

23 September 2021

MONETA Money Bank, a.s. received Minimum Requirement for Own Funds and Eligible Liabilities from the Czech National Bank

MONETA Money Bank, a.s. ("MONETA") received from the Czech National Bank ("CNB") minimum requirement for own funds and eligible liabilities ("MREL"), that is determined as a minimum ratio of:

- 1) Total volume of risk exposures (i.e., volume of risk weighted assets)
- 2) Total volume of exposures

1) MREL from the total volume of the risk exposures

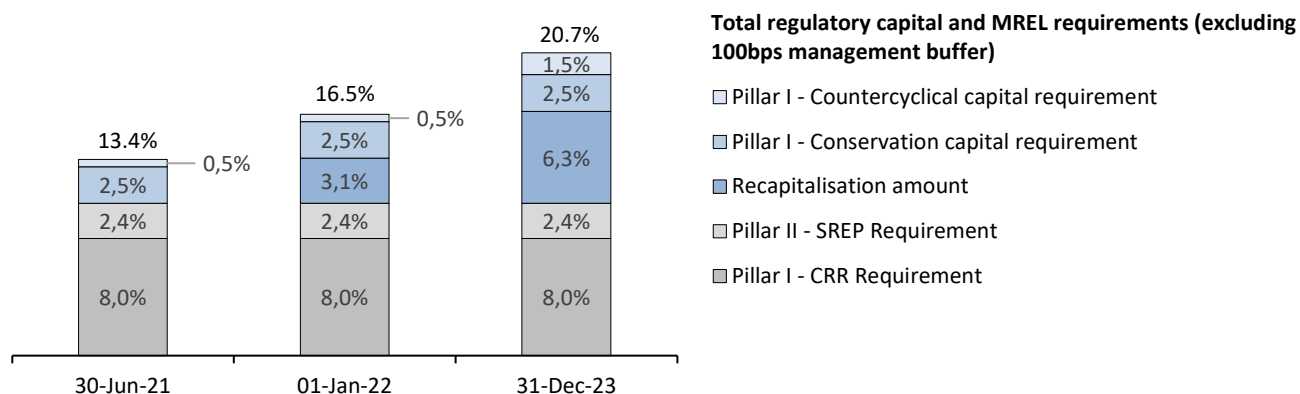
According to the CNB decision MONETA must, on an individual basis, maintain MREL for recapitalisation at the level of **6.3 percent of the total volume of the risk exposures as of 31 December 2023**. Inclusion of this requirement will result in an increase of the total capital requirement on an individual basis to **20.7 percent of the total volume of the risk exposures**.

The total requirement consists of current 8 percent Pillar 1 requirement and 2.4 percent Pillar 2 (SREP) requirement, 6.3 percent of recapitalisation amount and further 2.5 percent conservation capital buffer and 1.5 percent countercyclical capital buffer¹.

The CNB has also determined an interim MREL on an individual basis at the level of 3.1 percent from the total volume of risk exposures. The interim requirement will be applicable from 1 January 2022 until 31 December 2023, when the requirement will increase to 6.3 percent.

As of 30 June 2021, MONETA reported the total capital adequacy ratio of **20.6 percent** on an individual basis. Provided that the amount of risk weighted assets was CZK 152 billion and the value of own funds and eligible liabilities was CZK 31.3 billion.

Development and decomposition of the regulatory capital and MREL requirements



¹ Current countercyclical buffer requirement is 0.5 percent, to be increased to 1 percent effective from 1 July 2022 and to 1.5 percent effective from 1 October 2022.

2) MREL from the total volume of exposure

According to the CNB decision, MONETA must, on an individual basis, also maintain **minimum volume of own funds and eligible liabilities out of total volume of exposure at the level of 4.87 percent as of 31 December 2023**. This requirement consists of 3 percent per CRR² and 1.87 percent of the recapitalisation amount.

Furthermore, the CNB determined the interim minimum requirement for the own funds and eligible liabilities ratio of the total volume of exposure at the level of 3.93 percent. This interim requirement will be applicable from 1 January 2022 until 31 December 2023, when the requirement will increase to 4.87 percent.

As of 30 June 2021, MONETA reported own funds and eligible liabilities to total exposure ratio of **9.63 percent** on an individual basis. The total volume of exposure was at the same time in the amount of CZK 325.1 billion, out of which the balance sheet exposure represented CZK 309.7 billion and the off-balance sheet exposure represented CZK 15.4 billion.

The MREL was determined based on the audited balance sheet data as of 31 December 2019. The assigned MREL is fully in line with MONETA's expectations and is reflected in its long-term capital and liquidity plan. In this plan, MONETA expects to issue its first bonds eligible to cover the MREL in the amount of CZK 5 billion in the first quarter of 2022. This represents an increase in capital adequacy ratio by approximately 3 percentage points.

² Regulation No. 575/2013 of the European Parliament and of the EU council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 as amended.