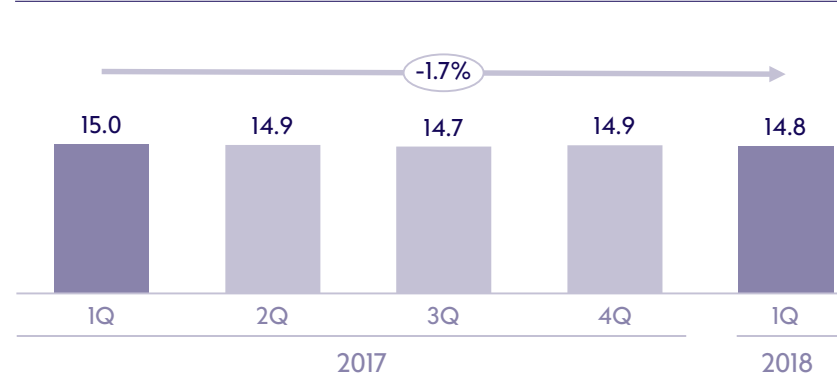
WORKING CAPITAL BALANCE (CZK bn)



INVESTMENT LOAN BALANCE (CZK bn)



AUTO AND LEASING BALANCE (CZK bn)

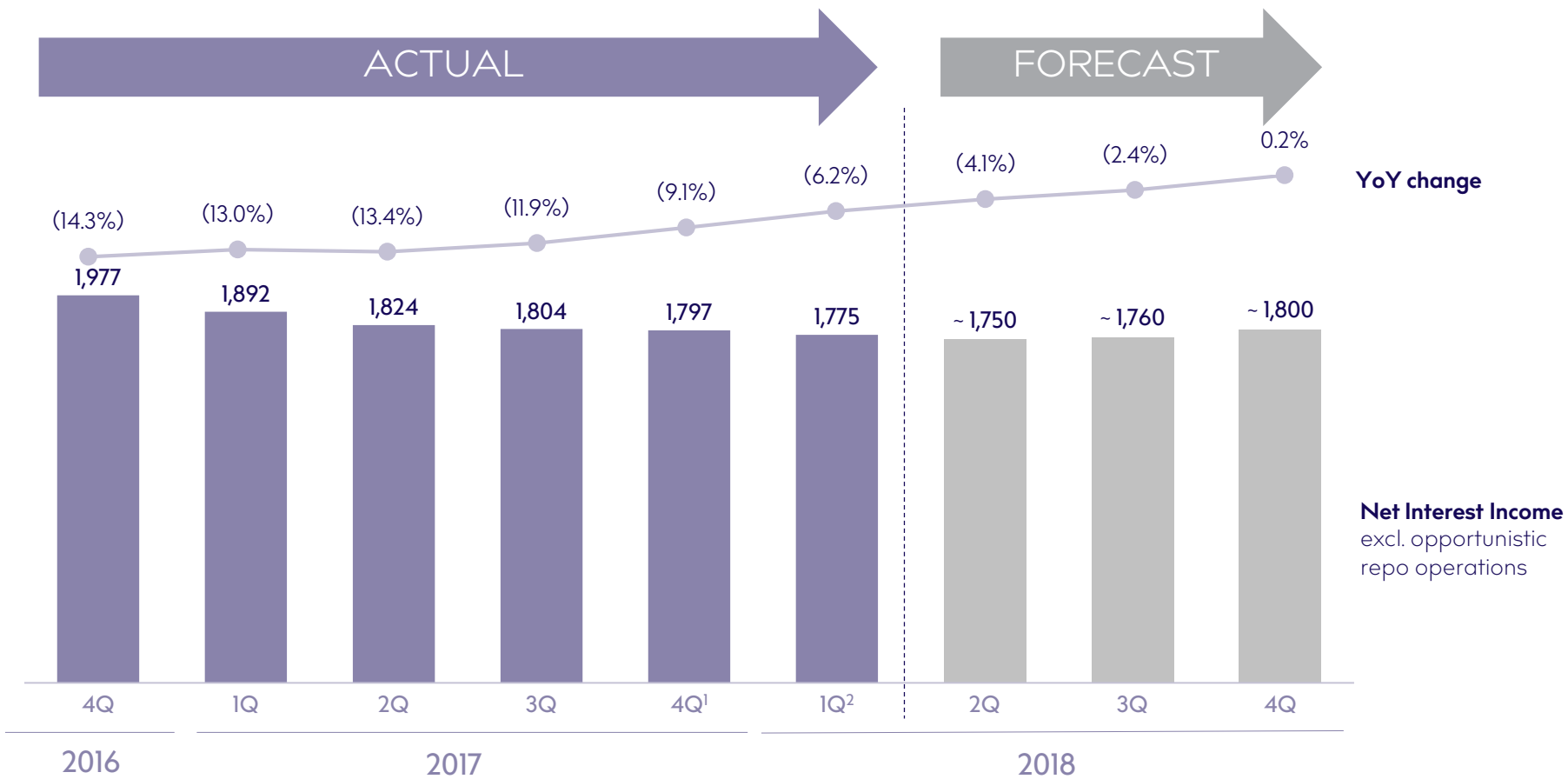




## NET INTEREST INCOME OVERVIEW

Slow down in erosion of NII, management believes reversal point is approaching due to margin stabilization and growth

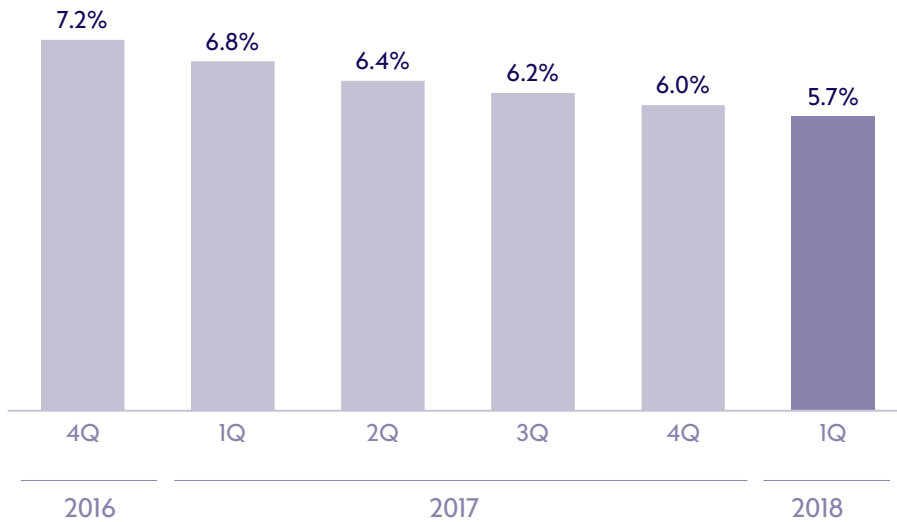
(CZK m)



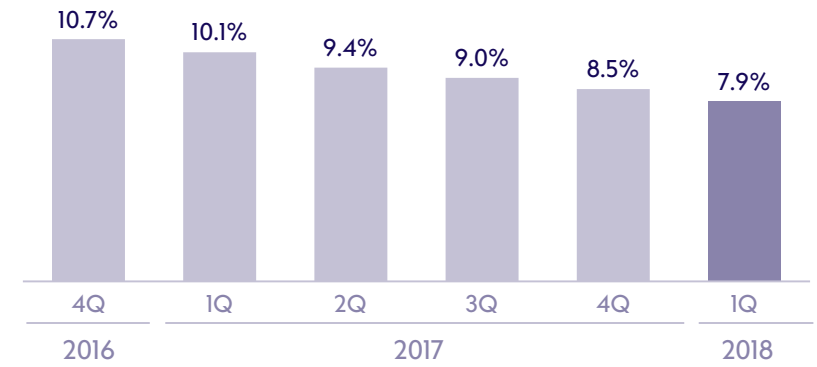
# LOAN PORTFOLIO MARGIN EVOLUTION

Retail yield impacted mainly by back book repricing on consumer loans; continued stabilisation in commercial yield

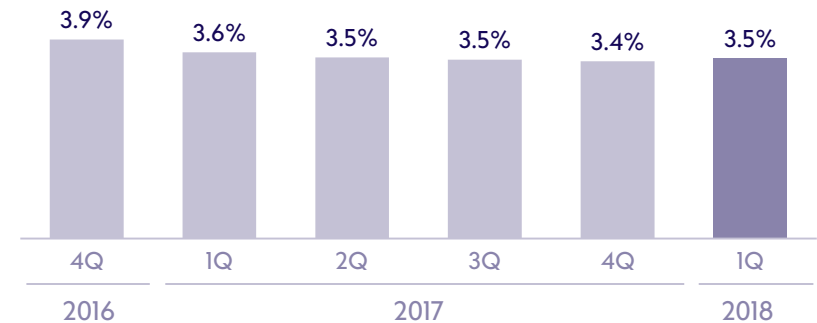
### LOAN PORTFOLIO YIELD



### RETAIL PORTFOLIO YIELD



### COMMERCIAL PORTFOLIO YIELD



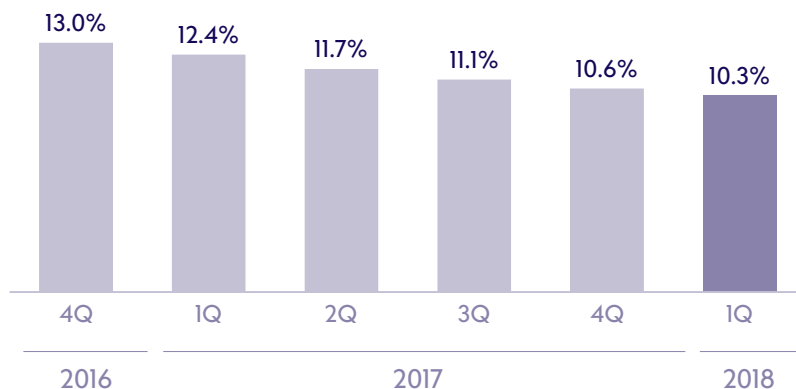
# RETAIL LOAN PORTFOLIO MARGIN EVOLUTION

Decline in yield driven by consumer loans rate pressure, back book repricing and mix more balanced towards secured loans

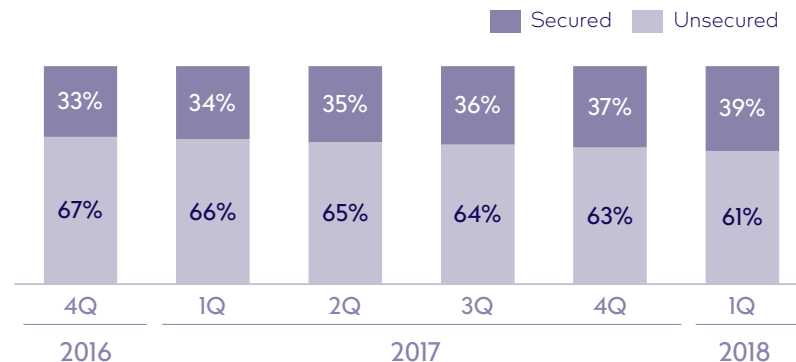
RETAIL PORTFOLIO YIELD



CONSUMER LOAN PORTFOLIO YIELD



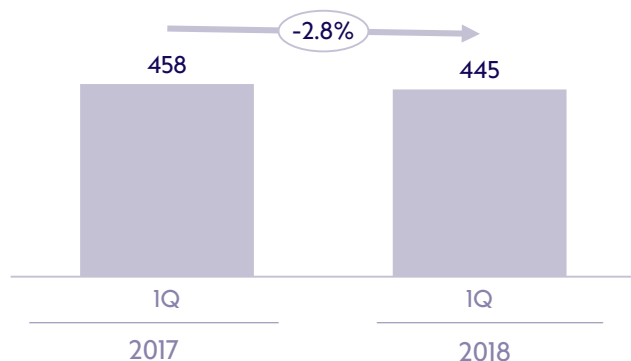
RETAIL PORTFOLIO COMPOSITION<sup>(1)</sup>



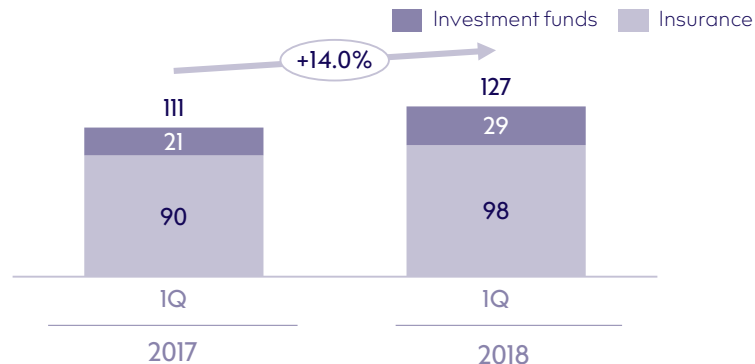
# NET FEE AND COMMISSION INCOME

## Share of 3rd party income increasing to 28.5% of net fee and commission income

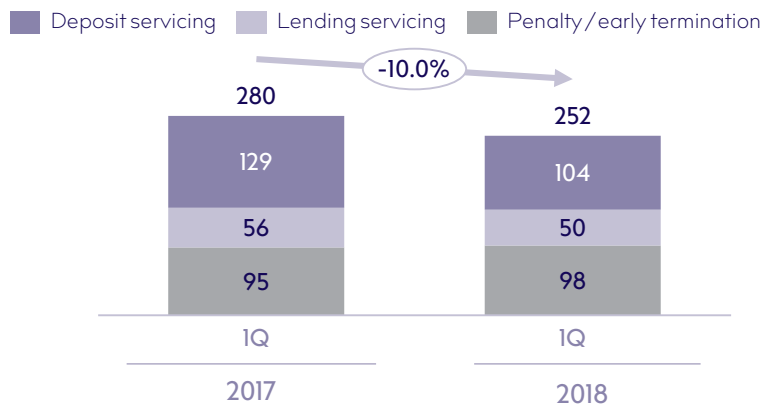
NET FEE & COMMISSION INCOME (CZK m)



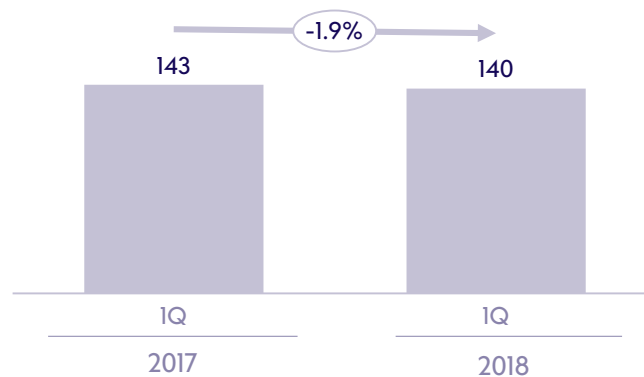
THIRD PARTY COMMISSION INCOME DRIVEN BY INVESTMENT FUNDS UP 37% AND INSURANCE UP 9% YoY, (CZK m)



SERVICING AND PENALTY FEES CONTINUED TO ERODE (CZK m)



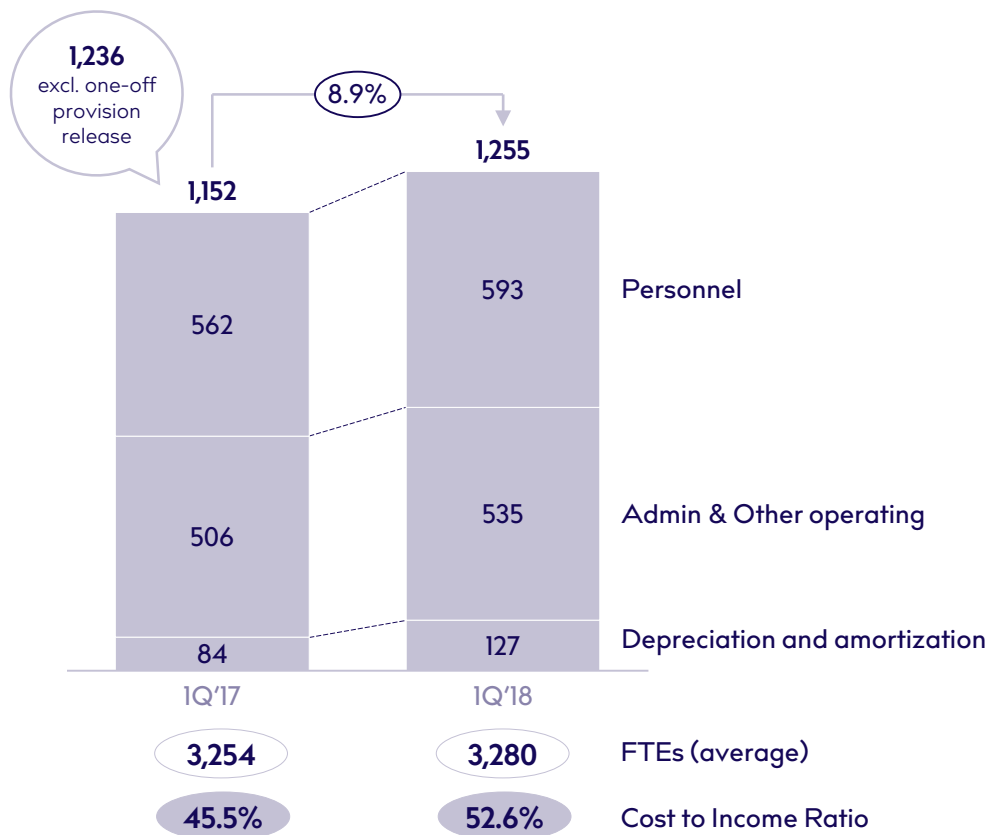
TRANSACTIONAL & OTHER FEES IMPACTED BY SEASONALITY (CZK m)



## OPERATING EXPENSES

Operating expenses flat year on year when adjusted for one-off provision release in 1Q'17

OPERATING EXPENSES (CZK m)



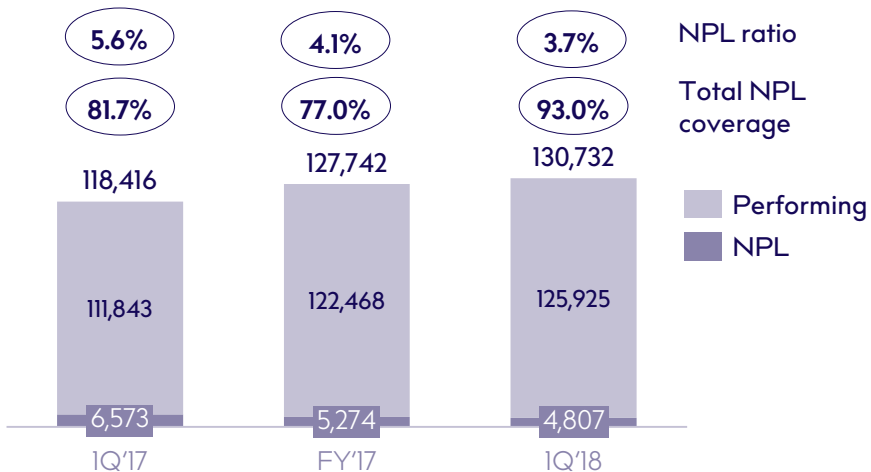
### HIGHLIGHTS

- **5.5% YoY increase to CZK 593m** in personnel expenses :
  - Primarily driven by wage inflation and change in FTE structure, mainly at digital related and front-end roles
- **5.7% YoY increase to CZK 535m** in admin & other operating expenses:
  - **CZK 84m** one-off provision release in 1Q'17
  - **CZK (42)m** savings from no MSA/TSA charge in 2018
  - **CZK 87m** contribution to Deposit Insurance Fund and Resolution and Recovery fund in 1Q'18 (**CZK 96m** in 1Q'17)
- **51.2% YoY increase to CZK 127m** in depreciation and amortization:
  - Primarily driven by higher amortization due to investments in IT separation and Digital
  - **72% YoY** intangible assets balance growth

# CONTINUED IMPROVEMENT IN ASSET QUALITY

## Cost of Risk positively impacted by legacy NPL sales with gain of CZK 475 million

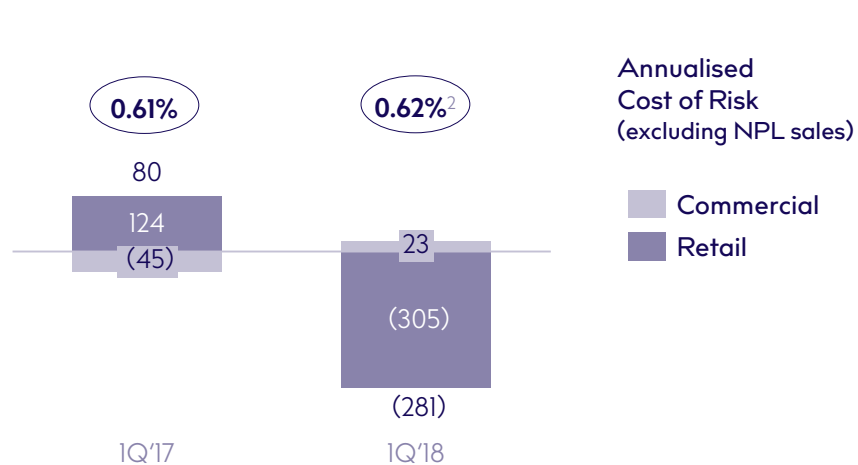
DECREASING NPL PORTFOLIO, COVERAGE IMPACTED BY IFRS 9 (CZK m)



### HIGHLIGHTS

- **3.7% NPL ratio** in Q1'18, down from **5.6%** in Q1'17 due to sales of legacy NPLs and write-offs
- **93.0%** total NPL coverage<sup>1</sup>, increase due to adoption of IFRS 9 in January'18
- During 2018 MONETA will further seek to monetize on and off balance sheet NPLs

COST OF RISK IMPACTED BY LEGACY NPL SALES (CZK m)



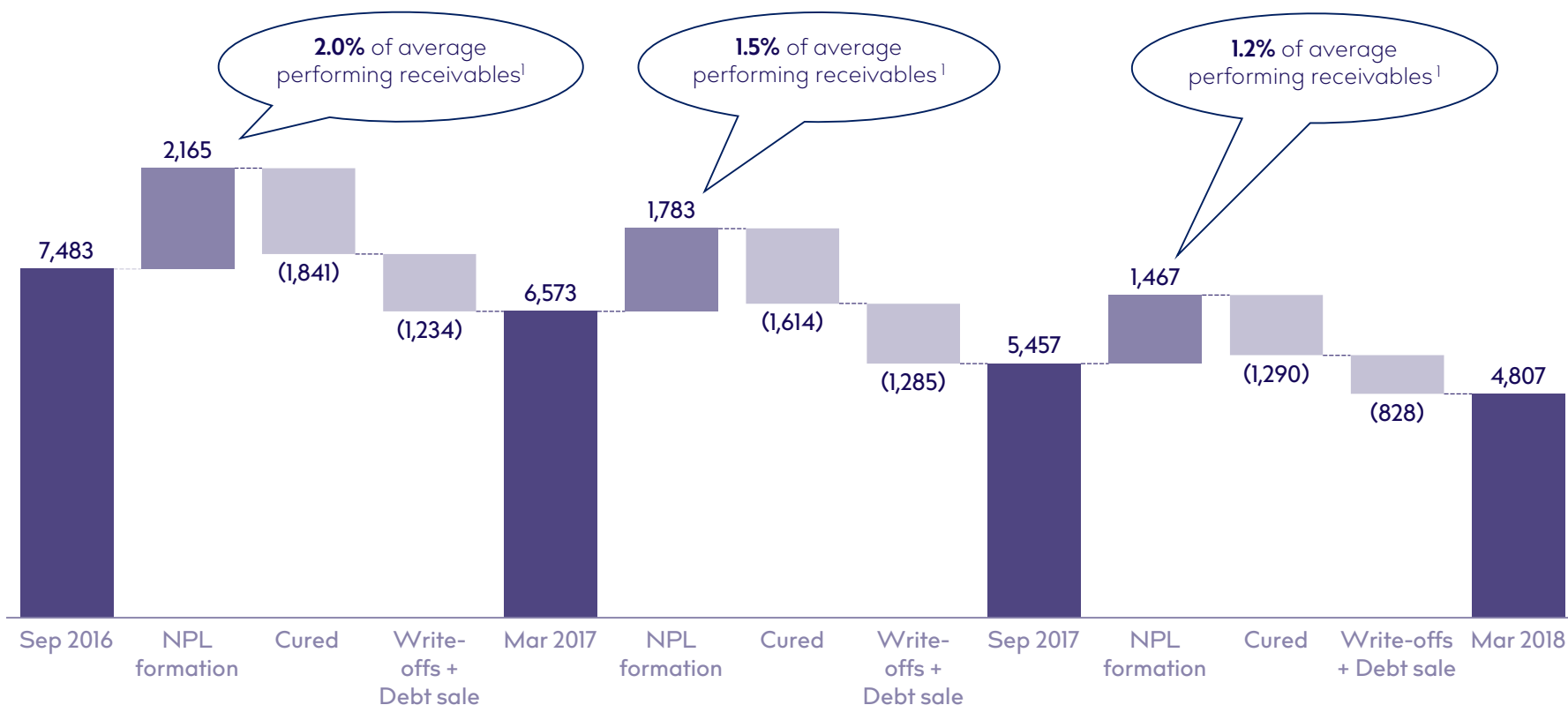
### HIGHLIGHTS

- **CZK 281m** net release of provisions or **(90)bps** total annualized YTD Cost of Risk in 1Q'18
- **CZK 475m** positive impact of legacy NPL sales in Cost of Risk, **62bps** Cost of Risk in 1Q'18, excl. income from legacy NPL sales
- **CZK 2.3bn** of NPL sales in 1Q'18 – balance sheet gross receivable value of **CZK 0.3bn**, off balance sheet value of **CZK 2.0bn**

## NPL DEVELOPMENT OVERVIEW

# Continued positive portfolio performance and proactive NPL management further reduce NPL stock

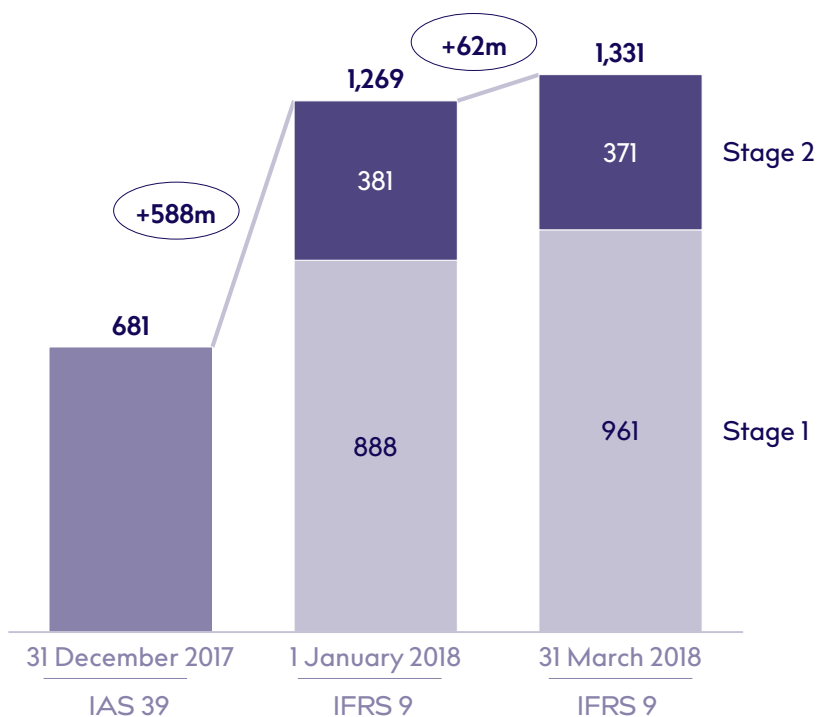
GROSS NPL WALK (CZK m)



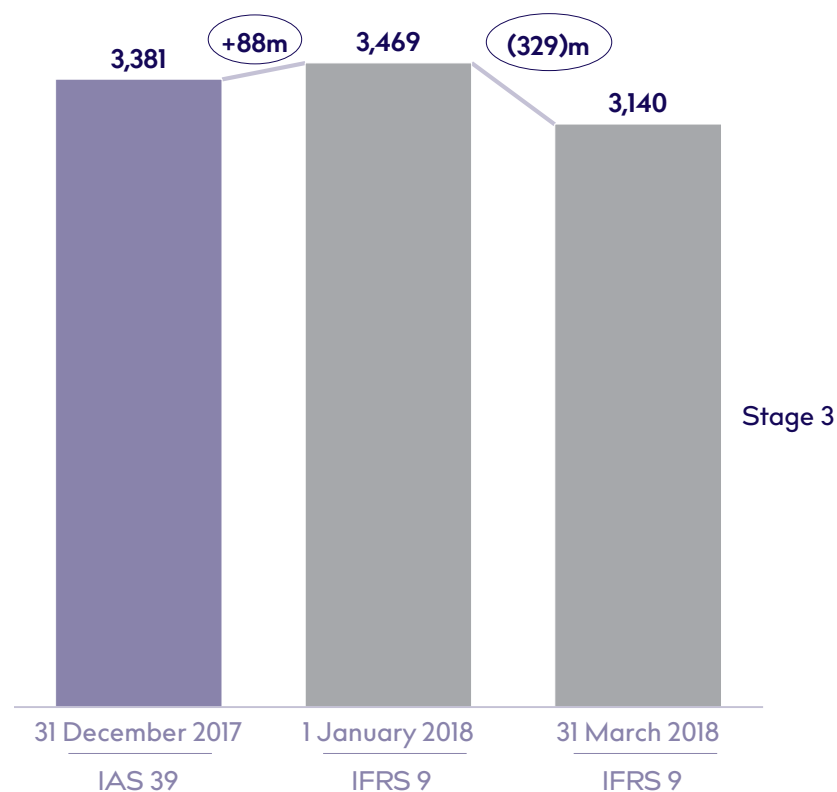
## ASSET QUALITY

# Impact of IFRS 9 implementation into allowances for lending portfolio

ALLOWANCES FOR NON-IMPAIRED PORTFOLIO<sup>1</sup> (CZK m)



ALLOWANCES FOR IMPAIRED PORTFOLIO<sup>1</sup> (CZK m)



(1) Total impact of IFRS 9 transition into equity is CZK 638 million, out of which: expected credit loss is CZK 695 million (CZK 676 million related to allowances book-up to lending portfolio (CZK 588 million in Stage 1 and Stage 2 and CZK 88 million in Stage 3) and CZK 19 million related to provision for unused limits); remaining amount of CZK (57) million related to other adjustments such as classification and measurement.



## 2018 GUIDANCE

# Improving 2018 guidance, targeting to deliver consolidated net profit of CZK 3.5 billion underpinned by low Cost of Risk

<b>METRICS</b>	<b>INITIAL GUIDANCE<sup>1</sup></b>	<b>REVISED GUIDANCE</b>
<b>GROSS PERFORMING LOAN BOOK GROWTH</b>	≥9%	≥9%
<b>TOTAL OPERATING INCOME (CZK)</b>	≥9.5bn	≥9.5bn
<b>COST BASE (CZK)</b>	~4.9bn	~4.9bn
<b>COST OF RISK</b> <i>Cost of Risk (excluding legacy NPL sales)</i>	45 – 55bps 90 – 100bps	35 – 45bps 80 – 90bps
<b>CONSOLIDATED NET PROFIT (CZK)</b>	≥ 3.4bn	<b>≥3.5bn</b>
<b>RETURN ON TANGIBLE EQUITY</b>	≥14%	≥14%
<b>EFFECTIVE TAX RATE</b>	~ 17%	~ 17%

(1) Initial guidance announced on February 7, 2018 except Cost of Risk excluding legacy NPL sales;

# KPI FOR 2018 PERFORMANCE YEAR

## Chief Executive Officer

QUANTITATIVE TARGETS		TOTAL WEIGHT 70%	
Nr. Objective	Weight	Target	Floor
<b>01. Net income</b> (CZK bn)	25%	≥3.5	3.5
<b>02. Operating income</b> (CZK bn)	15%	≥9.7	9.5
<b>03. Reported RoTE</b> (%)	5%	14.0 - 15.3	14.0
<b>04. Total OPEX</b> (CZK bn)	5%	≤4.9	5.0
<b>05. Core Cost of Risk</b> (BPS)	5%	≤92	94
<b>06. Gross Performing Receivables</b> (CZK bn)	5%	≥136.6	133.2
<b>07. Capital adequacy ratio</b> (%)	10%	15.6 - 15.9	15.5

QUALITATIVE TARGETS		TOTAL WEIGHT 30%
Nr. Objective		Weight
<b>01. Digital strategy implementation</b>		6%
<b>02. Manage relationship with regulator</b>		6%
<b>03. Customer satisfaction for commercial and retail stable or improved</b>		6%
<b>04. Drive Moneta culture and employee engagement throughout the organization</b>		6%
<b>05. Engagement with investors</b>		6%

# KPI FOR 2018 PERFORMANCE YEAR

## Chief Financial Officer

QUANTITATIVE TARGETS		TOTAL WEIGHT 70%	
Nr.	Objective	Weight	Target Floor
01.	<b>Net income</b> (CZK bn)	25%	≥3.5 3.5
02.	<b>Operating income</b> (CZK bn)	15%	≥9.7 9.5
03.	<b>Reported RoTE</b> (%)	5%	14.0 - 15.3 14.0
04.	<b>Total OPEX</b> (CZK bn)	10%	≤4.9 5.0
05.	<b>Core Cost of Risk</b> (BPS)	5%	≤92 94
06.	<b>Capital adequacy ratio</b> (%)	10%	15.6 - 15.9 15.5

QUALITATIVE TARGETS		TOTAL WEIGHT 30%
Nr.	Objective	Weight
01.	<b>Develop Treasury income</b>	5%
02.	<b>Implement and monitor efficient interest rate hedging of the balance sheet</b>	5%
03.	<b>Implement monitoring and reporting on Investments &amp; Initiatives</b>	5%
04.	<b>Engagement with investors</b>	5%
05.	<b>Improve ETR to ≤ 17% in 2018</b>	5%
06.	<b>Digitalize internal processes</b>	5%

# KPI FOR 2018 PERFORMANCE YEAR

## Chief Risk Officer

QUANTITATIVE TARGETS		TOTAL WEIGHT 70%	
Nr. Objective	Weight	Target	Floor
01. <b>Gain on NPL sale</b> (CZK bn)	20%	≥0.75	0.73
02. <b>NPL ratio</b> (%)	15%	0 - 3	3.1
03. <b>Core Cost of Risk</b> (BPS)	10%	≤92	94
04. <b>Stage 3 Coverage</b> (%)	5%	55 - 66	53.5
05. <b>Gross Performing Receivables</b> (CZK bn)	10%	≥136.6	133.2
06. <b>Capital adequacy ratio</b> (%)	10%	15.6 - 15.9	15.5

QUALITATIVE TARGETS		TOTAL WEIGHT 30%
Nr. Objective		Weight
01.	<b>Review and change organizational structure to improve efficiency, reinforce managerial and expert skills</b>	6%
02.	<b>Regulatory fitness: timely completion (progress) to fulfill regulatory milestones</b>	4%
03.	<b>Cyber security strategy implementation</b>	4%
04.	<b>Improve quality and accuracy of Cost of Risk planning</b>	4%
05.	<b>Implement small business credit risk assessment model</b>	4%
06.	<b>Improve retail mortgage credit risk assessment process</b>	4%
07.	<b>Improve processes to retail &amp; small business "Credit limits to existing clients"</b>	4%

# KPI FOR 2018 PERFORMANCE YEAR

## Chief Commercial Banking Officer

QUANTITATIVE TARGETS		TOTAL WEIGHT 70%	
Nr.	Objective	Weight	Target Floor
01.	<b>Net income</b> (CZK bn)	10%	≥3.5 3.5
02.	<b>Revenue (Commercial)<sup>1</sup></b> (CZK bn)	30%	≥2.9 2.8
03.	<b>Gross RoE<sup>2</sup></b> (Commercial excl. NPL sale) (%)	15%	≥21 20
04.	<b>Gross Performing Receivables</b> (Commercial, excl. Inventory Financing) (CZK bn)	5%	≥66.6 64.9
05.	<b>Capital adequacy ratio</b> (%)	10%	15.6 - 15.9 15.5

QUALITATIVE TARGETS		TOTAL WEIGHT 30%
Nr.	Objective	Weight
01.	<b>RWA optimization &amp; sales staff motivation</b>	10%
02.	<b>Leasing restructuring or run-off scenario</b>	5%
03.	<b>Digital strategy &amp; agile transformation</b>	5%
04.	<b>New to the Bank client acquisition: drive small business and SME sales forces to increase marketing efforts and improve overall client metrics</b>	5%
05.	<b>3<sup>rd</sup> party product distribution: enable auxiliary product distribution to grow / enhance fee income</b>	5%

Note: KPIs in red are qualifying criteria: conditional requirement to qualify for EVIP component for each Management Board member and result in overall evaluation of 0% if breached

1) Includes gross interest income, gross Fee & Commission income, forex income,

2) Risk adjusted operating income after tax (using Core CoR; total customer deposit CoF percentage; excl. fee expense) divided by average equity at 15.5% CAR

# KPI FOR 2018 PERFORMANCE YEAR

## Chief Operating Officer

QUANTITATIVE TARGETS		TOTAL WEIGHT 70%	
Nr.	Objective	Weight	Target Floor
01.	<b>OPEX (COO Divisions)</b> (CZK bn)	20%	≤1.11 1.13
02.	<b>New Volume Fully Online (Consumer and small business loans)</b> (CZK bn)	20%	≥2.52 2.46
03.	<b>Depreciation &amp; Amortization</b> (CZK bn)	15%	≤0.59 0.61
04.	<b>Net Income</b> (CZK bn)	10%	≥3.5 3.5
05.	<b>Investment Budget (CAPEX)</b> (CZK bn)	5%	≤1.16 1.19

QUALITATIVE TARGETS		TOTAL WEIGHT 30%
Nr.	Objective	Weight
01.	Delivery of agreed milestones of IT strategy	6%
02.	Delivery of digital strategy and project management	6%
03.	Data & API strategy to support digital distribution	6%
04.	Organizational skills, efficiency and sustainability	6%
05.	Support service functions overall efficiency and quality of delivered services	6%

# REPORTING DATES AND INVESTOR MEETINGS

## Calendar for 2nd quarter 2018

2Q 2018 Earnings

8 August 2018

MONETA Roadshow

East Coast

22 and 25 May 2018

WOOD's CEE Investor days

New York

23 - 24 May 2018

Goldman Sachs European  
Financial Conference

Frankfurt

7 - 8 June 2018

Bank of America Merrill Lynch  
CalGEMs Global Emerging  
Markets Conference

Rancho Palo Verde

6 - 7 June 2018

MONETA Roadshow

West Coast

7 - 8 June 2018

WOOD's Emerging Europe  
Financials

Warsaw

13 - 14 June 2018

# INVESTOR RELATIONS

## Contacts

**Linda Kavanová**

**Manda Drvotová**

**Jarmila Valentová**

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*Bloomberg: MONET CP  
ISIN: CZ0008040318*

*Reuters: MONET.PR  
SEDOL: BD3CQ16*



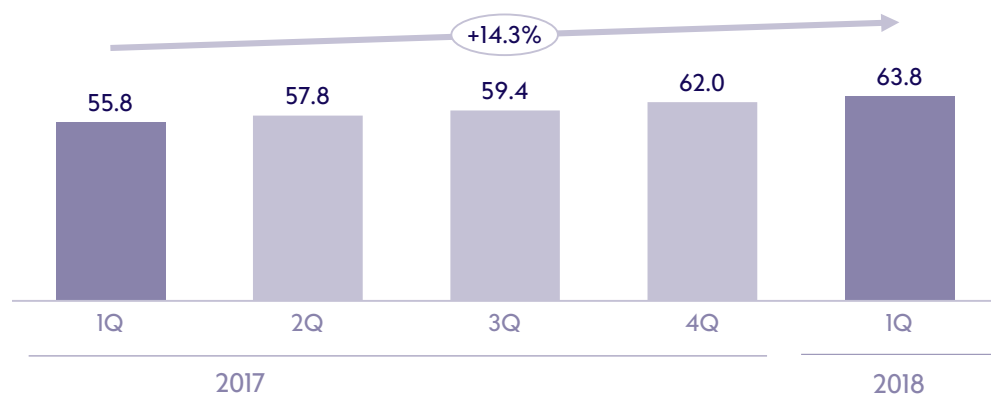
# Appendix

- Net Retail Loan Portfolio Development
- Net Commercial Loan Portfolio Development
- Consolidated Statement of Financial Position
- Consolidated Statement of Profit or Loss and Other Comprehensive Income
- Key Performance Ratios
- Glossary
- Forward Looking Statement
- Material Assumptions and Estimates for 2018 Guidance

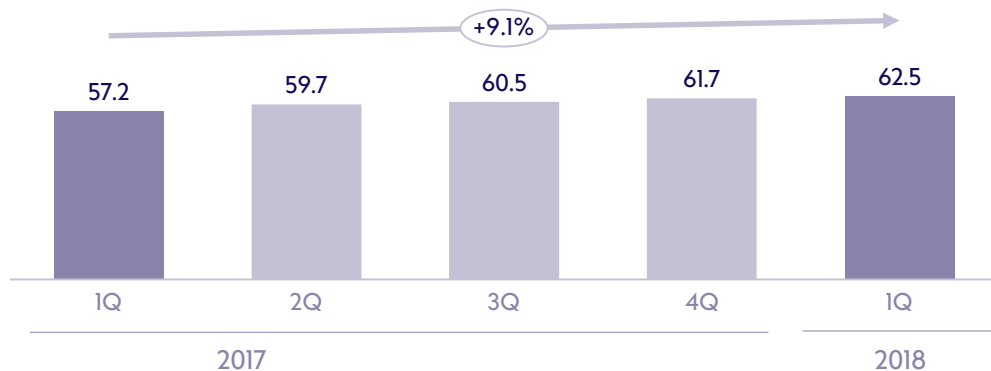
## NET LOAN PORTFOLIO DEVELOPMENT

Continuing balance increase in both segments, supported by strong growth in retail mortgages and small business lending

NET RETAIL LOAN BALANCE (CZK bn)



NET COMMERCIAL LOAN BALANCE (CZK bn)



### RETAIL

- **34.8% YoY growth** in net mortgage balance
- **24.9% YoY growth** in net auto lending balance
- **7.5% YoY growth** in net consumer loan balance
- **(17.4)% YoY decline** in net credit card and overdraft balance

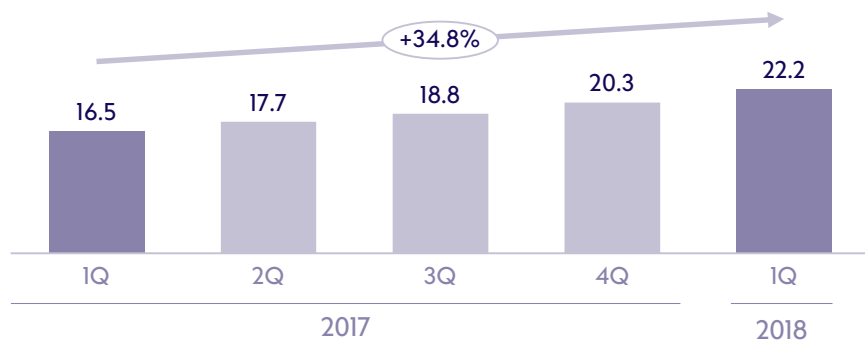
### COMMERCIAL

- **88.1% YoY growth** in small business net instalment lending balance
- **15.1% YoY growth** in net balance of drawn working capital
- **9.2% YoY growth** in net investment loan balance
- **(1.9)% YoY decline** in net balance of auto, inventory loans and leasing

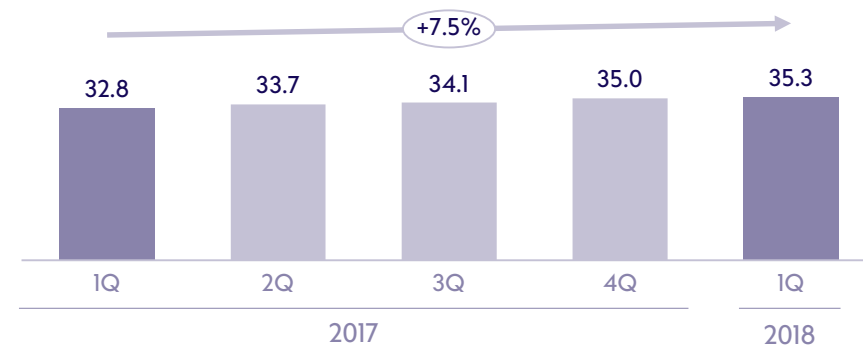
# NET RETAIL LOAN PORTFOLIO DEVELOPMENT

## Continuing strong growth in mortgages and other instalment lending products

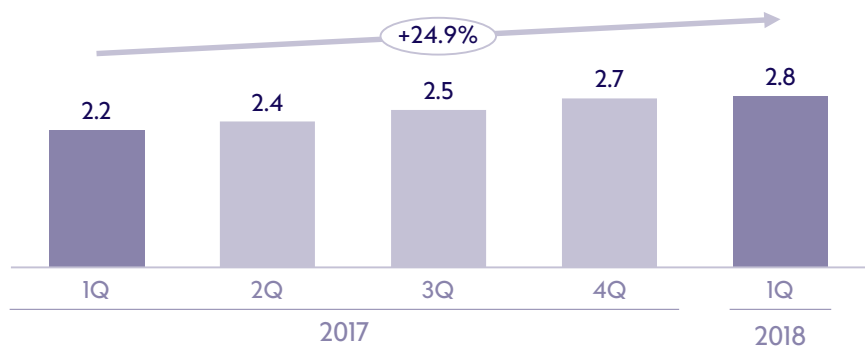
NET MORTGAGE BOOK DEMONSTRATING STRONG GROWTH (CZK bn)



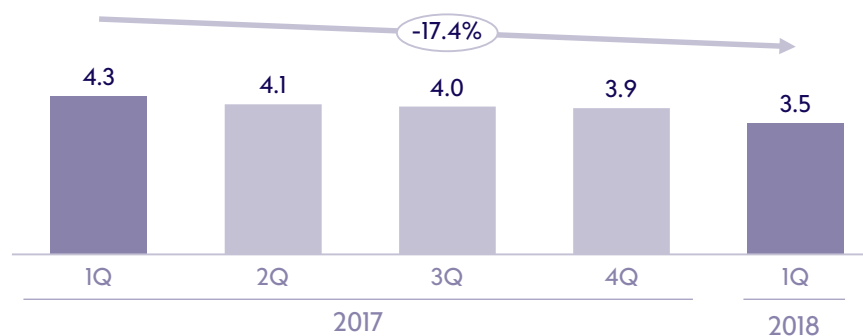
NET CONSUMER LOANS BALANCE SOLID GROWTH (CZK bn)



NET AUTO LENDING BALANCE STRONG PERFORMANCE (CZK bn)



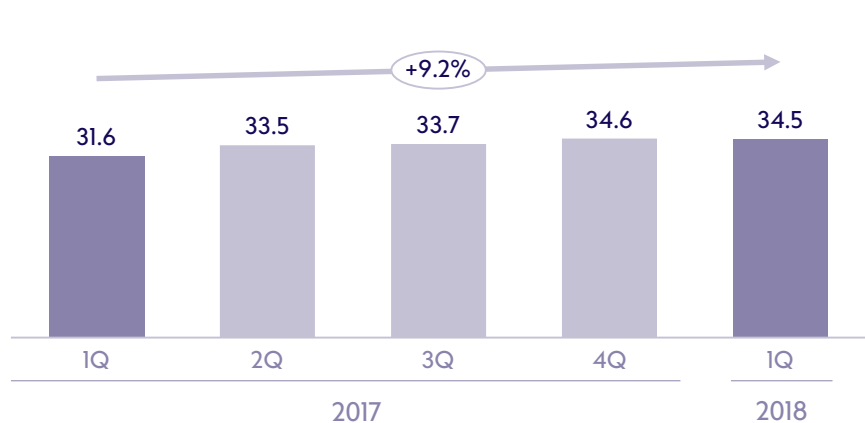
DECLINE IN NET BALANCE OF CREDIT CARD & OVERDRAFT (CZK bn)



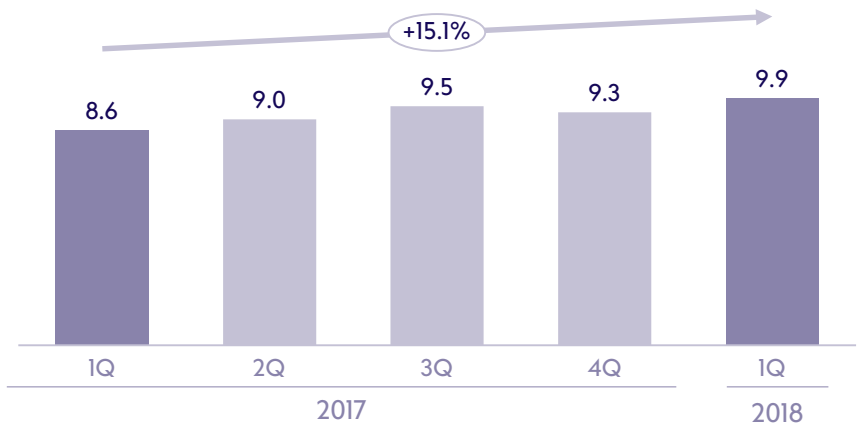
# NET COMMERCIAL LOAN PORTFOLIO DEVELOPMENT

## Robust growth performance

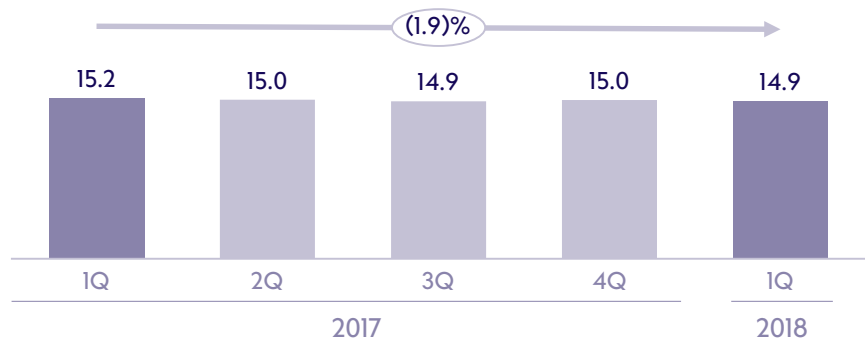
NET INVESTMENT LOAN BALANCE (CZK bn)



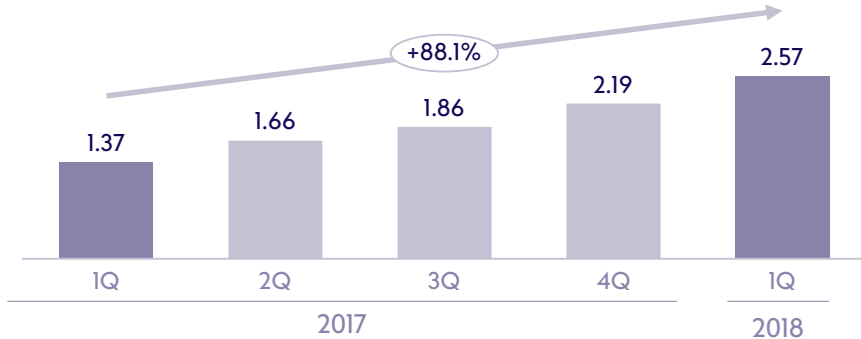
NET WORKING CAPITAL BALANCE (CZK bn)



NET AND LEASING FRANCHISE (CZK bn)



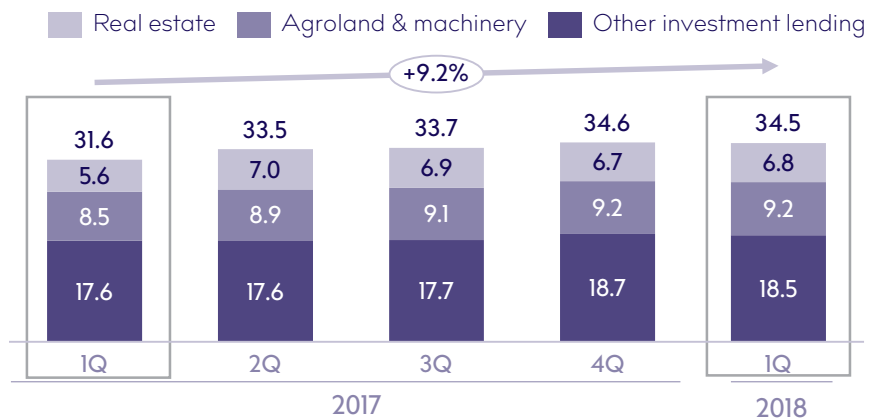
NET SMALL BUSINESS INSTALMENT LENDING BALANCE (CZK bn)



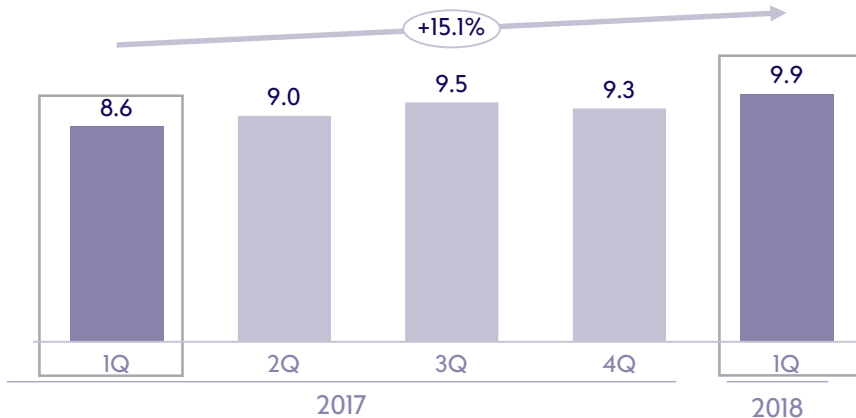
# NET COMMERCIAL LOAN PORTFOLIO DEVELOPMENT

## Strong growth performance

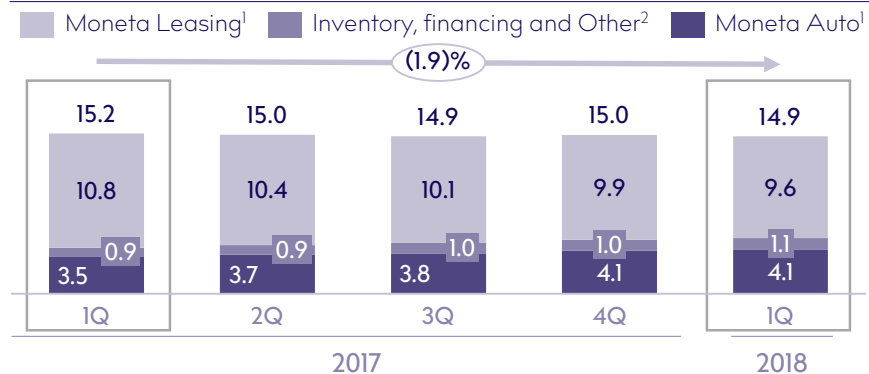
NET INVESTMENT LOAN BALANCE (CZK bn)



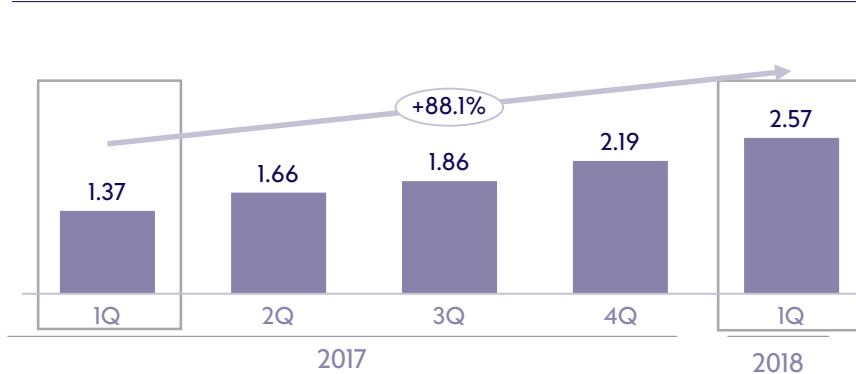
NET WORKING CAPITAL BALANCE (CZK bn)



NET AUTO AND LEASING FRANCHISE (CZK bn)



NET SMALL BUSINESS INSTALMENT LENDING BALANCE (CZK bn)



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CZK m	31/03/2018	31/12/2017	% Change
Cash and balances with the central bank	6,823	7,127	(4.3%)
Financial assets at fair value through profit or loss	0	48	(6.3%)
Derivative financial instruments with positive value	45	0	
Financial assets - available for sale	0	57	
Financial assets - held to maturity	0	11,723	1.6%
Investment securities	11,965	0	
Hedging derivatives with positive fair values	0	4	(100.0%)
Change in fair value of items hedged on portfolio basis	58	(6)	(1066.7%)
Loans and receivables to banks	35,849	53,380	(32.8%)
Loans and receivables to customers	126,261	123,680	2.1%
Intangible assets	1,436	1,301	10.4%
Property and equipment	874	871	0.3%
Investments in subsidiaries and associates	3	2	50.0%
Current tax assets	279	308	(9.4%)
Deferred tax assets	339	386	(12.2%)
Other assets	862	853	1.1%
<b>Total Assets</b>	<b>184,794</b>	<b>199,734</b>	<b>(7.5%)</b>
Derivative financial instruments with negative value	37	0	n/a
Due to banks	10,264	29,643	(65.4%)
Due to customers	145,175	141,469	2.6%
Financial liabilities - at fair value through profit or loss	0	68	n/a
Hedging derivatives with negative fair values	88	4	2100.0%
Provisions	333	364	(8.5%)
Current tax liability	17	2	750.0%
Deferred tax liability	254	267	(4.9%)
Other liabilities	2,327	2,154	8.0%
<b>Total Liabilities</b>	<b>158,495</b>	<b>173,971</b>	<b>(8.9%)</b>
Share capital	511	511	0.0%
Share premium	5,028	5,028	0.0%
Statutory reserve	102	102	0.0%
Reserve from revaluation of FVTOCI	0	0	n/a
Available for sale reserve	0	(57)	(100.0%)
Share based payment reserve	(2)	(2)	0.0%
Retained earnings	20,660	20,181	2.4%
<b>Total Equity</b>	<b>26,299</b>	<b>25,763</b>	<b>2.1%</b>
<b>Total Liabilities &amp; Equity</b>	<b>184,794</b>	<b>199,734</b>	<b>(7.5%)</b>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CZK m	1Q 2018	1Q 2017	% Change
Interest and similar income	1,873	1,939	(3.4%)
Interest expense and similar charges	(77)	(47)	63.8%
Net interest income	1,796	1,892	(5.1%)
Fee and commission income	519	534	(2.8%)
Fee and commission expense	(74)	(76)	(2.6%)
Net fee and commission income	445	458	(2.8%)
Dividend income	0	0	0.0%
Net income from financial operations	85	103	(17.5%)
Other operating income	59	79	(25.3%)
Total operating income	2,385	2,532	(5.8%)
Personnel expenses	(593)	(562)	5.5%
Other administrative expenses	(468)	(525)	(10.9%)
Depreciation and amortisation	(127)	(84)	51.2%
Other operating expenses	(67)	19	(452.6%)
Total operating expenses	(1,255)	(1,152)	8.9%
Profit for the period before tax and net impairment of financial assets	1,130	1,380	(18.1%)
Net impairment of financial assets	281	(80)	(451.3%)
Impairment of financial assets available for sale	0	0	0.0%
Profit for the period before tax	1,411	1,300	8.5%
Taxes on income	(238)	(260)	(8.5%)
Profit for the period after tax	1,173	1,040	12.8%
Change in fair value of investments recognised in OCI (FVTOCI, resp. AFS)	0	(256)	(100.0%)
Change in fair value of AFS investments recognised in P&L		(23)	0.0%
Deferred tax (FTVTOCI, resp. AFS)	0	53	(100.0%)
Other comprehensive income, net of tax	0	(226)	(100.0%)
Total comprehensive income attributable to the equity holders	1,173	814	44.1%

# KEY PERFORMANCE RATIOS

	1Q 2018	FY 2017	Change in bps
<b>Profitability</b>			
Yield (% Avg. Net Customer Loans)	5.7%	6.3%	(60)
Cost of Funds (% Avg Deposits) <sup>1</sup>	0.19%	0.15%	4
NIM (% Avg Int Earning Assets) <sup>2</sup>	3.8%	4.3%	(50)
Cost of Risk (% Avg Net Customer Loans)	(0.90)%	0.32%	(122)
Risk-adj. yield (% Avg Net Customer Loans)	6.6%	6.0%	60
Net Fee & Commission Income / Operating Income (%)	18.7%	18.7%	0
Net Non-Interest Income / Operating Income (%)	24.7%	28.7%	(400)
Cost to Income Ratio	52.6%	47.9%	470
RoTE	18.9%	16.0%	290
Adj. RoTE @ 15.5% CAR	19.9%	17.7%	220
RoAA <sup>1</sup>	2.4%	2.2%	20
<b>Liquidity / Leverage</b>			
Net Loan to Deposit ratio <sup>1</sup>	87.0%	87.4%	(40)
Total Equity / Total Assets <sup>1</sup>	14.2%	12.9%	130
Liquid Assets <sup>12</sup> / Total Assets <sup>1</sup>	29.6%	36.2%	(660)
<b>Capital Adequacy</b>			
RWA / Total Assets <sup>1</sup>	64.9%	59.4%	550
CAR (%)	16.6%	17.4%	(80)
Tier 1 ratio (%)	16.6%	17.4%	(80)
<b>Asset Quality</b>			
Non Performing Loan Ratio (%)	3.7%	4.1%	(40)
Core Non Performing Loan Coverage (%)	65.3%	64.1%	120
Total NPL Coverage (%)	93.0%	77.0%	1,600



# ALTERNATIVE PERFORMANCE MEASURES

- In this presentation, certain financial data and measures are presented which are not calculated pursuant to any accounting standard and which are therefore non-IFRS measures and alternative performance measure as defined in the European Securities and Markets Authority Guidelines on Alternative performance measures. These financial data and measures are attrition / loan balance attrition, cost of funds, net interest margin / NIM, net non-interest income, return on average assets, reported return on tangible equity, yield / loan portfolio yield, cost to income ratio, tangible equity, adjusted return on tangible equity, adjusted tangible equity, adjustment for cost of funds, excess capital, core cost of risk, cost of risk, risk adjusted yield, risk adjusted operating income, loan to deposit ratio, regulatory capital, CAR, LCR, total NPL coverage, NPL / Non-performing loans, NPL ratio, risk weighted assets, RWA density, new production / new volume, Effective Tax Rate, Regulatory Leverage. All alternative performance measures included in this document are calculated for specified period.
- These alternative performance measures are included to (i) extend the financial disclosure also to metrics which are used, along with IFRS measures, by the management in 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.
- The following table shows the Group's adjusted return on tangible equity, adjusted at management target of CAR currently 15.5 %, for the period of three months ended 31 March 2018 (annualized) and for the year ended 31 December 2017:

CZK m (unless otherwise indicated)	IQ 2018	FY 2017
<b>Reported Profit after tax (A)</b>	<b>1,173</b>	<b>3,923</b>
Excess Capital (B = H - (G x J))	1,289	2,278
Cost of funds% (C)	0.2%	0.2%
Tax Rate (D)	19%	19%
Adjustment for cost of funds (E = B x C x (I-D))	(0)	(3)
<b>Adjusted Profit after tax (F)</b>	<b>1,173</b>	<b>3,920</b>
Reported Total Risk Weighted Assets (G)	119,985	118,547
Regulatory Capital (H)	19,887	20,653
Reported CAR percentage (I = H / G)	16.6%	17.4%
Target CAR percentage (J)	15.5%	15.5%
Excess Capital (B = H - (G x J))	1,289	2,278
Equity (K)	26,299	25,763
Intangible Assets and Goodwill (L)	1,436	1,301
<b>Tangible Equity (M = K - L)</b>	<b>24,863</b>	<b>24,462</b>
Excess Capital (B = H - (G x J))	1,289	2,278
<b>Adjusted Tangible Equity (N = M - B)</b>	<b>23,574</b>	<b>22,184</b>
<b>Reported Return on Tangible Equity (A / M)</b>	<b>18.9%</b>	<b>16.0%</b>
<b>Adjusted Return on Tangible Equity (F / N)</b>	<b>19.9%</b>	<b>17.7%</b>

\* annualized figures

The reported return on tangible equity (A/M) is based on actual financial figures for the respective period as calculated in the above tables (F/N). Adjusted return on tangible equity is based on a management target 15.5% Capital Adequacy Ratio including 14.0% regulatory required capital (total SREP capital ratio of 11% and 2.5% capital conservation buffer and 0.5% countercyclical buffer). In addition to a capital rebase to 15.5% CAR, net profit was adjusted (F) for substitution of capital with funding via deposits assuming cost of funding of the period (0.2 % annualized in the first three months of 2018 and 0.2 % in 2017) and 19.0 % corporate tax rate. Profit after tax was not adjusted for potential liquidity constraints.

Adjusted tangible equity (N) reflects the tangible equity (M) calculated as per the Consolidated Financial statements of the Group adjusted for the excess capital (i.e., capital exceeding the management target of CAR, currently 15.5 %).

- Definition of other alternative performance measures is provided in Glossary section.

# GLOSSARY (1/3)

Adjusted RoTE (at 15.5% CAR)	Adjusted return on tangible equity is based on a management target Capital Adequacy Ratio of 15.5% (consists of (a) 11% total SREP capital ratio (b) 2.5% conservation buffer (c) 1% countercyclical buffer (including additional 0.5% effective from 1 <sup>st</sup> July 2018) and (d) 1% management buffer)
AFS	Available for sale
Annualised	Adjusted so as to reflect the relevant rate on the full year basis.
ARAD	ARAD is a public database that is part of the information service of the Czech National Bank. It is uniform system of presenting time series of aggregated data for individual statistics and financial market areas.
Attrition / Loan Balance Attrition	Extraordinary principal repayment transactions exceeding 40% of the prior month average principal and not recognized as internal refinancing. Loans more than 30 days past due are excluded
Auto	MONETA Auto, s.r.o.
Average balance of net interest earning assets	Two-point average of the beginning and ending balances of Net Interest Earning Assets for the period
Average balance of net loans to customers	Two-point average of the beginning and ending balances of Loans and receivables to customers for the period
Average balance of total assets	Two-point average of the beginning and ending balances of Total Assets for the period
bn	Billion
bps	Basis points
CAPEX	Capital expenditure
CAR	Capital Adequacy Ratio calculated as regulatory capital as a percentage of risk-weighted assets
CNB	Czech National Bank
Company	MONETA Money Bank, a.s.
Customer Deposits Cost of Funds	Interest expense and similar charges on customer deposits for the period divided by average balance of customer deposits, excl. repo operations
Cost of Funds (% Avg Deposits)	Interest expense and similar charges for the period divided by average balance of due to banks and due to customers
Core Cost of Risk or Core CoR	Net impairment of loans and receivables for the period divided by average balance of net loans to customers excluding gain from monetization of NPLs, in 2017 based on IAS39 and in 2018 based on IFRS 9

CoR or Cost of Risk or Cost of Risk (% Avg Net Customer Loans)	Net impairment of loans and receivables divided by average balance of net loans to customers, in 2017 based on IAS39 and in 2018 based on IFRS 9
Cost to Income Ratio (C/I)	Ratio (expressed as a percentage) of total operating expenses for the period to total operating income for the period
Core NPL Coverage	Ratio (expressed as a percentage) of Loss allowances for non-performing loans and receivables to total non-performing loans and receivables
CRR	Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended
Customer Deposits	Due to customers
CZK	Czech Koruna
Drawn limit / Overdraft Drawn	Loans and receivables to customer balance
E-payment	One-time payment transactions through internet banking or mobile banking
ETR	Effective Tax Rate – calculated as Taxes on income divided by Profit for the period before tax
Excess capital	Capital exceeding the management target of CAR, currently 15.5% (consists of (a) 11% total SREP capital ratio (b) 2.5% conservation buffer (c) 1% countercyclical buffer (including additional 0.5% effective from 1 <sup>st</sup> July 2018) and (d) 1% management buffer)
Expected credit loss model	The impairment model that measures credit loss allowances using a three-stage approach based on the extent of credit deterioration of financial asset since origination; Stage 1 – financial assets with no significant increase in credit risk since initial recognition, Stage 2 – financial assets with significant increase in credit risk since initial recognition but not in default, Stage 3 – financial assets in default.
EVIP	Annual Executive Variable Incentive Plan,
Front end roles (employees)	Predominately employees whose variable compensation is sales-driven together with their immediate managers, and employees of Collections & Recovery department
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 sick days. The denominator represents a standard working hours per an employee and a month.
FVTOCI	Financial assets measured at Fair Value Through Other Comprehensive Income

## GLOSSARY (2/3)

FVTPL	Financial assets measured at Fair Value Through Profit or Loss
FY	Financial year
GDP	Gross domestic product
Group	Company and its subsidiaries, MONETA
Gross performing loans	Performing Loans and Receivables to customers as determined in accordance with the Bank's loan receivables categorization rules (Standard)
IFRS	International Financial Reporting Standards
IFRS9	International Financial Reporting Standards specifying how an entity should classify and measure financial assets, financial liabilities, and some contracts to buy or sell non-financial items
Investment securities	Equity and debt securities in the Group's portfolio, consist of securities measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL)
k/th	thousands
KPI	Key performance indicator
Leasing	MONETA Leasing, s.r.o.
Liquid Assets	Liquid assets comprise of cash and balances with central banks, investment securities (not transferred as collateral in repurchase agreements), loans and receivables to banks and prior transition to IFRS 9 also financial assets at fair value through profit or loss, financial assets available for sale, financial assets held to maturity (not transferred as collateral in repurchase agreements).
LCR	Liquidity Coverage Ratio 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 15/61
LtD Ratio or Loan to Deposit Ratio	Loan to deposit ratio calculated as net loans and receivables to customers divided by customer deposits
M	Millions
Market share – consumer loans	Consumer loans = Non-purposed and purposed consumer loans, Debt consolidations, Additional loan and American mortgages. Source: CNB ARAD, MMB in IFRS unconsolidated according to CNB definitions, gross loans excluding Non-residents and loans in foreign currency, CNB annualized average weighted rate.
Market interest rates	Based on CNB ARAD
MSA	Master Services Agreement with General Electric Group
Net Income/Net Profit	Profit for the period after tax

Net Interest Earning Assets	Cash and balances with the central bank, investment securities, loans and receivables to banks, loans and receivables to customers and prior to transition to IFRS 9 also financial assets at fair value through profit and loss, financial assets available for sale, financial assets held to maturity
NII	Net Interest Income
Net Interest Margin or NIM	Net interest and similar income divided by average balance of net interest earning assets
Net Non-Interest Income	Total operating income less net interest and similar income for the period
New volume / New production	Aggregate of loan principal disbursed in the period for non-revolving loans
NPL / Non-performing loans	Non-performing loans as determined in accordance with the Bank's loan receivables categorization rules (Substandard, Doubtful, Loss), Stage 3 according to IFRS9
NPL Ratio	Ratio (expressed as a percentage) of NPL to Gross loans and receivables to customers
NPL Coverage / Coverage Nr.	Ratio (expressed as a percentage) of Loss allowances for loans and advances to customers to NPL Number
OCI	Other Comprehensive Income
Online Origination	Represents new volume originated from online applications and leads (client with contact details)
OPEX / Cost Base	Total operating expenses
PL	Performing loans
Q	Quarter
Reported RoTE / RoTE	Profit after tax divided by tangible equity
Return on average assets or RoAA	Return on average assets calculated as profit after tax for the period divided by average balance of total assets
Regulatory Capital	Mainly consists of paid-up registered share capital, share premium, retained profits, disclosed reserves and reserves for general banking risks, which must be netted off against accumulated losses, certain deferred tax assets, certain intangible assets and shares held by the Company in itself (calculated pursuant to CRR)
Regulatory Leverage	Relative size of an institution's assets, off-balance sheet obligations and contingent obligations to pay or to deliver or to provide collateral, including obligations from received funding, made commitments, derivatives or repurchase agreements, but excluding obligations which can only be enforced during the liquidation of an institution, compared to that institution's own funds.
Risk Adjusted Operating Income RWA	Calculated as total operating income less net impairment of loans and receivables and Net impairment of other receivables Risk Weighted Assets

## GLOSSARY (3/3)

RWA density	Ratio of RWA to total assets
Small business loan balances	Loans and receivables of unsecured instalment loans, commercial credit cards and unsecured overdrafts provided to an enterprise with an annual turnover of up to CZK 60 million
Small business (new) production	New volume of unsecured instalment loans and receivables to customers
SME	An enterprise with an annual turnover of up to CZK 200 million
SREP	Supervisory Review and Evaluation Process, when supervisor regularly assesses and measures the risks for each bank
Stage 1, Stage 2, Stage 3	Stage 1 – financial assets with no significant increase in credit risk since initial recognition, Stage 2 – financial assets with significant increase in credit risk since initial recognition but not in default, Stage 3 – financial assets in default.
Tangible Equity	Calculated as total equity less intangible assets and goodwill
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
TSA	Transition Service Agreement with General Electric Group
Yield (% Avg. Net Customer Loans)	Interest and similar income from loans to customer divided by average balance of net loans to customers
YoY	Year-on-year
YTD	Year to date

# FORWARD-LOOKING STATEMENTS

## Forward-looking statements

- This presentation and subsequent discussion may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and forward-looking statements with respect to the medium term financial guidance, profitability, costs, assets, capital position, financial condition, results of operations, dividend and business of the Group (together, “**forward-looking statements**”).
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## Material assumptions for forward-looking statements

- see slide “Material assumptions and estimates for 2018 Guidance”

# MATERIAL ASSUMPTIONS AND ESTIMATES FOR 2018 GUIDANCE

A number of economic, market, operational and regulatory assumptions were made by the Company in preparing its forward looking guidance<sup>1</sup>

- Positive macroeconomic outlook will persist in the medium term:
- 3M PRIBOR assumed to gradually increase and reach **2.8%<sup>2</sup>** in **4Q'19**
- Consumer loan market portfolio yield expected to bottom out at around **8%**
- 2018 effective tax rate to be reduced by the impact of IFRS9 one-time charge
- Cost of risk assumptions:
  - 15 – 20% higher allowance level under IFRS9
  - 2018 supported by significant gain from legacy NPL monetization
  - Contingency for potential large commercial default
  - Cost of Risk likely to bottom out during 2018
- Flat operating cost impacted by 10% - 15% productivity improvement over next 3 years, offset by increased Depreciation and Amortization charges of additional investments

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