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MONETA delivered solid growth: nine-month net profit up 6.6 per cent to CZK 4.2 billion

- *Net profit CZK 4.2 billion, up 6.6 per cent year-on-year*
- *Operating income up 4.6 per cent to CZK 9.5 billion*
- *Operating expenses stable at CZK 4.2 billion*
- *Cost of risk at 18 bps of the average net loan portfolio*
- *Total customer deposits at CZK 421 billion, up 7.3 per cent year-on-year*
- *Proposed extraordinary dividend of CZK 3 per share to be distributed in December 2024*

Prague, 24 October 2024 – MONETA Money Bank (“MONETA”) today announced its unaudited consolidated financial results for the first nine months of 2024. Net profit increased by 6.6 per cent year-on-year to CZK 4.2 billion, representing a Return on Tangible Equity of 19.8 per cent. This result meets the targets of the market guidance. Net profit growth was driven by strengthened commission income from the distribution of wealth management products and an improvement in net interest income due to successful deposit repricing efforts.

FINANCIAL RESULTS

Net interest income grew by 1.5 per cent to CZK 6.5 billion due to increased demand for loans across all business segments and continued deposit repricing. The net interest margin slightly improved from 1.8 per cent in 2Q 2024 to 1.9 per cent in 3Q 2024.

Net fee and commission income was higher than anticipated at CZK 2.2 billion, up 14.5 per cent. This was driven mainly by an increase in commissions from the distribution of wealth management products, which contributed CZK 513 million, up 122 per cent. Income generated by the distribution of third-party insurance products was stable and contributed CZK 900 million.

Fee income from investment funds grew as customers continued to seek better yield than those offered by current and savings accounts. The outstanding amount of distributed wealth management products increased by 63.2 per cent to CZK 54.4 billion, with newly distributed volumes during 2024 of CZK 17.2 billion, up by 118 per cent.

Operating income reached CZK 9.5 billion, up 4.6 per cent, and is in line with MONETA’s full-year guidance.

Operating expenses in the first nine months of 2024 were stable at CZK 4.2 billion and in line with the guidance. Regulatory charges were down 29.6 per cent, and administrative and other expenses fell by 1.4 per cent to

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CZK 1.2 billion. Personnel expenses grew by 6.3 per cent to CZK 1.9 billion as a result of ongoing inflationary pressure on salaries.

MONETA's cost of risk in the first three-quarters was CZK 351 million, or 18 bps of the average net loan portfolio size. This is in line with the previously provided guidance of 10–30 bps. Non-performing loan (NPL) disposals generated an additional income of CZK 90.6 million during 2024. MONETA's NPL ratio stood at 1.4 per cent as at 30 September 2024 and confirms the solid quality of the portfolio and good repayment discipline.

BUSINESS RESULTS

Demand for new loans strengthened throughout the first nine months as market rates decreased. MONETA's gross performing retail loan portfolio remained stable at CZK 181 billion, however strong demand by retail customers continued, with new mortgage volumes up 67.1 per cent year-on-year, and consumer unsecured new volumes up by 42.1 per cent. The mortgage book stood at CZK 128 billion, and consumer lending receivables reached CZK 48 billion as at 30 September 2024. Credit card and overdraft balances were CZK 2.3 billion, and retail auto loan portfolio rose by 6.8 per cent year-on-year to CZK 2.7 billion.

MONETA's commercial lending business also performed well, with gross performing commercial receivables up 1.8 per cent to CZK 90.1 billion at the close of the period under review. Small business lending new volumes rose by 57 per cent and new investment lending was up 37.6 per cent year-on-year. The small business lending portfolio increased by 16.3 per cent year-on-year to CZK 15.4 billion, and the investment loan portfolio remained stable at CZK 46.5 billion. The commercial auto loan portfolio was up by 12.4 per cent to CZK 8.3 billion at the end of the period.

BALANCE SHEET AND CLIENT BASE

MONETA's consolidated balance sheet was CZK 488 billion as at 30 September 2024, up 8.7 per cent year-on-year. The total client deposit base was CZK 421 billion, up 7.3 per cent, with retail deposits accounting for CZK 323 billion (up by 8.2 per cent) and commercial deposits accounting for CZK 98.8 billion (up by 4.5 per cent).

MONETA's funding base was supported by the issue of MREL eligible senior preferred bonds in the nominal amount of EUR 300 million (equivalent to CZK 7.6 billion) in September 2024.

MONETA serviced 1.6 million clients as of 30 September 2024, an increase of 2.1 per cent year-on-year.

CAPITAL POSITION

MONETA reported a solid capital position, with regulatory capital of CZK 33.3 billion as at 30 September 2024. The capital adequacy ratio stood at 19.23 per cent, 4.18 per cent above the capital management target of 15.05 per cent. Overall excess capital was CZK 7.2 billion, or CZK 14.1 per share, as at 30 September 2024.

Dividend accrual reached CZK 3.8 billion, representing 90 per cent of 2024 consolidated net profit as at 30 September 2024. Additionally, the Management Board proposed to shareholders a distribution of an extraordinary dividend in the

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amount of CZK 3 per share to be approved at the General Meeting held on 19 November 2024. The proposed extraordinary dividend, in the total amount of CZK 1.5 billion, will be distributed from MONETA's retained earnings of prior years.

In September 2024 MONETA issued EUR 300 million in bonds to underpin statutory obligations regarding the minimum requirement for own funds and eligible liabilities (MREL). The bonds have a maturity of six years, carry a call option after five years, and pay a fixed interest rate of 4.41 per cent per annum during the first five years. As a result, the MREL position increased by 441 basis points to 28.1 per cent as at 30 September 2024, which is well above the management target of 21.95 per cent.

LIQUIDITY POSITION

MONETA's liquidity position further strengthened during the third quarter. High quality liquid assets reached CZK 183 billion and constituted approximately 40 per cent of MONETA's balance sheet. Liquidity Coverage Ratio stood at 340 per cent, well above regulatory requirements. Strong liquidity position supports the net interest income and provides capacity for future loan portfolio growth.

DIGITAL CAPABILITIES

MONETA continues to improve its digital solutions to support the online distribution of its products and services, and to enhance cyber security. Digital channels are now used by 1.5 million clients, which is 93 per cent of all clients.

The share of online sales in the number of new mortgage, consumer and small business loans remains high at 21 per cent, 74 per cent and 56 per cent respectively in the first nine months of 2024. Approximately three quarters of retail term deposits and half of retail savings account acquisitions were originated digitally.

MARKET OUTLOOK

Based on current results and a number of material assumptions, MONETA is increasing its minimum 2024 net profit target to CZK 5.6 billion, which is an increase of 7.7 per cent against the original guidance provided on 2 February 2024. The Management Board also remains committed to its minimum targets for 2025 and beyond, irrespective of the CNB's decision to double the minimum required reserves from 2 January 2025.

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Market guidance published on 2 February 2024

Metrics	2024	2025	2026	2027	2028	2024–2028 CAGR
Operating income (CZK bn)	12.4	12.8	13.5	14.0	14.5	4.0%
Operating expenses (CZK bn)	(5.8)	(5.9)	(6.0)	(6.2)	(6.3)	2.1%
Operating profit (CZK bn)	6.6	6.9	7.5	7.8	8.2	5.6%
Cost of risk (bps)	(10-30)	(15-35)	(25-45)	(25-45)	(25-45)	n/a
Effective tax rate (%)	~(14.0)	~(15.0)	~(15.0)	~(15.0)	~(15.0)	n/a
Net profit (CZK bn)	≥5.2	≥5.3	≥5.5	≥5.7	≥6.0	3.6%
Earnings per share (CZK)	≥10.2	≥10.4	≥10.8	≥11.2	≥11.7	3.6%
Return on Tangible Equity (RoTE, %)	≥17.0	≥17.0	≥17.0	≥17.0	≥17.0	n/a

Commenting on MONETA’s financial results as at 30 September 2024, Tomáš Spurný, Chairman of the Management Board and Chief Executive Officer of MONETA, said:

“We have delivered a satisfactory set of results, we proposed an extraordinary dividend of CZK 3 per share and we are targeting a net profit of at least CZK 5.6 billion.”

MONETA 3Q 2024 Earnings call will be held on 24 October 2024 at 10am CET. Information how to register for the call can be found [here](#).

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GROSS PERFORMING LOAN PORTFOLIO AS AT 30 SEPTEMBER 2024

CZK bn	30/09/2024	30/09/2023	change
Mortgage loans	127.7	129.2	(1.2)%
Consumer lending	48.0	47.4	1.4%
Auto loans	2.7	2.5	6.8%
Credit cards and overdrafts	2.3	2.4	(4.0)%
Retail total	180.7	181.6	(0.5)%
Investment loans	46.5	46.2	0.5%
Working capital loans	18.5	19.0	(3.0)%
Small business loans	15.4	13.3	16.3%
Auto loans	8.3	7.4	12.4%
MONETA Leasing portfolio	1.4	2.5	(43.3)%
Commercial total	90.1	88.5	1.8%
Total gross performing loan portfolio	270.8	270.1	0.3%

FUNDING BASE AS AT 30 SEPTEMBER 2024

CZK bn	30/09/2024	30/09/2023	change
Retail customer deposits	322.7	298.1	8.2%
Commercial customer deposits	98.8	94.5	4.5%
Customer deposits total	421.4	392.6	7.3%
Subordinated deposits	2.9	2.9	0.1%
Issued securities	16.2	8.4	93.1%
Due to banks and other ¹	3.5	4.9	(28.6)%
Wholesale total	22.6	16.2	39.5%
Total funding base	444.0	408.8	8.6%

OPERATING PLATFORM AS AT 30 SEPTEMBER 2024

	30/09/2024	30/09/2023	change
Number of branches	134	140	(4.3)%
Number of ATMs ²	1,981	2,009	(1.4)%
Number of clients (million)	1.6	1.6	2.1%

Note: Figures in the tables may not add up due to rounding differences.

¹ Excluding opportunistic repo operations and CSA.

² Shared ATM network including 574 MONETA ATMs, 791 Komerční banka ATMs, 365 Air Bank ATMs and 251 UniCredit Bank ATMs as at 30 September 2024 and 566 MONETA ATMs, 817 Komerční banka ATMs, 368 Air Bank ATMs and 258 UniCredit Bank ATMs as of 30 September 2023.

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FINANCIAL STATEMENTS

Consolidated unaudited statement of profit or loss for the period ended 30 September 2024

CZK m	3Q 2024 YtD	3Q 2023 YtD	change
Interest and similar income	17,060	15,998	6.6%
Interest expense and similar charges	(10,570)	(9,602)	10.1%
Net interest income	6,490	6,396	1.5%
Fee and commission income	2,717	2,395	13.4%
Fee and commission expense	(471)	(434)	8.5%
Net fee and commission income	2,246	1,961	14.5%
Dividend income	-	2	(100.0%)
Net income from financial operations	678	649	4.5%
Other operating income	53	44	20.5%
Total operating income	9,467	9,052	4.6%
Personnel expenses	(1,877)	(1,766)	6.3%
Administrative expenses	(1,115)	(1,147)	(2.8%)
Depreciation and amortisation	(911)	(939)	(3.0%)
Regulatory charges	(216)	(307)	(29.6%)
Other operating expenses	(50)	(34)	47.1%
Total operating expenses	(4,169)	(4,193)	(0.6%)
Profit for the period before tax and net impairment of financial assets	5,298	4,859	9.0%
Net impairment of financial assets	(351)	(172)	104.1%
Profit for the period before tax	4,947	4,687	5.5%
Taxes on income	(711)	(715)	(0.6%)
Profit for the period after tax	4,236	3,972	6.6%

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Consolidated unaudited statement of financial position as at 30 September 2024

CZK m	30/09/2024	30/09/2023	change
Cash and cash balances at central bank	11,816	13,365	(11.6)%
Derivative financial instruments with positive fair values	504	690	(27.0)%
Investment securities	106,040	88,056	20.4%
Hedging derivatives with positive fair values	2,011	3,991	(49.6)%
Change in fair value of items hedged on portfolio basis	864	(989)	(187.4)%
Loans and receivables to banks	89,755	68,120	31.8%
Loans and receivables to customers	270,364	268,987	0.5%
Intangible assets	3,287	3,252	1.1%
Property and equipment	2,236	2,443	(8.5)%
Investments in associates	2	2	0.0%
Current tax assets	92	33	178.8%
Deferred tax asset	7	0	n/a
Other assets	1,241	1,113	11.5%
Total Assets	488,219	449,063	8.7%
Due to banks	3,740	7,379	(49.3)%
Due to customers	421,621	393,012	7.3%
Derivative financial instruments with negative fair values	467	674	(30.7)%
Hedging derivatives with negative fair values	5,964	1,502	297.1%
Change in fair value of items hedged on portfolio basis	135	(113)	(219.5)%
Issued bonds	11,545	3,740	208.7%
Subordinated liabilities	7,568	7,561	0.1%
Provisions	266	308	(13.6)%
Current tax liability	63	146	(56.8)%
Deferred tax liability	418	418	0.0%
Other liabilities	4,592	3,461	32.7%
Total Liabilities	456,379	418,088	9.2%
Share capital	10,220	10,220	0.0%
Statutory reserve	102	102	0.0%
Other reserves	1	1	0.0%
Retained earnings	21,517	20,652	4.2%
Total Equity	31,840	30,975	2.8%
Total Liabilities & Equity	488,219	449,063	8.7%