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In Prague, 28 July 2022

MONETA delivers first half net profit of CZK 2.9 billion, up 100.7 per cent year-on-year

- *CZK 2.9 billion net profit, up 100.7 per cent year-on-year*
- *Return on Tangible Equity of 22.6 per cent against 11.2 per cent in same period last year*
- *CZK 6.1 billion total operating income, up 13.1 per cent year-on-year*
- *Operating costs at CZK 2.8 billion, down 1.9 per cent year-on-year*
- *Cost of Risk recorded a net release of CZK 250 million, or positive 0.19 per cent of average loan portfolio*
- *Capital adequacy ratio at 16.8 per cent, excess capital position of CZK 5.2 billion*
- *Further progress made in digitalisation of product offers and services: Deloitte survey places MONETA among global top 10 per cent of digital banks*
- *ATM network strengthened in network sharing agreement with Komerční banka*

Prague, 28 July 2022 – MONETA Money Bank (“MONETA”) today announced its unaudited financial results for the first half of 2022. Net profit increased by 100.7 per cent year-on-year to CZK 2.9 billion, representing a Return on Tangible Equity of 22.6 per cent. Strong profitability in the first half was largely supported by the interest rate environment, favourable Cost of Risk and stable operating expenses.

Net interest income grew significantly by 18.2 per cent year-on-year due to higher market rates. Net fee and commission income performed strongly and increased by 6.7 per cent due to higher third-party commission income and a higher volume of transactions. Overall, total operating income reached CZK 6.1 billion, up 13.1 per cent against the same period last year. Total operating costs were stable and in fact slightly decreased by 1.9 per cent year-on-year to CZK 2.8 billion. This reflects continued cost discipline across all of MONETA’s businesses in the face of inflationary pressures. Operating expenses were further supported by the one-off reimbursement of terminated

PRESS RELEASE

acquisition costs in the amount of CZK 113 million. Operating expenses adjusted for the acquisition charges and reimbursement were up by 2 per cent year-on-year, mainly in the personnel and administrative cost categories.

MONETA's Cost of Risk significantly improved compared to the first half of last year, recording a net provision release of CZK 250 million, or positive 0.19 per cent of the average net loan portfolio. This was mainly driven by upgrades or repayments of non-performing loan exposures in the amount of CZK 1.6 billion. The result was also supported by successful NPL disposals generating a pre-tax gain of CZK 160 million, as well as consistently good repayment discipline.

MONETA reported a strong capital position with regulatory capital of CZK 29.3 billion. The capital adequacy ratio stood at 16.8 per cent, which was 1.7 per cent above the management target of 15.1 per cent. MONETA maintained excess capital of CZK 5.2 billion, including CZK 2.3 billion of accruals for future dividend payments. The strong capital position offers a solid basis for further growth of the business and future dividend distributions.

MONETA won a record 12 awards in the annual Financial Academy's *Zlata koruna* (Golden Crown) awards, including four gold and six silver awards. Smart Banka mobile application won one gold and two silver awards, the online mortgage offering took the gold award for Innovation of the Year and a further two golds were awarded for the Building savings proposition and the Konto FOR Business (Konto PRO podnikání) current account proposition.

MONETA and Komerční banka (KB) signed an agreement to share their ATM networks across the Czech Republic. This will increase the availability of cash services for clients of both banks and contribute to sustainability as ATM locations are optimised and resources saved regarding the operation and servicing of ATMs. In a joint statement, MONETA and KB invited other banks to join the initiative in order to make the national network of ATMs more efficient and more environmentally friendly. Several banks expressed interest in participating. The initiative will see a significant expansion of available machines by adding KB's 863 ATM to MONETA's own network.

MONETA currently has 558 ATMs, of which 186 machines provide deposit functions. For MONETA and KB, the sharing of selected banking infrastructure will have a positive impact, reducing energy consumption and other costs associated with the operation of separate ATM networks, and reducing the carbon footprint of both banking networks.

MONETA's environment, social and governance – ESG – practices were recognised with the receipt of a first ESG rating from FTSE Russell, with a rating of three points out of a maximum five points in the FTSE4Good Emerging Index. Companies need to meet a variety of ESG criteria for inclusion in the FTSE4Good indices, which are designed to measure the performance of investable companies that demonstrate strong and transparent ESG practices.

MONETA made progress towards its goal of reducing its 2016 carbon footprint by 90 per cent by 2026. The latest report on MONETA's carbon footprint reported that in 2021 it had decreased by 76.3 per cent since 2016.

PRESS RELEASE

Development of lending activity

MONETA's gross performing loan portfolio increased by 11.7 per cent year-on-year and reached CZK 267.1 billion. The retail loan portfolio grew by 12.7 per cent year-on-year to CZK 184.2 billion, and the commercial loan portfolio grew by 9.4 per cent to CZK 83.0 billion.

In the retail segment new consumer lending and auto loan volumes were stable at CZK 9.2 billion or CZK 0.7 billion, respectively. On the other hand, new mortgage volumes fell by 44 per cent year-on-year as a result of the significant rise in market interest rates. In total retail new lending volumes were CZK 24.1 billion, down 31.7 per cent year-on-year.

In the commercial segment, MONETA had a good first half with new volumes in investment loans growing by 26.5 per cent, and small business loan volumes up by 25.7 per cent. Overall, MONETA originated new commercial lending volumes of CZK 11.3 billion, an increase of 21.4 per cent year-on-year.

Digital distribution

According to Deloitte, MONETA Money Bank now ranks among the world's top 10 per cent of digital banks, with 98 per cent of the portfolio covered digitally. MONETA has moved significantly towards full digitalisation with the introduction of several innovations, including online mortgage facilities and the possibility of digitally opening, closing and otherwise managing current accounts, building savings accounts, and the family account that is unique in the Czech environment.

The award-winning Smart Banka mobile application currently handles 85 per cent of all interactions with clients. All savings and foreign currency accounts can be arranged online, and the volume of contracts arranged in this way accounts for almost 60 per cent. Smart Banka and Internet Banka currently process 68 per cent of all loans taken out with MONETA. And the annual volume of money exchanged in Smart Banka's online exchange office was CZK 6.5 billion at the end of May this year.

Our digital channels accounted for the origination of 43.1 per cent of new consumer lending volumes¹ and 24.4 per cent of new small business loan volumes in the first half of this year. Clients used digital channels for making deposits as well, with 26.6 per cent share of retail current accounts opened online, and 8.1 per cent of building savings accounts opened online in the same period.

Distribution of collective investment products

MONETA's total balance of distributed investment fund products, such as mutual funds, reached CZK 25.3 billion at the end of the first half, up by 12.2 per cent year-on-year. MONETA recorded related fee income in the amount of CZK 140.2 million in the first half of the year, which constitutes a year-on-year increase of 58.2 per cent.

¹ Excluding MSS production.

PRESS RELEASE

Deposit taking activity

MONETA increased its core deposit balance from CZK 266.2 billion at the end of the first half of 2021 to CZK 296.5 billion at the end of the same period this year, up 11.4 per cent. Retail core deposits registered an increase of 12.5 per cent to CZK 223.9 billion. Commercial core customer deposits increased 8.2 per cent year-on-year to CZK 72.6 billion.

Loan portfolio quality

The quality of MONETA's loan portfolio improved during the period under review. The NPL portfolio stood at CZK 3.8 billion after decreasing by CZK 2.5 billion during the last twelve months. The ratio of non-performing loans (NPL) decreased year-on-year from 2.5 per cent to 1.4 per cent. The improved NPL ratio resulted from successful disposals of NPLs nominal value of CZK 0.5 billion, a good portfolio performance and continued good payment discipline of previously downgraded exposures. Overall coverage through loan loss provisions of the loan book decreased from 2.5 per cent at the end of the first half 2021 to 1.9 per cent at the end of the first half 2022.

PROFITABILITY AND RETURN ON CAPITAL

- Total operating income of CZK 6.1 billion, up 13.1 per cent year-on-year. This was supported by net interest income growth of 18.2 per cent year-on-year and net fee and commission income of 6.7 per cent year-on-year.
- Reported total operating expenses of CZK 2.8 billion, lower by 1.9 per cent year-on-year, supported by one-time reimbursement of CZK 113 million costs related to terminated acquisition of Air Bank Group. Total operating expenses would increase by 2 per cent year-on-year if adjusted for incurred costs of the terminated acquisition and the reimbursement; mainly on personnel and administrative costs.
- Pre-impairment profit reached CZK 3.3 billion, up 29.9 per cent.
- Total Cost of Risk lowered significantly to positive 0.19 per cent, amounting to a net release of CZK 250 million, which was driven mainly by released provisioning related to NPL disposals and upgrades of NPLs, which were regularly repaid.
- Income tax stable at CZK 673 million with effective tax rate at 19 per cent.
- Net profit of CZK 2.9 billion, up 100.7 per cent year-on-year, resulting from the above-mentioned drivers.
- Return on Tangible Equity doubled year-on-year to 22.6 per cent.

BALANCE SHEET AND CLIENT BASE

Overall balance sheet of CZK 367.1 billion, up 16 per cent year-on-year due to expanding deposit base and earnings retention. Compared to 1H 2021 the size of the balance sheet was positively impacted by a campaign on savings accounts which was launched in the fourth quarter of 2021. The balance sheet was also supported by the issuance of MREL eligible bonds in the nominal amount of EUR 100 million (CZK 2.4 billion) in February 2022.

Investment securities² portfolio of CZK 52.6 billion, up 2.7 per cent year-on-year, consisting mainly of Czech government bonds.

² Excluding VISA, SWIFT and Bankovní identita shares.

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Total loan portfolio³ grew by 11.7 per cent year-on-year to CZK 267.1 billion, mainly driven by:

- **Retail lending**³ was up 12.7 per cent year-on-year and reached CZK 184.2 billion. The retail loan portfolio constitutes 69 per cent of MONETA's total loan portfolio.
 - Mortgage lending up 17.2 per cent year-on-year and reached CZK 130.7 billion.
 - Consumer lending up 2.9 per cent year-on-year and reached CZK 48.7 billion.
 - Auto loans up 9.6 per cent year-on-year and reached CZK 2.4 billion.
 - Credit cards and overdrafts down by 1.3 per cent year-on-year to CZK 2.4 billion in line with market trends.
- **Commercial lending**³ was up by 9.4 per cent year-on-year and reached CZK 83 billion, which represents 31 per cent of MONETA's total loan portfolio, of which small business lending constitutes 4 per cent.
 - Investment loan portfolio grew by 4.6 per cent year-on-year to CZK 46.7 billion.
 - Working capital portfolio grew by 26.3 per cent year-on-year to CZK 14.2 billion.
 - Small business lending grew by 32.7 per cent year-on-year to CZK 11.5 billion.
 - Auto loans grew by 3.8 per cent to CZK 6.5 billion.
 - Leasing portfolio down by 18.8 per cent to CZK 4.1 billion in line with MONETA strategy.

Funding base increased by 12.6 per cent year-on-year to CZK 311.1 billion:

- **Retail core customer deposits** rose 12.5 per cent year-on-year to CZK 223.9 billion, which represents 72 per cent of the total funding base.
- **Commercial core customer deposits** increased by 8.2 per cent to CZK 72.6 billion, which represents 23 per cent of the total funding base.
- **Wholesale** recorded growth of 45.3 per cent year-on-year to CZK 14.6 billion, which represents 5 per cent of the total funding base.

Online distribution:

- Digital platform – 1H performance:
 - Share of digital consumer lending in total new production¹ reached 43.1 per cent.
 - Signed mortgages through the *Refinanso.cz* platform and through the online mortgage proposition accounted for 14.7 per cent of total new mortgage production.
 - Digital Small Business instalment lending accounted for a 24.4 per cent share of total new Small Business instalment lending.
 - 26.6 per cent of new retail current accounts opened online.
 - 10.1 per cent of new asset management volume generated online.
 - 8.1 per cent share of new building savings contracts signed online.

³ Gross performing loans.

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Client base: slightly increased to 1.5 million, with approximately 1.4 million retail clients and approximately 118 thousand commercial clients, of which the majority are in the Small Business segment.

COST OF RISK AND ASSET QUALITY

- Cost of Risk recorded a net release of CZK 250 million, or positive 0.19 per cent. This was driven by the release of provisions related to NPL upgrades to Stage 2 due to consistent good payment discipline, the overall good quality of the portfolio, and NPL disposals.
- MONETA sold NPL portfolio in the nominal value of CZK 0.5 billion and generated a pre-tax gain of CZK 160 million.
- NPL portfolio stood at CZK 3.8 billion. Balance was positively impacted by the upgrade or repayment of NPL exposures in the amount of CZK 1.6 billion.
- NPL ratio decreased to 1.4 per cent compared to 2.5 per cent as at 1H 2021.
- Overall coverage of the loan portfolio decreased from 2.5 per cent to 1.9 per cent year-on-year.

CAPITAL BASE

- MONETA continued to report a strong capital position, with a total capital adequacy ratio of 16.8 per cent, which exceeded the regulatory capital requirement of 14.1 per cent and the management capital target of 15.1 per cent.
- Tier 1 capital ratio stood at 14.1 per cent, 1.9 per cent above the Tier 1 capital requirement including the management buffer.
- Regulatory capital position stood at CZK 29.3 billion.
- Excess capital above the management capital target reached CZK 5.2 billion, or CZK 10.2 per share.
- In February 2022 MONETA issued senior preferred bonds in the amount of EUR 100 million as part of the compliance with Minimum Requirement for own funds and Eligible Liabilities (MREL) set by the Czech National Bank. The bonds were assigned a rating of A3 by Moody's.
- In line with prior communication and its dividend policy MONETA accrued 80 per cent of the delivered net profit in 1H 2022 for future dividend payments.

Commenting on MONETA's first half financial results for 2022, Tomáš Spurný, Chief Executive Officer and Chairman of the Management Board of MONETA, said:

"It is pleasing to report that, despite the current economic uncertainties, MONETA's first half results outperformed our business plan. Everyone at MONETA was delighted with the record breaking 12 awards won by our Bank in the 2022 Zlata koruna competition. It's a major achievement that acknowledges the hard work and professionalism of our staff and confirms MONETA's position as a digital leader in the Czech banking market. The economic outlook for the remainder of the year is uncertain and prone to deterioration due to inflationary pressures at home and across Europe, and the continuing repercussions of Russia's aggression in Ukraine. We do not rule out having to book additional loan loss provisions and set-asides for additional taxes. For these reasons we do not plan to update our 2022 net profit guidance

PRESS RELEASE

of CZK 4.4 billion. During the second half of the year, we plan to prepare MONETA for what looks like an increasingly difficult economic environment likely economic recession.”

MARKET OUTLOOK

MONETA provided its guidance on minimum targets on 4 February 2022 and the outlook remains unchanged.

Metrics	2022	2023	2024	2025	Cumulative
Total Operating Income (CZK bn)	≥12.0	≥12.5	≥13.2	≥13.8	≥51.5
Cost Base (CZK bn)	≤5.7	≤5.8	≤5.9	≤6.1	≤23.5
Pre-Impairment Profit (CZK bn)	≥6.3	≥6.7	≥7.3	≥7.7	≥28.0
Cost of Risk (bps)	20-40	25-45	35-55	40-60	n/a
Effective Tax Rate (%)	~20.0%	~20.0%	~20.0%	~20.0%	n/a
Net Profit (CZK bn)	≥4.4	≥4.6	≥4.8	≥4.9	≥18.7
Earnings per Share (CZK)	≥8.6	≥9.0	≥9.4	≥9.6	≥36.6
Return on Tangible Equity	≥16.0%	≥16.0%	≥16.0%	≥16.0%	n/a

MONETA 1H 2022 Earnings call will be held on 28 July 2022 at 2pm CET. Information how to register for the call can be found on investor web pages at <https://investors.moneta.cz/financial-results>.

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PRESS RELEASE

MONETA FINANCIAL STATEMENTS AS OF 30 JUNE 2022

Consolidated unaudited statement of profit or loss for the period ended 30 June 2022

CZK m	1H 2022	1H 2021	% Change
Interest and similar income	7,055	4,551	55.0%
Interest expense and similar charges	(2,174)	(421)	416.4%
Net interest income	4,881	4,130	18.2%
Fee and commission income	1,304	1,204	8.3%
Fee and commission expense	(243)	(210)	15.7%
Net fee and commission income	1,061	994	6.7%
Dividend income	2	1	100.0%
Net income from financial operations	84	209	(59.8%)
Other operating income	62	52	19.2%
Total operating income	6,090	5,386	13.1%
Personnel expenses	(1,197)	(1,201)	(0.3%)
Administrative expenses	(716)	(806)	(11.2%)
Depreciation and amortisation	(623)	(614)	1.5%
Regulatory charges	(229)	(210)	9.0%
Other operating expenses	(30)	(19)	57.9%
Total operating expenses	(2,795)	(2,850)	(1.9%)
Profit for the period before tax and net impairment of financial assets	3,295	2,536	29.9%
Net impairment of financial assets	250	(752)	n/a
Profit for the period before tax	3,545	1,784	98.7%
Taxes on income	(673)	(353)	90.7%
Profit for the period after tax	2,872	1,431	100.7%

PRESS RELEASE

Consolidated unaudited statement of financial position as of 30 June 2022

CZK m	30/06/2022	31/12/2021	% Change
Cash and balances with the central bank	12,080	11,204	7.8%
Derivative financial instruments with positive value	749	400	87.3%
Investment securities	52,639	49,200	7.0%
Hedging derivatives with positive fair values	5,333	3,235	64.9%
Change in fair value of items hedged on portfolio basis	(2,576)	(1,841)	39.9%
Loans and receivables to banks	26,372	15,602	69.0%
Loans and receivables to customers	265,860	255,612	4.0%
Intangible assets	3,313	3,184	4.1%
Property and equipment	2,416	2,631	(8.2%)
Investments in subsidiaries and associates	4	2	100.0%
Current tax assets	9	9	0.0%
Other assets	896	984	(8.9%)
Total Assets	367,095	340,222	7.9%
Due to banks	21,117	12,580	67.9%
Due to customers	302,199	285,145	6.0%
Derivative financial instruments with negative value	752	524	43.5%
Hedging derivatives with negative fair values	931	580	60.5%
Change in fair value of items hedged on portfolio basis	(749)	(598)	25.3%
Issued bonds	4,729	2,422	95.3%
Subordinated liabilities	4,669	4,684	(0.3%)
Provisions	256	234	9.4%
Current tax liability	398	26	1,430.8%
Deferred tax liability	369	384	(3.9%)
Other liabilities	3,648	4,760	(23.4%)
Total Liabilities	338,319	310,741	8.9%
Share capital	10,220	10,220	0.0%
Statutory reserve	102	102	0.0%
Other reserves	1	1	0.0%
Retained earnings	18,453	19,158	(3.7%)
Total Equity	28,776	29,481	(2.4%)
Total Liabilities & Equity	367,095	340,222	7.9%