Mandatory Disclosure
PUBLIC DISCLOSURE OF INSIDE INFORMATION

MONETA Money Bank, a.s.

Consolidated financial report as of and for the six months ended 30 June 2022

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"). The forward-looking statements assume a purely organic growth without regard to any potential acquisition.

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 currently 14.6%. 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 2022 – 2025[1] MONETA has made several economic, market, operational, regulatory and other assumptions of both quantitative and judgemental nature. These assumptions include the following:

- Gradual recovery of the Czech economy after COVID-19 pandemic impacts.
- 1M PRIBOR assumed to decrease from 4.7% in 2022 to 2.7% in 2025[2].
- Gross performing loan balance is expected to grow at 6.2% CAGR in the 4 years until 2025.
- Customer deposits balance is expected to grow at 6.5% CAGR in the 4 years until 2025.

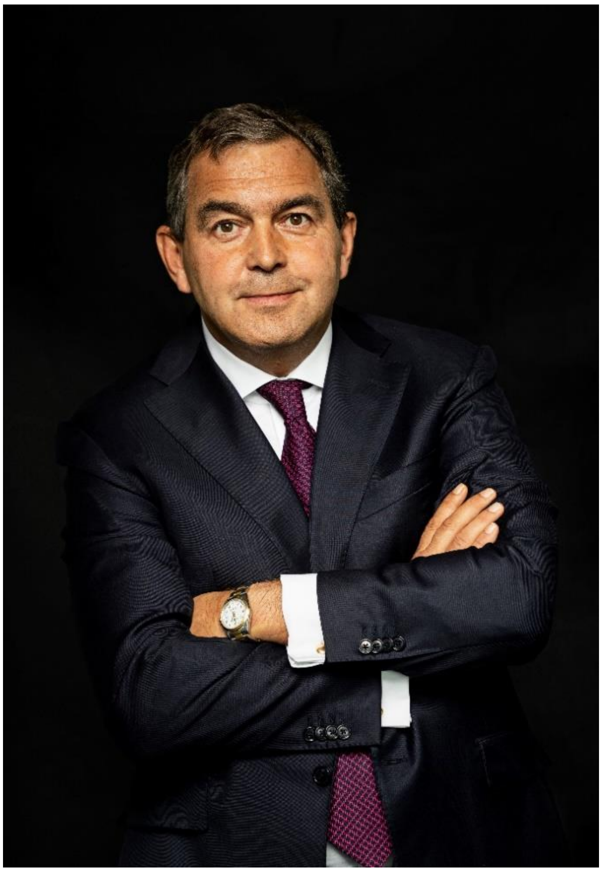
Third parties' data

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 4th February 2022.
[2] Internal forecast derived from macroeconomic forecast from CNB published on November 2021 https://www.cnb.cz/en/monetary-policy/forecast/cnb-forecast-archive/CNB-forecast-Autumn-2021/

2 Letter from the CEO

Dear Shareholders,



The continuing war in Ukraine has cast a shadow over the first half of this year as the destruction wrought upon the country by Russia has had repercussions for European economies, including the Czech economy. Moscow has cut or reduced the supply of gas to the west in response to wide ranging sanctions imposed upon Russia by the international community. This has increased upward pressure on energy prices, exacerbating the inflationary pressures that have been bubbling for several successive quarters. Inflation in the Czech Republic reached 17.2 per cent in June, the highest since 1993. In its battle against inflation, the Czech National Bank (CNB) increased the two-week repo rate to 7 per cent on 23 June, taking the cost of borrowing to its highest in 23 years.

On 30 May, MONETA and PPF Group announced the mutual termination of the acquisition process of Air Bank Group. Further down in my letter I provide more details about this matter, which, although disappointing, does not impact the standalone outlook for MONETA. Indeed, despite the deterioration in the economic environment, MONETA is doing well, and our performance in 1H 2022 was better than expected. It is, however, difficult to assess future developments as the economic consequences of Russia's aggression against Ukraine are unpredictable.

CURRENT ECONOMIC ENVIRONMENT

Russia's war against Ukraine has had direct and indirect impacts on global trade. Ukrainian exports are hampered by the war in general, and in particular by Russia's control over Black Sea shipping lanes, the traditional route for Ukraine's significant exports of wheat, maize and other foodstuffs. The difficulties in bringing Ukraine's substantial harvest of grains to market are driving up the price of food. Moscow's intentional reduction in gas deliveries to the west has triggered price rises. The economic sanctions imposed upon Russia by the international democratic community, in particular Europe's move to wean itself off of Russian oil and gas, have further contributed to the rise in energy and commodity prices. On 31 May the leaders of the European Union (EU) agreed to reduce imports of Russian oil into the EU by 90 per cent by the end of this year. On the other side of the world, China is implementing anti-epidemic measures, which contributes to a dampening of global economic growth. The complicated situation in the supply of components, raw materials and commodities, combined with higher energy costs, are pressuring industrial producer prices, which feeds into consumer inflation already under pressure from food and fuel increases. Both the European Central Bank and the Fed are tightening their monetary policies and are planning to increase interest rates in an effort to dampen inflation and preserve price stability.

The Czech economy is under the same pressures, and the CNB has until now taken an orthodox and disciplined approach of using interest rates to pursue price stability and to fight inflation. That approach may change following the appointment, by President Zeman, of Aleš Michl as the new Governor of the CNB. Mr Michl began his six-year term in office on 1 July. He has expressed different views about fighting inflation and voted against raising interest rates at the last CNB Board meeting. This has given rise to concerns about continuity in the CNB's strategy. President Zeman also appointed Eva Zamrazilová as Deputy Governor and Karina Kubelková and Jan Frait as Board members, who to some observers tend towards a more dovish approach. Oldřich Dědek, Tomáš Holub and Deputy

Governor Marek Mora remain members of the seven-person Board, which takes decisions by majority vote.

Mr Michl assumes the CNB Governorship at a time when Czech inflation is running at 17.2 per cent, its highest since 1993. His predecessor, Jiří Rusnok, chaired the CNB Board meeting of 22 June at which the Board, by five votes to two, increased the two-week repo rate to 7 per cent. The CNB reckons that inflation will remain in double figures this year but will fall in the first half of next year and return closer to the 2 per cent target by the end of 2023. Ordinarily, such a forecast would imply further rate hikes.

According to the CNB's spring forecast, the Czech economy will "slow markedly this year and even decline slightly in year-on-year terms in the second half of the year." The CNB is predicting GDP growth of 0.8 per cent for the full year. This represents quite a slow-down given that annual GDP growth to the end of the first quarter was, according to the Czech Statistical Office, a healthy 4.8 per cent. And yet despite the slowdown, unemployment remains the lowest in the EU at 2.5 per cent in May 2022. The Czech koruna has been reasonably stable throughout the period under review, at 24.7 CZK/EUR, and the CNB says there will be no change to its strategy of foreign exchange interventions. The government of Prime Minister Petr Fiala is determined to manage its spending as prudently as possible. The state budget deficit for this year is expected to reach CZK 280 billion; as of June 2022 it stood at CZK 183.0 billion.

Notwithstanding the so far prudent approach of the CNB and the government, the Czech Republic, like most European countries, is currently in a rather difficult and uncertain economic environment. At MONETA we are seeing signs that people and businesses are starting to feel the pinch of increased living costs as the number of foreclosed current accounts is rising. There is always a lag in statistics, so it is tricky to talk with precision, but the signs are unmistakeable: more people are facing challenges.

ATM SHARING AGREEMENT

In May, MONETA and Komerční banka signed an agreement to share their ATM networks across the Czech Republic. This will increase the availability of cash services for the clients of both banks and contribute to our sustainability as ATM locations are optimised and resources saved regarding the operation and servicing of ATMs. In our joint statement, MONETA and Komerční banka ("KB") invited other banks to join the initiative in order to make the national network of ATMs more efficient and more environmentally friendly. I am pleased to report that several banks, including Air Bank, have expressed interest in participating.

We are familiar with ATM-network sharing arrangements in a number of other European countries, including the Netherlands, Belgium and France. These have been providing unquestionable benefits for many years for customers and operators alike. From 1 June our customers can withdraw cash free of charge from our respective ATMs, and over the coming year we will roll-out the sharing of deposit functions across our networks. Customers will therefore enjoy greater availability of cash withdrawals and more convenience. Our ATM network was expanded by KB's 863 ATMs as of 30 June 2022. In due course, we will jointly establish ATMs in new locations where neither MONETA or KB are present.

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

TERMINATION OF THE ACQUISITION OF AIR BANK GROUP

On 30 May 2022 MONETA and PPF agreed to terminate the acquisition process of Air Bank and Home Credit's Czech and Slovak businesses (Air Bank Group) following a review of the transaction by the new management at PPF. The termination was initiated by PPF, and although the Management Board of MONETA continues to believe in the strategic merit of the transaction, it was necessary to reach an amicable settlement.

Under the termination agreement, MONETA secured the reimbursement of transaction-related expenses in the amount of CZK 113 million. Additionally, the termination agreement requires that PPF holds its current 29.94 per cent shareholding in MONETA for at least 12 months, that it refrains from seeking control of MONETA through increasing its current shareholding, and that it refrains from decreasing its ownership position via the capital markets. PPF does, however, have the right to potentially sell its stake to a strategic investor, one deemed to be a qualified financial institution.

MONETA's erstwhile acquisition of, and subsequent merger with, Air Bank Group was originally agreed by all parties in 2021 and was based on an agreed acquisition price for Air Bank Group of CZK 25.9 billion. This was to have been financed partly through a capital increase and partly from the excess capital of MONETA. The planned capital increase had been designed to raise approximately CZK 21 billion through a public offer of 255.5 million new shares to existing MONETA shareholders in a two-round share subscription process. PPF's desire to terminate the transaction effectively put a stop to the planned capital increase.

PPF's reasoning for termination included a worsening macroeconomic environment, negative developments on the capital markets, and geopolitical events. These factors, in PPF's view, could materially increase risks associated with the acquisition and reduce the potential for value creation through the subsequent merger of MONETA and Air Bank Group. PPF also expressed concerns over the significant increase in the cost of financing related to the potential assumption of a bigger shareholding in MONETA and stated its unwillingness to proceed with the potential Mandatory Tender Offer that was a component of the transaction.

Moreover, PPF anchored the termination in the reduced dividend capacity of the combined entity, especially concerning 2022 and 2023. The reduction in dividend capacity stems from recent decisions by the CNB to increase the countercyclical capital buffer from 0.5 per cent to 2.5 per cent for all banks operating in the Czech Republic. Additionally, the CNB communicated to both MONETA and Air Bank Group the required Minimum Requirement for Capital and Eligible Liabilities (MREL) for the combined entity, which differed materially from the originally assumed level. These two changes, related to overall regulatory capital requirements, would have reduced the dividend capacity of the newly combined entity by more than 60 per cent for this year and next.

Thus, PPF assessed the situation as significantly unfavourable, particularly in relation to the original assumptions and merits of the merger. It therefore proposed to terminate the transaction, either mutually or unilaterally by invoking the material adverse change clause within the 2021 Framework Agreement governing the transaction.

Despite the reasoning of PPF, MONETA's management continues to believe in the strategic merits of the transaction. But we move on and remain focused on the continued execution of our standalone strategy, which targets the delivery of a minimum cumulative five-year net profit of CZK 23.7 billion in 2022-2026. In line with our long-standing dividend policy, MONETA envisages an 80 per cent dividend pay-out, which translates into a dividend of CZK 36.9 per share. The envisaged shareholder distributions depend, among other factors, on MONETA's ability to raise funds to fulfil the MREL requirement through the local and international debt markets. Our dividend targets explicitly assume regulatory approval for such distributions.

I will now turn to our performance during the first half of the year.

1H 2022 FINANCIAL PERFORMANCE

I am pleased to report that MONETA's financial results have outperformed our plan. Each of our businesses produced results that are in line with our expectations, except for our mortgage lending business, which due to the increase in market interest rates generated significantly lower volumes than in 2021.

Our operating income in the first half of 2022 was CZK 6.1 billion, up 13.1 per cent compared to the first half of 2021. The result was better than expected thanks to the increase in market rates, resulting in an increase in net interest income by 18.2 per cent. Net fee and commission income increased by 6.7 per cent mainly thanks to commissions from third-party products and also transactional and other fees.

Our reported operating costs were at CZK 2.8 billion, so 1.9 per cent lower compared to the same period last year, despite inflationary pressures. We maintained thorough cost discipline across every department of MONETA during the first half of the year. Our reported cost base was supported by the recovery of CZK 113 million of expenses related to the termination of the Air Bank Group acquisition. If we adjust the cost base for charges and reimbursements related to this acquisition, the cost base would be at a level of CZK 2.9 billion which would translate into an increase of 2 per cent year-on-year. It is nevertheless significantly below prevailing inflation. MONETA's contribution to regulatory funds increased by CZK 19 million compared to the previous year.

In accordance with our employee motivation and retention programme, and in response to the rise in inflation and the related increases in the cost of living, during 2Q 2022 MONETA raised salaries for all employees whose salary was below 1.75 times the average wage. This salary increase affected 1,391 employees and represents an increase in annual personnel costs of CZK 62.9 million, or 2.5 per cent; the impact in 2022 will be CZK 39.6 million or 1.5 per cent.

The additional personnel costs will be financed by increased productivity across the businesses. In addition, our managers are now motivated by higher variable pay if they maintain or reduce labour costs relative to the run rate of the first four months of this year.

Our pre-impairment profit reached CZK 3.3 billion, increasing by 29.9 per cent year-on-year.

The Cost of Risk recognised during the first half of 2022 was recorded as positive and represents a release of loss provisioning in the amount of CZK 250 million. This was largely attributable to the upgrade of loans previously classified as non-performing (NPL) as well as to successful NPL disposals, which generated a pre-tax gain of CZK 160 million year to date.

MONETA's net profit for the first six months of the year was CZK 2.9 billion, up 100.7 per cent year-on-year. This result is better than expected thanks to the lower Cost of Risk and to improving net interest income because of higher market interest rates. This translated into a Return on Tangible Equity of 22.6 per cent for the period, which is double compared to the same period last year.

Our capital adequacy ratio remains strong at 16.8 per cent, which is significantly above our current consolidated management target of 15.1 per cent. This is accompanied by good liquidity: our liquidity coverage ratio stands at 149.3 per cent.

Over the last six months MONETA's client base continued to rise slightly, to 1.5 million customers.

1H 2022 BUSINESS PERFORMANCE

MONETA's overall portfolio of gross performing loans grew by 4.5 per cent to CZK 267.1 billion in the first half, with our retail portfolio growing by 5.4 per cent and our commercial portfolio by 2.6 per cent. Overall our funding base growth was 3.0 per cent year to date, to reach CZK 311.1 billion as at the end of June 2022.

New volumes were higher compared to the previous year and the previous quarter across all of our products except mortgages, which dropped by 44 per cent, primarily due to the increase in market rates. We recorded a significant increase in new volumes in retail Building Savings loans, up 37.2 per cent, in investment loans, up 26.5 per cent, and in small business loans, which grew by 25.7 per cent.

RETAIL SEGMENT BUSINESS PERFORMANCE

In our retail segment, the mortgage portfolio experienced a slight increase of 6.6 per cent from CZK 122.6 billion to CZK 130.7 billion year to date. MONETA's fully online mortgage refinancing proposition *Refinanso.cz*, contributed CZK 1.8 billion in new volumes, which was almost 13 per cent of the Bank's total production. Our new website for fully online new mortgages, *hypoteky.cz*, generated 2 per cent of new volumes.

Our consumer loan portfolio recorded slight growth, moving from CZK 47.2 billion to CZK 48.7 billion, or 3 per cent. Our Credit Card and Overdraft lending decreased from CZK 2.5 billion to CZK 2.4 billion, or by 4.2 per cent. The auto loans portfolio was stable at CZK 2.4 billion as at 30 June 2022.

Our retail core deposit base remained stable at CZK 223.9 billion as of 30 June 2022, which was a slight increase of 3.1 per cent compared to year end.

Our investment funds portfolio reached CZK 25.3 billion at the end of 1H 2022, down 6.9 per cent compared to year end. The trailer fee income recorded CZK 140.2 million in the first half of the year, up 58.2 per cent. These were better than expected results, which point to the continuous improvement of our investment fund offering. We added more attractive funds focused on different client needs; MONETA currently offers 35 investment funds.

COMMERCIAL SEGMENT BUSINESS PERFORMANCE

Our commercial business, serving primarily small businesses and entrepreneurs, had a good first half. The investment loan portfolio remained stable at CZK 46.7 billion but recorded a significant increase in new volumes, up 26.5 per cent compared with the same period last year. The Small Business loan portfolio increased by 15.6 per cent year to date, from CZK 10.0 billion to CZK 11.5 billion. New volumes rose 25.7 per cent compared to the same period last year.

Working capital loans grew by 3.7 per cent from CZK 13.7 billion to CZK 14.2 billion.

Commercial Auto loans (excluding the leasing portfolio) totalled CZK 6.5 billion as at 30 June 2022, and remained stable year to date.

Our Commercial core deposit base recorded an increase of 7.3 per cent compared to the year end and stands at CZK 72.6 billion for the period under review.

MONETA's market shares in the first six months of 2022 were as follows: unsecured retail lending stood at 16.5 per cent, which we intend to increase to 17.5 per cent; we have an 8 per cent share of the mortgage market; and in asset management we have a 3.7 per cent market share, which we would like to increase to 7.5 per cent.

DIGITAL STRATEGY PROGRESS REVIEW

I am pleased to report that, according to Deloitte, MONETA Money Bank now ranks among the world's top 10 per cent of digital banks, with 98 per cent of our portfolio covered digitally. We have invested significantly in developing our digital offering, and it is rewarding to see that our efforts are recognised by professional peers internationally and at home. We are introducing more innovations that in time will move MONETA significantly towards full digitalisation. These include our online mortgage facilities, and the possibility of digitally opening, closing and otherwise managing current accounts, building savings accounts, and our family account that is unique in the Czech environment.

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

We pushed our technically advanced online mortgage service even further with our new site *hypoteka.cz*, where mortgages can be easily arranged online. Subsequent loan management, such as loan drawdown, extraordinary repayment or early repayment, can all be transacted online via *hypoteka.cz* or handled via the Smart Banka mobile banking application.

Smart Banka now enables clients to arrange a supplementary pension plan, and to display details of payment cards so that clients do not have to reach for their physical card for online purchases.

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

RISK MANAGEMENT

In the period under review MONETA released net loan loss provisions of CZK 250 million, which translated into a positive expression of our Cost of Risk, at positive 0.19 per cent of the average loan portfolio. This was due to our decreasing NPL balance.

Our NPL ratio decreased from 2.2 per cent as at 31 December 2021 to 1.4 per cent as at 30 June 2022. This was mainly thanks to the upgrade of loans previously classified as non-performing demonstrating consistently good payment discipline, as well as due to successful NPL disposals. Pursuant to our NPL management strategy, since the beginning of the year MONETA has sold non-performing loans with a nominal value of CZK 0.5 billion and recorded a pre-tax gain of CZK 160 million.

Delinquencies still remain very low, which also has a positive impact on Cost of Risk. Nevertheless, we are seeing increasing number of clients facing foreclosure due to their inability to meet loan obligations and to repay their debt. The number of foreclosed current accounts increased by 12 per cent compared to the same period last year.

CAPITAL POSITION

MONETA's regulatory capital stands at CZK 29.3 billion. Currently, we have CZK 5.2 billion of excess capital, including accrual of CZK 2.3 billion for future dividend payments, which is above the management target of 15.1 per cent. This offers us a strong basis for future growth, potential acquisitions and to support future shareholder dividend distribution.

Our capital adequacy ratio slightly decreased during the first half of this year to 16.8 per cent, with a Tier 1 ratio at 14.1 per cent. The overall capital requirement now stands at 14.1 per cent plus 1 per cent as a management buffer.

The consolidated capital position of MONETA will be affected by the CNB's decision to gradually increase the counter-cyclical buffer to a final 2.5 per cent from 1 April 2023.

In line with its regulatory obligations with regard to Minimum Requirement for Capital and Eligible Liabilities (MREL), MONETA intends to issue bonds to the value of up to EUR 500 million in the third quarter of this year, and to that end we have selected three investment banks to administer the issue.

AWARDS

It is always pleasing when MONETA is acknowledged by both peers and customers, and we are especially honoured to have scooped 12 awards, including four golds, in this year's prestigious *Zlatá koruna* (Golden Crown) financial industry awards. *Zlatá koruna* is an annual competition for financial products and services that is organised by the Financial Academy, which has a membership of approximately 350 financial services professionals, economists and academics. In parallel with the Academy's evaluation, the general public gives its judgement on financial products in a separate poll. These are then blended to arrive at the final ratings. MONETA's 12 awards – four gold, six silver and two bronze – broke all records, which is a major achievement.

MONETA's position as a digital leader in the Czech banking market was confirmed as our Smart Banka mobile app won the main Golden Crown public award for the second successive year, and Silver Crowns in the Innovation of the Year, Online Application and Banking Loans categories. Our "Online Mortgage" proposition received a Golden Crown for Innovation of the Year and collected a Bronze Crown in the Mortgages category. Our Building Savings Account, which is arranged and administered entirely online, won a Golden Crown, as did our "*Konto PRO Podnikani"*, an account for sole traders that is managed online.

We received a Silver Crown public award for the Tom Plus current account, which is free of charge and provides free unlimited withdrawals from all ATMs in the Czech Republic and internationally. We were awarded a Silver Crown in the Business Loans section for Loans for Female Entrepreneurs, and a Silver Crown for our credit card online proposition in the Entrepreneurs' Award. MONETA was awarded a Bronze Crown in the Business Accounts category for its USD, EUR and CZK savings accounts for entrepreneurs and companies.

These awards mean a lot to everyone who works at MONETA. They validate our efforts to strive for innovation in our product development, and they acknowledge the superior standards of service we deliver to our customers. They also keep the pressure on: we will need to maintain our standards and push forward again if we are to achieve more success in next year's *Zlatá koruna.*

ESG

The values of ESG – Environment, Social and Governance – are central to our holistic approach to running a sustainable business. I am therefore pleased to report that MONETA's ESG practices have been recognised with the receipt of its first ESG rating from FTSE Russell, with a rating of three points out of a maximum five points in the FTSE4Good Emerging Index. Companies need to meet a variety of ESG criteria for inclusion in the FTSE4Good indices, which are designed to measure the performance of investable companies that demonstrate strong and transparent ESG practices.

Our goal to reduce our 2016 carbon footprint by 90 per cent by 2026 is coming into view. The latest report on MONETA's carbon footprint records that in 2021 we managed to decrease Scope 1 (greenhouse gasses released directly by the business) and Scope 2 emissions by 76.3 per cent since 2016.

Just over a year ago we established Foundation MONETA Clementia in order to extend assistance to customers who find themselves in financial difficulty. As of mid-July, the foundation's board had granted debt relief totalling CZK 9 million. Under the MONETA Grant programme, we have in the period under review distributed CZK 3.3 million to 43 organisations that focus on helping children and senior citizens in need, and on environmental protection.

I'm pleased to announce that MONETA has two new initiatives to help young people. We have launched the MON Net trainee programme for university students, mostly within IT, which provides them with an opportunity to shadow senior managers and to get an insight into the professional world. Currently MONETA has 20 such trainees. Our second initiative is the donation, in the second half of this year, of CZK 1 million to help support the education of children from orphanages.

CONCLUSION

On behalf of the Management Board, I would like to express my thanks to our staff for their diligence and hard work during what has been an eventful few months for MONETA. I am pleased that we have been able to outperform our business plan and deliver a good set of first half results. And everyone in MONETA was delighted with the recognition afforded to all of our business segments by the *Zlatá koruna* awards. The outlook for the rest of the year and beyond is unpredictable given the ongoing conflict in Ukraine and the consequences for the Czech and wider European economy, but MONETA is in good shape and able to meet whatever challenges lay ahead.

Sincerely,

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

3 Key Performance Indicators

	Half-year ended 30 Jun 2022	Year ended 31 Dec 2021	Change
Profitability			
NIM (% Avg. Int Earning Assets)[3,4,5]	2.8%	2.8%	-
Yield (% Avg. Net Customer Loans)	4.0%	3.8%	20bps
Cost of Funds (% Avg. Deposits and Received Loans)[6]	1.10%	0.39%	71bps
Cost of Funds on Core Customer Deposits (% Avg. Deposits)	1.05%	0.32%	73bps
Cost of Risk (% Avg. Net Customer Loans)	(0.19)%	0.29%	(48)bps
Risk-adj. Yield (% Avg. Net Customer Loans)	4.2%	3.5%	70bps
Net Fee & Commission Income / Operating Income (%)	17.4%	18.4%	(100)bps
Net Non-Interest Income / Operating Income (%)	19.9%	22.9%	(300)bps
RoTE	22.6%	15.2%	740bps
RoE	20.0%	13.5%	650bps
RoAA[4]	1.6%	1.2%	40bps
Liquidity / Leverage			
Core Loan to Deposit ratio[7]	89.7%	89.7%	-
Net Loan to Deposit ratio[4]	88.0%	89.6%	(160)bps
Total Equity / Total Assets	7.8%	8.7%	(90)bps
Liquid Assets[3,4] / Total Assets	24.8%	22.3%	250bps
LCR	149.3%	177.8%	(2,850)bps
Equity			
Total Equity (CZK m)	28,776	29,481	(2.4)%
Tangible Equity (CZK m)	25,463	26,297	(3.2)%
Capital Adequacy			
RWA Density	45.6%	46.2%	(60)bps
Regulatory Leverage	6.4%	6.6%	(20)bps
CAR Ratio (%)	16.8%	17.1%	(30)bps
Tier 1 Ratio (%)	14.1%	14.4%	(30)bps
Asset Quality			
Non-Performing Loan Ratio (%)	1.4%	2.2%	(80)bps
NPL Ratio Retail (%)	1.6%	2.5%	(90)bps
NPL Ratio Commercial (%)	1.0%	1.4%	(40)bps
Core Non-Performing Loan Coverage (%)	56.8%	55.8%	100bps
Core NPL Coverage Retail (%)	54.0%	53.9%	10bps
Core NPL Coverage Commercial (%)	66.6%	63.0%	360bps
Total NPL Coverage (%)	133.8%	101.2%	3,260bps
Efficiency			
Cost to Income Ratio	45.9%	49.6%	(370)bps
FTEs (at the end of the period)[8]	2,880	2,981	(101)
Branches	154	154	-
Tied agents offices	35	41	(6)
ATMs[9]	1,421	560	861

All ratios are annualised.

[3] Interest earning assets include encumbered assets.
[4] Repo transactions with customers which are closed on back-to-back basis by reverse repo transactions with CNB are included.
[5] Hedging derivatives are excluded from calculation of interest earning assets.
[6] Deposits include issued bonds and exclude opportunistic repo transactions and CSA.
[7] Deposits exclude CSA and repo operations
[8] Members of the Supervisory Board and the Audit Committee are excluded.
[9] ATM network including 863 KB ATMs as of 30 June 2022.

4 Macroeconomic Environment

In the first quarter of 2022 the Czech economy performed well. However, the Russian invasion of Ukraine, initiated in late February, resulted into global difficulties, leading to high inflation, limited energy supply and further disruptions of supply chains. These negative circumstances started affecting the Czech economy in the second quarter and will probably persist for the rest of the year. As a result, Czech Republic will experience an economic stagnation or a mild recession in the second half of the year 2022.

Gross domestic product increased in the first quarter of 2022 by 4.9% year-on-year[10], which was seemingly high, affected by lockdowns in the first quarter of 2021 and thus a low comparison base. The GDP growth was supported mainly by household consumption and creation of gross capital, whereas the foreign demand, impacted by geopolitical issues, contributed negatively.

Persisting economic problems, which stem mainly from the war in Ukraine, pushed the domestic consumer confidence to very low levels and household spending, which supported the economic performance in the first quarter, recorded first decreases as retail trade shrank by 6.9% year-on-year in May 2022[11]. In contrary, industry returned after several months of decreases to a growth path and the domestic industrial production increased by 3.3% year-on-year in May 2022[12], driven by a strong year-on-year growth of the automotive sector.

The key economic issue the domestic economy faces are growing prices. Inflation rate, measured by the year-on-year growth of consumer prices, reached 17.2% in June 2022[13], when prices moved up by 1.6% month-on-month. Current inflation is driven by growing housing, energy, and food prices, which affect more low-earning population. At the same time, producers' prices keep accelerating their increase, as the prices of industrial producers grew by 28.5%, prices of agricultural producers went up by 42.5% and those of construction works increased by 12.8% year-on-year in June 2022[14].

To fight the very high inflation rate, the Czech National Bank pushed market interest rates further up to 7.0% on its last monetary policy meeting taking place on 22 June 2022[15]. From 1 July, three out of the seven members of the Czech National Bank's board were replaced and a new governor, Mr. Aleš Michl, was appointed.

Economic difficulties are still not visible on the labor market. The unemployment still records very low levels, as illustrated by the ILO unemployment figure for May 2022, when it reached 2.5% and was lower by 70bps year-on-year[16]. The lack of labour force puts upward pressure on wages and the average gross nominal wage grew by 7.2% year-on-year in the first quarter of 2022[17]. Given the high inflation, the average gross wage decreased by 3.6% in real terms.

The economic outlook for the rest of 2022 indicates a significant slowdown in the observed economic growth since the beginning of the year. In the second half of the year the economic performance should stagnate with a possibility of turning into a mild technical recession (defined as a decrease of GDP in two consecutive quarters), as forecasted by the latest macroeconomic forecast of the Czech National Bank[18]. According to the same forecast, the Czech economy should return to growth in 2023.

The banking sector's total operating income increased by 43%[19] year-on-year in the first quarter of 2022. Net interest income grew by 43%[19] year-on-year, same as Net non-interest income (+45% year-on-year[19]). The Czech banking sector's net profit increased by 117%[19] year-on-year. Operating expenses growth grew by 9% year-on-year while cost of risk decreased by 12% year-on-year.[19] The annualised return on equity measured by net profit to Tier 1 capital increased to 15.5%[19] in Q1 2022 compared to the same period of the previous year.

[10] Source: Czech Statistical Office, Quarterly Sector Accounts – 1st quarter of 2022.
[11] Source: Czech Statistical Office, Retail trade – May 2022.
[12] Source: Czech Statistical Office, Industry – May 2022.
[13] Source: Czech Statistical Office, Consumer price indices – inflation – June 2022.
[14] Source: Czech Statistical Office, Producer price indices – June 2022.
[15] Source: Czech National Bank, CNB Board Decision 22 June 2022.
[16] Source: Czech Statistical Office, Rates of employment, unemployment and economic activity – May 2022.
[17] Source: Czech Statistical Office, Average wages – 1. quarter of 2022.
[18] Source: Czech National Bank, CNB forecast – Spring 2022, published on 5 May 2022.
[19] Source: Czech National Bank, ARAD quarterly mandatory disclosures, banking sector including building societies.

Market net loans continued in growth by 4%[19] year-on-year in Q1 2022, same as Total assets (+9% year-on-year)[19]. Total assets to Tier 1 ratio increased to 15.6%[19]. NPL balances decreased by 21%[19] year-on-year. Core coverage grew to 51.4%[19] level. The capitalisation of the Czech banking sector remained strong. Tier 1 capital slightly decreased by 1%[19] year-on-year to CZK 606 billion[19] in Q1 2022. Regulatory Tier 1 capital to risk weighted assets declined to 19.64%[20].

[20] Source: CNB Core and encouraged financial soundness indicators (consolidated).

5 Group Performance

5.1 Business performance

The Group generated consolidated Net profit of CZK 2,872 million in the first half of 2022.

The Group recorded a strong gross performing loans year-to-date growth of 4.5% to CZK 267.1 billion as at 30 June 2022, compared to 31 December 2021.

The retail gross performing loan balance increased by 5.4% when compared to 31 December 2021, standing at CZK 184.2 billion as at 30 June 2022. Majority of this growth was driven by new production of mortgage loans, which drove balances to increase by 6.6% to CZK 130.7 billion during the six months ended 30 June 2022, although new production dropped by 44.0% year-on-year. The gross performing consumer lending balance stood at CZK 48.7 billion and increased by 3.0% when compared to 31 December 2021. MONETA Auto retail loans recorded a slight balance increase of 1.1% since 31 December 2021 and outstanding credit card and overdraft balances declined by 4.2% in the same period amid continuing trend of switching to instalment lending.

The commercial gross performing loan balance stood at CZK 83.0 billion as at 30 June 2022, a 2.6% increase compared to 31 December 2021 balance. Small business lending maintained a solid pace of new production, driving balances up 15.6% year-to-date to CZK 11.5 billion as at 30 June 2022. The investment loan balance remained almost flat at CZK 46.7 billion as at 30 June 2022. Working capital balance increased by 3.7% to CZK 14.2 billion as at 30 June 2022. The combined balance of MONETA Auto commercial portfolio and MONETA Leasing fell to CZK 10.6 billion, down 4.1% compared to 31 December 2021.

The Group's core customer deposits continued their gradual growth, growing in both, retail and commercial segments, totaling CZK 296.5 billion as at 30 June 2022, increasing 4.1% from CZK 284.8 billion as at 31 December 2021. The Cost of Funds on core customer deposits amounted to 1.05% and the Group's overall Cost of Funds amounted to 1.10% for the six months ended 30 June 2022. The Core Loan to Deposit Ratio stood at 89.7%. The Due to banks balance stood at CZK 21.1 billion as at 30 June 2022, a CZK 8.5 billion increase when compared to 31 December 2021, driven by repo operations.

The Group maintained a highly liquid position, with Liquidity coverage ratio at 149.3% at the Group level, well above the regulatory requirement.

5.2 Financial Performance

Operating income in the first half of 2022 amounted to CZK 6.1 billion, up 13.1% year-on-year, primarily due to strong Net Interest Income growth.

Net interest income amounted to CZK 4.9 billion for the six months ended 30 June 2022, a 18.2% increase year-on-year. The yield on loan portfolio increased to 4.0% for the six months of 2022, compared to 3.9% in the same period of 2021. The Group's Net interest margin increased to 2.8% in the six months ended 30 June 2022, compared to 2.7% in the first six months of 2021.

Net fee and commission income for the six months ended 30 June 2022 increased by 6.7% year-on-year to CZK 1,061 million, driven by successful distribution of third-party products and a transaction and other fee increase. Net income from financial operations amounted to CZK 84 million in the first six months of 2022, compared to CZK 209 million in the same period of 2021.

Operating expenses for the six months of 2022 amounted to CZK 2,795 million, a 1.9% decrease, compared to the same period of 2021, driven by administrative expenses. The Group incurred CZK 1,197 million of personnel expenses, flat year-on-year. Administrative and other operating expenses decreased by 9.6% year-on-year and reached CZK 746 million. Depreciation and amortisation expenses increased by 1.5% and stood at CZK 623 million. Regulatory charges reached CZK 229 million, growing 9.0% year-on-year due to deposit base increase and higher contribution to the Deposit Insurance Fund.

In the category Net impairment of financial assets, the Group reported a positive result (i.e. a provision release) of CZK 250 million for the six months ended 30 June 2022, compared to provision book-up of CZK 752 million in the same period last year. Cost of risk were positively impacted by upgrade of COVID-related exposures and successful NPL disposals. In relative terms, the Cost of Risk amounted to provision release of 19bps for the six months ended 30 June 2022, compared to 65bps provision book up for the six months of 2021.

Group NPL Ratio decreased to 1.4% as at 30 June 2022 from 2.2% as at 31 December 2021. Total NPL Coverage stood at 133.8% as at 30 June 2022, compared to 101.2% at 31 December 2021.

As a result, the consolidated Net profit for the six months of 2022 reached CZK 2,872 million, a 100.7% increase year-on-year. Annualised RoTE for the six months ended 30 June 2022 increased to 22.6%, from 11.2% for the six months ended 30 June 2021.

The capitalisation remained strong with Capital Adequacy Ratio at 16.8% as at 30 June 2022, compared to 17.1% as at 31 December 2021.

5.3 Outlook for 2022 and risks

According to the latest Czech National Bank macroeconomic forecast, announced on 5 May 2022, the economic growth recorded in the last quarters is over and the domestic economy will stagnate or slightly decrease in the rest of 2022. The full year GDP growth should therefore reach 0.8%, followed by a restoration of economic growth, reaching 3.6% in 2023[21]. The low growth rate in 2022 will be significantly influenced by high inflation, high interest rate environment and other impediments of the continuing war in Ukraine.

The same forecast assumes that the domestic inflation rate will reach on average 13.1% in 2022 and will only gradually decrease to an average of 4.1% in 2023. Levels at or around 2% might be reached at the end 2023 earliest. This corresponds to a longer period of high interest rates with the 2-week repo rate culminating at 7.75% in the third quarter of 2022 and slowly decreasing to levels around 4.5% in the last quarter of 2023.

Economic prospects of the Czech Republic are not very optimistic for the near future. There exists a real concern about the energy supplies from Russia, which, in case of their cut-off, would result in a shortage of gas supplies across Europe, leading to significant restrictions on gas consumption. This would negatively influence production output and might cause a real economic recession. On the other hand, it is expected that gas supplies will be preserved, and the economy should return to a continuous growth once the current price shock diminishes.

In terms of the 2022 full-year outlook for financial results, the management remains committed to its previously published guidance:

- Operating income to reach CZK 12.0 billion, representing a year-on-year increase of 7.4%, amid increasing interest rate environment.
- Operating expenses to remain at or below CZK 5.7 billion, of which the operating expenses reached CZK 2.8 billion in the first half of the year (i.e. 49.0% of the full-year outlook).
- Cost of risk are projected at between 20-40bps. In the first half of the year, the Group reported a positive release at 19bps.
- Net profit to amount of at least CZK 4.4 billion. The net profit for the six months of 2022 in the amount of CZK 2.9 billion represents 65.3% of the full-year outlook.

[21] Source: Czech National Bank, CNB forecast – Spring 2022, published on 5 May 2022.

(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 2022: 154 and 31 December 2021: 154.

Number of offices of tied agents as at 30 June 2022: 35 (41 as at 31 December 2021)

Number of ATMs as at 30 June 2022[22]: 1,421 and 31 December 2021: 560.

Number of employees (FTEs) as at 30 June 2022 was 2,880 (decrease of 101 compared to the year end 2021).

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 and bridging loans. Secured lending is provided in the form of mortgages and finance leases. Commercial lending products range from working capital, investment loans, finance and operating leases, 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/shareholder-structure. 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).

[22] ATM network including 863 KB ATMs as of 30 June 2022.

(All amounts in CZK millions unless otherwise stated)

Bank's Supervisory Board

The Bank's Supervisory board held 4 meetings in the first six months of 2022.

Name	Position	Member position held from	Member position held to
Gabriel Eichler	Chairman of the Supervisory Board*	26 October 2017	20 December 2025
Miroslav Singer	Vice-chairman of the Supervisory Board**	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
Tomáš Pardubický	Member of the Supervisory Board	26 October 2017	20 December 2025
Zuzana Filipová	Member of the Supervisory Board	7 May 2021	7 May 2025
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

* Mr. Gabriel Eichler was elected as Chairman of the Supervisory Board with effect from 2 August 2018.
** Mr. Miroslav Singer was elected as Vice-chairman of the Supervisory Board with effect from 22 May 2017.

Bank's Management Board

The Bank's Management Board held 28 meetings in the first six months of 2022.

Name	Position	Member position held from	Member position held to
Tomáš Spurný	Chairman of the Management Board	1 October 2015	1 October 2023
Carl Normann Vökt	Vice-chairman of the Management Board*	25 January 2013	26 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	1 March 2023
Klára Starková	Member of the Management Board	1 June 2021	1 June 2025

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

7 Condensed Consolidated Interim Financial Statements for the Three and Six-month Period Ended 30 June 2022 (Unaudited)

7.1 Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the Three and Six-month Period Ended 30 June 2022 (Unaudited)

CZK m	Note	Quarter ended		Half-year ended	
		30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
Interest and similar income		3,704	2,267	7,055	4,551
Interest expense and similar charges		(1,246)	(211)	(2,174)	(421)
Net interest income	**8.7**	**2,458**	**2,056**	**4,881**	**4,130**
Fee and commission income		667	615	1,304	1,204
Fee and commission expense		(122)	(120)	(243)	(210)
Net fee and commission income	**8.8**	**545**	**495**	**1,061**	**994**
Dividend income		1	1	2	1
Net income from financial operations		14	113	84	209
Other operating income		48	39	62	52
Total operating income		**3,066**	**2,704**	**6,090**	**5,386**
Personnel expenses		(611)	(600)	(1,197)	(1,201)
Administrative expenses		(325)	(419)	(716)	(806)
Depreciation and amortisation		(311)	(300)	(623)	(614)
Regulatory charges		(11)	(3)	(229)	(210)
Other operating expenses		(17)	(11)	(30)	(19)
Total operating expenses	**8.9**	**(1,275)**	**(1,333)**	**(2,795)**	**(2,850)**
Profit for the period before tax and net impairment of financial assets		**1,791**	**1,371**	**3,295**	**2,536**
Net impairment of financial assets	8.19.6	155	(334)	250	(752)
Profit for the period before tax		**1,946**	**1,037**	**3,545**	**1,784**
Taxes on income		(364)	(204)	(673)	(353)
Profit for the period after tax		**1,582**	**833**	**2,872**	**1,431**
Other comprehensive income, net of tax		**-**	**(6)**	**-**	**(18)**
Total comprehensive income attributable to the equity holders		**1,582**	**827**	**2,872**	**1,413**
Profit for the period after tax attributable to the equity holders		**1,582**	**833**	**2,872**	**1,431**
Weighted average of ordinary shares (millions of shares)		511	511	511	511
Basic and Diluted earnings per share (in CZK)		3.1	1.6	5.6	2.8

7.2 Condensed Consolidated Statement of Financial Position as at 30 June 2022 (Unaudited)

CZK m	Note	30 Jun 2022	31 Dec 2021
Assets			
Cash and balances with the central bank		12,080	11,204
Derivative financial instruments with positive fair value	8.20	749	400
Investment securities	8.10, 8.20	52,639	49,200
Hedging derivatives with positive fair values		5,333	3,235
Change in fair value of items hedged on portfolio basis		(2,576)	(1,841)
Loans and receivables to banks	8.11	26,372	15,602
Loans and receivables to customers	8.12	265,860	255,612
Intangible assets		3,313	3,184
Property and equipment		2,416	2,631
Investments in associates		4	2
Current tax assets		9	9
Other assets		896	984
TOTAL ASSETS		**367,095**	**340,222**
Liabilities			
Derivative financial instruments with negative fair value	8.20	752	524
Due to banks	8.13	21,117	12,580
Due to customers	8.13	302,199	285,145
Hedging derivatives with negative fair values		931	580
Change in fair value of items hedged on portfolio basis		(749)	(598)
Issued bonds	8.14	4,729	2,422
Subordinated liabilities	8.15	4,669	4,684
Provisions		256	234
Current tax liability		398	26
Deferred tax liability		369	384
Other liabilities		3,648	4,760
Total liabilities		**338,319**	**310,741**
Equity			
Share capital		10,220	10,220
Statutory reserve		102	102
Other reserves		1	1
Retained earnings		18,453	19,158
Total equity		**28,776**	**29,481**
TOTAL LIABILITIES AND EQUITY		**367,095**	**340,222**

7.3 Condensed Consolidated Statement of Changes in Equity for the Half-year Ended 30 June 2022 (Unaudited)

CZK m	Share capital	Share premium	Statutory reserve	Reserve from revaluation of FVTOCI	CF hedge reserve	Retained earnings	Total
Balance as reported 1 Jan 2022	**10,220**	**-**	**102**	**1**	**-**	**19,158**	**29,481**
Transactions with owners of the company							
Dividends	-	-	-	-	-	(3,577)	(3,577)
Total comprehensive income							
Profit for the period after tax	-	-	-	-	-	2,872	2,872
Other comprehensive income after tax							
Change in fair value of FVTOCI investment securities	-	-	-	-	-	-	-
Cash-flow hedges – effective portion of changes in fair value	-	-	-	-	-	-	-
Deferred tax	-	-	-	-	-	-	-
Balance 30 Jun 2022	**10,220**	**-**	**102**	**1**	**-**	**18,453**	**28,776**

CZK m	Share capital	Share premium	Statutory reserve	Reserve from revaluation of FVTOCI	CF hedge reserve	Retained earnings	Total
Balance as reported 1 Jan 2021	**10,220**	**-**	**102**	**1**	**20**	**16,707**	**27,050**
Transactions with owners of the company							
Dividends	-	-	-	-	-	-	-
Total comprehensive income							
Profit for the period after tax	-	-	-	-	-	1,431	1,431
Other comprehensive income after tax							
Change in fair value of FVTOCI investment securities	-	-	-	-	-	-	-
Cash-flow hedges – effective portion of changes in fair value	-	-	-	-	(22)	-	(22)
Deferred tax	-	-	-	-	4	-	4
Balance 30 Jun 2021	**10,220**	**-**	**102**	**1**	**2**	**18,138**	**28,463**

7.4 Condensed Consolidated Statement of Cash Flows for the Half-year Ended 30 June 2022 (Unaudited)

CZK m	Half-year ended 30 Jun 2022	Half-year ended 30 Jun 2021
Cash flows from operating activities		
Profit after tax	**2,872**	**1,431**
Adjustments for:		
Depreciation and amortisation	623	614
Net impairment of financial assets (excl. cash collection and recovery)	(248)	791
Net gain on revaluation of investment securities	1	(3)
Accrued coupon, amortisation of discount/premium of investment securities	(171)	(123)
Net interest income from hedging derivatives	(43)	226
Net gain/ loss from revaluation of hedging derivatives	(1,704)	(1,314)
Net gain/ loss from revaluation of hedged items on portfolio basis	1,662	1,261
Net gain/loss from unrealised FX	(121)	66
Change in provisions not recognised in depreciation and amortisation	28	(21)
Net gain/loss on sale of investment securities	-	-
Net loss on sale and other disposal or impairment of tangible and intangible assets	(1)	4
Dividend income	(2)	(1)
Tax expense	673	353
	3,569	**3,284**
Changes in:		
Loans and receivables to customers and banks	(8,523)	(13,306)
Other assets	88	132
Due to banks	8,537	5,436
Due to customers	17,054	9,707
Other liabilities and provisions	(1,112)	154
	19,613	**5,407**
Income taxes paid	(315)	(452)
Net cash used in operating activities	**19,298**	**4,955**
Cash flows from investing activities		
Acquisition of investment securities	(4,485)	(15,866)
Acquisition of property and equipment and intangible assets	(537)	(694)
Proceeds from the sale of property and equipment and intangible assets	4	8
Dividends received	-	1
Net cash used in investing activities	**(5,018)**	**(16,551)**

(All amounts in CZK millions unless otherwise stated)

Cash flows from financing activities		
Proceeds from issued bonds	2,379	-
Repayment of issued bonds	-	-
Dividends paid	(5,110)	-
Net cash used in financing activities	**(2,731)**	**-**
Net change in cash and cash equivalents	**11,549**	**(11,596)**

Cash and cash equivalents at the beginning of the period	**26,476**	**29,799**
Effect of exchange rate fluctuations on cash and cash equivalents	43	(41)
Cash and cash equivalents at the end of the period	**38,068**	**18,162**
Interest received*	7,294	4,841
Interest paid*	(2,231)	(295)

* Lines “Interest received” and “Interest paid” represent interest as per contractual rate and are included in cash flows from operating activities.

8 Notes to Unaudited Condensed Consolidated Interim Financial Statements

8.1 Reporting Entity

MONETA Money Bank, a.s. (the "Bank") is a company domiciled in the Czech Republic. These condensed consolidated interim financial statements (interim financial statements) as at and for the six months ended 30 June 2022 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 2021 (last annual financial statements). These interim financial statements do not include all the information required for a complete set of IFRS financial statements. 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 27 July 2022.

Going Concern

These interim financial statements are prepared on a going concern basis, as the Management Board of the Bank are satisfied that the Group have the resources to continue in business for the foreseeable future. In making this assessment, the Directors of the Bank have 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. The most impacted are the expected credit losses and the future development of interest income.

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.

(All amounts in CZK millions unless otherwise stated)

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 second quarter of 2022, the Bank continued with prudent approach to the categorisation of concessions related to COVID-19 pandemic introduced in November 2020. As in the first quarter of 2022, part of these forborne receivables, which successfully completed a 12-month probation period, returned to performing status in the second quarter of 2022. This resulted in NPL ratio decrease and positively affected Cost of Risk.

The management overlays were updated and validated in May and June 2022, with the exception of the management overlay for the retail portfolio of Stavební spořitelna, which was dissolved in May 2022 due to a good current and expected future credit quality of this portfolio. Therefore, the management overlays currently cover the identified risks associated with a high rate of inflation and the possible economic impacts of the Russian invasion of Ukraine.

The macroeconomic scenarios formulated in September 2021 for the purpose of IFRS 9 provisioning were assessed as appropriate to determine the expected credit losses in Q2 2022 as well. In the second half of 2022, the Bank intends to update the macroeconomic forecast for the purpose of IFRS 9 provisioning.

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

GDP Growth Year	CNB (2/2022)	MFCR (4/2022)	CNB (5/2022)	MONETA
2022	3.0%	1.2%	0.8%	4.3%
2023	3.4%	3.6%	3.6%	3.0%

Unemployment Year	CNB (2/2022)	MFCR (4/2022)	CNB (5/2022)	MONETA
2022	2.5%	2.5%	2.4%	3.7%
2023	2.5%	2.6%	2.7%	3.5%

(All amounts in CZK millions unless otherwise stated)

8.5 Consolidation Group

The definition of the consolidation group as at 30 June 2022 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 2022 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 (Loans and Leases)	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 20 December 2021 the General Meeting approved the dividend payment of CZK 3 per share before tax which represented the total amount of CZK 1,533 million. The dividend was due on 17 January 2022 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 registry of book-entry shares of MONETA Money Bank, a.s.

On 26 April 2022, the General Meeting approved the dividend payment of CZK 7 per share before tax which represented the total amount of CZK 3,577 million. The dividend was due on 25 May 2022 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 Czech Central Securities Depository Registry.

8.7 Net interest income

CZK m	Quarter ended		Half-year ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
Interest income from financial assets measured at amortised cost	3,366	2,401	6,512	4,814
Loans to customers	2,695	2,227	5,287	4,496
out of which: interest income from impaired loans	*41*	*74*	*96*	*144*
out of which: penalty interest	*5*	*10*	*12*	*19*
out of which: EIR amortisation/modification and amortisation of acquisition FV adjustments	*(166)*	*(220)*	*(305)*	*(405)*
Loans to banks	394	11	719	27
out of which: interest income from repurchase and reverse repurchase agreements	*393*	*11*	*715*	*27*
Cash and deposit with central bank and other banks	76	3	131	6
Interest income from investment securities at amortised cost	201	160	375	285
Interest income from hedging derivatives	338	(134)	543	(263)
Interest income and similar income	**3,704**	**2,267**	**7,055**	**4,551**
Interest expense from financial liabilities measured at amortised cost	(1,128)	(251)	(1,978)	(509)
Due to banks	(178)	(4)	(296)	(6)
Due to customers	(875)	(197)	(1,537)	(402)
out of which: arising from repurchase agreements	*(8)*	*(1)*	*(15)*	-
out of which: amortisation of acquisition FV adjustments	*9*	*16*	*20*	*37*
Subordinated debt securities issued	(41)	(42)	(84)	(84)
Mortgage-backed securities issued	(26)	(8)	(49)	(17)
Other bonds issued*	(8)	-	(12)	-
Interest from hedging derivatives	(113)	44	(186)	97
Interest expense from lease liabilities	(5)	(4)	(10)	(9)
Interest expense and similar expense	**(1,246)**	**(211)**	**(2,174)**	**(421)**
Net interest income	**2,458**	**2,056**	**4,881**	**4,130**

* 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 revaluation of acquired financial assets for a three and six-month period

Quarter ended 30 Jun 2022 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	140	(8)	(1)	(13)	36	154
Mortgages	1,651	(53)	(1)	(7)	107	1,697
Credit Cards & Overdrafts	15	(3)	-	-	2	14
Auto Loans and Finance Leases	163	(26)	(1)	-	30	166
Retail loans deferrals	**1,969**	**(90)**	**(3)**	**(20)**	**175**	**2,031**
Investment Loans	557	(24)	-	(4)	10	539
Working Capital	(1)	-	-	(2)	1	(2)
Auto & Equipment Loans and Finance Leases	220	(39)	-	-	40	221
Unsecured Instalment Loans and Overdrafts	93	(10)	-	(2)	17	98
Commercial loans deferrals	**869**	**(73)**	**-**	**(8)**	**68**	**856**
Total loan deferrals	**2,838**	**(163)**	**(3)**	**(28)**	**243**	**2,887**

Quarter ended 30 Jun 2021 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	53	(3)	(3)	-	40	87
Mortgages	1,400	(89)	(29)	-	185	1,467
Credit Cards & Overdrafts	15	(3)	-	-	2	14
Auto Loans and Finance Leases	136	(24)	(1)	-	32	143
Retail loans deferrals	**1,604**	**(119)**	**(33)**	**-**	**259**	**1,711**
Investment Loans	593	(20)	-	(6)	17	584
Working Capital	3	-	(1)	(1)	1	2
Auto & Equipment Loans and Finance Leases	216	(37)	-	-	36	215
Unsecured Instalment Loans and Overdrafts	92	(10)	-	-	10	92
Commercial loans deferrals	**904**	**(67)**	**(1)**	**(7)**	**64**	**893**
Total loan deferrals	**2,508**	**(186)**	**(34)**	**(7)**	**323**	**2,604**

Half-year ended 30 Jun 2022 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	125	(15)	(4)	(27)	75	154
Mortgages	1,605	(120)	(3)	(9)	224	1,697
Credit Cards & Overdrafts	16	(6)	-	-	4	14
Auto Loans and Finance Leases	165	(51)	(2)	-	54	166
Retail loans deferrals	**1,911**	**(192)**	**(9)**	**(36)**	**357**	**2,031**
Investment Loans	536	(9)	1	(9)	20	539
Working Capital	(1)	-	-	(3)	2	(2)
Auto & Equipment Loans and Finance Leases	223	(76)	-	-	74	221
Unsecured Instalment Loans and Overdrafts	92	(20)	-	(3)	29	98
Commercial loans deferrals	**850**	**(105)**	**1**	**(15)**	**125**	**856**
Total loan deferrals	**2,761**	**(297)**	**(8)**	**(51)**	**482**	**2,887**

Half-year ended 30 Jun 2021 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	30	2	(8)	(3)	66	87
Mortgages	1,248	(158)	(46)	-	423	1,467
Credit Cards & Overdrafts	17	(7)	-	-	4	14
Auto Loans and Finance Leases	139	(46)	(1)	-	51	143
Retail loans deferrals	**1,434**	**(209)**	**(55)**	**(3)**	**544**	**1,711**
Investment Loans	616	(47)	-	(9)	24	584
Working Capital	-	(1)	-	(2)	5	2
Auto & Equipment Loans and Finance Leases	225	(74)	-	-	64	215
Unsecured Instalment Loans and Overdrafts	89	(19)	-	(1)	23	92
Commercial loans deferrals	**930**	**(141)**	**-**	**(12)**	**116**	**893**
Total loan deferrals	**2,364**	**(350)**	**(55)**	**(15)**	**660**	**2,604**

8.8 Net fee and commission income

CZK m	Quarter ended		Half-year ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
Insurance	190	173	366	355
Investment funds	67	49	140	89
Penalty fees (incl. early termination fees)	73	76	149	157
Deposit servicing fees	100	92	201	190
Lending servicing fees	54	67	107	135
Transactional and other fees	183	158	341	278
Fee and commission income	**667**	**615**	**1,304**	**1,204**
Fee and commission expense	**(122)**	**(120)**	**(243)**	**(210)**
Net fee and commission income	**545**	**495**	**1,061**	**994**

8.9 Total operating expenses

CZK m	Quarter ended		Half-year ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
Personnel expenses	(611)	(600)	(1,197)	(1,201)
Administrative expenses	(325)	(419)	(716)	(806)
Depreciation and amortisation	(311)	(300)	(623)	(614)
out of which depreciation of right-of-use assets	*(85)*	*(85)*	(169)	*(170)*
Regulatory charges*	(11)	(3)	(229)	(210)
Other operating expenses	(17)	(11)	(30)	(19)
Total operating expenses	**(1,275)**	**(1,333)**	**(2,795)**	**(2,850)**
FTEs (average)	**2,840**	**3,002**	**2,867**	**2,986**
FTEs (at the end of the period)**	**2,880**	**3,048**	**2,880**	**3,048**

* The line “Regulatory charges” includes contributions to the Deposit Insurance Fund of CZK 109 million in 2022, contributions to the Resolution and Recovery Fund of CZK 116 million in 2022 and contributions to the Investor Compensation Fund of CZK 4 million in 2022.
** Members of the Supervisory Board and the Audit Committee are excluded.

8.10 Investment securities

CZK m	30 Jun 2022	31 Dec 2021
Debt securities measured at amortised cost	52,572	49,137
out of which: government bonds	*52,386*	*48,949*
out of which: corporate bonds	*186*	*188*
Debt securities measured at FVTPL	45	46
Equity securities measured at FVTOCI	1	1
Equity securities measured at FVTPL	21	16
Total investment securities	**52,639**	**49,200**

8.11 Loans and receivables to banks

CZK m	30 Jun 2022	31 Dec 2021
Current accounts at banks	1,846	1,063
Term deposits in banks payable within 3 months	52	-
Receivables arising from reverse repurchase agreements	24,090	14,209
Cash collaterals granted	383	329
Other	1	1
Total Loans and receivables to banks	**26,372**	**15,602**
Included in cash equivalents	*25,988*	*15,272*

8.12 Loans and Receivables to Customers

CZK m	30 Jun 2022			31 Dec 2021		
	Gross carrying amount	Allowance/ Provision	Net book value	Gross carrying amount	Allowance/ Provision	Net book value
Consumer Loans	50,531	(2,640)	47,891	50,136	(3,223)	46,913
Mortgages	131,628	(455)	131,173	123,981	(488)	123,493
Credit Cards & Overdrafts	2,513	(250)	2,263	2,677	(279)	2,398
Auto Loans and Finance Leases	2,463	(74)	2,389	2,451	(72)	2,379
Other	11	(11)	-	12	(12)	-
Total Retail	**187,146**	**(3,430)**	**183,716**	**179,257**	**(4,074)**	**175,183**
Investment Loans	46,773	(403)	46,370	46,398	(348)	46,050
Working Capital	14,224	(157)	14,067	13,774	(183)	13,591
Auto & Equipment Loans and Finance Leases	9,772	(271)	9,501	10,285	(334)	9,951
Unsecured Instalment Loans and Overdrafts	11,989	(803)	11,186	10,561	(758)	9,803
Inventory Financing and Other	1,039	(19)	1,020	1,065	(31)	1,034
Total Commercial	**83,797**	**(1,653)**	**82,144**	**82,083**	**(1,654)**	**80,429**
Total Loans and receivables to customers	**270,943**	**(5,083)**	**265,860**	**261,340**	**(5,728)**	**255,612**

8.13 Due to banks and Due to customers

Breakdown of Due to banks:

CZK m	30 Jun 2022	31 Dec 2021
Deposits on demand	440	410
Term deposits	3,070	3,627
Liabilities arising from repurchase agreements*	11,369	4,393
Cash collateral received**	4,506	2,410
Other due to banks***	1,732	1,740
Total Due to banks	**21,117**	**12,580**

Breakdown of Due to customers:

CZK m	30 Jun 2022	31 Dec 2021
Retail current accounts	64,830	67,584
Retail savings accounts and term deposits	129,390	118,858
Retail building savings	29,446	30,474
Commercial current accounts	47,593	49,323
Commercial savings accounts and term deposits	23,380	16,578
Commercial building savings	1,378	1,402
Liabilities arising from repurchase agreements*	5,075	-
Cash collateral received	623	310
Other due to customers	484	616
Total Due to customers	**302,199**	**285,145**

* Collateral transferred within repurchase agreements comprises securities from investment securities at amortised cost disclosed in the statement of financial position in the carrying amount of CZK 14,686 million as at 30 June 2022 (31 December 2021: CZK 4,702 million) and securities obtained in reverse repurchase agreements as collateral in the amount of CZK 733 million as at 30 June 2022 (31 December 2021: CZK 0 million).
** Cash collaterals received represent CSA[23] Collaterals of other financial institutions for derivative transactions and cash collaterals for repo transactions.
*** Other due to banks comprises:

- Loan provided by European Investment Bank in January 2021 to MONETA Money Bank, a.s. This loan amounts to CZK 1,732 million at 30 June 2022 (31 December 2021: CZK 1,740 million).

8.14 Issued bonds

Mortgage-Backed Bonds Issued

The Bank issued 3 tranches of mortgage-backed securities externally in the total nominal amount of CZK 2,425 million for funding purposes. The rest of remaining issued securities are held by MONETA Stavební Spořitelna, a.s. and therefore eliminated on a consolidated basis. Below listed 3 tranches are owned by third parties.

ISIN	Issue date	Currency	Maturity date	Interest rate	Total nominal amount at issue date CZK m
CZ0002005564	23.05.2018	CZK	23.05.2023	1.72% p.a.	650
CZ0002005689	04.07.2018	CZK	04.07.2023	7.35% p.a.	1,250
CZ0002006034	17.12.2018	CZK	17.09.2022	6.53% p.a.	525

Amortised cost of the outstanding mortgage-backed bonds held by external owners:

CZK m	30 Jun 2022	31 Dec 2021
Mortgage-backed bonds at amortised cost	2,444	2,422
Total	**2,444**	**2,422**

The Group did not have any defaults of principal or interest or other breaches with respect to mortgage-backed bonds during the year 2022.

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

Other Bonds Issued

The Bank issued the senior preferred bonds in the total nominal amount of EUR 100 million. These bonds are denominated in EUR with maturity of 6 years and with call option after 5 years. The issuance was settled on 3 February 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).

ISIN	Issue date	Currency	Maturity date	Interest rate	Total nominal amount at issue date EUR m
XS2435601443	03.02.2022	EUR	03.02.2028	1.625% p.a.	100

Amortised cost of the outstanding other bonds:

CZK m	30 Jun 2022	31 Dec 2021
Other bonds issued	2,285	-
Total	**2,285**	**-**

8.15 Subordinated Debt Issued

Subordinated debt securities issued are the Bank's sources of debt funding and are subordinated to all other liabilities of the Bank. As of 30 June 2022, 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	Total nominal amount at issue date CZK m
MB 3.30/29	CZ0003704918	25.9.2019	CZK	25.9.2029	3.30% p.a.	2,001
MB 3.79/30	CZ0003705188	30.1.2020	CZK	30.1.2030	3.79% p.a.	2,601

Amortised cost of the outstanding subordinated debt securities:

CZK m	30 Jun 2022	31 Dec 2021
Subordinated debt securities at amortised cost	4,669	4,684
Total	**4,669**	**4,684**

The Bank did not have any defaults of principal or interest or other breaches with respect to subordinated liabilities during the year 2022.

8.16 Legal Risks

The legal risks, to which the Group is exposed, have been disclosed in the Bank's 2021 Consolidated Annual 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 2022 CZK m	Commercial	Retail	Treasury / Other	Total
Interest and similar income	989	1,701	1,014	3,704
Interest expense and similar charges	(164)	(709)	(373)	(1,246)
Net fee and commission income	157	390	(2)	545
Dividend income	-	-	1	1
Net income from financial operations	-	-	14	14
Other operating income	5	43	-	48
Total operating income	**987**	**1,425**	**654**	**3,066**
Net impairment of financial assets	(106)	261	-	155
Risk adjusted operating income	**881**	**1,686**	**654**	**3,221**
Total operating expenses				(1,275)
Profit for the period before tax				**1,946**
Tax on income				(364)
Profit for the period after tax				**1,582**

Quarter ended 30 Jun 2021 CZK m	Commercial	Retail	Treasury / Other	Total
Interest and similar income	668	1,558	41	2,267
Interest expense and similar charges	(24)	(174)	(13)	(211)
Net fee and commission income	152	343	-	495
Dividend income	-	-	1	1
Net income from financial operations	-	-	113	113
Other operating income	8	31	-	39
Total operating income	**804**	**1,758**	**142**	**2,704**
Net impairment of financial assets	87	(421)	-	(334)
Risk adjusted operating income	**891**	**1,337**	**142**	**2,370**
Total operating expenses				(1,333)
Profit for the period before tax				**1,037**
Tax on income				(204)
Profit for the period after tax				**833**

Half-year ended 30 Jun 2022 CZK m	Commercial	Retail	Treasury / Other	Total
Interest and similar income	1,930	3,348	1,777	7,055
Interest expense and similar charges	(260)	(1,269)	(645)	(2,174)
Net fee and commission income	301	764	(4)	1,061
Dividend income	-	-	2	2
Net income from financial operations	-	-	84	84
Other operating income	9	53	-	62
Total operating income	**1,980**	**2,896**	**1,214**	**6,090**
Net impairment of financial assets	(77)	327	-	250
Risk adjusted operating income	**1,903**	**3,223**	**1,214**	**6,340**
Total operating expenses				(2,795)
Profit for the period before tax				**3,545**
Tax on income				(673)
Profit for the period after tax				**2,872**

Half-year ended 30 Jun 2021 CZK m	Commercial	Retail	Treasury / Other	Total
Interest and similar income	1,338	3,157	56	4,551
Interest expense and similar charges	(47)	(358)	(16)	(421)
Net fee and commission income	300	695	(1)	994
Dividend income	-	-	1	1
Net income from financial operations	-	-	209	209
Other operating income	12	40	-	52
Total operating income	**1,603**	**3,534**	**249**	**5,386**
Net impairment of financial assets	(71)	(681)	-	(752)
Risk adjusted operating income	**1,532**	**2,853**	**249**	**4,634**
Total operating expenses				(2,850)
Profit for the period before tax				**1,784**
Tax on income				(353)
Profit for the period after tax				**1,431**

Assets and liabilities by segment:

30 Jun 2022 CZK m	Commercial	Retail	Treasury / Other	Total
Total assets of the segment	90,055	187,860	89,180	367,095
Net value of loans and receivables to customers	82,144	183,716	-	265,860
Total liabilities of the segment	77,509	227,173	33,637	338,319

31 Dec 2021 CZK m	Commercial	Retail	Treasury / Other	Total
Total assets of the segment	87,775	180,004	72,443	340,222
Net value of loans and receivables to customers	80,429	175,183	-	255,612
Total liabilities of the segment	73,266	221,007	16,468	310,741

8.18 Related parties

The Group's related parties include associates, key management personnel, 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 2022 CZK m	Related parties with significant influence on MONETA	Associates	Key members of the management* and Supervisory Board	Total
Loans and receivables to customers	457	-	44	501
Hedging derivatives with positive fair value	565	-	-	565
Due to customers	12	-	-	12
Due to banks	553	-	26	579
Derivative financial instruments with negative fair value	12	-	-	12
Hedging derivatives with negative fair value	18	-	-	18

31 Dec 2021 CZK m	Related parties with significant influence on MONETA	Associates	Key members of the management* and Supervisory Board	Total
Loans and receivables to customers	453	-	45	498
Hedging derivatives with positive fair value	339	-	-	339
Due to customers	18	-	20	38
Due to banks	313	-	-	313
Derivative financial instruments with negative fair value	5	-	-	5
Hedging derivatives with negative fair value	12	-	-	12

Quarter ended 30 Jun 2022 CZK m	Related parties with significant influence on MONETA	Associates	Key members of the management* and Supervisory Board	Total
Interest expense and similar charges	(5)	-	-	(5)
Interest and similar income	42	-	-	42
Net income from financial operations	130	-	-	130
Operating expenses	108	(5)	(28)	75
Dividend income	-	-	-	-

Quarter ended 30 Jun 2021 CZK m	Related parties with significant influence on MONETA	Associates	Key members of the management* and Supervisory Board	Total
Operating expenses	-	(6)	(53)	(59)

Half-year ended 30 Jun 2022 CZK m	Related parties with significant influence on MONETA	Associates	Key members of the management* and Supervisory Board	Total
Interest expense and similar charges	(12)	-	-	(12)
Interest and similar income	58	-	-	58
Net income from financial operations	221	-	-	221
Operating expenses	92	(11)	(85)	(4)
Dividend income	-	-	-	-

Half-year ended 30 Jun 2021 CZK m	Related parties with significant influence on MONETA	Associates	Key members of the management* and Supervisory Board	Total
Operating expenses	-	(12)	(77)	(89)

*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.

The Bank established Operational Risk Committee (“ORCO”) as a working body of the Bank’s Management Board for the area of operational risk management and internal control system of the Group. The authorities of Enterprise Risk Management Committee of MONETA Money Bank and MONETA Stavební Spořitelna in these areas shall pass to ORCO.

Except of above mentioned, the risk management policies and practices have not changed since 31 December 2021 and are described in the Annual Report for 2021.

8.19.1 Capital Management

Regulatory Capital and its components and capital adequacy:

CZK m	30 Jun 2022	31 Dec 2021
Regulatory Capital	**29,344**	**28,934**
Tier 1	24,742	24,332
Tier 2	4,602	4,602
RWA	**175,155**	**169,241**
out of which: Credit Risk	153,189	150,164
out of which: Operational Risk	17,435	15,492
out of which: CVA	4,530	3,585
out of which: Trading Book	1	-

Capital adequacy (%)	30 Jun 2022	31 Dec 2021
RWA Density*	45.6%	46.2%
CET1 Ratio	14.1%	14.4%
Tier 1 Ratio	14.1%	14.4%
Total Capital Ratio (CAR)	16.8%	17.1%

* 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")[24], CRD (hereafter "CRD V")[25] and BRRD (hereafter "BRRD II")[26]. Furthermore, from a Czech law perspective, the regulatory framework comprises 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, on individual as well as on consolidated basis, the Bank uses the standardised (STA) approach. To calculate the regulatory capital requirement for operational risk, the Bank uses the alternative standardised approach (ASA) on an individual basis. The standardised approach (TSA) is used to calculate the capital requirement for operational risk on a consolidated

[24] 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.
[25] 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.
[26] 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.

basis for the rest of the Group. The Bank calculates regulatory capital requirements against the market risk of the trading book since 3Q 2018.

In 2020, the CNB 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. The Bank has received the updated MREL specification from the CNB in April 2022 pursuant to which it must comply with the MREL requirement on individual basis of 17.1% of its total risk exposure and 4.98 % of its total exposure. The MREL requirement is calculated as a sum of Loss Absorption Amount (Pillar I capital requirement of 8% and Pillar II capital requirement of 2.4% – values valid as of date of beginning of planning process for resolution) and Recapitalisation Amount set at 6.7%. The combined buffer requirement (a capital conservation buffer of 2.5% and a countercyclical capital buffer of 0.5% – values valid as of 30 June 2022; since 1 July 2022 a countercyclical capital buffer increased up to 1.0%) is not taken into account in the MREL calculation and the Bank must comply with it on top of the MREL requirement. The MREL requirement for the Bank becomes effective as at 31 December 2023. The Bank has to fulfil interim target level of the MREL requirement of 13.5% of its total risk exposure and 3.93% of its total exposure since 1 January 2022. To comply with the MREL requirement as at 31 December 2023, the Bank plans to issue up to CZK 10 billion of MREL-eligible debt within forthcoming 2 years. In February 2022, the Bank issued fixed to floating senior preferred bonds in the total amount of EUR 100 million, which are MREL eligible.

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 2022	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	26,372	-	-	26,372	249,061	10,821	-	30	259,912
Performing past due date*	-	-	-	-	4,993	2,228	-	10	7,231
Total performing	26,372	-	-	26,372	254,054	13,049	-	41	267,144
Total non-performing	-	-	-	-	-	-	3,769	30	3,799
Gross loans and receivables	**26,372**	**-**	**-**	**26,372**	**254,054**	**13,049**	**3,769**	**71**	**270,943**
Individual allowances	-	-	-	-	-	-	(53)	-	(53)
Portfolio allowances	-	-	-	-	(1,671)	(1,286)	(2,100)	27	(5,030)
Total allowances	**-**	**-**	**-**	**-**	**(1,671)**	**(1,286)**	**(2,153)**	**27**	**(5,083)**
Net loans and receivables	**26,372**	**-**	**-**	**26,372**	**252,383**	**11,763**	**1,616**	**98**	**265,860**

31 Dec 2021	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	15,602	-	-	15,602	242,149	6,771	-	25	248,945
Performing past due date*	-	-	-	-	4,753	1,969	-	13	6,735
Total performing	15,602	-	-	15,602	246,902	8,740	-	38	255,680
Total non-performing	-	-	-	-	-	-	5,617	43	5,660
Gross loans and receivables	**15,602**	**-**	**-**	**15,602**	**246,902**	**8,740**	**5,617**	**81**	**261,340**
Individual allowances	-	-	-	-	-	-	(146)	-	(146)
Portfolio allowances	-	-	-	-	(1,749)	(851)	(3,003)	21	(5,582)
Total allowances	**-**	**-**	**-**	**-**	**(1,749)**	**(851)**	**(3,149)**	**21**	**(5,728)**
Net loans and receivables	**15,602**	**-**	**-**	**15,602**	**245,153**	**7,889**	**2,468**	**102**	**255,612**

* 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-month period – **retail customers**

	Quarter ended 30 Jun 2022					Half-year ended 30 Jun 2022				
CZK m	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at the beginning of the period	**993**	**964**	**2,035**	**(16)**	**3,976**	**1,030**	**658**	**2,402**	**(16)**	**4,074**
Purchases and originations	82	15	7	-	104	169	22	12	-	203
Derecognition and maturities	(79)	(137)	(35)	2	(249)	(164)	(180)	(45)	4	(385)
Transfer to (out) Stage 1	119	(57)	(62)	-	-	254	(124)	(130)	-	-
Transfer to (out) Stage 2	(10)	474	(464)	-	-	(38)	1,042	(1,004)	-	-
Transfer to (out) Stage 3	(16)	(20)	36	-	-	(31)	(75)	106	-	-
Remeasurements, changes in models and methods	(153)	(134)	162	(8)	(133)	(284)	(238)	365	(10)	(167)
Use of allowances (write offs)	-	(184)	(84)	-	(268)	-	(184)	(111)	-	(295)
Foreign exchange adjustments	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period	**936**	**921**	**1,595**	**(22)**	**3,430**	**936**	**921**	**1,595**	**(22)**	**3,430**

	Quarter ended 30 Jun 2021					Half-year ended 30 Jun 2021				
CZK m	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at the beginning of the period	**1,191**	**747**	**2,180**	**8**	**4,126**	**1,214**	**986**	**1,893**	**(49)**	**4,044**
Purchases and originations	112	3	13	-	128	216	9	33	-	258
Derecognition and maturities	(100)	(36)	(56)	-	(192)	(196)	(72)	(79)	-	(347)
Transfer to (out) Stage 1	107	(54)	(53)	-	-	204	(116)	(88)	-	-
Transfer to (out) Stage 2	(10)	30	(20)	-	-	(22)	56	(34)	-	-
Transfer to (out) Stage 3	(20)	(35)	55	-	-	(38)	(163)	201	-	-
Remeasurements, changes in models and methods	(143)	(27)	647	(2)	475	(241)	(66)	989	59	741
Use of allowances (write offs)	-	(1)	(269)	-	(270)	-	(7)	(418)	(4)	(429)
Foreign exchange adjustments	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period	**1,137**	**627**	**2,497**	**6**	**4,267**	**1,137**	**627**	**2,497**	**6**	**4,267**

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

	Quarter ended 30 Jun 2022					Half-year ended 30 Jun 2022				
CZK m	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Balance at the beginning of the period	**707**	**275**	**597**	**(5)**	**1,574**	**719**	**193**	**747**	**(5)**	**1,654**
Purchases and originations	156	2	6	-	164	259	3	8	-	270
Derecognition and maturities	(27)	(3)	(6)	-	(36)	(58)	(9)	(22)	-	(89)
Transfer to (out) Stage 1	28	(15)	(13)	-	-	84	(35)	(49)	-	-
Transfer to (out) Stage 2	(14)	75	(61)	-	-	(29)	201	(172)	-	-
Transfer to (out) Stage 3	(4)	11	(7)	-	-	(9)	(23)	32	-	-
Remeasurements, changes in models and methods	(112)	32	63	-	(17)	(231)	47	91	-	(93)
Use of allowances (write offs)	-	(12)	(21)	-	(33)	-	(12)	(77)	-	(89)
Foreign exchange adjustments	1	-	-	-	1	-	-	-	-	-
Balance at the end of the period	**735**	**365**	**558**	**(5)**	**1,653**	**735**	**365**	**558**	**(5)**	**1,653**

	Quarter ended 30 Jun 2021					Half-year ended 30 Jun 2021				
CZK m	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Balance at the beginning of the period	**927**	**344**	**801**	**(6)**	**2,066**	**868**	**378**	**682**	**(2)**	**1,926**
Purchases and originations	146	1	3	-	150	300	3	11	-	314
Derecognition and maturities	(30)	(7)	(17)	-	(54)	(60)	(12)	(21)	-	(93)
Transfer to (out) Stage 1	48	(39)	(9)	-	-	88	(68)	(20)	-	-
Transfer to (out) Stage 2	(2)	13	(11)	-	-	(12)	29	(17)	-	-
Transfer to (out) Stage 3	(4)	(9)	13	-	-	(9)	(41)	50	-	-
Remeasurements, changes in models and methods	(224)	(21)	74	4	(167)	(314)	(7)	180	-	(141)
Use of allowances (write offs)	-	(6)	(65)	-	(71)	-	(6)	(76)	-	(82)
Foreign exchange adjustments	(2)	-	(1)	-	(3)	(2)	-	(1)	-	(3)
Balance at the end of the period	**859**	**276**	**788**	**(2)**	**1,921**	**859**	**276**	**788**	**(2)**	**1,921**

8.19.4 Break down of allowances according to loan type and stages

30 Jun 2022 CZK m	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Retail loans	**936**	**921**	**1,595**	**(22)**	**3,430**
Consumer Loans	730	655	1,279	(24)	2,640
Mortgages	66	196	191	2	455
Credit Cards & Overdrafts	97	61	92	-	250
Auto Loans and Finance Leases	41	9	24	-	74
Other	2	-	9	-	11
Commercial loans	**735**	**365**	**558**	**(5)**	**1,653**
Investment Loans	233	145	30	(5)	403
Working Capital	103	30	24	-	157
Auto & Equipment Loans and Finance Leases	94	34	143	-	271
Unsecured Instalment Loans and Overdraft	301	152	350	-	803
Inventory Financing and Other	4	4	11	-	19
TOTAL allowances to Lending portfolio	**1,671**	**1,286**	**2,153**	**(27)**	**5,083**
Debt instruments measured at amortised costs	8	-	-	-	8
TOTAL allowances Financial Assets	**1,679**	**1,286**	**2,153**	**(27)**	**5,091**
Financial guarantees	20	14	-	-	34
Loan commitments – Retail	53	8	-	-	61
Loan commitments – Commercial	48	5	-	-	53
TOTAL liabilities to off balance sheet items	**121**	**27**	**-**	**-**	**148**

31 Dec 2021 CZK m	Stage 1	Stage 2	Stage 3	POCI	Total
Retail loans	**1,030**	**658**	**2,402**	**(16)**	**4,074**
Consumer Loans	790	490	1,968	(25)	3,223
Mortgages	100	119	260	9	488
Credit Cards & Overdrafts	101	44	134	-	279
Auto Loans and Finance Leases	37	5	30	-	72
Other	2	-	10	-	12
Commercial loans	**719**	**193**	**747**	**(5)**	**1,654**
Investment Loans	237	45	71	(5)	348
Working Capital	95	31	57	-	183
Auto & Equipment Loans and Finance Leases	111	29	194	-	334
Unsecured Instalment Loans and Overdraft	270	88	400	-	758
Inventory Financing and Other	6	-	25	-	31
TOTAL allowances to Lending portfolio	**1,749**	**851**	**3,149**	**(21)**	**5,728**
Debt instruments measured at amortised costs	7	-	-	-	7
TOTAL allowances Financial Assets	**1,756**	**851**	**3,149**	**(21)**	**5,735**
Financial guarantees	10	18	-	-	28
Loan commitments – Retail	45	4	-	-	49
Loan commitments – Commercial	65	6	-	-	71
TOTAL liabilities to off balance sheet items	**120**	**28**	**-**	**-**	**148**

8.19.5 Coverage of non-performing loans and receivables

CZK m	30 Jun 2022	31 Dec 2021
Retail	2,960	4,473
Commercial	839	1,187
Total NPL	**3,799**	**5,660**

CZK m	30 Jun 2022	31 Dec 2021
Retail	1,598	2,409
Commercial	558	747
Total allowances to NPL	**2,156**	**3,156**

%	30 Jun 2022	31 Dec 2021
Retail	115.9%	91.1%
Commercial	197.2%	139.4%
Total NPL coverage	**133.8%**	**101.2%**

%	30 Jun 2022	31 Dec 2021
Retail	1.6%	2.5%
Commercial	1.0%	1.4%
NPL Ratio	**1.4%**	**2.2%**

8.19.6 Net impairment of financial assets

CZK m	Quarter ended		Half-year ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
Additions and release of loan loss allowances	165	(354)	260	(762)
Additions and release of allowances/provisions to unused commitments	(5)	20	(1)	25
Use of loan loss allowances	301	341	384	511
Income from previously written-off receivables	11	30	19	39
Write offs of uncollectable receivables	(305)	(354)	(395)	(534)
Change in allowances to Investment securities	(1)	(1)	(1)	(2)
Change in allowances to operating receivables	(3)	2	1	(3)
Collection expense	(8)	(18)	(17)	(26)
Net impairment of financial assets	**155**	**(334)**	**250**	**(752)**

8.19.7 Maximum credit risk exposures

30 Jun 2022 CZK m	Statement of financial position	Off-balance sheet	Total credit risk exposure	Available collateral*
Cash and balances with the central bank	**12,080**	**-**	**12,080**	**-**
Derivative financial instruments	**749**	**-**	**749**	**5,025**
Investment securities measured at FVTPL	**66**	**-**	**66**	**-**
Equity investments	21	-	21	-
Debt investments	45	-	45	-
Investment securities measured at FVTOCI	**1**	**-**	**1**	**-**
Equity investments	1	-	1	-
Investment securities measured at amortised cost	**52,572**	**-**	**52,572**	**-**
Treasury and corporate bonds	52,572	-	52,572	-
Hedging derivatives with positive fair values	**5,333**	**-**	**5,333**	**-**
Interest rate swaps	5,333	-	5,333	-
Change in fair value of items hedged on portfolio basis	**(2,576)**	**-**	**(2,576)**	**-**
Loans and receivables to banks	**26,372**	**-**	**26,372**	**23,587**
Current accounts at banks	1,846	-	1,846	-
Overnight deposits	-	-	-	-
Term deposits at banks payable within 3 months	52	-	52	-
Receivables arising from reverse repurchase agreements	24,090	-	24,090	23,587**
Cash collaterals granted	383	-	383	-
Other	1	-	1	-
Loans and receivables to customers	**265,860**	**36,024**	**301,884**	**171,468**
Consumer authorised overdrafts and credit cards	2,263	4,499	6,762	-
Consumer loans	47,891	968	48,859	2,685
Mortgages	131,173	13,876	145,049	128,083
Commercial loans	72,643	16,514	89,157	37,438
Auto & Equipment Finance Lease	803	-	803	682
Commercial	803	-	803	682
Auto & Equipment Loans	11,087	167	11,254	2,580
Commercial	8,698	167	8,865	2,580
Retail	2,389	-	2,389	-
Issued guarantees and credit limits on guarantees	**-**	**2,280**	**2,280**	**354**
Issued letter of credit	**-**	**5**	**5**	**-**
Remaining assets	**6,638**	**-**	**6,638**	**-**

* 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.
** Thereof securities obtained in repurchase agreements as collateral in the amount of CZK 733 million were transferred as collateral according to repurchase agreements as at 30 June 2022 (31 Dec 2021: CZK 0 million).

31 Dec 2021 CZK m	Statement of financial position	Off-balance sheet	Total credit risk exposure	Available collateral*
Cash and balances with the central bank	**11,204**	**-**	**11,204**	**-**
Derivative financial instruments	**400**	**-**	**400**	**2,720**
Investment securities measured at FVTPL	**62**	**-**	**62**	**-**
Equity securities	16	-	16	-
Debt securities	46	-	46	-
Investment securities measured at FVTOCI	**1**	**-**	**1**	**-**
Equity securities	1	-	1	-
Investment securities measured at amortised cost	**49,137**	**-**	**49,137**	**-**
Treasury and corporate bonds	49,137	-	49,137	-
Hedging derivatives with positive fair values	**3,235**	**-**	**3,235**	**-**
Interest rate swaps	3,235	-	3,235	-
Change in fair value of items hedged on portfolio basis	**(1,841)**	**-**	**(1,841)**	**-**
Loans and receivables to banks	**15,602**	**-**	**15,602**	**13,907**
Current accounts at banks	1,063	-	1,063	-
Receivables arising from reverse repurchase agreements	14,209	-	14,209	13,907**
Cash collaterals granted	329	-	329	-
Other	1	-	1	-
Loans and receivables to customers	**255,612**	**36,875**	**292,487**	**163,327**
Consumer authorised overdrafts and credit cards	2,398	4,456	6,855	-
Consumer loans	46,913	1,153	48,066	2,456
Mortgages	123,493	14,235	137,728	121,204
Commercial loans	69,444	16,565	86,008	36,020
Auto & Equipment Finance Lease	1,113	-	1,113	917
Commercial	1,113	-	1,113	917
Auto & Equipment Loans	12,251	466	12,717	2,730
Commercial	9,872	466	10,338	2,730
Retail	2,379	-	2,379	-
Issued guarantees and credit limits on guarantees	**-**	**1,762**	**1,762**	**290**
Issued letter of credit	**-**	**6**	**6**	**1**
Remaining assets	**6,810**	**-**	**6,810**	**-**

* 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.
** Thereof securities obtained in reverse repurchase agreements as collateral in the amount of CZK 0 million were transferred as collateral according to repurchase agreements as at 31 December 2021.

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 2022		31 Dec 2021	
	Carrying value	Fair value	Carrying value	Fair value
FINANCIAL ASSETS				
Cash and balances with the central bank	12,080	12,080	11,204	11,204
Investment securities at amortised cost*	52,572	40,053	49,138	44,791
Loans and receivables to banks	26,372	26,372	15,602	15,602
Loans and receivables to customers	265,860	256,956	255,612	252,039
FINANCIAL LIABILITIES				
Due to banks	21,117	21,085	12,580	12,592
Due to customers	302,199	302,199	285,145	285,145
Mortgage-backed securities	2,444	2,422	2,422	2,411
Other issued bonds	2,285	2,458	-	-
Subordinated liabilities	4,669	4,200	4,684	4,369

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

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 2022			31 Dec 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Derivative financial instruments	-	749	-	-	400	-
Debt securities measured at FVTPL	-	-	45	-	-	46
Equity securities measured at FVTPL	-	-	21	-	-	16
Equity securities measured at FVTOCI	-	-	1	-	-	1
Hedging derivatives with positive fair values	-	5,333	-	-	3,235	-
Change in fair value of items hedged on portfolio basis	-	-	(2,576)	-	-	(1,841)
FINANCIAL LIABILITIES						
Derivative financial instruments	-	752	-	-	524	-
Hedging derivatives with negative fair values	-	931	-	-	580	-
Change in fair value of items hedged on portfolio basis	-	-	(749)	-	-	(598)

There were no transfers between level 1 and 2 during the period of the six months ended 30 June 2022 and the year ended 31 December 2021.

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 2022	Sales	Additions	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 2022
Investment securities at FVTOCI	1	-	-	-	-	1
Investment securities at FVTPL	62	-	5	(1)	-	66
Total	**63**	**-**	**5**	**(1)**	**-**	**67**

CZK m	As at 1 Jan 2021	Sales	Additions	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 2021
Investment securities at FVTOCI	1	-	-	-	-	1
Investment securities at FVTPL	45	-	16	1	-	62
Total	**46**	**-**	**16**	**1**	**-**	**63**

8.21 Subsequent Events

There have been no subsequent events arising after 30 June 2022 that would have material impact on this consolidated financial report.

9 Management Affidavit

To the best of our knowledge, we believe that this consolidated financial report gives a true and fair view of the Group's financial position, business activities and results for the six months of 2022, as well as of the outlook for the development of the Group's financial situation, business activities and results.

Prague, 27 July 2022

Signed on behalf of the Management Board:

Tomáš Spurný
CEO and Chairman of the Management Board

Jan Friček
CFO and Member of the Management Board

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 core cost of funds, core cost of risk, core customer deposits, core loan to deposit ratio, core NPL coverage, cost of funds, cost of risk, cost to income ratio, dividend yield, excess capital, excess liquidity, 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 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 customer deposits	Due to customers excluding repo operations and CSA. MONETA uses this measure to show customer deposits without repo operations and CSA.
Core Loan to Deposit ratio	Core loan to deposit ratio calculated as net loans and receivables to customers divided by customer deposits excluding CSA and repos.
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 and issued bonds, 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 Core 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).

(All amounts in CZK millions unless otherwise stated)

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
CZK	Czech Koruna
Excess capital	Capital exceeding the management target CAR
FTE	The average recalculated number of employees during the period is an average of the figures reported to Czech Statistical Authority (CSA) on a monthly basis in accordance with Article 15 of Czech Act No. 518/2004. The figures reported to CSA equal to quotient of the following nominator and the following denominator. The nominator is defined as all hours worked by all employees, their related leaves/holidays and their related sick days. The denominator represents a standard working hour per an employee and a month.
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
HTC	Held to Collect
HTCS	Held to Collect and Sell
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.
Mortgage Bank	Wüstenrot hypoteční banka a.s.
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

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
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) as MONETA, as at the date hereof, has not issued any Additional Tier 1 Capital or Tier 2 Capital instruments or items.
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.