Mandatory Disclosure
PUBLIC DISCLOSURE OF INSIDE INFORMATION

MONETA Money Bank, a.s.

Consolidated interim financial report as at and for the six months ended 30 June 2024

Contents

1 Disclaimer

Forward-looking statements

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

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

Dividend Guidance

Subject to corporate, regulatory and regulator's limitations, the Bank's target is to distribute the Group's excess capital above that required to meet the Group's internal target of the capital adequacy ratio, which is 15.55% (effective until 30 June 2024). However, the internal capital adequacy ratio target is not legally binding upon the Group and is subject to change on the basis of the ongoing re-assessment by the Management Board of the Bank based on the business results and development.

Material assumptions for forward-looking statements

When preparing Guidance for 2024–2028[1] MONETA has made several economic, market, operational, regulatory and other assumptions of both quantitative and judgemental nature. These assumptions include the following:

- GDP growth in 2024 by 1.2% and then accelerate to growth of around 2.5%–3.0% annually[2].
- 1M PRIBOR assumed to decrease from 5.4% in 2024 to 3.1% from 2026 to 2028[2].
- Gross performing loan balance is expected to grow at 3.4% CAGR in the 5 years until 2028.
- Customer deposits balance is expected to grow at 4.6% CAGR in the 5 years until 2028.

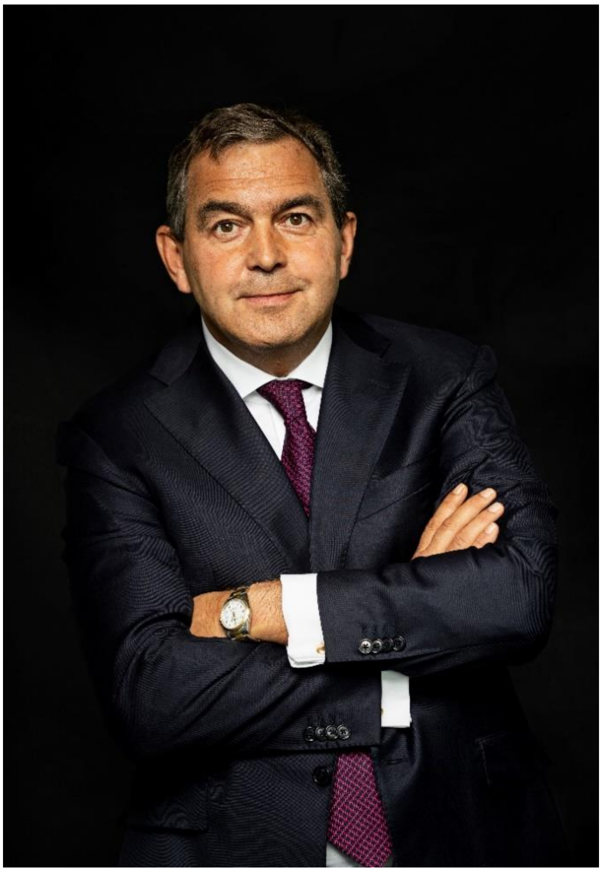
Third parties' data

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

[1] Five-year guidance published on 2nd February 2024.
[2] Internal forecast derived from macroeconomic forecast from CNB published in November 2023 https://www.cnb.cz/en/monetary-policy/forecast/cnb-forecast-archive/CNB-forecast-Autumn-2023/.

2 Letter from the CEO

Dear Shareholders,



I am pleased to report that MONETA had a satisfactory first half of the year, achieving a net profit of CZK 2.7 billion, up by 9.1 per cent on the same period last year. Our mid-year result was delivered on the back of an operating income of CZK 6.2 billion, up by 6 per cent, and lower operating expenses of CZK 2.8 billion, down by 2.7 per cent. Our revenue and cost performance enabled MONETA to offset a higher cost of risk charge of CZK 237 million, compared to CZK 30 million for the same period last year. And in addition, our effective tax rate stood at 14 per cent. Our profitability indicates our ability to meet, and hopefully to exceed, our guided net profit target for the year.

Our balance sheet has grown by 5.5 per cent since the end of 2023, reaching CZK 483 billion. Balance sheet growth was predominantly due to our continued success in deposit gathering. At the end of the first semester MONETA had its strongest ever liquidity position. Our excess liquidity continues to be placed mainly with the Czech National Bank (CNB), where it earns a positive spread against the CNB's repo rate, although the margin on fund sterilisation is declining.

Our excess liquidity also went towards our increased lending activity. The first half of the year was marked by stronger and more robust demand for our credit products across all customer segments. Overall, our lending activity increased by 42.7 per cent year-on-year against the same period last year. More specifically, mortgage lending volumes were up 57.2 per cent year-on-year, new consumer lending was up 38.6 per cent, and new small business volumes rose by 65.1 per cent in the first half of 2024.

Demand for new loans has been primarily driven by the decrease in market rates. Additionally, we increased the efficiency and competitiveness of our loan origination by ending third-party distribution through brokers. In the future, we will seek to fully utilise our digital channels in close connection with our bricks-and-mortar branch network to achieve our distribution targets. In parallel, the reduction of distribution costs enabled us to price our mortgage and other products more competitively than most market players, who still bear commission charges. So far, our strategy appears to have had a positive impact on our retail and small business segments.

We continued to successfully gather deposits, albeit at a slower pace than in the previous year. Our deposits from customers reached CZK 426 billion. The market for deposits has been very competitive as some of our smaller competitors have been offering aggressive deposit rates despite the five consecutive rate cuts since December 2023. This competitive behaviour obliged us to continually reevaluate our pricing policy, and in fact to delay and minimise our own interest rate reductions. In summary, during the first half of 2024 our deposit repricing was 1.2 per cent, against a background of rate cuts of 2 per cent. Our tactical approach to deposit repricing has to be considered a success: our customer deposit base grew by 6.7 per cent.

During the past two months, some in the media have reported renewed considerations by certain governing coalition politicians regarding the introduction of a banking sector tax. No specific proposals of this sort have been put forward, although discussions between the finance ministry and representatives of the four largest banks were reported to have taken place. Based on our understanding, the idea of establishing a privately-managed, bank-funded investment vehicle to provide financing, and potentially capital, for civic and socially beneficial infrastructure projects was discussed. If such plan were to be accepted and introduced as an alternative to a bank sector tax, MONETA would certainly support it.

Equally importantly, on 21 May, we distributed to our shareholders the 2023 dividend in the amount of CZK 9 per share, as agreed by shareholders at the General Meeting we held on 23 April 2024. And we continue to accrue 90 per cent of our consolidated net profit earnings to our dividend account, which currently holds CZK 2.4 billion, or CZK 4.8 per share.

I will now turn to the Czech economy.

CURRENT ECONOMIC ENVIRONMENT

The current economic environment appears to be improving due to abating inflation, a decreasing state budget deficit, continually low unemployment, positive GPD growth, decreasing energy costs and lower interest rates.

Monthly inflation was 2 per cent in June, down from 9.7 per cent a year ago, with average annual inflation now running at 4.9 per cent. The CNB expects inflation for 2024 to come in at 2.3 per cent. However, inflation remains a persistent topic. Uncertainty regarding inflation caused different views among CNB board members at their last meeting. Some members voted for a more modest rate cut, although a majority agreed upon a 0.5 per cent reduction. The CNB's governor, Aleš Michl, has signalled a possible hiatus on further rate cuts. The CNB's key rate currently remains positive against inflation.

The state budget deficit stood at CZK 178.6 billion in June, against the planned budget deficit of CZK 252 billion for the entirety of 2024. The Ministry of Finance, however, is confident that the planned deficit will be met. With the end of the current parliamentary cycle gradually coming onto the political horizon, the challenge of managing the budget deficit is increasingly more difficult for the current government. Nonetheless, the fiscal position of the Czech Republic remains stable, with a solid rating of AA- and, I would argue, is gradually improving, albeit slowly.

The Czech economy entered positive territory in the first quarter, with a small lift in GDP of 0.3 per cent year-on-year. The CNB's outlook for GDP for 2024 is 1.4 per cent. Household consumption contributed to the growth, says the central bank, but still remains 7 per cent below pre-COVID levels. The CNB also notes that investment activity fell by a "significant" 7.9 per cent quarter-on-quarter, the largest drop in the country's history. Having said that, the CNB does cautiously suggest that investment activity will reach pre-COVID levels during the second half of this year. Moreover, the bank observes an "improved household sentiment" and says that a gradual "recovery in domestic demand is confirmed" by retail and services sales data. The indicators, then, are pointing in the right direction.

Unemployment remains stable and at low levels, at 2.7 per cent as at May 2024, although the central bank notes that labour market tightness is "easing slowly". Average nominal wage growth reached 7 per cent in the first quarter of this year, although real wages increased by 4.8 per cent. The CNB believes that the risk of a wage-price spiral "does not seem to be materialising."

During the first half of 2024 the Czech Crown depreciated slightly compared to 2023, with an average exchange rate of CZK 25 to the Euro.

I will now run through our first-half financial and business performances in more detail.

FINANCIAL PERFORMANCE

It is pleasing to again report a set of solid financial results. MONETA's net profit for the period was CZK 2.7 billion, up 9.1 per cent year-on-year, representing a Return on Tangible Equity of 20 per cent. Our operating income was CZK 6.2 billion, up 6 per cent, thanks to stable net interest income and a rise in net fee and commission income.

MONETA's net interest income was CZK 4.2 billion in the year to 30 June, a stable result compared to the first half of 2023. This confirms the stabilisation of the market, and it relieves the pressure on our cost of funding. Net fee and commission income increased by 16.7 per cent to CZK 1.5 billion, which was above our expectations, and was mainly driven by commissions on the distribution of third-party products, such as investment and insurance, which generated CZK 945 million in fees. New volume of investment funds reached a record high level and increased by 125.4 per cent year-on-year, as clients sought alternative placements for their funds, potentially providing a higher rate of return than those offered by savings accounts.

Throughout the period MONETA maintained cost discipline, as proven by our level of operating expenses amounting to CZK 2.8 billion, down by 2.7 per cent year-on-year and in line with our expectations and provided guidance. Personnel expenses were up 6.1 per cent to CZK 1.2 billion, reflecting inflationary pressures. Our ongoing administrative expenses were down by 5.8 per cent to CZK 735 million, and our regulatory charges were down by 29.6 per cent compared to 2023, reaching CZK 216 million.

Our operating profit increased by 14.5 per cent year-on-year, to CZK 3.4 billion.

Turning to the cost of risk, MONETA created net loan loss provisions of CZK 237 million, or 18 basis points against our average net loan portfolio size. This falls in the middle of the guided range of 10-30 basis points. Our loan portfolio continues to perform well, with good repayment discipline and relatively low delinquencies. In parallel, we maintained a stable Non-Performing Loan (NPL) ratio and coverage, although we also reduced the level of management overlays created to cover significant uncertainties with respect to the prior year, 2023.

On 1 May 2024, a new legislation related to purchase and administration of NPLs came into effect and requires the purchasers to register with the CNB. Despite this change we accomplished our NPL disposal target, and successfully sold NPLs with a value of CZK 365.7 million. These sales generated a gain of CZK 43.2 million.

Our tax position remains relatively favourable, with an effective tax rate of 14 per cent, which is in line with our expectations and provided market guidance. The relatively low effective tax rate is a result of our support of the Czech Republic in the form of financing approximately CZK 100 billion of government debt. Such instruments are exempt from income tax, and therefore reduced our overall tax base.

The continued growth of our deposits, or funding base, resulted in a higher value of MONETA's balance sheet, which reached CZK 483 billion, up 5.5 per cent since the start of the year. The growth in our funding base outperformed the overall growth of the market, despite the market rate cuts and the subsequent repricing of our deposit products, although the market slowed down during the second quarter of 2024. Our excess liquidity, which stands at record levels, is predominantly being placed with the CNB, where it generates a positive spread and supports our overall capacity to generate interest income, albeit at a narrower margin.

And finally, we continued to serve 1.6 million customers, a 0.8 per cent increase on the beginning of the year.

BUSINESS PERFORMANCE

MONETA's gross performing loan portfolio increased by 2.9 per cent compared to year-end, as new lending rebounded as market rates fell. This was especially true in commercial lending, which rose by 6.8 per cent. New mortgage volumes were up 57.2 per cent, new consumer lending volumes were up 38.6 per cent, and new small business volumes rose by 65.1 per cent. Our overall business performance is in line with our expectations and our guidance to the market.

Overall, we underwrote CZK 28.9 billion of new loans in the period under review. New loan volumes during the first semester constitutes an increase of 42.7 per cent against the same period in 2023.

Our total deposit base increased by 6.7 per cent to CZK 426 billion in the six months since the year-end despite the decrease in our interest rates on savings accounts four times during this period. Our overall rate decrease amounted to 1.2 per cent against the CNB rate cuts of 2 per cent as at June.

Retail business performance

Retail loan balances were stable during the first half of the year and reached CZK 182 billion as at 30 June 2024. New volumes increased in line with MONETA's strategy and the revival of demand for loans as market rates declined. Mortgage receivables were stable at CZK 129 billion. Consumer lending receivables increased by 1.8 per cent to CZK 47.9 billion, while credit card and overdraft lending volumes were down to CZK 2.2 billion. Auto loans rose by 4.3 per cent to CZK 2.6 billion.

Our investment fund portfolio increased to CZK 48.7 billion as at 30 June, with record new volumes of CZK 11.5 billion, as our customers seek higher yielding products. MONETA currently offers 44 investment funds in both CZK and EUR.

MONETA's total retail deposits were up 3.9 per cent to CZK 325 billion as of mid-year.

In the first half we materially altered our distribution strategy, turning our focus on the further development of, and investment in, our own physical and digital distribution capabilities. In this context, we ended our cooperation with external broker organisations, which lowered costs and prevented excessive churn within our mortgage portfolio. This decision supports our ability to offer more competitive rates as well as avoiding costs related to brokers. In the future, we will consider providing third party access to our mortgage products if commissions are passed onto clients and not paid by the Bank.

Commercial business performance

Commercial loan balances increased by 6.8 per cent to CZK 90.1 billion. The growth in our loan balances is attributable to higher demand for working capital as well as investment loans across the small business and SME sectors.

As an integral part of our strategy, we continually review performance and utilise our data to proactively respond to opportunities arising from the performance of our commercial customers. In this respect, we increased the level of pre-approved limits to our clients. The commercial customer base now has cumulative limits of CZK 68.6 billion. These limits are used by our front office personnel to better serve the financing needs of our customers.

Investment loans rose by 3.3 per cent to CZK 46.7 billion, with an increase in new volumes of 41.8 per cent year-on-year. Working capital lending rose by 20.5 per cent to CZK 18.6 billion. The small business loan portfolio increased by 8.9 per cent to CZK 15.1 billion, with new volumes up by 65.1 per cent. Auto loan volumes stood at CZK 8.1 billion, an increase of 5.9 per cent.

Total commercial deposits rose by 16.8 per cent during the first half of 2024 to CZK 101 billion. The growth was primarily driven by small business customers. Our success in attracting deposit growth from commercial customers testifies to our ability to serve them efficiently and to provide attractive propositions.

DIGITAL STRATEGY PROGRESS

We were once again confirmed as the digital leader of the Czech banking market by independent market research conducted by MarketVision. On the digital battlefield, we remain the only bank in the Czech Republic that is able to offer all of its retail products and services online. The latest additions to our service range includes Click to Pay, an online payment platform developed in cooperation with VISA. We also scored additional success through our hypoteka.cz platform, enabling digital origination and the refinancing of mortgages. The mortgage platform and its low-cost load allows us to offer competitive rates due to the significant decrease of distribution costs. Additionally, we have worked to redesign our web presence, successfully meeting budget and deadline. The new website became operational on 1 July 2024.

Success in our digital distribution is evident from the increasing relative share and volumes attributable to our platform. During the first semester, the digital share of consumer loan and mortgage origination stood at 51 per cent and 32 per cent respectively. This was accompanied by a significant 75 per cent share of retail term deposits and 50 per cent of retail savings accounts, originating through MONETA's digital channels. We also see continued growth in key metrics such as the number of users, the volume of payment traffic, the number of service tasks and the intensity of daily traffic, as well as the number of customer interactions.

Additionally, we aimed to improve our digital capability in our debt collection processes. To that end, we added a collections WhatsApp chatbot in June 2024. The chatbot enables borrowers to communicate with the Bank efficiently, and adds another venue to our range of interaction channels.

We always seek to reduce the potential impact of cybercrime on our clients. On this front, we introduced a number of measures to reinforce our ability to identify and block potentially fraudulent transactions, and we developed communications to improve client awareness of risks and consequences. In 2023 we prevented 6,900 fraudulent transactions, shielding our clients from potential losses of CZK 123 million.

CAPITAL POSITION

MONETA continues to maintain a robust capital position. Our regulatory capital stood at CZK 33.4 billion, with excess capital of CZK 4.5 billion and the year-to-date accrued dividend of CZK 2.4 billion. Additionally, we recognised CZK 0.3 billion to our capital base. We are clearly fulfilling our commitment to increase and maintain our dividend pay-out ratio at 90 per cent, the only proviso being unforeseen regulatory or other developments.

Our capital position results in an overall consolidated capital adequacy ratio of 19.4 per cent, with a Tier 1 ratio at 15.4 per cent. Hence we are fulfilling all our regulatory requirements and obligations, and moreover have a substantial capital reserve for additional balance sheet growth and potential additional future shareholder distributions, should we be unable to deploy the capital in a productive and value accretive fashion.

On the regulatory front, our capital requirement will temporarily decrease by 50 basis points to 15.05 per cent. This is due to the fact that the CNB lowered the countercyclical buffer to 1.25 per cent (effective 1 July 2024). On the other hand, the CNB will introduce a systemic risk buffer of 50 basis points effective 1 January 2025. Therefore, we expect our capital management target to return to the current level of 15.55 per cent at the end of this year.

And finally, I would like to highlight the positive outlook on our capital adequacy for 2025 due to the introduction of new capital rules through the Capital Requirement Regulation 3 (CRR 3). This regulation will enable us, under new rules, to decrease the level of risk weighted assets on certain loan portfolios and thus should result in additional capital relief. We will provide an initial estimate of this during our next report, for the end of the third quarter.

AWARDS

I am pleased to report that MONETA has once again been recognised at this year's prestigious Zlatá Koruna awards. This year we took nine awards, including for the fourth consecutive year, the People's Choice Award for our Smart Banka banking app. We also received three gold awards for products designed for entrepreneurs in the Business Loans, Business Accounts and Entrepreneurs' categories.

ESG

Our MONETA Clementia Foundation received a record 183 applications for support from non-profit and NGO organisations in the Spring round of its grant programme, and I am delighted to report that the Foundation distributed more than CZK 7 million to 56 successful applicants, each of which was assessed by Clementia's independent Board of Trustees.

MONETA Money Bank is the only Czech company to be named in this year's Financial Times' Europe's Climate Leaders table, which lists 600 European companies that have achieved the greatest reductions in their greenhouse gas emissions in order to lower their carbon footprint. MONETA's appearance in this prestigious ranking was achieved thanks to the fact that since we began to calculate and report our carbon footprint in 2016, we had by 2023 managed to reduce our Scope 1 and 2 emissions by 87.7 per cent.

Our ESG approach is evidenced by the strong assessment of several independent organisations. Specifically, we are rated by MSCI at AA. Additionally, we are evaluated by Sustainalytics at the level of 15.6 and by ISS at C-. We believe we have set our targets aggressively, and so far we are able to fulfil the majority of them.

ACCOLADE TO MY COLLEAGUES

As always, I must extend my most sincere gratitude to our staff for their dedication and hard work during the first half of this year. My gratitude and respect also go to my Management and Supervisory Boards colleagues. Most importantly, our ability to deliver against challenging targets is a function of both individual and team efforts across our organisation. I believe that we are making significant strides to further reinforce our culture and the MONETA community. This reinforcement is the best way for management to provide tangible expressions of respect, engagement and dedication to inspiring an inclusive environment for all.

Most sincerely,

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

3 Key Performance Indicators

	Half-year ended 30 Jun 2024	Year ended 31 Dec 2023	Change
Profitability			
Net interest margin[3,4,5]	1.8%	2.1%	(30)bps
Yield (% Avg. Net Customer Loans)	4.9%	4.7%	20bps
Cost of Funds (% Avg. Deposits and Received Loans)[6]	3.42%	3.33%	9bps
Cost of Funds on Customer Deposits (% Avg. Deposits)	3.38%	3.30%	8bps
Cost of Risk (% Avg. Net Customer Loans)	0.18%	0.11%	7bps
Risk-adj. Yield (% Avg. Net Customer Loans)	4.7%	4.6%	10bps
Net Fee & Commission Income / Operating Income (%)	24.0%	21.6%	240bps
Net Non-Interest Income / Operating Income (%)	32.7%	29.4%	330bps
Return on Tangible Equity (RoTE)	20.0%	18.0%	200bps
Return on Equity (RoE)	17.8%	16.1%	170bps
Return on Average Assets (RoAA)[4]	1.1%	1.2%	(10)bps
Liquidity / Leverage			
Loan to deposit ratio	63.6%	65.9%	(230)bps
Total Equity / Total Assets	6.3%	7.0%	(70)bps
High-Quality Liquid Assets / Customer Deposits	41.9%	40.0%	190bps
Liquidity Coverage Ratio	339.5%	354.4%	(1,490)bps
Equity			
Total Equity (CZK m)	30,308	32,203	(5.9)%
Tangible Equity (CZK m)	27,023	28,871	(6.4)%
Capital Adequacy			
RWA Density	35.4%	36.4%	(100)bps
Regulatory Leverage	5.4%	5.7%	(30)bps
Total CAR (%)	19.4%	20.1%	(70)bps
Tier 1 Ratio (%)	15.4%	15.7%	(30)bps
Asset Quality			
Non-Performing Loan Ratio (%)	1.4%	1.4%	-
NPL Ratio Retail (%)	1.5%	1.5%	-
NPL Ratio Commercial (%)	1.3%	1.2%	10bps
Core Non-Performing Loan Coverage (%)	47.2%	47.9%	(70)bps
Core NPL Coverage Retail (%)	46.2%	46.6%	(40)bps
Core NPL Coverage Commercial (%)	49.6%	51.5%	(190)bps
Total NPL Coverage (%)	116.1%	121.6%	(550)bps
Efficiency			
Cost to income ratio	45.6%	47.2%	(160)bps
FTEs (at the end of the period)[7]	2,498	2,511	(13)
Branches	134	134	-
Tied agents offices	25	28	(3)
Own & shared ATMs[8]	1,978	1,971	7

All ratios are annualised.

[3] Interest earning assets include encumbered assets.
[4] Including opportunistic repo operations.
[5] Hedging derivatives are excluded from the calculation of interest earning assets.
[6] Deposits include issued bonds and exclude opportunistic repo transactions and CSA.
[7] Number of employees as at the last day of the reported period, excluding members of the Supervisory Board and the Audit Committee. Data restated due to change of methodology calculation.
[8] ATM network including 575 MONETA ATMs, 788 KB ATMs, 364 Air Bank ATMs and 251 UniCredit Bank ATMs as at 30 June 2024.

4 Macroeconomic Environment

In the second quarter of 2024, it was confirmed that the Czech economy continues its slow recovery from the recession that began in 2022 and continued through most of 2023. The period of high inflation and high interest rates, characterized by a decline in retail sales, ended with 2023 and the economy is returning to a relatively stable path. Although the situation continues to improve slowly, stronger economic growth will probably not be seen until the second half of this year.

In the first quarter of 2024, the gross domestic product of the Czech economy grew by 0.2% quarter-on-quarter and by 0.3%[9] compared to the same quarter of the previous year. Unlike the previous year, the economy was not supported by foreign demand, but mainly by recovering domestic consumption. Gross fixed capital formation and external demand contributed negatively and dragged the economic performance down.

Although the sectoral indicators showed a slight improvement, trade was more successful. Retail sales rose by 4.4%[10] year-on-year in real terms in May as consumer economic confidence continued to improve. In contrast, industrial production fell in May, down 3.2% year-on-year and 2.2%[11] month-on-month. New industrial orders were up 0.8% year-on-year, suggesting stagnant or slow growth in industrial production in the months ahead. The construction sector is also underperforming, with construction output falling by 6.8% year-on-year in May and by 5.1%[12] month-on-month.

Consumer prices rose by 2%[13] year on year in June, bringing inflation exactly in line with the CNB's inflation target. Housing costs remained the main inflationary item, while fuel and food prices declined. The Czech National Bank thus continued the set cycle of interest rate cuts and moved its main monetary policy rate, the two-week repo rate, by 100 basis points in two steps to 4.75%[14] during the second quarter, as in the first quarter. Rate cuts are expected to continue, but the pace will probably be significantly slower.

Despite the not very positive economic developments, the labour market remains relatively resilient. The unemployment rate, as measured by the ILO methodology, reached 2.7%[15] in May 2024 and was only 10 basis points higher than in May of the previous year. Consumer confidence is also supported by rising wages, with average nominal gross wages rising by 7%[16] year-on-year in the first quarter of this year, and wages rising by 4.8% in real terms after a relatively long period of decline due to low inflation.

The Czech economy has been in moderate growth since the beginning of the year. The recovery of the domestic economy is expected to be relatively mild this year and faster and more stable economic growth is likely to be seen next year. According to the Czech National Bank's latest macroeconomic forecast, the Czech economy should grow by 1.4% this year and by 2.7%[17] in 2025.

In the first quarter of 2024, the total operating income of the Czech banking sector increased by 7.7% year-on-year to CZK 60.5 billion due to growth in both net non-interest income by 16.1% and net interest income by 4.4% year-on-year. This was driven by gains from foreign exchange operations, dividend revenues and fees income.[18]

The net profit of the whole banking sector increased by 22.5% year-on-year to CZK 25.9 billion, which was driven by higher total operating income, alongside controlled operating expenses growth of 2.7% year-on-year, despite a rise in cost of risk.[18]

The capitalisation of the Czech banking sector remained strong as a result of a combination of prudent management and robust business performance. The Tier 1 capital increased by 4.2% year-on-year to CZK 654.8 billion in the first quarter of 2024[18].

---

[9] Source: Czech Statistical Office, Quarterly Sector Accounts – 1th quarter of 2024.
[10] Source: Czech Statistical Office, Retail trade – May 2024.
[11] Source: Czech Statistical Office, Industry – May 2024.
[12] Source: Czech Statistical Office, Construction – May 2024.
[13] Source: Czech Statistical Office, Consumer price indices – inflation – June 2024.
[14] Source: Czech National Bank, CNB Board Decision 2 May 2024 and 27 June 2024.
[15] Source: Czech Statistical Office, Rates of employment, unemployment and economic activity – May 2024.
[16] Source: Czech Statistical Office, Average wages – 1th quarter of 2024.
[17] Source: Czech National Bank, CNB forecast – Spring 2024, published on 2 May 2024.
[18] Source: Czech National Bank, ARAD quarterly mandatory disclosures, total banking sector.

5 Group Performance

5.1 Business Performance

The Group generated consolidated net profit of CZK 2,704 million in the first half of 2024.

The gross performing loan balance increased 2.9% to CZK 271.6 billion as at 30 June 2024, compared to 31 December 2023.

The retail gross performing loan balance increased by 1.1% when compared to 31 December 2023, standing at 181.5 billion as at 30 June 2024. This growth was mainly driven by CZK 1.2 billion increase of mortgage balance to CZK 128.8 billion, and consumer loans, increasing by CZK 0.8 billion to CZK 47.9 billion. MONETA Auto retail loans recorded a balance increase of 4.3% to CZK 2.6 billion since 31 December 2023 and credit card and overdraft balances decreased by 7.1% in the same period amid continuing trend of switching to instalment lending.

The commercial gross performing loan balance stood at CZK 90.1 billion as at 30 June 2024, a 6.8% increase compared to 31 December 2023. Small business lending balances increased by 8.9% to CZK 15.1 billion since 31 December 2023. The investment loan balance increased by CZK 1.5 billion to CZK 46.7 billion as at 30 June 2024. Working capital balance increased by 20.5% to CZK 18.6 billion as at 30 June 2024. The combined balance of MONETA Auto commercial portfolio and MONETA Leasing slightly decreased to CZK 9.8 billion, down 1% compared to 31 December 2023.

The Group's customer deposits increased in both retail and commercial segments, totaling CZK 425.8 billion as at 30 June 2024, increasing by 6.7% from CZK 399.2 billion as at 31 December 2023. The Cost of Funds on customer deposits reached 3.38% and the Group's Cost of Funds amounted to 3.42% for the six months ended 30 June 2024. The Loan to Deposit Ratio stood at 63.6%. The Due to banks balance stood at CZK 6.4 billion as at 30 June 2024, a CZK 1 billion increase when compared to 31 December 2023.

The Group maintained a highly liquid position, with Liquidity coverage ratio at 339.5% at the Group level, well above the regulatory requirement.

5.2 Financial Performance

Operating income in the first half of 2024 amounted to CZK 6.2 billion, up 6% year-on-year. Although net interest income remained broadly flat, net fee and commission income and net income from financial operations grew year-on-year by 16.7% and 38.5% respectively.

Net interest income amounted to CZK 4.2 billion for the six months ended 30 June 2024, and remained stable year-on-year as mentioned above. The yield on loan portfolio increased to 4.9% for the first six months of 2024, in comparison with 4.5% for the same period of 2023. The Group's Net interest margin fell to 1.8% in the six months ended 30 June 2024, compared to 2.1% in the first six months of 2023.

Net fee and commission income for the six months ended 30 June 2024 increased by 16.7% year-on-year to CZK 1.5 billion, driven by successful distribution of third-party products. Net income from financial operations amounted to CZK 514 million in the first six months of 2024, compared to CZK 371 million in the same period of 2023, driven by positive impact from revaluation of derivatives and extraordinary gain on a marginal disposal of investment portfolio.

Operating expenses for the six months of 2024 amounted to CZK 2,839 million, a 2.7% decrease, compared to the same period of 2023, driven by lower regulatory charges, administrative expenses and depreciation and amortization, partially offset by higher personnel expenses. The Group incurred CZK 1.2 billion of personnel expenses, representing a 6.1% year-on-year growth primarily driven by higher variable incentives and wage inflation. Administrative and other expenses decreased by 3.5% year-on-year and reached CZK 774 million. Depreciation and amortization expenses decreased by 4.9% and stood at CZK 604 million. Regulatory charges reached CZK 216 million, decreasing 29.6% year-on-year due to lower contribution to the Resolution fund.

Net impairment of financial assets amounted to CZK 237 million for the six months ended 30 June 2024, compared to net impairment of financial assets of CZK 30 million in the same period last year, positively impacted by successful NPL disposals in 2023. The Cost of Risk amounted 18bps for the six months ended 30 June 2024, compared to 2bps for the same period in 2023.

Group NPL Ratio remained at 1.4% as at 30 June 2024, same level as at 31 December 2023. Total NPL Coverage stood at 116.1% as at 30 June 2024, compared to 121.6% on 31 December 2023.

As a result, the consolidated net profit for the six months of 2024 reached CZK 2,704 million, a 9.1% increase year-on-year. Annualised RoTE for the six months ended 30 June 2024 increased to 20%, from 18.9% for the six months ended 30 June 2023.

The capital position remained solid with Capital Adequacy Ratio reaching 19.4% as at 30 June 2024, compared to 20.1% as at 31 December 2023.

5.3 Outlook for 2024 and Risks

According to the Czech National Bank's latest macroeconomic forecast, released on 2 May 2024, the Czech economy will grow at a rate of 1.4%[19] in 2024.The economic acceleration, supported by a recovery in consumer confidence and a recovery in demand, should come mainly in the second half of the year. In 2025, the economy should then return to stable growth of 2.7%.

The CNB forecasts that inflation will average 2.3% this year and should remain around the central bank's inflation target of 2% in 2025. This is consistent with a continued decline in the two-week repo rate to 4.4% in the last quarter of 2024 and further to 3% by the end of 2025.

The economic outlook for the Czech Republic's near future is therefore improving. The inflationary factors observed over the past two years have disappeared and current inflation is around the CNB's inflation target. The economic recovery is expected to continue, and domestic GDP growth is expected to accelerate. The main risk to the domestic economy remains external geopolitical pressures and their impact on global, especially industrial, demand. There are also uncertainties surrounding the US presidential election, which, if the opposition candidate wins, could change the political and economic transatlantic relationship.

In terms of the 2024 full-year outlook for financial results, the management aims to deliver net profit of at minimum CZK 5.2 billion, in line with the guidance published on 2 February 2024:

- Operating income to reach CZK 12.4 billion, in line with previously communicated guidance, of which CZK 6.2 billion was delivered in the first half of the year.

- Operating expenses to remain at or below CZK 5.8 billion, in line with previously communicated guidance, of which CZK 2.8 billion was incurred in the first half of the year.

- Cost of risk are projected at a range of 10-30bps. In the first half of the year, the Cost of Risk amounted to 18bps.

- Effective tax rate for the full year expected at the guided level of 14%.

- Net profit for the six months of 2024 in the amount of CZK 2.7 billion is on track to meet or potentially exceed the amount of CZK 5.2 billion for the full year.

[19] Source: Czech National Bank, CNB forecast – Spring 2024, published on 2 May 2024.

(All amounts in CZK millions unless otherwise stated)

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

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

Branches, ATMs and employees:

Number of branches as at 30 June 2024: 134 and 31 December 2023: 134.

Number of offices of tied agents as at 30 June 2024: 25 (28 as at 31 December 2023).

Number of ATMs as at 30 June 2024[20]: 1,978 and 31 December 2023: 1,971.

Number of employees (FTEs) as at 30 June 2024 was 2,498 (decrease of 13 compared to the year-end 2023[21]).

Business activities:

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

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

Ownership structure:

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

[20] ATM network including 575 MONETA ATMs, 788 KB ATMs, 364 Air Bank ATMs and 251 UniCredit Bank ATMs as at 30 June 2024.
[21] Number of employees as at the last day of the reported period, excluding members of the Supervisory Board and the Audit Committee. Data restated due to change of methodology calculation.

(All amounts in CZK millions unless otherwise stated)

Bank's Supervisory Board

The Bank's Supervisory board held 3 meetings in the first six months of 2024.

Name	Position	Member position held from	Member position held to
Gabriel Eichler	Chairman of the Supervisory Board[1)]	26 October 2017	20 December 2025
Miroslav Singer	Vice-chairman of the Supervisory Board[2)]	24 April 2017	28 April 2025
Michal Petrman	Member of the Supervisory Board	21 April 2016	2 September 2024
Clare Ronald Clarke	Member of the Supervisory Board	21 April 2016	2 September 2024
Denis Arthur Hall	Member of the Supervisory Board	21 April 2016	2 September 2024
Klára Escobar	Member of the Supervisory Board	7 May 2021	7 May 2025
Jana Výbošťoková	Member of the Supervisory Board	7 May 2021	7 May 2025
Kateřina Jirásková[3)]	Member of the Supervisory Board	25 April 2023	25 April 2027
Monika Kalivodová[4)]	Member of the Supervisory Board	1 June 2024	7 May 2025

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

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

3) Ms. Kateřina Jirásková was elected by the General Meeting as the member of the Supervisory Board on 25 April 2023. Ms. Jirásková replaced Mr. Tomáš Pardubický, whose function term ended on 24 April 2023.

4) Ms. Monika Kalivodová was elected as a substitute member of the Supervisory Board until the next elections of the members of the Supervisory Board of MONETA Money Bank, a.s., elected by employees will take place (i.e. 7 May 2025 at the latest). Ms. Kalivodová replaced Ms. Zuzana Filipová whose function term ended on 31 May 2024.

Bank's Management Board

The Bank's Management Board held 29 meetings in the first six months of 2024.

Name	Position	Member position held from	Member position held to
Tomáš Spurný	Chairman of the Management Board	1 October 2015	3 October 2027
Carl Normann Vökt	Vice-chairman of the Management Board[1)]	25 January 2013	27 January 2025
Jan Novotný	Member of the Management Board	16 December 2013	18 December 2025
Jan Friček	Member of the Management Board	1 March 2019	2 March 2027
Klára Starková	Member of the Management Board	1 June 2021	1 June 2025

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

7 Consolidated Interim Financial Statements for the Three and Six-month Period Ended 30 June 2024 (Unaudited)

7.1 Consolidated Interim Statements of Profit or Loss and Other Comprehensive Income for the Three and Six-month Period Ended 30 June 2024 (Unaudited)

CZK m	Note	Quarter ended		Half-year ended	
		30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
Interest and similar income		5,751	5,374	11,715	10,229
Interest expense and similar charges		(3,641)	(3,207)	(7,530)	(6,031)
Net interest income	**8.7**	**2,110**	**2,167**	**4,185**	**4,198**
Fee and commission income		917	799	1,798	1,559
Fee and commission expense		(165)	(136)	(306)	(280)
Net fee and commission income	**8.8**	**752**	**663**	**1,492**	**1,279**
Dividend income		-	-	-	1
Net income from financial operations		229	188	514	371
Other operating income		14	10	31	23
Total operating income		**3,105**	**3,028**	**6,222**	**5,872**
Personnel expenses		(625)	(595)	(1,245)	(1,173)
Administrative expenses		(405)	(415)	(735)	(780)
Depreciation and amortisation		(303)	(312)	(604)	(635)
Regulatory charges		12	(40)	(216)	(307)
Other operating expenses		(32)	(10)	(39)	(22)
Total operating expenses	**8.9**	**(1,353)**	**(1,372)**	**(2,839)**	**(2,917)**
Profit for the period before tax and net impairment of financial assets		**1,752**	**1,656**	**3,383**	**2,955**
Net impairment of financial assets	8.19.6	(102)	(146)	(237)	(30)
Profit for the period before tax		**1,650**	**1,510**	**3,146**	**2,925**
Taxes on income		(232)	(247)	(442)	(447)
Profit for the period after tax		**1,418**	**1,263**	**2,704**	**2,478**
Other comprehensive income, net of tax		**-**	-	**-**	-
Total comprehensive income attributable to the equity holders		**1,418**	**1,263**	**2,704**	**2,478**
Profit for the period after tax attributable to the equity holders		**1,418**	**1,263**	**2,704**	**2,478**
Weighted average of ordinary shares (millions of shares)		511	511	511	511
Basic and Diluted earnings per share (in CZK)		2.8	2.5	5.3	4.8

7.2 Consolidated Interim Statement of Financial Position as at 30 June 2024 (Unaudited)

CZK m	Note	30 Jun 2024	31 Dec 2023
Assets			
Cash and balances with the central bank		9,468	10,871
Derivative financial instruments with positive fair value	8.20	575	544
Investment securities	8.10, 8.20	101,967	104,353
Hedging derivatives with positive fair values		2,669	2,701
Change in fair value of items hedged on portfolio basis		74	122
Loans and receivables to banks	8.11	90,581	69,632
Loans and receivables to customers	8.12	271,010	263,064
Intangible assets		3,285	3,332
Property and equipment		2,315	2,400
Investments in associates		4	3
Current tax assets		184	76
Deferred tax assets		8	-
Other assets		1,123	1,086
TOTAL ASSETS		**483,263**	**458,184**
Liabilities			
Derivative financial instruments with negative fair value	8.20	528	523
Due to banks	8.13	6,427	5,423
Due to customers	8.13	426,073	399,497
Hedging derivatives with negative fair values		3,691	4,548
Change in fair value of items hedged on portfolio basis		66	63
Issued bonds	8.14	3,874	3,808
Subordinated liabilities	8.15	7,591	7,604
Provisions		260	266
Current tax liability		48	54
Deferred tax liability		394	462
Other liabilities		4,003	3,733
Total liabilities		**452,955**	**425,981**
Equity			
Share capital		10,220	10,220
Statutory reserve		102	102
Other reserves		1	1
Retained earnings		19,985	21,880
Total equity		**30,308**	**32,203**
TOTAL LIABILITIES AND EQUITY		**483,263**	**458,184**

7.3 Consolidated Interim Statement of Changes in Equity for the Half-year Ended 30 June 2024 (Unaudited)

CZK m	Share capital	Statutory reserve	Reserve from revaluation of FVTOCI	Retained earnings	Total
Balance as reported 1 Jan 2024	**10,220**	**102**	**1**	**21,880**	**32,203**
Transactions with owners of the company					
Dividends	-	-	-	(4,599)	(4,599)
Total comprehensive income					
Profit for the period after tax	-	-	-	2,704	2,704
Other comprehensive income after tax					
Change in fair value of FVTOCI investment securities	-	-	-	-	-
Deferred tax	-	-	-	-	-
Balance 30 Jun 2024	**10,220**	**102**	**1**	**19,985**	**30,308**

Balance as reported 1 Jan 2023	**10,220**	**102**	**1**	**20,768**	**31,091**
Transactions with owners of the company					
Dividends	-	-	-	(4,088)	(4,088)
Total comprehensive income					
Profit for the period after tax	-	-	-	2,478	2,478
Other comprehensive income after tax					
Change in fair value of FVTOCI investment securities	-	-	-	-	-
Deferred tax	-	-	-	-	-
Balance 30 Jun 2023	**10,220**	**102**	**1**	**19,158**	**29,481**

7.4 Consolidated Interim Statement of Cash Flows for the Half-year Ended 30 June 2024 (Unaudited)

CZK m	Half-year ended	
	30 Jun 2024	30 Jun 2023
Cash flows from operating activities		
Profit after tax	**2,704**	**2,478**
Adjustments for:		
Depreciation and amortisation	604	635
Net impairment of financial assets (excl. cash collection and recovery)	226	56
Net gain on revaluation of investment securities	(2)	(3)
Accrued coupon, amortisation of discount/premium of investment securities	154	(428)
Accrued interest income from derivatives	276	452
Net gain/ loss from revaluation of hedging derivatives	(1,138)	1,435
Net gain/ loss from revaluation of hedged items on portfolio basis	1,083	(1,466)
Net gain/loss from unrealised FX	(26)	(7)
Change in provisions not recognised in depreciation and amortisation	1	(30)
Net gain/loss on sale of investment securities	(59)	-
Net loss on sale and other disposal or impairment of tangible and intangible assets	(2)	1
Share of profit or loss of associates accounted for using the equity method	(1)	-
Dividend income	-	(1)
Tax expense	442	447
	4,262	**3,569**
Changes in:		
Loans and receivables to customers and banks	(7,713)	509
Other assets	(37)	132
Due to banks	1,004	1,754
Due to customers	26,578	33,926
Other liabilities	303	(391)
	24,397	**39,499**
Income taxes paid	(631)	(872)
Net cash used in operating activities	**23,766**	**38,627**
Cash flows from investing activities		
Acquisition of investment securities	-	(21,912)
Proceeds from investment securities	1,349	580
Acquisition of property and equipment and intangible assets	(358)	(368)
Proceeds from the sale of property and equipment and intangible assets	6	20
Net cash used in investing activities	**997**	**(21,680)**

(All amounts in CZK millions unless otherwise stated)

Cash flows from financing activities		
Repayment of issued bonds	-	(650)
Proceeds from subordinated deposits	-	2,838
Payments of lease liabilities[1)]	(148)	(154)
Dividends paid	(4,599)	(4,088)
Net cash used in financing activities	**(4,747)**	**(2,054)**
Net change in cash and cash equivalents	**20,016**	**14,893**

Cash and cash equivalents at the beginning of the period	**78,263**	**50,101**
Effect of exchange rate fluctuations on cash and cash equivalents	14	(24)
Cash and cash equivalents at the end of the period	**98,293**	**64,970**
Interest received[2)]	14,726	11,465
Interest paid[2)]	(9,470)	(6,312)

1) The Group decided to disclose the change of lease liabilities on separate line of Statement of Cash Flow. For the purpose of comparability, the previous period has been adjusted.

2) Lines “Interest received” and “Interest paid” represent interest paid by customers and counterparties and received from customers and counterparties, respectively, and are included in cash flows from operating activities.

8 Notes to Unaudited Consolidated Interim Financial Statements

8.1 Reporting Entity

MONETA Money Bank, a.s. (the "Bank") is a company domiciled in the Czech Republic. These consolidated interim financial statements ("interim financial statements") as at and for the six months ended 30 June 2024 comprise the Bank and its consolidated subsidiaries (together referred to as the "Group").

8.2 Basis of Preparation and Presentation

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2023 ("last annual financial statements"). These interim financial statements do not include all the information required for a complete set according to IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. These interim financial statements were neither audited nor reviewed by an auditor.

The Group's interim financial statements were authorised for issue by the Management Board on 24 July 2024.

Going concern

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

Functional and presentation currency

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

8.3 Use of Judgements and Estimates

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

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

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

8.4 Significant Accounting Policies

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

In the first half-year 2024, the macroeconomic environment has improved relative to previous quarters mainly in terms of the inflation rate. Nevertheless, uncertainty regarding the future macroeconomic evolution has remained pronounced due to impacts of the persistent high interest rate environment and its impact to real economy. To account for this forward-looking risk in the expected credit loss model, the Group maintained and updated framework of management overlays in the second quarter of 2024. As at 30 June 2024, the total management overlay amount stood at CZK 454 million. The overlay amount decreased by CZK 103 MM compared to previous quarter mainly due to dissolution of the overlay segment associated with expiration of COVID guarantees. Since vast majority of COVID guarantees expires in 2024 and on the grounds of the assumptions about potential understatement of the expected credit losses which have not materialized, the specific management overlay related to COVID guarantees was no longer justified.

(All amounts in CZK millions unless otherwise stated)

In the second quarter 2024, the Group closely monitored evolution of the macroeconomic prognoses provided by Czech public authorities such as Ministry of Finance of the Czech Republic and Czech National Bank and concluded that the forward-looking macroeconomic scenarios of main macroeconomic drivers such as GDP growth and unemployment rate implemented in November 2023 are appropriate with respect to the current macroeconomic situation in second quarter 2024.

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

GDP Growth Year	MFCR (11/2023)	MFCR (1/2024)	MFCR (4/2024)	CNB (11/2023)	CNB (2/2024)	CNB (5/2024)	IFRS 9 Model
2024	1.9%	1.2%	1.4%	1.2%	0.6%	1.4%	1.2%
2025	2.4%	2.5%	2.6%	2.8%	2.4%	2.7%	2.8%
Unemployment Year	**MFCR (11/2023)**	**MFCR (1/2024)**	**MFCR (4/2024)**	**CNB (11/2023)**	**CNB (2/2024)**	**CNB (5/2024)**	**IFRS 9 Model**
2024	2.8%	2.8%	2.8%	3.0%	3.0%	2.9%	3.0%
2025	2.7%	2.7%	2.7%	3.0%	3.1%	3.1%	3.0%

8.5 Consolidation Group

The definition of the consolidation group as at 30 June 2024 has not changed compared to the last Consolidated Annual Financial Statements.

Apart from the Bank, the Group's companies included into the consolidation group as at 30 June 2024 together with the ownership were as follows:

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

8.6 Dividends Paid

On 23 April 2024, the General Meeting approved the dividend payment of CZK 9 per share before tax which represented the total amount of CZK 4,599 million. The dividend was due on 21 May 2024 and was paid by MONETA Money Bank, a.s. through Komerční banka, a.s., as paying agent, by a transfer to bank accounts of the shareholders listed in the Central Securities Depository.

8.7 Net Interest Income

CZK m	Quarter ended		Half-year ended	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
Interest income from financial assets measured at amortised cost	5,270	4,617	10,468	8,848
Loans to customers	3,336	3,080	6,556	6,037
out of which: interest income from impaired loans	46	39	91	77
out of which: penalty interest	6	5	11	10
out of which: EIR amortisation, modification/derecognition and amortisation of FV adjustments	(103)	(124)	(238)	(275)
Loans to banks	1,145	868	2,319	1,636
out of which: interest income from repurchase and reverse repurchase agreements	1,128	859	2,285	1,618
Cash and deposit with central bank[1]	-	117	-	230
Interest income from investment securities at amortised cost	769	550	1,551	942
Other interest income[2]	20	2	42	3
Interest income from hedging derivatives	481	757	1,247	1,381
Interest income and similar income	**5,751**	**5,374**	**11,715**	**10,229**
Interest expense from financial liabilities measured at amortised cost	(3,582)	(3,044)	(7,378)	(5,674)
Due to banks	(66)	(27)	(119)	(41)
Due to customers	(3,369)	(2,866)	(6,965)	(5,350)
out of which: amortisation of acquisition FV adjustments	3	8	6	14
Subordinated liabilities	(94)	(52)	(187)	(94)
Mortgage-backed bonds	-	(27)	-	(54)
Other issued bonds[3]	(44)	(44)	(89)	(88)
Other interest expense[2]	(9)	(28)	(18)	(47)
Interest from hedging derivatives	(47)	(157)	(127)	(346)
Interest expense from lease liabilities	(12)	(6)	(25)	(11)
Interest expense and similar expense	**(3,641)**	**(3,207)**	**(7,530)**	**(6,031)**
Net interest income	**2,110**	**2,167**	**4,185**	**4,198**

1) The Bank Board of the CNB decided in September 2023 that it would discontinue remuneration of the mandatory minimum reserves. The decision became effective on 5 October 2023; prior to that, the mandatory minimum reserves were remunerated using the 2-week repo rate.

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

3) MREL requirement eligible bonds are included.

8.7.1 Analysis of deferred costs and fees directly attributable to origination of new loan products that are integral part of the effective interest rate and fair value adjustment resulting from the revaluation of acquired financial assets for a three and six-month period

Quarter ended 30 Jun 2024 CZK m	Balance at the beginning of the period	Amortisation	Derecognitions / Modifications	Additions to deferred fees	Additions to deferred costs	Balance at the end of the period
Consumer Loans	132	-	(2)	(20)	22	132
Mortgages	1,465	(9)	(5)	1	11	1,463
Credit Cards & Overdrafts	10	(2)	-	-	2	10
Auto Loans and Finance Leases	200	(26)	(1)	-	39	212
Retail loans deferrals	**1,807**	**(37)**	**(8)**	**(19)**	**74**	**1,817**
Investment Loans	424	(13)	-	(3)	18	426
Working Capital	(7)	2	-	(2)	-	(7)
Auto & Equipment Loans and Finance Leases	234	(38)	-	-	43	239
Unsecured Instalment Loans and Overdrafts	102	(9)	-	(3)	16	106
Commercial loans deferrals	**753**	**(58)**	**-**	**(8)**	**77**	**764**
Total loan deferrals	**2,560**	**(95)**	**(8)**	**(27)**	**151**	**2,581**

Quarter ended 30 Jun 2023 CZK m	Balance at the beginning of the period	Amortisation	Derecognitions / Modifications	Additions to deferred fees	Additions to deferred costs	Balance at the end of the period
Consumer Loans	147	(2)	-	(17)	15	143
Mortgages	1,594	(17)	-	(1)	3	1,579
Credit Cards & Overdrafts	11	(2)	-	-	1	10
Auto Loans and Finance Leases	199	(28)	(1)	-	24	194
Retail loans deferrals	**1,951**	**(49)**	**(1)**	**(18)**	**43**	**1,926**
Investment Loans	495	(29)	-	(2)	7	471
Working Capital	(3)	1	-	(7)	-	(9)
Auto & Equipment Loans and Finance Leases	233	(37)	-	-	32	228
Unsecured Instalment Loans and Overdrafts	100	(9)	-	(1)	12	102
Commercial loans deferrals	**825**	**(74)**	**-**	**(10)**	**51**	**792**
Total loan deferrals	**2,776**	**(123)**	**(1)**	**(28)**	**94**	**2,718**

Half-year ended 30 Jun 2024 CZK m	Balance at the beginning of the period	Amortisation	Derecognitions / Modifications	Additions to deferred fees	Additions to deferred costs	Balance at the end of the period
Consumer Loans	137	(2)	(5)	(40)	42	132
Mortgages	1,502	(51)	(11)	(1)	24	1,463
Credit Cards & Overdrafts	10	(4)	-	-	4	10
Auto Loans and Finance Leases	198	(53)	(3)	-	70	212
Retail loans deferrals	**1,847**	**(110)**	**(19)**	**(41)**	**140**	**1,817**
Investment Loans	441	(34)	-	(6)	25	426
Working Capital	(8)	4	-	(4)	1	(7)
Auto & Equipment Loans and Finance Leases	234	(61)	-	-	66	239
Unsecured Instalment Loans and Overdrafts	102	(18)	-	(5)	27	106
Commercial loans deferrals	**769**	**(109)**	**-**	**(15)**	**119**	**764**
Total loan deferrals	**2,616**	**(219)**	**(19)**	**(56)**	**259**	**2,581**

Half-year ended 30 Jun 2023 CZK m	Balance at the beginning of the period	Amortisation	Derecognitions / Modifications	Additions to deferred fees	Additions to deferred costs	Balance at the end of the period
Consumer Loans	150	(5)	-	(32)	30	143
Mortgages	1,639	(71)	(1)	(2)	14	1,579
Credit Cards & Overdrafts	12	(4)	-	-	2	10
Auto Loans and Finance Leases	192	(51)	(2)	-	55	194
Retail loans deferrals	**1,993**	**(131)**	**(3)**	**(34)**	**101**	**1,926**
Investment Loans	508	(50)	-	(5)	18	471
Working Capital	(3)	1	-	(8)	1	(9)
Auto & Equipment Loans and Finance Leases	231	(74)	-	-	71	228
Unsecured Instalment Loans and Overdrafts	98	(18)	-	(3)	25	102
Commercial loans deferrals	**834**	**(141)**	**-**	**(16)**	**115**	**792**
Total loan deferrals	**2,827**	**(272)**	**(3)**	**(50)**	**216**	**2,718**

8.8 Net Fee and Commission Income

CZK m	Quarter ended		Half-year ended	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
Insurance[1)]	289	303	611	585
Investment funds	189	75	334	147
Penalty fees (incl. early termination fees)	79	69	149	136
Deposit servicing fees	94	98	196	201
Lending servicing fees	56	55	113	111
Transactional and other fees	210	199	395	379
Fee and commission income	**917**	**799**	**1,798**	**1,559**
Fee and commission expense	**(165)**	**(136)**	**(306)**	**(280)**
Net fee and commission income	**752**	**663**	**1,492**	**1,279**

1) The line "Insurance" includes especially commissions on payment protection insurance, car insurance (Casco and third party liability insurance), travel insurance, accident insurance, life insurance and pension funds.

8.9 Total Operating Expenses

CZK m	Quarter ended		Half-year ended	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
Personnel expenses	(625)	(595)	(1,245)	(1,173)
Administrative expenses	(405)	(415)	(735)	(780)
Depreciation and amortisation	(303)	(312)	(604)	(635)
out of which: depreciation of right-of-use assets	(79)	(81)	(157)	(164)
Regulatory charges[1)]	12	(40)	(216)	(307)
Other operating expenses	(32)	(10)	(39)	(22)
Total operating expenses	**(1,353)**	**(1,372)**	**(2,839)**	**(2,917)**
FTEs (average)[2)]	**2,475**	**2,472**	**2,477**	**2,508**
FTEs (at the end of the period)[3)]	**2,498**	**2,510**	**2,498**	**2,510**

1) The line "Regulatory charges" includes contributions to the Deposit Insurance Fund of CZK 147 million in 2024, contributions to the Resolution Fund of CZK 62 million in 2024 and contributions to the Investor Compensation Fund of CZK 7 million in 2024.
2) Members of the Supervisory Board and the Audit Committee are excluded. The average recalculated number of employees during the period is an average of the figures reported to Czech Statistical Authority in accordance with Art. 15 of Czech Act No. 518/2004.
3) Number of employees as at the last day of the reported period, excluding members of the Supervisory Board and the Audit Committee. Data restated due to change of methodology calculation.

8.10 Investment Securities

CZK m	30 Jun 2024	31 Dec 2023
Debt securities measured at amortised cost	101,909	104,297
out of which: government bonds	99,644	101,070
out of which: corporate bonds	2,265	3,227
Debt securities measured at FVTPL	32	30
Equity securities measured at FVTOCI	1	1
Equity securities measured at FVTPL	25	25
Total investment securities	**101,967**	**104,353**

8.11 Loans and Receivables to Banks

CZK m	30 Jun 2024	31 Dec 2023
Current accounts at banks	380	260
Overnight deposits	1,483	392
Receivables arising from reverse repurchase agreements	86,962	66,740
Cash collaterals granted	1,753	2,238
Other	3	2
Total Loans and receivables to banks	**90,581**	**69,632**
Included in cash equivalents	88,825	67,392

8.12 Loans and Receivables to Customers

CZK m	30 Jun 2024			31 Dec 2023		
	Gross carrying amount	Allowance/ Provision	Net book value	Gross carrying amount	Allowance/ Provision	Net book value
Consumer Loans	49,531	(2,082)	47,449	48,702	(2,144)	46,558
Mortgages	129,791	(597)	129,194	128,604	(658)	127,946
Credit Cards & Overdrafts	2,296	(183)	2,113	2,470	(200)	2,270
Auto Loans and Finance Leases	2,672	(96)	2,576	2,560	(89)	2,471
Other	7	(7)	-	8	(8)	-
Total Retail	**184,297**	**(2,965)**	**181,332**	**182,344**	**(3,099)**	**179,245**
Investment Loans	46,853	(284)	46,569	45,364	(291)	45,073
Working Capital	18,679	(205)	18,474	15,519	(193)	15,326
Auto & Equipment Loans and Finance Leases	9,010	(217)	8,793	9,069	(204)	8,865
Unsecured Instalment Loans and Overdrafts	15,698	(935)	14,763	14,380	(881)	13,499
Inventory Financing and Other	1,089	(10)	1,079	1,070	(14)	1,056
Total Commercial	**91,329**	**(1,651)**	**89,678**	**85,402**	**(1,583)**	**83,819**
Total Loans and receivables to customers	**275,626**	**(4,616)**	**271,010**	**267,746**	**(4,682)**	**263,064**

8.13 Due to Banks and Due to Customers

Breakdown of Due to banks:

CZK m	30 Jun 2024	31 Dec 2023
Deposits on demand	650	598
Liabilities arising from repurchase agreements	2,612	2,531
Cash collateral received[1)]	640	563
Other due to banks[2)]	2,525	1,731
Total Due to banks	**6,427**	**5,423**

1) Cash collaterals received represent CSA[22] Collaterals of other financial institutions for derivative transactions.
2) Other due to banks comprises loan provided by European Investment Bank ("EIB") in March 2024 to MONETA Money Bank, a.s. This loan amounts to CZK 2,525 million as at 30 June 2024 (2023: loan provided by EIB in January 2021 in amount of CZK 1,731 million as at 31 December 2023).

Breakdown of Due to customers:

CZK m	30 Jun 2024	31 Dec 2023
Retail current accounts	54,657	52,592
Retail savings accounts and term deposits	244,466	233,612
Retail building savings	25,934	26,794
Commercial current accounts	44,397	41,624
Commercial savings accounts and term deposits	54,816	43,018
Commercial building savings	1,088	1,167
Cash collateral received	253	270
Other due to customers	462	420
Total Due to customers	**426,073**	**399,497**

8.14 Issued Bonds

Issued Mortgage-Backed Bonds

As at 30 June 2024, the Group did not maintain any tranche of mortgage-backed securities issued externally. The all of issued securities are held by MONETA Stavební Spořitelna, a.s., and therefore eliminated on a consolidated basis.

Internally Issued Mortgage-Backed Bonds (on own books)

The mortgage-backed bonds are covered by mortgage loans provided to the Group's clients. The purpose of the issuance of these bonds is only resolution of eventual liquidity crisis when bonds would be used as collateral for lombard loan or repo operations with Czech National Bank or other financial institution. As at 30 June 2024, the Group did not realise any of these above-mentioned operations, therefore these bonds are not recognised in the Statement of the financial position.

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

Other Issued Bonds

The Bank issued the senior preferred bonds in the total nominal amount of CZK 1,500 million and EUR 100 million. The EUR tranche was settled on 3 February 2022 and the CZK tranche was settled on 15 December 2022.

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

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

ISIN	Issue date	Currency	Maturity date	Interest rate	Call option	Total nominal amount outstanding EUR m / CZK m
XS2435601443	3 Feb 2022	EUR	3 Feb 2028	1.625% p.a.	after 5 years	100
CZ0003707671	15 Dec 2022	CZK	15 Dec 2026	8.00% p.a.	after 3 years	1,500

Amortised cost of the outstanding other issued bonds:

CZK m	30 Jun 2024	31 Dec 2023
Other issued bonds at amortised cost	3,874	3,808
Total	**3,874**	**3,808**

The Group did not have any defaults of principal or interest or other breaches with respect to other issued bonds during the year 2024.

8.15 Subordinated Liabilities

Issued Subordinated Debt Securities

Issued subordinated debt securities are the Bank's sources of debt funding and are subordinated to all other liabilities of the Bank. As at 30 June 2024, they form a part of the Tier 2 capital of the Bank as defined by the CNB for the purposes of determination of its capital adequacy (note 8.19.1).

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

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

Name	ISIN	Issue date	Currency	Maturity date	Interest rate	Call option	Total nominal amount at issue date CZK m
MB 3.30/29	CZ0003704918	25 Sep 2019	CZK	25 Sep 2029	3.30% p.a.	after 5 years	2,001
MB 3.79/30	CZ0003705188	30 Jan 2020	CZK	30 Jan 2030	3.79% p.a.	after 5 years	2,601

Amortised cost of the outstanding subordinated debt securities:

CZK m	30 Jun 2024	31 Dec 2023
Subordinated debt securities at amortised cost	4,676	4,690
Total	**4,676**	**4,690**

The Bank did not have any defaults of principal or interest or other breaches with respect to subordinated liabilities during the year 2024.

Subordinated Deposits

In the second quarter of 2023, the Bank strengthened its capital and eligible liabilities through a subordinated deposit offering. The Bank has received the subordinated deposits in the amount of CZK 2.9 billion. The term of the subordinated deposit is set at five years with a guaranteed interest rate of 7 percent for the entire term. As at 30 June 2024, they form in the partial amount of CZK 2.3 billion a part of the Tier 2 capital of the Bank as defined by the CNB for the purposes of determination of its capital adequacy (note 8.19.1).

CZK m	30 Jun 2024	31 Dec 2023
Subordinated deposits at amortised cost	2,915	2,914
Total	**2,915**	**2,914**

8.16 Legal Risks

The legal risks, to which the Group is exposed, have been disclosed in the Bank's 2023 Consolidated Annual Financial Report.

8.16.1 Legal disputes

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

8.17 Segment Reporting

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

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

Quarter ended 30 Jun 2024 CZK m	Commercial	Retail	Treasury / Other	Total
Net interest income	1,049	1,038	23	2,110
Net fee and commission income	166	593	(7)	752
Dividend income	-	-	-	-
Net income from financial operations	56	128	45	229
Other operating income	5	9	-	14
Total operating income	**1,276**	**1,768**	**61**	**3,105**
Net impairment of financial assets	(17)	(85)	-	(102)
Risk adjusted operating income	**1,259**	**1,683**	**61**	**3,003**
Total operating expenses				(1,353)
Profit for the period before tax				**1,650**
Tax on income				(232)
Profit for the period after tax				**1,418**

Quarter ended 30 Jun 2023 CZK m	Commercial	Retail	Treasury / Other	Total
Net interest income[1)]	758	1,385	24	2,167
Net fee and commission income	150	516	(3)	663
Dividend income	-	-	-	-
Net income from financial operations	53	128	7	188
Other operating income	1	9	-	10
Total operating income	**962**	**2,038**	**28**	**3,028**
Net impairment of financial assets	(33)	(113)	-	(146)
Risk adjusted operating income	**929**	**1,925**	**28**	**2,882**
Total operating expenses				(1,372)
Profit for the period before tax				**1,510**
Tax on income				(247)
Profit for the period after tax				**1,263**

Half-year ended 30 Jun 2024 CZK m	Commercial	Retail	Treasury / Other	Total
Net interest income	1,853	2,349	(17)	4,185
Net fee and commission income	326	1,178	(12)	1,492
Dividend income	-	-	-	-
Net income from financial operations	105	246	163	514
Other operating income	10	21	-	31
Total operating income	**2,294**	**3,794**	**134**	**6,222**
Net impairment of financial assets	(116)	(121)	-	(237)
Risk adjusted operating income	**2,178**	**3,673**	**134**	**5,985**
Total operating expenses				(2,839)
Profit for the period before tax				**3,146**
Tax on income				(442)
Profit for the period after tax				**2,704**

Half-year ended 30 Jun 2023 CZK m	Commercial	Retail	Treasury / Other	Total
Net interest income[1)]	1,453	2,718	27	4,198
Net fee and commission income	302	984	(7)	1,279
Dividend income	-	-	1	1
Net income from financial operations	102	246	23	371
Other operating income	6	17	-	23
Total operating income	**1,863**	**3,965**	**44**	**5,872**
Net impairment of financial assets	(31)	1	-	(30)
Risk adjusted operating income	**1,832**	**3,966**	**44**	**5,842**
Total operating expenses				(2,917)
Profit for the period before tax				**2,925**
Tax on income				(447)
Profit for the period after tax				**2,478**

Assets and liabilities by segment:

30 Jun 2024 CZK m	Commercial	Retail	Treasury / Other	Total
Net value of loans and receivables to customers	89,678	181,332	-	271,010
Total customer deposits	100,556	325,264	-	425,820

31 Dec 2023 CZK m	Commercial	Retail	Treasury / Other	Total
Net value of loans and receivables to customers	83,819	179,245	-	263,064
Total customer deposits[1)]	86,068	313,158	-	399,226

[1)] In 2023, the Group changed the segment reporting methodology, which includes the use of transfer pricing between segments. For the purpose of comparability, the previous period has been adjusted.

8.18 Related Parties

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

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

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

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

The following transactions were undertaken with related parties:

30 Jun 2024 CZK m	Related parties with significant influence on MONETA	Associates	Key members of the management[1] and Supervisory Board	Total
Loans and receivables to customers	-	-	45	45
Loans and receivables to banks	57	-	-	57
Derivative financial instruments with positive fair value	43	-	-	43
Hedging derivatives with positive fair value	336	-	-	336
Due to customers	25	-	40	65
Due to banks	349	-	-	349
Derivative financial instruments with negative fair value	50	-	-	50
Hedging derivatives with negative fair value	291	-	-	291

1) Includes members of Management Board and other Key Executive Managers.

31 Dec 2023 CZK m	Related parties with significant influence on MONETA	Associates	Key members of the management[1] and Supervisory Board	Total
Loans and receivables to customers	-	-	37	37
Derivative financial instruments with positive fair value	41	-	-	41
Hedging derivatives with positive fair value	317	-	-	317
Due to customers	30	-	20	50
Due to banks	289	-	-	289
Derivative financial instruments with negative fair value	47	-	-	47
Hedging derivatives with negative fair value	335	-	-	335

1) Includes members of Management Board and other Key Executive Managers.

Quarter ended 30 Jun 2024 CZK m	Related parties with significant influence on MONETA	Associates	Key members of the management[1] and Supervisory Board	Total
Interest expense and similar charges	(14)	-	-	(14)
Interest and similar income	37	-	-	37
Fee and commission income	2	-	-	2
Fee and commission expense	(1)	-	-	(1)
Net income from financial operations	52	-	-	52
Operating expenses	(12)	(7)	(62)	(81)
Dividend income	-	-	-	-

1) Includes members of Management Board and other Key Executive Managers.

Quarter ended 30 Jun 2023 CZK m	Related parties with significant influence on MONETA	Associates	Key members of the management[1] and Supervisory Board	Total
Interest expense and similar charges	(4)	-	-	(4)
Interest and similar income	67	-	-	67
Fee and commission income	2	-	-	2
Fee and commission expense	(5)	-	-	(5)
Net income from financial operations	(116)	-	-	(116)
Operating expenses	(12)	(6)	(51)	(68)
Dividend income	-	-	-	-

1) Includes members of Management Board and other Key Executive Managers.

Half-year ended 30 Jun 2024 CZK m	Related parties with significant influence on MONETA	Associates	Key members of the management[1] and Supervisory Board	Total
Interest expense and similar charges	(31)	-	-	(31)
Interest and similar income	91	-	-	91
Fee and commission income	3	-	-	3
Fee and commission expense	(2)	-	-	(2)
Net income from financial operations	111	1	-	112
Operating expenses	(20)	(13)	(87)	(119)
Dividend income	-	-	-	-

1) Includes members of Management Board and other Key Executive Managers.

Half-year ended 30 Jun 2023 CZK m	Related parties with significant influence on MONETA	Associates	Key members of the management[1] and Supervisory Board	Total
Interest expense and similar charges	(6)	-	-	(6)
Interest and similar income	121	-	-	121
Fee and commission income	3	-	-	3
Fee and commission expense	(7)	-	-	(7)
Net income from financial operations	(183)	-	-	(183)
Operating expenses	(22)	(14)	(74)	(109)
Dividend income	-	1	-	1

1) Includes members of Management Board and other Key Executive Managers.

8.19 Risk Management

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

From 1 April 2024, there were organizational changes, when activities related to fulfilment of requirements in the field of international cooperation in the field of taxation were transferred from the Compliance Department to the Risk Management Division.

Except of above mentioned, the risk management policies and practices have not changed since 31 December 2023 and are described in the Annual Financial Report for 2023.

8.19.1 Capital management

Regulatory Capital and its components and capital adequacy:

CZK m	30 Jun 2024	31 Dec 2023
Regulatory Capital	**33,354**	**33,583**
Tier 1	26,396	26,334
Tier 2	6,958	7,249
RWA	**171,885**	**167,299**
out of which: Credit Risk	152,923	147,721
out of which: Operational Risk	18,438	19,039
out of which: CVA	523	539
out of which: Trading Book	1	-

Capital adequacy (%)	30 Jun 2024	31 Dec 2023
RWA Density[1)]	35.4%	36.4%
CET1 Ratio	15.4%	15.7%
Tier 1 Ratio	15.4%	15.7%
Total Capital Ratio (CAR)	19.4%	20.1%

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

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

In order to calculate the regulatory capital requirement for credit risk and operational risk, on individual as well as on consolidated basis, the Bank uses the standardised approach. The Bank also calculates regulatory capital requirements against the market risk of the trading book.

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

In March 2024, the Bank received an updated MREL specification from the CNB pursuant to which it must comply with the MREL requirement on an individual basis of 17.2% (no change) of its total risk exposure and 5.04% (before 4.92%) of its total exposure effective from 28 March 2024. The MREL requirement is calculated as a sum of a Loss Absorption Amount (Pillar I capital requirement of 8% and Pillar II capital requirement of 2.3% (before 2.6%)[26] – values valid as of the date of the initiation of the planning process for resolution) and a Recapitalisation Amount set at 6.9% (before 6.6%). The combined buffer requirement (a capital conservation buffer of 2.5% and a countercyclical capital buffer of 1.75% – values valid as at 30 June 2024; from 1 July 2024 the countercyclical capital buffer decreased to 1.25%) is not taken into account in the MREL calculation and the Bank must comply with it on top of the MREL requirement.

The new amount of the countercyclical capital buffer of 1.25% has decreased a total regulatory capital requirement of the Bank by 0.5% from 1 July 2024 both on individual basis (from 12.25% to 11.75%) and consolidated basis (from 14.55% to 14.05%).

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

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

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

30 Jun 2024	Loans and receivables to banks				Loans and receivables to customers				
CZK m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Performing before due date	90,581	-	-	90,581	243,895	21,476	-	40	265,411
Performing past due date[1)]	-	-	-	-	2,902	3,327	-	9	6,238
Total performing	90,581	-	-	90,581	246,797	24,803	-	49	271,649
Total non-performing	-	-	-	-	-	-	3,965	12	3,977
Gross loans and receivables	**90,581**	**-**	**-**	**90,581**	**246,797**	**24,803**	**3,965**	**61**	**275,626**
Individual allowances	-	-	-	-	-	-	(98)	-	(98)
Portfolio allowances	-	-	-	-	(1,124)	(1,639)	(1,774)	19	(4,518)
Total allowances	**-**	**-**	**-**	**-**	**(1,124)**	**(1,639)**	**(1,872)**	**19**	**(4,616)**
Net loans and receivables	**90,581**	**-**	**-**	**90,581**	**245,673**	**23,164**	**2,093**	**80**	**271,010**

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

31 Dec 2023	Loans and receivables to banks				Loans and receivables to customers				
CZK m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Performing before due date	69,632	-	-	69,632	237,764	19,821	-	31	257,616
Performing past due date[1)]	-	-	-	-	3,022	3,249	-	11	6,282
Total performing	69,632	-	-	69,632	240,786	23,070	-	42	263,898
Total non-performing	-	-	-	-	-	-	3,837	11	3,848
Gross loans and receivables	**69,632**	**-**	**-**	**69,632**	**240,786**	**23,070**	**3,837**	**53**	**267,746**
Individual allowances	-	-	-	-	-	-	(110)	-	(110)
Portfolio allowances	-	-	-	-	(1,140)	(1,731)	(1,841)	30	(4,572)
Total allowances	**-**	**-**	**-**	**-**	**(1,140)**	**(1,731)**	**(1,841)**	**30**	**(4,682)**
Net loans and receivables	**69,632**	**-**	**-**	**69,632**	**239,646**	**21,339**	**1,995**	**83**	**263,064**

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

8.19.3 Walk of allowances to Loans and receivables to customers

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

			Quarter ended 30 Jun 2024		
CZK m	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at the beginning of the period	**493**	**1,225**	**1,244**	**(25)**	**2,937**
Purchases and originations	88	28	8	-	124
Derecognition and maturities	(25)	(46)	(43)	1	(113)
Transfer to (out) Stage 1	92	(83)	(9)	-	-
Transfer to (out) Stage 2	(24)	106	(82)	-	-
Transfer to (out) Stage 3	(3)	(81)	84	-	-
Remeasurements, changes in models and methods	(130)	57	133	9	69
Use of allowances (write offs)	-	-	(52)	-	(52)
Balance at the end of the period	**491**	**1,206**	**1,283**	**(15)**	**2,965**

			Quarter ended 30 Jun 2023		
CZK m	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at the beginning of the period	**738**	**1,228**	**1,326**	**(25)**	**3,267**
Purchases and originations	60	27	3	-	90
Derecognition and maturities	(30)	(33)	(50)	-	(113)
Transfer to (out) Stage 1	156	(141)	(15)	-	-
Transfer to (out) Stage 2	(11)	78	(67)	-	-
Transfer to (out) Stage 3	(5)	(100)	105	-	-
Remeasurements, changes in models and methods	(166)	129	157	(2)	118
Use of allowances (write offs)	-	-	(149)	1	(148)
Balance at the end of the period	**742**	**1,188**	**1,310**	**(26)**	**3,214**

			Half-year ended 30 Jun 2024		
CZK m	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at the beginning of the period	**514**	**1,304**	**1,306**	**(25)**	**3,099**
Purchases and originations	168	53	11	-	232
Derecognition and maturities	(48)	(92)	(96)	3	(233)
Transfer to (out) Stage 1	284	(262)	(22)	-	-
Transfer to (out) Stage 2	(84)	266	(182)	-	-
Transfer to (out) Stage 3	(5)	(203)	208	-	-
Remeasurements, changes in models and methods	(338)	140	289	7	98
Use of allowances (write offs)	-	-	(231)	-	(231)
Balance at the end of the period	**491**	**1,206**	**1,283**	**(15)**	**2,965**

	Half-year ended 30 Jun 2023				
CZK m	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at the beginning of the period	**747**	**1,323**	**1,464**	**(24)**	**3,510**
Purchases and originations	114	53	9	-	176
Derecognition and maturities	(60)	(69)	(198)	2	(325)
Transfer to (out) Stage 1	520	(483)	(37)	-	-
Transfer to (out) Stage 2	(71)	248	(177)	-	-
Transfer to (out) Stage 3	(8)	(214)	222	-	-
Remeasurements, changes in models and methods	(500)	330	320	(4)	146
Use of allowances (write offs)	-	-	(293)	-	(293)
Balance at the end of the period	**742**	**1,188**	**1,310**	**(26)**	**3,214**

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

	Quarter ended 30 Jun 2024				
CZK m	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at the beginning of the period	**657**	**449**	**565**	**(5)**	**1,666**
Purchases and originations	126	5	8	-	139
Derecognition and maturities	(11)	(6)	(15)	-	(32)
Transfer to (out) Stage 1	37	(32)	(5)	-	-
Transfer to (out) Stage 2	(7)	21	(14)	-	-
Transfer to (out) Stage 3	(3)	(21)	24	-	-
Remeasurements, changes in models and methods	(164)	17	50	1	(96)
Use of allowances (write offs)	-	-	(24)	-	(24)
Foreign exchange adjustments	(2)	-	-	-	(2)
Balance at the end of the period	**633**	**433**	**589**	**(4)**	**1,651**

	Quarter ended 30 Jun 2023				
CZK m	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at the beginning of the period	**730**	**342**	**475**	**(5)**	**1,542**
Purchases and originations	133	6	6	-	145
Derecognition and maturities	(8)	(10)	(10)	-	(28)
Transfer to (out) Stage 1	33	(27)	(6)	-	-
Transfer to (out) Stage 2	(9)	23	(14)		-
Transfer to (out) Stage 3	(2)	(14)	16	-	-
Remeasurements, changes in models and methods	(120)	11	30	-	(79)
Use of allowances (write offs)	-	-	(32)	-	(32)
Foreign exchange adjustments	2	-	-	-	2
Balance at the end of the period	**759**	**331**	**465**	**(5)**	**1,550**

	Half-year ended 30 Jun 2024				
CZK m	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at the beginning of the period	**626**	**427**	**535**	**(5)**	**1,583**
Purchases and originations	236	13	16	-	265
Derecognition and maturities	(20)	(13)	(26)	-	(59)
Transfer to (out) Stage 1	129	(119)	(10)	-	-
Transfer to (out) Stage 2	(34)	81	(47)	-	-
Transfer to (out) Stage 3	(5)	(71)	76	-	-
Remeasurements, changes in models and methods	(300)	115	90	1	(94)
Use of allowances (write offs)	-	-	(45)	-	(45)
Foreign exchange adjustments	1	-	-	-	1
Balance at the end of the period	**633**	**433**	**589**	**(4)**	**1,651**

	Half-year ended 30 Jun 2023				
CZK m	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at the beginning of the period	**699**	**347**	**557**	**(5)**	**1,598**
Purchases and originations	209	9	14	-	232
Derecognition and maturities	(18)	(16)	(93)	-	(127)
Transfer to (out) Stage 1	121	(109)	(12)	-	-
Transfer to (out) Stage 2	(27)	61	(34)	-	-
Transfer to (out) Stage 3	(4)	(54)	58	-	-
Remeasurements, changes in models and methods	(219)	93	88	-	(38)
Use of allowances (write offs)	-	-	(113)	-	(113)
Foreign exchange adjustments	(2)	-	-	-	(2)
Balance at the end of the period	**759**	**331**	**465**	**(5)**	**1,550**

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

30 Jun 2024 CZK m	Stage 1	Stage 2	Stage 3	POCI	Total
Retail loans	**491**	**1,206**	**1,283**	**(15)**	**2,965**
Consumer Loans	274	839	981	(12)	2,082
Mortgages	116	263	221	(3)	597
Credit Cards & Overdrafts	68	64	51	-	183
Auto Loans and Finance Leases	31	40	25	-	96
Other	2	-	5	-	7
Commercial loans	**633**	**433**	**589**	**(4)**	**1,651**
Investment Loans	170	59	59	(4)	284
Working Capital	102	65	38	-	205
Auto & Equipment Loans and Finance Leases	82	52	83	-	217
Unsecured Instalment Loans and Overdraft	277	256	402	-	935
Inventory Financing and Other	2	1	7	-	10
TOTAL allowances to Lending portfolio	**1,124**	**1,639**	**1,872**	**(19)**	**4,616**
Debt instruments measured at amortised costs	22	-	-	-	22
TOTAL allowances Financial Assets	**1,146**	**1,639**	**1,872**	**(19)**	**4,638**
Financial guarantees	10	4	-	-	14
Loan commitments – Retail	41	12	-	-	53
Loan commitments – Commercial	38	4	-	-	42
TOTAL liabilities to off balance sheet items	**89**	**20**	**-**	**-**	**109**

31 Dec 2023 CZK m	Stage 1	Stage 2	Stage 3	POCI	Total
Retail loans	**514**	**1,304**	**1,306**	**(25)**	**3,099**
Consumer Loans	260	900	1,006	(22)	2,144
Mortgages	146	300	215	(3)	658
Credit Cards & Overdrafts	76	69	55	-	200
Auto Loans and Finance Leases	30	35	24	-	89
Other	2	-	6	-	8
Commercial loans	**626**	**427**	**535**	**(5)**	**1,583**
Investment Loans	164	68	64	(5)	291
Working Capital	104	48	41	-	193
Auto & Equipment Loans and Finance Leases	83	50	71	-	204
Unsecured Instalment Loans and Overdraft	273	259	349	-	881
Inventory Financing and Other	2	2	10	-	14
TOTAL allowances to Lending portfolio	**1,140**	**1,731**	**1,841**	**(30)**	**4,682**
Debt instruments measured at amortised costs	23	-	-	-	23
TOTAL allowances Financial Assets	**1,163**	**1,731**	**1,841**	**(30)**	**4,705**
Financial guarantees	8	6	-	-	14
Loan commitments – Retail	41	12	-	-	53
Loan commitments – Commercial	40	8	-	-	48
TOTAL liabilities to off balance sheet items	**89**	**26**	**-**	**-**	**115**

8.19.5 Coverage of non-performing loans and receivables

CZK m	30 Jun 2024	31 Dec 2023
Retail	2,789	2,808
Commercial	1,188	1,040
Total NPL	**3,977**	**3,848**

CZK m	30 Jun 2024	31 Dec 2023
Retail	1,288	1,307
Commercial	589	535
Total allowances to NPL	**1,877**	**1,842**

%	30 Jun 2024	31 Dec 2023
Retail	106.3%	110.3%
Commercial	139.0%	152.2%
Total NPL coverage[1)]	**116.1%**	**121.6%**

%	30 Jun 2024	31 Dec 2023
Retail	1.5%	1.5%
Commercial	1.3%	1.2%
NPL Ratio	**1.4%**	**1.4%**

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

8.19.6 Net impairment of financial assets

CZK m	Quarter ended		Half-year ended	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
Additions and release of loan loss allowances	(90)	(146)	(223)	(83)
Additions and release of allowances/provisions to unused commitments	(3)	10	7	42
Use of loan loss allowances	76	180	276	406
Income from previously written-off receivables	5	10	11	48
Write offs of uncollectable receivables	(81)	(186)	(286)	(415)
Change in allowances to Investment securities	1	-	1	(3)
Change in allowances to operating receivables	-	-	(1)	(3)
Collection costs	(10)	(14)	(22)	(22)
Net impairment of financial assets	**(102)**	**(146)**	**(237)**	**(30)**

8.19.7 Maximum credit risk exposures

30 Jun 2024 CZK m	Statement of financial position	Off-balance sheet	Total credit risk exposure	Available collateral[1)]
Cash and balances with the central bank	**9,468**	**-**	**9,468**	-
Derivative financial instruments	**575**	**-**	**575**	**893**
Investment securities measured at FVTPL	**57**	**-**	**57**	**-**
Equity investments	25	-	25	-
Debt investments	32	-	32	-
Investment securities measured at FVTOCI	**1**	**-**	**1**	-
Equity investments	1	-	1	
Investment securities measured at amortised cost	**101,909**	**-**	**101,909**	**-**
Government and corporate bonds	101,909	-	101,909	-
Hedging derivatives with positive fair values	**2,669**	**-**	**2,669**	**-**
Interest rate swaps	2,669	-	2,669	-
Change in fair value of items hedged on portfolio basis	**74**	**-**	**74**	**-**
Loans and receivables to banks	**90,581**	**-**	**90,581**	**85,369**
Current accounts at banks	380	-	380	-
Overnight deposits	1,483	-	1,483	-
Receivables arising from reverse repurchase agreements	86,962	-	86,962	85,369
Cash collaterals granted	1,753	-	1,753	-
Other	3	-	3	-
Loans and receivables to customers	**271,010**	**23,229**	**294,239**	**172,218**
Consumer authorised overdrafts and credit cards	2,113	4,328	6,441	-
Consumer loans	47,449	52	47,501	2,598
Mortgages	129,194	1,667	130,861	126,894
Commercial loans	79,806	16,803	96,609	41,412
Auto & Equipment Finance Lease	180	-	180	155
Commercial	180	-	180	155
Retail	-	-	-	-
Auto & Equipment Loans	12,268	379	12,647	1,159
Commercial	9,692	379	10,071	1,159
Retail	2,576	-	2,576	-
Issued guarantees and credit limits on guarantees	**-**	**2,418**	**2,418**	**411**
Issued letter of credit	**-**	**5**	**5**	**-**
Remaining assets	**6,919**	**-**	**6,919**	**-**

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

31 Dec 2023 CZK m	Statement of financial position	Off-balance sheet	Total credit risk exposure	Available collateral[1)]
Cash and balances with the central bank	**10,871**	**-**	**10,871**	**-**
Derivative financial instruments	**544**	**-**	**544**	**829**
Investment securities measured at FVTPL	**55**	**-**	**55**	**-**
Equity securities	25	-	25	-
Debt securities	30	-	30	-
Investment securities measured at FVTOCI	**1**	**-**	**1**	**-**
Equity securities	1	-	1	-
Investment securities measured at amortised cost	**104,297**	**-**	**104,297**	**-**
Government and corporate bonds	104,297	-	104,297	-
Hedging derivatives with positive fair values	**2,701**	**-**	**2,701**	**-**
Interest rate swaps	2,701	-	2,701	-
Change in fair value of items hedged on portfolio basis	**122**	**-**	**122**	**-**
Loans and receivables to banks	**69,632**	**-**	**69,632**	**65,422**
Current accounts at banks	260	-	260	-
Overnight deposits	392	-	392	-
Receivables arising from reverse repurchase agreements	66,740	-	66,740	65,422
Cash collaterals granted	2,238	-	2,238	-
Other	2	-	2	-
Loans and receivables to customers	**263,064**	**23,903**	**286,967**	**170,066**
Consumer authorised overdrafts and credit cards	2,270	4,223	6,493	-
Consumer loans	46,558	149	46,707	2,726
Mortgages	127,946	2,249	130,195	126,274
Commercial loans	73,898	16,912	90,810	39,315
Auto & Equipment Finance Lease	276	-	276	240
Commercial	276	-	276	240
Retail	-	-	-	-
Auto & Equipment Loans	12,116	370	12,486	1,511
Commercial	9,645	370	10,015	1,511
Retail	2,471	-	2,471	-
Issued guarantees and credit limits on guarantees	**-**	**2,236**	**2,236**	**415**
Issued letter of credit	**-**	**5**	**5**	**-**
Remaining assets	**6,897**	**-**	**6,897**	**-**

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

8.20 Fair Values of Financial Assets and Liabilities

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

CZK m	30 Jun 2024		31 Dec 2023	
	Carrying value	Fair value	Carrying value	Fair value
FINANCIAL ASSETS				
Cash and balances with the central bank	9,468	9,468	10,871	10,871
Investment securities at amortised cost[1)]	101,909	94,714	104,297	97,580
Loans and receivables to banks	90,581	90,581	69,632	69,632
Loans and receivables to customers	271,010	266,085	263,064	256,840
FINANCIAL LIABILITIES				
Due to banks	6,427	6,385	5,423	5,423
Due to customers	426,073	426,073	399,497	399,497
Other issued bonds	3,874	4,105	3,808	4,100
Subordinated bonds	4,676	4,634	4,690	4,546
Subordinated deposits[2)]	2,915	3,008	2,914	3,042

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

2) When calculating the discount rate, the Group assumes that primarily credit and liquid markup has not changed significantly since origination of the subordinated deposits, thus the change in interest rate is the main driver of the discount rate. In case of significant changes of the other components the discount rate calculation will be adjusted accordingly.

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

CZK m	30 Jun 2024			31 Dec 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Derivative financial instruments	-	575	-	-	544	-
Debt securities measured at FVTPL	-	-	32	-	-	30
Equity securities measured at FVTPL	-	-	25	-	-	25
Equity securities measured at FVTOCI	-	-	1	-	-	1
Hedging derivatives with positive fair values	-	2,669	-	-	2,701	-
Change in fair value of items hedged on portfolio basis	-	-	74	-	-	122
FINANCIAL LIABILITIES						
Derivative financial instruments	-	528	-	-	523	-
Hedging derivatives with negative fair values	-	3,691	-	-	4,548	-
Change in fair value of items hedged on portfolio basis	-	-	66	-	-	63

There were no transfers between level 1 and 2 during the period of the six months ended 30 June 2024 and the year ended 31 December 2023.

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

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

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

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

Movement analysis of level 3 financial assets and liabilities:

CZK m	As at 1 Jan 2024	Purchases/ Sales in the period	Total gains and losses in the period recognised in the profit or loss	Total gains and losses in the period recognised in OCI	As at 30 Jun 2024
Investment securities at FVTOCI	1	-	-	-	1
Investment securities at FVTPL	55	-	2	-	57
Total	**56**	**-**	**2**	**-**	**58**

CZK m	As at 1 Jan 2023	Purchases/ Sales in the period	Total gains and losses in the period recognised in the profit or loss	Total gains and losses in the period recognised in OCI	As at 31 Dec 2023
Investment securities at FVTOCI	1	-	-	-	1
Investment securities at FVTPL	71	(23)	7	-	55
Total	**72**	**(23)**	**7**	**-**	**56**

8.21 Subsequent Events

There have been no subsequent events arising after 30 June 2024 that would have material impact on this consolidated interim financial report.

9 Management Affidavit

The undersigned responsible persons of the issuer declare that, to the best of their knowledge, the consolidated interim financial statements give a true and fair view of assets, liabilities, financial position, and financial performance of the issuer and its consolidated group, i.e. the report includes a description of important events that occurred during the first six months of the 2024 accounting period and their impact on the consolidated interim financial statements, together with a description of the main risks and uncertainties for the remaining six months of 2024, and, where applicable, a description of transactions with related parties during the first six months of 2024 that materially affected the results of operations of the issuer or its consolidated group and provides a true overview of this required information.

Prague, 24 July 2024

Signed on behalf of the Management Board:

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

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

10 Alternative Performance Measures

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

All alternative performance measures included in this document are calculated for the specified period.

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

11 Glossary

Annualised	Adjusted so as to reflect the relevant rate on the full year basis
ARAD	Public database that is part of the information service of the Czech National Bank. It is uniform system of presenting time series of aggregated data for individual statistics and financial market areas.
Average balance of due to banks and due to customers	Two-point average of the beginning and ending balances of Due to banks and Due to customers for the period
Average balance of net interest earning assets	Two-point average of the beginning and ending balances of Net Interest Earning Assets for the period
Average balance of net loans to customers	Two-point average of the beginning and ending balances of Loans and receivables to customers for the period
Bank	MONETA Money Bank, a.s.
Bps	Basis points
Building Savings Bank	MONETA Stavební Spořitelna, a.s.
Capital Adequacy Ratio or CAR or Total Capital Adequacy Ratio	Regulatory capital expressed as a percentage of RWA
CAGR	Compound Annual Growth Rate
CEO	Chief Executive Officer
CET1 Capital Ratio or CET1 ratio	CET1 Capital as a percentage of RWA (calculated pursuant to CRR)
CET1 of CET1 Capital	Common equity tier 1 capital represents regulatory capital which mainly consists of capital instruments and other items provided in the Article 26 of CRR, such as paid-up registered share capital, share premium, retained profits, disclosed reserves and reserves for general banking risks, which must be netted off against accumulated losses, certain deferred tax assets, certain intangible assets and shares held by the Bank itself (calculated pursuant to CRR).
CNB	Czech National Bank
CoR or Cost of Risk (% Avg. Net Customer Loans)	Net impairment of loans and receivables for the period divided by average balance of net loans to customers. MONETA uses the Cost of Risk measure because it describes the development of the credit risk in relative terms to its average loan portfolio balance.
Core NPL Coverage	Ratio (expressed as a percentage) of Loss allowances for NPL to total NPL receivables. MONETA uses the core NPL coverage measure because it shows the degree to which its Stage 3 loan portfolio is covered by loss allowances for losses created for the Stage 3 loans.
Cost of Funds (% Avg. Deposits)	Interest expense and similar charges for the period (excl. deposit Interest Rate Swaps and Repo Interest Expenses) divided by average balance of due to banks, due to customers, issued bonds and subordinated liabilities, excl. opportunistic repo operations and CSA. MONETA uses the Cost of Funds measure because it represents a relative measure of MONETA's cost of funding to its overall funding base comprised primarily of customer deposits.
Cost of Funds on Customer Deposits (% Avg. Deposits)	Interest expense and similar charges on customer deposits for the period divided by average balance customer deposits, excl. repo operations and CSA.
Cost to Income Ratio	Ratio (expressed as a percentage) of total operating expenses for the period to total operating income for the period. MONETA uses the cost to income ratio measure because it reflects the cost efficiency in relative terms to generated revenues.
Credit Valuation Adjustment or CVA	The difference between the risk-free portfolio value and the fair value of the portfolio that takes into account the possibility of a counterparty’s default (calculated in accordance with CRR).
CRR	Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended.

CSA	Credit Support Annex, a legal document which regulates credit support (collateral) for derivative transactions.
CTI	Czech Trade Inspection Authority
Customer deposits	Due to customers excluding repo operations and CSA. MONETA uses this measure to show customer deposits without repo operations and CSA.
CZK	Czech Koruna
FTEs	The recalculated number of employees at the end of the period
FVTOCI	Financial assets measured at Fair Value Through Other Comprehensive Income
FVTPL	Financial assets measured at Fair Value Through Profit or Loss
GDP	Gross Domestic Product
Gross performing loans	Performing Loans and Receivables to customers as determined in accordance with the Bank's loan receivables categorisation rules (Standard, Watch)
Group or MONETA	Bank and its consolidated subsidiaries
High quality liquid assets/HQLA	According to Basel III regulation, assets that are easily and immediately converted into cash at little or no loss of value. MONETA considers as HQLA its cash balances, balances held in the central bank and Czech government bonds
IFRS	International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board, the International Accounting Standards (IASs) adopted by the International Accounting Standards Board, the Standing Interpretation Committee abstracts (SICs) and the International Financial Reporting Interpretation Committee abstracts (IFRICs) as adopted or issued by the International Financial Reporting Interpretation Committee, in each case, as codified in the Commission Regulation (EC) No. 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council, as amended, or otherwise endorsed for use in the European Union.
Investment securities	Equity and debt securities in the Group´s portfolio, consist of securities measured at amortised cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL)
k	thousands
Liquid Assets	Liquid assets comprise of cash and balances with central banks, investment securities and receivables to banks.
Liquidity Coverage Ratio or LCR	Liquidity Coverage Ratio measures the ratio (expressed as a percentage) of a Group's buffer of high-quality liquid assets to its projected net liquidity outflows over a 30-day stress period, as calculated in accordance with CRR and EU Regulation 2015/61
Loan to Deposit Ratio or L/D Ratio	Loan to deposit ratio calculated as net loans and receivables to customers divided by customer deposits. MONETA uses the loan to deposit ratio measure because this metric is used by the Management of MONETA to assess its liquidity level.
m	Millions
MONETA Auto	MONETA Auto, s. r. o.
MONETA Leasing	MONETA Leasing, s. r. o.
Net Customer Loans	Net loans and receivables to customers
Net Income or Profit after Tax or Net profit	Profit for the period after tax, on consolidated basis unless this report states otherwise.
Net Interest Earning Assets	Cash and balances with the central bank, investment securities loans and receivables to banks, loans and receivables to customers
Net Non-Interest Income	Total operating income less Net interest income for the period. MONETA uses the net non-interest income measure because this is an important metric for assessing and control of the diversity of revenue streams.
New Volume / New Production	Aggregate of loan principal disbursed in the period for non-revolving loans. MONETA uses new volume/production metrics as it reflects performance of its distribution network and ability of the Group to generate new loans, which is key for the loan portfolio growth.
NIM or Net Interest Margin (% Avg. Int Earning Assets)	Net interest income divided by Average balance of net interest earning assets. MONETA uses the net interest margin measure because this metric represents the primary measure of profitability showing margin between interest earned on interest earning assets (mainly loans to customers) and paid on interest bearing liabilities (mainly customer deposits) in relative terms to the average balance of interest earning assets.
No.	Number

(All amounts in CZK millions unless otherwise stated)

NPL Coverage or Total NPL Coverage	Ratio (expressed as a percentage) of Loss allowances for loans and advances to customers to NPL receivables. MONETA uses the NPL coverage measure because it shows the degree to which its Stage 3 loan portfolio is covered by total loss allowances created for credit losses.
NPL Ratio or Non-Performing Loans Ratio	Ratio (expressed as a percentage) of total gross receivables categorised as non-performing to total gross receivables. MONETA uses the NPL ratio measure because it's the key indicator of portfolio quality and allows comparison to the market and peers.
NPL/Non-Performing Loans	Non-performing loans as determined in accordance with the Bank´s loan receivables categorisation rules (Substandard, Doubtful, Loss) and pursuant to CNB Decree 163/2014 Coll., Stage 3 according to IFRS 9.
OCI	Other Comprehensive Income
Online / Fully online volume / sales / origination / production	Online volume/sale represents volume from leads initiated through digital channels and disbursed either through digital channels or branches; fully online volume /sales = volume from leads both initiated and disbursed in digital channels; online initiated = volume from leads initiated in digital channels but disbursed at branch. MONETA uses the online sales/origination/production/volume because it reflects the production of MONETA's digital/online distribution channels.
Q	Quarter
Regulatory Capital	CET1 (calculated pursuant to CRR)
Return on Equity or RoE	Return on equity calculated as annualised profit after tax for the period divided by total equity
Return on Tangible Equity or RoTE	Consolidated profit after tax divided by tangible equity. MONETA uses the RoTE measure because it is one of the key performance indicators used to assess MONETA's rentability of tangible capital.
Risk Adjusted Operating Income	Calculated as total operating income less Net impairment of financial assets
Risk Adjusted Yield (% Avg. Net Customer Loans)	Interest and similar income from loans to customers less net impairment of financial assets divided by average balance of net loans to customers.
Risk-Weighted Assets or RWA or risk exposure	Risk weighted assets (calculated pursuant to CRR)
RoAA or Return on Average Assets	Return on average assets calculated as profit after tax for the year divided by Average balance of total assets. Average balance of total assets is calculated as two-point average from total assets as at the end of current year and prior year (31 December). MONETA uses the RoAA measure because it is one of the key performance indicators used to assess MONETA's rentability of assets.
RWA density	Ratio of RWA to the Leverage Exposure (consisting of On&Off-balance sheet Gross Loans and receivables and counterparty credit risk)
Small Business	Entrepreneurs and small companies with an annual turnover of up to CZK 60 million
Small business (new) production	New Volume of unsecured instalment loans and receivables to customers
SME	An enterprise with an annual turnover above CZK 60 million
Tangible Equity	Calculated as total equity less the intangible assets and goodwill
Tier 1 Capital	The aggregate of CET1 Capital and Additional Tier 1 capital which mainly consists of capital instruments and other items (including certain unsecured subordinated debt instruments without a maturity date) provided in Art. 51 of CRR.
Tier 1 Capital Ratio	Tier 1 capital as a percentage of RWA
Tier 2 Capital	Regulatory capital which consists of capital instruments, subordinated loans and other items (including certain unsecured subordinated debt obligations with payment restrictions) provided in Article 62 of CRR.
Trading book	Trading book according to the Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended (article 4, para 86).

Yield on net customer loans (% Avg. Net Customer Loans)	Interest and similar income from loans to customer divided by Average balance of net loans to customers. MONETA uses the yield on net customer loans measure because it represents interest generated on the loan portfolio in relative terms to its average balance and is one of the key performance indicators of its lending activities.