| Banking | Update | Czech Republic |

MONETA Money Bank

Attractive Dividend Story with Potential for an Extraordinary Payout

Hold

Price 14.07.26	**CZK 190.9**
12m target	**CZK 192.0**
Upside to TP	**0.6%**
Dividend	**CZK 13.0**
Total return	**7.4%**

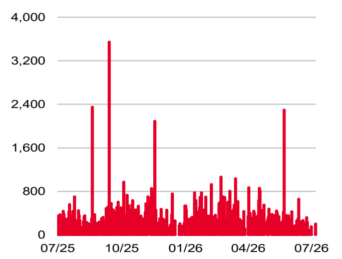
Sector stance
Overweight

Investment type
High dividend yield
Sensitivity to economic cycle

1 year performance

Source: Bloomberg

Trading volume (in ths of shares)



Source: Bloomberg

Share data

RIC MONET.PR	**Bloom** MONET CP		
52-week range			140.6 - 219
Market cap. (CZKbn)			97.5
Market cap. (EURm)			4015
Free float (%)			57.49
Performance (%)	**1m**	**3m**	**12m**
Share	-2.1	-3.4	35.2
Rel. to PX Index	-3.9	-0.9	12.6

Source: Bloomberg

The latest analysis and report:

https://bit.ly/Moneta_4Q25_en
https://bit.ly/Moneta_lastDVD1150_en
https://bit.ly/Moneta_1Q26_en

Investment Recommendation: We have updated our expectations for Moneta Money Bank. Based on our estimates, we are issuing a new target price and rating. Our new target price is CZK192.0 per share, and we are issuing a Hold recommendation. (Both have been under review since April 24, 2026.) Compared to peers, Moneta is trading at a premium. It is therefore more expensive than its competitors. According to our estimates, Moneta is trading at a P/B of 3.0x, a P/E of 14.8x, and a P/S of 7.0x. The median for the group of comparable companies is 1.5x, 9.9x, and 2.2x respectively. In our view, the premium is justified. This is due to its strong capital position, asset quality, and conservative business model. Furthermore, Moneta offers one of the highest dividend yield in the group.

Results and Outlook: According to our estimates, Moneta should report a yoy revenue growth of +4.8% to CZK14.6bn this year. We also expect the net interest margin to remain stable. Operating expenses will also rise, by +3.0% yoy to CZK6.0bn, but at a slower pace than income growth. Personnel costs will see the most significant increase among expense items (+8.5% yoy). The cost of risk will also rise. However, this increase will be from a very low base, rising from 16bps to 23bps. According to our estimates, net income will reach CZK6.7bn (+2,4 % yoy).

Shareholder remuneration: Throughout the year, Moneta sets aside a reserve for the payment of 90% of its consolidated net income. On May 15 of this year, Moneta paid its shareholders CZK11.50 per share, which equates to a gross yield of +5.8%. In previous years, Moneta paid an extra dividend in addition to the standard dividend: CZK9 and CZK3 in 2024, and CZK10 and CZK4 in 2025. The total payout ratio was 118% and 123%, respectively. In our projections, we assume that Moneta will pay out its entire consolidated profit. However, we anticipate that Moneta will also pay an extraordinary dividend this year. This is supported by the fact that Moneta issued an additional EUR150m of Tier 1 capital. This optimizes the capital structure and should increase the capital adequacy ratio. According to Moneta, this will allow them to maintain an attractive dividend policy. The EUR150m issuance corresponds to approximately CZK3.6bn, or CZK7.1 per share. Next year, we expect a 100% payout, which corresponds to CZK13.0 and a yield of +6.8%. The ability to pay dividends depends on capital adequacy. Moneta has a strong capital base, well above regulatory requirements, including a management buffer.

Valuation: We arrived at Moneta's target price using three methods: the discounted cash flow model, the dividend discount model, and the excess return model. A comparison of our new target price with the current market price suggests a total return of +7.4%. This corresponds to a Hold recommendation.

Financial data	**2025**	**2026e**	**2027e**	**2028e**
Revenues (CZKm)	13,924	14,592	15,476	16,470
Cost / Income ratio (%)	41.9	41.2	39.9	38.1
Net interest margin (%)	2.0	2.0	2.1	2.2
Net income (CZKm)	6,501	6,656	7,161	7,722
EPS	12.7	13.0	14.0	15.1
Cash flow per share	13.2	14.2	16.3	17.9
Dividend per share	14.0	11.5	13.0	14.0
Payout ratio (%)	123	90	100	100

Ratios	**2025**	**2026e**	**2027e**	**2028e**
P/E (actual, x)	14.9	14.6	13.6	12.6
Price / book value (x)	3.1	3.0	3.0	2.9
Price / sales (x)	7.0	6.7	6.3	5.9
Dividend yield (%)	7.4	6.0	6.9	7.4
ROE (%)	20.8	20.8	22.0	23.3
ROTE (%)	23.4	23.4	24.8	26.2
ROA (%)	1.3	1.2	1.3	1.4
Loan-to-deposit (%)	66.1	65.8	70.9	72.1

Upcoming events: On July 24, 2026, the financial results for 2Q26 / 1H26 will be released.

SOCIETE GENERALE GROUP

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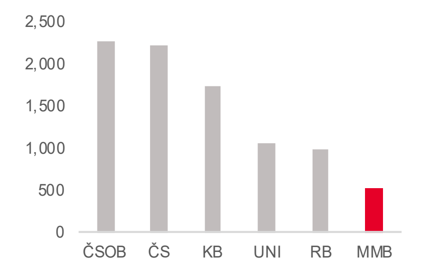
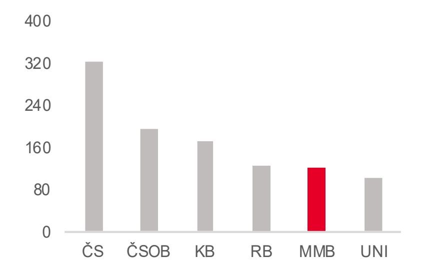
Company overview

Strengths	Weaknesses
▪ Strong position in both retail and SME segments ▪ Extensive and evenly spread distribution network of branches and ATMs ▪ High capital adequacy and asset profitability ▪ Independence from external financing ▪ Long-term management experience of the Czech banking sector	▪ Limited regional diversification ▪ High competition in fees and commissions among banks ▪ Highly sector regulation
Opportunities	**Threats**
▪ Favourable macroeconomic environment of the Czech economy ▪ Rising interest rates with a positive impact on net interest income ▪ Low penetration of financial services among the population and corporate clients ▪ Expansion of provided services ▪ Attractive price policy that should increase client portfolios ▪ Growth through acquisitions	▪ Stricter regulation ▪ Unsuccessful strategy without the desired effect of increasing loan volumes ▪ Lower dividend payout than estimated ▪ Special bank levy or sectorial tax

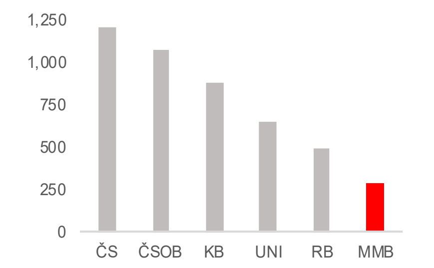
Balance sheet total (CZKbn, 1Q26)



Number of branches (1Q26)

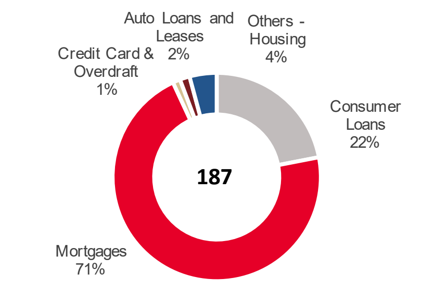


Loans provided to clients (CZKbn, 1Q26)

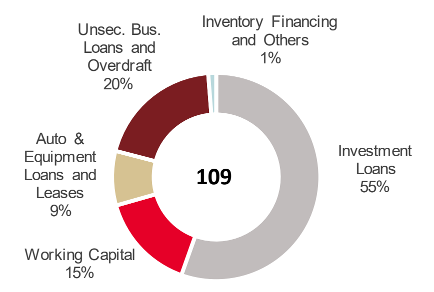


Source: banks' websites

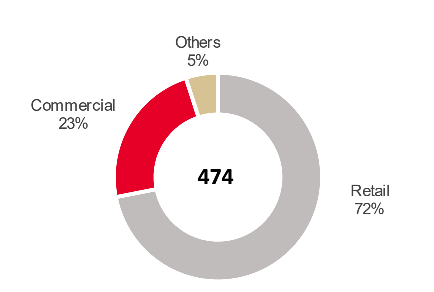
Retail loans (CZKbn, 1Q26)



Corporate loans (CZKbn, 1Q26)



Clients' deposits (CZKbn, 1Q26)



Source: MONETA Money Bank

Financial situation

Company results for 1Q26

CZKm	1Q25	1Q26	y/y	KB	vs KB	Cons.	vs Cons.
Net Interest Income	2,337	2,518	7.7%	2,505	0.5%	2,498	0.8%
NF&C	848	863	1.8%	819	5.4%	857	0.7%
Others	193	158	-18.1%	188	-15.9%	195	-19.0%
Total Operating Income	**3,378**	**3,539**	4.8%	**3,511**	0.8%	**3,550**	-0.3%
Total Operating Expenses	**-1,498**	**-1,513**	1.0%	**-1,542**	-1.9%	**-1,539**	-1.7%
Operating Profit	**1,880**	**2,026**	7.8%	**1,969**	2.9%	**2,010**	0.8%
Net Impairment	-151	-160	6.0%	-132	21.5%	-154	3.9%
Pre-tax	1,729	1,866	7.9%	1,837	1.6%	1,856	0.5%
Net profit	**1,466**	**1,583**	8.0%	**1,552**	2.0%	**1,570**	0.8%

Source: Moneta Money Bank, Economic & Strategy Research, Komerční banka; MONETA Money Bank consensus among 12 analysts, including KB

Moneta reported robust yoy growth in 1Q26. The results were slightly above market consensus. Moneta's management reiterated its full-year guidance.

Solid yoy growth, with figures slightly above the market.

Net interest income reached CZK2.5bn in 1Q26, showing solid yoy growth of +7.7%. Interest income increased by +2.2%, while funding costs decreased by 2.9%. NIM remained stable qoq at 2.0%, rising slightly from 1.9% yoy. Due to robust investment product sales, NF&C increased by +1.8% to CZK863m. The only decline was in other income, which fell by 18% yoy to CZK158m. However, this accounts for only 4.5% of total revenue. Total operating revenue increased by +4.8% yoy, reaching CZK3.5bn. This growth was primarily driven by the aforementioned improvement in NII, reflecting the growth of the interest-bearing portfolio. Operating expenses increased by only +1.0% yoy to CZK1.5bn, primarily due to higher personnel expenses (+8.5% yoy) and regulatory fees (+7.2% yoy). Costs were 1.7% lower than the consensus estimate. Operating profit for 1Q26 is CZK2.0bn (+7.8% yoy). As with revenue, this figure surpasses estimates (+0.8%). Cost of risk amounted to CZK160m (+6.0% yoy), which is in line with estimates and corresponds to just 22bps. This reflects strong payment discipline and the quality of the loan portfolio. The effective tax rate in 1Q26 was 15.2%. Net income for 1Q26 was CZK1.6bn, an increase of +8.0% yoy, corresponding to RoTE of 21.6%. Net income is +0.8% above the consensus estimate.

Moneta has a strong position. It stands at 17.88%. Moneta’s excess capital above its target (15.25%) amounts to CZK4.5bn.

Earnings estimates for 2Q26

On track to exceed the full-year forecast.

Results for the second quarter of 2026 and the first half of 2026 will be released on July 24, 2026. We expect solid revenue growth. Operating costs will decline qoq due to the absence of regulatory fees. On the other hand, the cost of risk will increase due to the client's announced default. However, these costs will remain low. Our earnings estimates for 2Q26/1H26 are shown in the following table.

According to our estimates, the results for 2Q26/1H26 will account for almost exactly half of Moneta’s full-year targets. The second half of the year is typically stronger than the first. Moneta is thus on track to exceed its full-year guidance.

Moneta’s current projections for this year were reiterated on April 24, 2026, alongside the 1Q26 results. Total revenues are expected to reach CZK14.6bn, operating expenses CZK6.0bn, operating profit CZK8.6bn, and net profit CZK6.6bn, with cost of risk at 20–35bps and an effective tax rate of 15.5%. RoTE is expected to be 23%.

Our 2Q26 / 1H26 estimates

CZKm	2Q25	e2Q26 (KB)	změna	1H25	e1H26 (KB)	změna
Net Interest Income	2,421	2,619	8.2%	4,758	5,137	8.0%
NF&C	818	800	-2.2%	1,666	1,663	-0.2%
Others	173	183	5.8%	366	341	-6.8%
Total Operating Income	3,412	3,602	5.6%	6,790	7,141	5.2%
Total Operating Expenses	-1,375	-1,415	2.9%	-2,873	-2,928	1.9%
Operating Profit	2,037	2,187	7.4%	3,917	4,213	7.6%
Net Impairment	-117	-240	105%	-268	-400	49%
Pre-tax	1,920	1,947	1.4%	3,649	3,813	4.5%
Net profit	1,628	1,646	1.1%	3,094	3,229	4.4%

Source: Moneta Money Bank, Economic & Strategy Research, Komerční banka

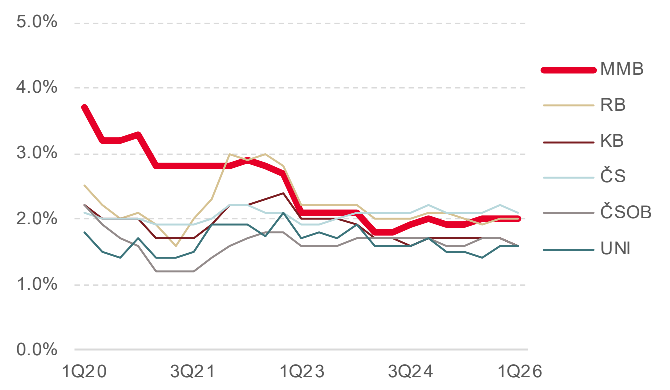
Moneta's Ambitions and Our Projections for 2026

CZKm	Moneta 2026	e1H26 (KB)	% of Moneta eFY	e2026 (KB)
Total Operating Income	14,600	7,141	48.9%	14,752
Total Operating Expenses	-6,000	-2,928	48.8%	-6,013
Operating Profit	8,600	4,213	49.0%	8,578
Net Impairment	20-35bps			23 bb
Net profit	6,600	3,229	48.9%	6,656

Zdroj: Moneta, Ekonomický a strategický výzkum, Komerční banka

Growth in net interest income. Margins will remain stable.

Comparison of net interest margins



Source: Moneta Money Bank, Economic & Strategy Research, Komerční banka

Moneta's primary source of revenue is net interest income. According to our estimates, it will reach CZK10.5bn this year, corresponding to +8.6% yoy. This figure consists of interest income and interest expense. We estimate that the growth rates of these two components will differ. Income will grow faster than expenses. NIM remained stable at 2.0% in 1Q26 (2.0% in 2025). We expect the margin to stay at 2.0% this year. The chart above shows a comparison of the NIMs of the leading banks, including Moneta. Among this group of banks, Moneta has one of the highest margins.

Interest income is affected by the monetary policy of the CNB (see below). On June 18, CNB raised rates by 25bps to 3.75%, ending a long period during which the last monetary policy easing occurred in May 2025. The rate hike will affect interest income and expenses.

An increase in personnel costs and a decrease in administrative costs.

We expect operating expenses to rise only marginally this year, by +3.0%, to CZK6.0bn. Although we anticipate a sharp increase in personnel costs (+8.5%), which should be offset by a decline in administrative expenses. Please note that regulatory fees are a first-quarter event. According to our model, the cost-to-income ratio will be approximately 41% this year (42.8% in 1Q26).

Cost of risk are expected to remain at a low level of 22bps.

Although cost of risk will increase from CZK444m to CZK709m yoy, they will remain at a low level of just 23bps. Growth should be particularly evident in 2Q26, due to a client default. The NPL ratio was 1.0% in 1Q26. This is the lowest level. It is expected to remain around this level for the remainder of the year.

Net income will also increase.

Net income is expected to increase by +2.4% yoy to CZK6.7bn (e2026). This represents slower growth compared to the previous year due to higher risk costs.

Our financial projections for Moneta for 2026 are shown in the table above.

CNB will also keep rates unchanged next year

Following the monetary policy tightening in June, we do not expect any further changes this year.

The CNB began easing monetary policy starting in 2023. Rates fell from 7.0% to 3.5% (2W repo rate). The most recent easing took place in May 2025.

However, in June of this year, the CNB implemented its first monetary policy tightening since May 2025. The Bank Board raised the benchmark repo rate by 25bps, bringing it to 3.75%. We expect rates to remain stable for the remainder of this year and do not currently anticipate further increases. We also expect rates to remain unchanged next year. This is due to the robust Czech economy, which is currently withstanding external pressures.

CNB interest rates influence commercial rates, as well as funding costs.

The yield on the loan portfolio is rising slightly.

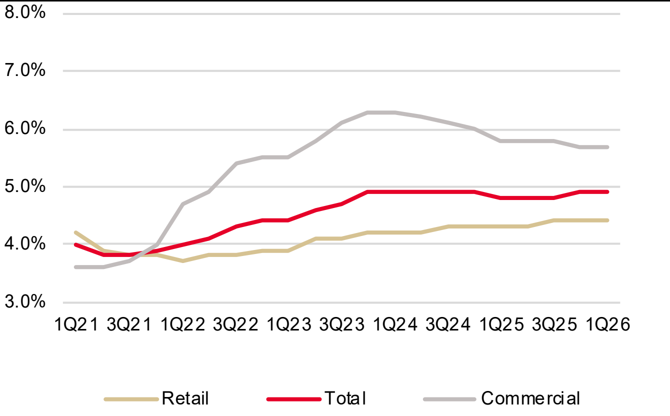
The overall performance of the loan portfolio remained unchanged qoq in 1Q26 and increased slightly yoy. The retail portfolio achieved a yield of 4.4%, up by one-tenth of a percentage point yoy and unchanged qoq. In contrast, the commercial portfolio saw a slight yoy decline to 5.7% yet remained unchanged from the previous quarter.

Growth of the loan portfolio.

The retail portfolio accounts for 63% of total loans. Of the retail loans, 73% are secured. The remainder are unsecured. Mortgages make up 71% of the total retail portfolio. They account for 45% of the total loan volume. We consider this structure an important factor because it affects returns in this segment. Secured loans increased slightly yoy (+1.3%). However, the growth rate for unsecured loans is higher (+3.3%).

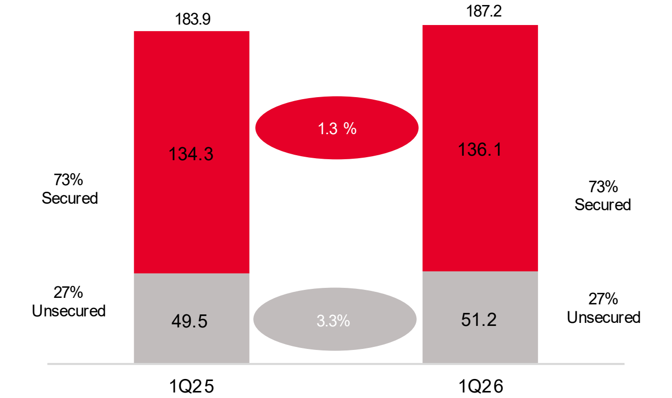
The following chart shows the profitability of the loan portfolio.

Loan portfolio yield



Source: Moneta Money Bank

Retail net portfolio composition (CZKbn)



Note: Retail secured includes mortgages, auto loans and financial leases; retail unsecured includes consumer loans, consumer authorized overdrafts and credit cards

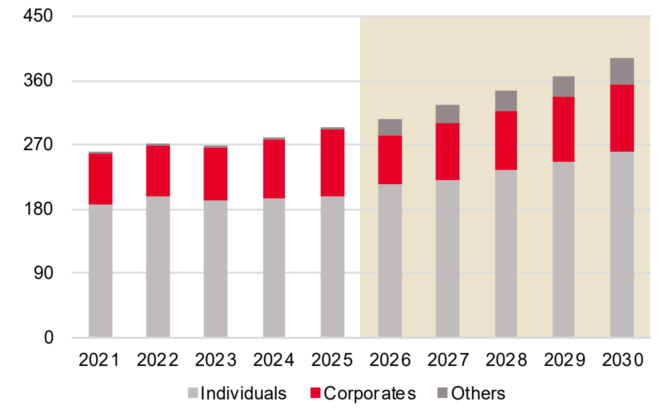
Our long-term outlook

Our model is based on interest rate projections and estimates of loan and deposit portfolio development.

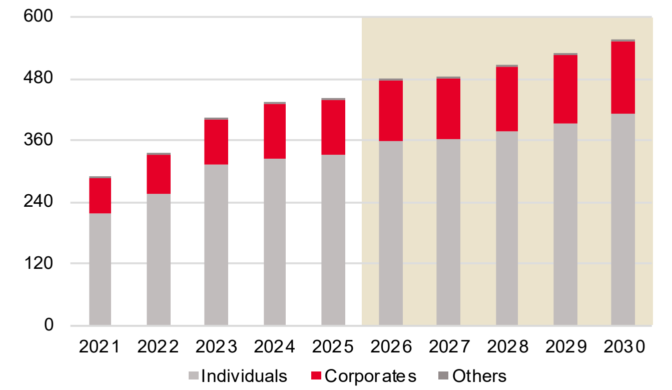
We project that total loans will grow by an average of +6.5% per year (CAGR 2025-2030). We anticipate growth in both household and commercial loans. However, according to our estimates, commercial loans will grow at a higher rate. Household loans are expected to grow by an average of +2.6%, while commercial loans are expected to grow by +12.3%.

Deposits will also grow. We estimate total deposit growth of +4.6% (CAGR 2025–2030). We expect retail deposits to grow by an average of +4.4%. Meanwhile, commercial deposits are expected to grow by +5.1%. We expect three-quarters of all deposits to come from households and the remainder to come from businesses.

Loan breakdown and its expected development (CZKbn)



Deposit breakdown and its expected development (CZKbn)



Source: MONETA Money Bank, KB Economic & Strategy Research

NIM in 1Q26 it stood at 2.0%. This is the same level as at the end of 2025. However, on a yoy basis (1Q26/1Q25), there was a slight increase of one-tenth of a percent, rising from 1.9%. The decline in funding expenses was faster than the decline in interest income. We expect the margin to reach 2.0% by the end of the year. According to our estimates, it should grow slightly to 2.3% in the following years.

A slight increase in the net interest margin.

We estimate that net interest income will reach CZK13.5bn in 2030. This corresponds to an average annual growth rate of +6.8%.

Successful sales of investment products.

Net fee and commission income is growing due to the successful sale of investment products. We expect NF&C income to grow by an average of +4.0% (CAGR 2025–2030). In the final year of the period, it will reach CZK4.1bn.

According to our model, total operating revenue should grow from CZK13.9bn reported for 2025 at an average annual rate of +5.7% to CZK18.3bn (2030).

Personnel expenses are a key cost item.

Personnel costs are a major cost item. They account for nearly half of operating costs. Unfortunately, this is driven by the tight labor market in the Czech Republic. The low unemployment rate is putting upward pressure on wage costs, despite the estimated decline in the number of employees. Employee costs will grow at an annual rate of +2.4% to CZK3.1bn (2030). Due to the projected strict cost discipline, general administrative costs will grow at a lower average rate of +1.6% to CZK1.8bn (2030). Total operating costs will rise to CZK6.5bn (CZK5.8bn in 2025) in the final year of the forecast period (+2.0% CAGR 2025-2030).

The cost of risk will rise from record low levels.

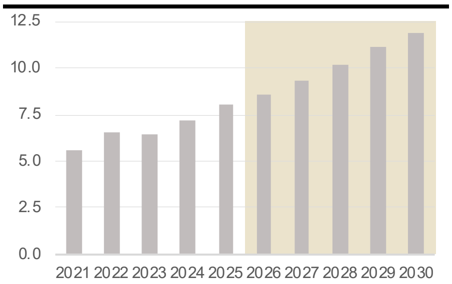
The cost of risk is rising from very low levels. This is due to the favorable environment and low number of NPLs. In 2025, cost of risk amounted to only CZK444m, corresponding to just 16bps. In 1Q26, they stood at 22 basis points, or CZK160m. We estimate that they will grow to 35bps of total client loans in subsequent years. By the final year of the period (2030), they are expected to reach CZK1.4bn.

Net income is expected to grow by an average of +6.4% per year.

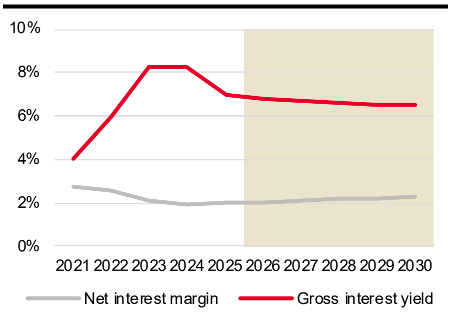
Net income for 2025 was CZK6.5bn (+11.9% yoy). This solid growth is driven by a combination of higher revenues (+7.8% yoy) and a moderate increase in costs (+2.0% yoy). The cost-to-income ratio is 41.9% (44.3% in 2024). Additionally, the cost of risk is low. Our model estimates an average annual growth rate of +6.4%, with net profit expected to reach CZK8.9bn in 2030.

The effective tax rate is expected to remain low at 15.5%, like in previous years. This is due to the volume of tax-exempt securities.

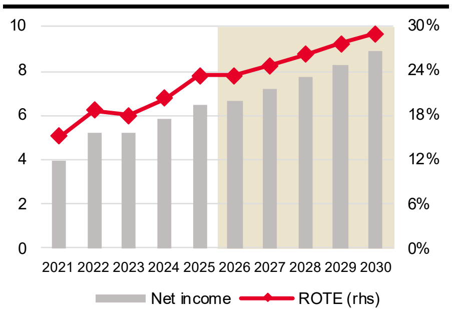
Total operating income (CZKbn)



Net interest margin & gross interest yield



Net income (CZKbn)



Source: MONETA Money Bank, KB Economic & Strategy Research, Czech National Bank

The table on the following page compares Moneta's target with our projections.

Medium-term guidance

	2025	Moneta's goal for 2030	2030 KB estimates
Total Operating Income (CZKbn)	13.9	17.5	18.3
Total Operating Expenses (CZKbn)	-5.8	-6.5	-6.5
Operating Profit (CZKbn)	8.1	11.0	11.9
Net Impairment (bps)	16	25-45	35
Effective Tax Rate (%)	14.9%	15.5%	15.5%
Net profit (CZKbn)	6.5	8.3	8.9
EPS (CZK)	12.7	16.2	17.4
DPS (CZK)	11.5	14.6	17.4
RoTE	23.4%	25%	29.1%

Source: MONETA Money Bank, KB Economic & Strategy Research

Capital Adequacy

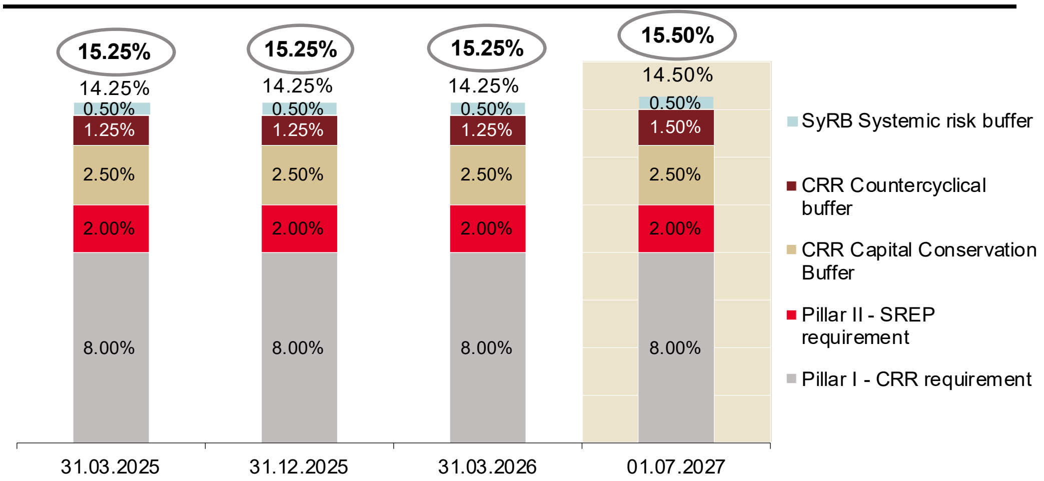
Moneta significantly exceeds regulatory capital requirements.

Moneta's capital adequacy ratio reached 17.9% in 1Q26. This comfortably meets regulatory capital requirements, including the bank's management's internal capital buffer. In total, this amounts to 14.25% (regulatory requirement) plus Moneta's 1.0% voluntary capital reserve. The total is therefore 15.25%. Moneta's excess capital above the target (15.25%) reached CZK4.5bn.

The regulatory capital requirement consists of a 10% SREP requirement. This includes a regulatory capital requirement of 8.0% under Pillar I and 2.0% under Pillar II.

Furthermore, Moneta is required to hold capital to cover a combined capital buffer of 4.25% of risk-weighted assets. This consists of a 2.5% safety capital buffer and a 1.25% countercyclical capital buffer. As of July 1, 2027, this will increase to 1.50%. Starting January 1, 2025, Moneta will also be required to hold capital reserves to cover systemic risk (0.5%).

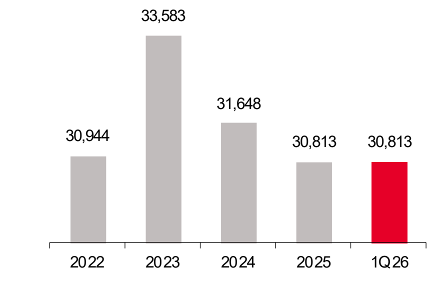
Trend and breakdown of capital requirement



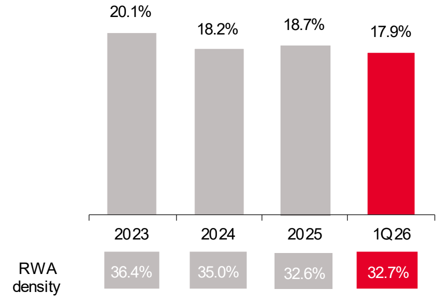
Source: MONETA Money Bank

In 1Q26, regulatory capital totaled CZK30.8bn. The excess capital above management's target was CZK4.5bn.

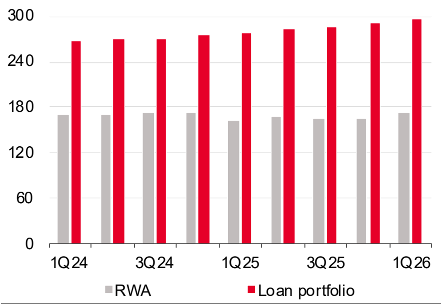
Regulatory equity (CZKm)



Capital adequacy ratio



RWA vs loan portfolio (CZKbn)



Source: MONETA Money Bank

In our projection, Moneta's risk-weighted asset to total asset ratio remains well below the 50% threshold, ranging from 32.7% to 35.9% in 2030. Our projection shows the loan-to-deposit ratio slightly above 70%. In 1Q26, it reached 65.8%. Moneta does not require external financing and can fund its loans with the deposits it has received.

Shareholder remuneration

The capital position affects the ability to pay dividends. However, Moneta has a strong capital base (see above), enabling it to distribute an extraordinary dividend in addition to its standard payment.

Payout of 90% of net income.

Moneta typically pays out 90% of its profits as dividends. However, due to its strong capital position, it has also paid an extraordinary dividend. Last year, it paid a standard dividend of CZK10 in May, with a payout ratio of 88%. At the end of the year, an additional dividend of CZK4 was paid out. A year earlier, in 2024, Moneta first paid investors CZK9 (an 88% payout ratio) and then an additional dividend of CZK3. The total payout ratio was 123% and 118% of consolidated net income in recent years.

In addition to its regular dividend, Moneta has also paid an extra dividend in recent years.

There is high potential for an extraordinary dividend.

In our projections, we anticipate that the entire net profit will be distributed. Furthermore, we see significant potential for Moneta to pay an additional dividend, as it has done for the past two years.

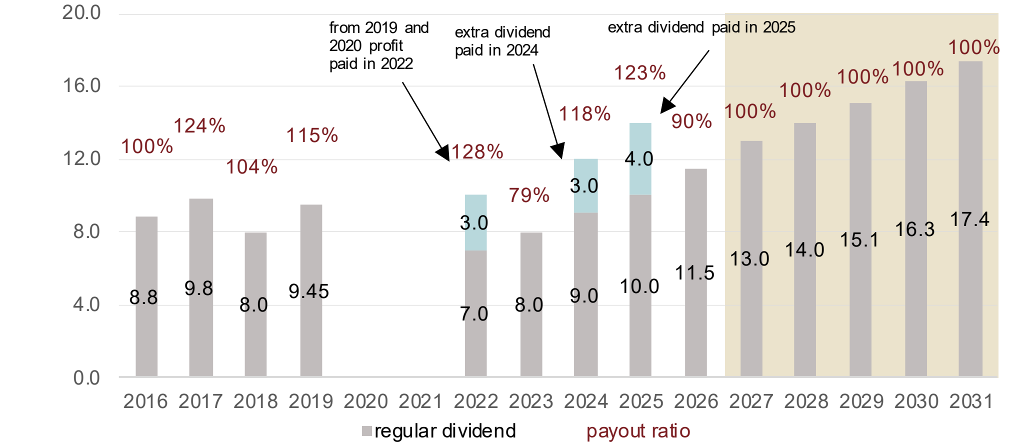
Moneta paid a dividend of CZK11.5 on its traditional payment date in May of this year. This corresponds to a payout ratio of 90%. Our expectation of an additional dividend is supported by the bank's strong position. Additionally, Moneta announced the issuance of an Additional Tier 1 (AT1) capital instrument worth EUR150m. This issuance strengthens and optimizes the capital structure, which should increase the capital adequacy ratio by 200bps. Moneta will have additional capacity for loan portfolio growth. According to Moneta, this will also allow the bank to maintain an attractive dividend policy.

The EUR150m corresponds to approximately CZK3.6bn, or CZK7.1 per share.

This supports our expectation of an extraordinary dividend payment toward the end of this year. While we anticipate an additional dividend, it is not included in our model or estimates. Next year, we expect a 100% payout, which corresponds to CZK13.0 and a yield of +6.8%.

The following chart shows the history of dividend distributions, including our projection for payouts from 2027 to 2031. Please note that no dividends were paid between 2020 and 2021 due to a recommendation from the Czech National Bank. This recommendation was in response to the economic slowdown during the pandemic and was aimed at maintaining the stability of the banking sector.

Dividend per share* (CZK)



Source: MONETA Money Bank, KB Economic & Strategy Research; * year in which it is paid

Company valuation

Sector comparison

Moneta's premium is justified.

Based on comparable multiples, Moneta's shares are trading at a premium compared to those of similar banking institutions and the European banking sector (EURO STOXX Banks). The multiples are shown in the table below. Moneta has a strong capital position allowing it to pay one of the sector's highest dividends. It has a conservative business model and based on its loan-to-deposit ratio, it is not dependent on external financing.

Therefore, we consider Moneta's premium relative to its competitors to be justified.

MONETA Money Bank vs peers

	P/E act.	P/E 2026	P/E 2027	P/BV act.	P/TBV act.	P/S act.	DVD yield akt.	ROE act.	ROA act.
MONETA MONEY BANK	**14.8**	**14.7**	**13.7**	**3.0**	**3.4**	**7.0**	**6.8**	**22.6**	**1.3**
Komercni banka	10.3	10.8	10.2	1.4	1.6	1.7	8.5	13.7	1.1
BRD-Groupe Societe Generale SA	16.3	16.4	14.3	2.3	2.5	3.7	3.0	15.1	1.7
BNPP Bank Polska SA	8.3	10.0	8.6	1.2	1.3	1.8	5.1	15.8	1.6
Bank Handlowy w Warszawie SA	8.9	11.0	10.7	1.6	1.7	3.6	9.7	15.8	2.0
Bank Polska Kasa Opieki SA	9.4	10.7	9.3	1.7	1.8	2.6	7.0	18.7	1.9
Powszechna Kasa Oszczednosci B	12.8	13.0	10.6	2.3	2.5	3.3	5.5	18.6	1.9
Bank Millennium SA	18.6	15.7	11.1	2.3	2.4	2.3	1.1	14.1	0.9
Alior Bank SA	7.9	10.0	8.8	1.4	1.4	2.2	6.3	18.4	2.3
OTP Bank Nyrt	10.1	9.3	8.4	2.1	2.2	2.3	2.9	20.5	2.5
Akbank TAS	5.7	3.9	2.4	1.2	1.2	0.4	5.1	23.0	1.9
Turkiye Garanti Bankasi AS	4.6	3.8	2.7	1.2	1.2	0.5	5.4	29.8	2.8
Yapi ve Kredi Bankasi AS	5.1	3.9	2.5	1.1	1.1	0.4	n/a	23.5	1.7
Turkiye Is Bankasi AS	4.5	3.0	1.7	0.8	0.9	0.3	n/a	20.4	1.5
Banca Transilvania SA	10.0	10.3	9.7	1.9	2.0	2.6	3.3	23.1	2.2
Haci Omer Sabanci Holding AS	26.2	16.6	7.2	0.5	0.6	0.2	1.6	2.1	0.2
Erste Group Bank AG	13.2	11.4	10.4	1.9	2.1	2.2	3.7	15.6	1.0
Medián srovnávací skupiny	**9.7**	**10.5**	**9.1**	**1.5**	**1.7**	**2.2**	**5.1**	**18.5**	**1.8**
EURO STOXX Banks Price EUR	**11.8**	**11.3**	**10.1**	**1.5**	**1.7**	**2.4**	**4.6**	**12.6**	**0.7**
MMB vs. medián	53%	41%	51%	100%	102%	216%	33%	22%	-30%
MMB vs. STOXX	25%	31%	35%	95%	95%	195%	48%	79%	88%
MMB vs. Komerční banka	44%	36%	35%	113%	112%	308%	-20%	65%	18%

Source: Economic & Strategy Research, Komerční banka, Bloomberg

Fair value and target price

The target price for the Moneta share is based on three methods.

To determine the fair value of the Moneta shares, we used the average of three methods. These are the Discounted Free Cash Flow Model (DFCF), the Discounted Dividend Model (DDM) and the Excess Return Model (ERM).

For free cash flow and excess return, we considered the period 2026-2030, for dividends 2027-2031. We calculated the cost of equity based on the CAPM model, taking into account our expectation of the risk-free interest rate and determined the risk premium according to Aswath Damodaran's calculations. The key parameters and results are shown in the table below. The cost of equity is in the range of 11.11-11.33% over the forecast period. For the terminal phase, we consider normalized values of interest rates and equity risk premia.

Based on an average of the aforementioned models, we have determined the fair value of MONETA Money Bank to be CZK192.0 per share.

Parameters and valuation methods for MONETA Money Bank stock

	2026	2027	2028	2029	2030
Cost of equity capital	**11.3%**	**11.2%**	**11.1%**	**11.1%**	**11.1%**
Risk-free rate	4.8%	4.7%	4.6%	4.6%	4.6%
Beta	1.12	1.12	1.12	1.12	1.12
Risk premium	5.8%	5.8%	5.8%	5.8%	5.8%
Dividend growth after 2023	2.0%				
FCFE growth after 2023	2.0%				
Payout ratio after 2023	100%				
ROE after 2023	29.1%				
Excess return model					
ROE	23.4%	24.8%	26.2%	27.7%	29.1%
Return spread	12.1%	13.6%	15.1%	16.6%	18.0%
Equity	31,226	32,016	32,532	33,106	33,703
Excess return	*3,778*	*4,339*	*4,915*	*5,491*	*6,056*
Opening equity capital	31,879				
Explicit value	17,625				
Terminal value	39,922				
Fair value (CZKm)	89,426				
Fair value per share	**175.0**				

	2027	2028	2029	2030	2031
DDM					
Dividend per share	*13.00*	*14.00*	*15.10*	*16.30*	*17.40*
Explicit value	54.9				
Terminal value	114.9				
Fair value (CZKm)	86,806				
Fair value per share	**169.9**				

	2026	2027	2028	2029	2030
DFCF					
Net income	6,656	7,161	7,722	8,305	8,881
Depreciation&Amortization	1,155	1,251	1,264	1,276	1,289
Provisions for loans	709	821	1,057	1,305	1,368
Other non-cash adjustment	-230	138	150	162	173
Change in working capital	0	0	0	0	0
CAPEX	-1,044	-1,055	-1,065	-1,076	-1,087
Sale of PPE	7	7	7	7	7
FCFE	*7,252*	*8,324*	*9,134*	*9,980*	*10,631*
Explicit value	32,658				
Terminal value	70,078				
Fair value (CZKm)	102,736				
Fair value per share	**201.0**				

Source: Economic & Strategy Research, Komerční banka, Bloomberg, MONETA Money Bank, A.Damodaran (New York University, risk premiums)

Sensitivity analysis of our valuation (fair value)

Excess return					
Cost of equity / growth rate	1.0%	1.5%	2.0%	2.5%	3.0%
-100bp	168.0	172.0	176.5	181.5	187.1
-50bp	167.3	171.3	175.7	180.7	186.3
11.2% / 11.11% *	166.6	170.6	**175.0**	179.9	185.5
+50bp	165.9	169.9	174.3	179.2	184.7
+100bp	165.2	169.2	173.5	178.4	183.9

DDM					
Cost of equity / growth rate	1.0%	1.5%	2.0%	2.5%	3.0%
-100bp	158.9	164.8	171.4	178.7	187.0
-50bp	158.2	164.1	170.6	177.9	186.1
11.2% / 11.11% *	157.5	163.4	**169.9**	177.1	185.3
+50bp	156.8	162.6	169.1	176.3	184.5
+100bp	156.1	161.9	168.4	175.6	183.7

FCFE					
Cost of equity / growth rate	1.0%	1.5%	2.0%	2.5%	3.0%
-100bp	187.8	194.9	202.7	211.5	221.3
-50bp	187.0	194.1	201.9	210.6	220.4
11.2% / 11.11% *	186.3	193.3	**201.0**	209.7	219.5
+50bp	185.5	192.5	200.2	208.8	218.5
+100bp	184.7	191.7	199.4	208.0	217.6

Note: *The first figure is the average for the 2026-30 period, the second is after 2030
Source: Economic & Strategy Research, Komerční banka

Main risks

- **Regulation:** The banking sector is heavily regulated. Rising pressures on information duties, compliance, increasing capital and liquidity requirements have a negative impact on the bank's profitability and profit distribution to shareholders.

- **Taxation:** Special tax levy or sector-specific taxation would lead to lower net income and a lower company valuation.

- **Development of interest rates:** The long-term relaxed monetary policy in the Czech Republic has led to a fall in interest margins in the past. The CNB's very low rates would naturally affect the bank's profitability.

- **Economic situation:** A significant deterioration in the development of the Czech economy would lead to worse payment morale among business entities and households. This would be reflected in higher loan impairments and a higher number of defaults with a negative impact on the company's profitability than we calculate in our analysis.

- **Geographical concentration:** Virtually all the bank's activities are concentrated in the Czech Republic. This could have greater negative impact on MMB in the event of unfavourable conditions, higher competition or stricter regulation than if the bank had greater country diversification.

- **High competition:** The domestic environment is very competitive, as reflected, for example, in the decline in fees for common services related to retail banking.

- **Corporate banking and strategy:** The SME segment is generally riskier, which may lead to problems in repaying loans in the event of unfavourable economic developments.

- **Reputational risk:** The effects of any major negative impact on the bank's reputation could be reflected in a lack of potential client interest in services provided by MMB, or the departure of existing clients. Such a scenario would affect the bank's results adversely.

- **Risk management:** An insufficient or incomplete assessment of the client's risk profile could lead to higher impairments for provided loans in the future.

- **Dividend payment:** A lower dividend payout in the future would lead to a reassessment of our expectations and possibly a lower valuation of the stock.

Financial figures of MONETA Money Bank

CZKm	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
INCOME STATEMENT								
Net interest income	8,577	8,919	9,707	10,542	11,124	11,923	12,837	13,466
Net fee and commission income	2,624	3,060	3,400	3,367	3,657	3,840	3,942	4,140
Total operating income	12,147	12,911	13,924	14,592	15,476	16,470	17,499	18,340
Personnel expenses	-2,504	-2,664	-2,768	-3,004	-3,033	-3,061	-3,090	-3,119
Administrative expenses	-1,633	-1,552	-1,644	-1,579	-1,626	-1,675	-1,726	-1,777
Depreciation and amortisation	-1,233	-1,225	-1,162	-1,155	-1,251	-1,264	-1,276	-1,289
Total operating expenses	-5,730	-5,722	-5,839	-6,013	-6,180	-6,274	-6,366	-6,461
Net impairment of loans and receivables	-305	-386	-444	-709	-821	-1,057	-1,305	-1,368
Profit for the period before tax	6,112	6,803	7,641	7,870	8,475	9,139	9,829	10,510
Net income	5,200	5,808	6,501	6,656	7,161	7,722	8,305	8,881
BALANCE SHEET								
Cash and balances with the central bank	10,871	13,541	20,898	28,118	5,476	6,271	9,189	17,725
Financial assets available for sale	0	0	0	0	0	0	0	0
Loans and receivables to banks	69,632	79,206	62,441	64,137	62,854	61,597	62,213	62,835
Loans and receivables to customers	263,064	275,383	291,158	314,579	342,411	362,351	383,351	398,375
Intangible assets	3,332	3,365	3,498	3,605	3,641	3,677	3,714	3,751
Total assets	458,184	494,982	504,549	542,693	547,931	568,754	593,497	619,040
Due to customers	399,497	430,021	440,602	478,084	482,716	502,872	526,920	551,770
Provisions	266	263	309	294	279	265	252	239
Other liabilities	3,733	4,416	4,038	4,078	4,119	4,160	4,202	4,244
Total liabilities	425,981	463,103	473,323	510,678	515,399	535,649	559,794	584,746
Total equity	32,203	31,879	31,226	32,016	32,532	33,106	33,703	34,293
Risk-weighted assets	167,299	173,458	164,794	173,558	184,341	195,203	207,734	222,050
CASH FLOW								
Cash flows from operating activities	75,739	25,422	4,364	22,326	-10,873	13,337	15,152	22,587
Cash flows from investing activities	-44,256	-14,552	-6,432	-12,738	-12,079	-13,168	-12,458	-12,469
Cash flows from financing activities	-3,365	1,033	-6,576	-5,177	-5,956	-6,461	-7,022	-7,605
Free cash flow to equity	5,482	7,004	6,720	7,252	8,324	9,134	9,980	10,631
DATA PER SHARE (CZK)								
EPS	10.2	11.4	12.7	13.0	14.0	15.1	16.3	17.4
Book value	63.0	62.4	61.1	62.7	63.7	64.8	66.0	67.1
Free cash flow	10.7	13.7	13.2	14.2	16.3	17.9	19.5	20.8
Gross dividend	8.0	12.0	14.0	11.5	13.0	14.0	15.1	16.3
RATIOS								
Yield	8.3%	8.2%	6.9%	6.8%	6.8%	6.6%	6.6%	6.6%
Cost of funds	3.7%	3.2%	2.3%	2.2%	2.3%	2.3%	2.3%	2.3%
Net interest margin	2.1%	1.9%	2.0%	2.0%	2.1%	2.2%	2.2%	2.3%
Cost/Income ratio	47.2%	44.3%	41.9%	41.2%	39.9%	38.1%	36.4%	35.2%
ROE	16.1%	18.2%	20.8%	20.8%	22.0%	23.3%	24.6%	25.9%
ROTE	18.0%	20.4%	23.4%	23.4%	24.8%	26.2%	27.7%	29.1%
ROA	1.1%	1.2%	1.3%	1.2%	1.3%	1.4%	1.4%	1.4%
Total Equity / Total Assets	7.0%	6.4%	6.2%	5.9%	5.9%	5.8%	5.7%	5.5%
Loan-to-Deposit ratio	65.8%	64.0%	66.1%	65.8%	70.9%	72.1%	72.8%	72.2%
Dividend payout ratio	78.8%	117.9%	123.2%	90.4%	100.0%	100.0%	100.0%	100.0%
VALUATION								
P/E	18.7	16.7	15.0	14.6	13.6	12.6	11.7	10.9
P/BV	3.0	3.0	3.1	3.0	3.0	2.9	2.9	2.8
P/S	8.0	7.5	7.0	6.7	6.3	5.9	5.6	5.3
Dividend yield	4.2%	6.3%	7.4%	6.0%	6.8%	7.4%	7.9%	8.5%

Source: MONETA Money Bank, Economic & Strategy Research, Komerční banka

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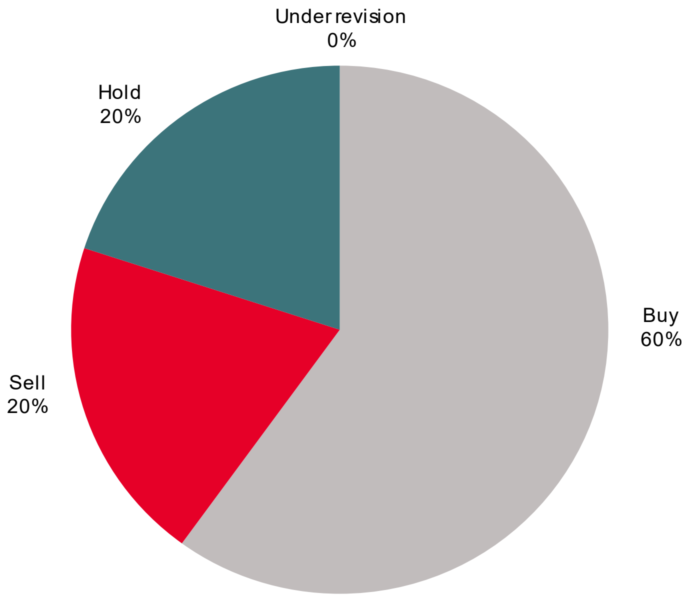
The chart below shows the structure of grades of valid investment recommendations of equity research of KB Economic & Strategy Research (5 recommendations).

Investment recommendations of KB equity research



Source: Economic & Strategy Research, Komerční banka

KB Equity Research ratings on a 12 month period

BUY: absolute total shareholder return forecast of 15% or more over a 12 month period.
HOLD: absolute total shareholder return forecast between 0% and +15% over a 12 month period.
SELL: absolute total shareholder return forecast below 0% over a 12 month period.
Total shareholder return means forecast share price appreciation plus all forecast cash dividend income, including income from special dividends, paid during the 12 month period. Ratings are determined by the ranges described above at the time of the initiation of coverage or a change in rating (subject to limited management discretion). At other times, ratings may fall outside of these ranges because of market price movements and/or other short term volatility or trading patterns. Such interim deviations from specified ranges will be permitted but will become subject to review by research management.

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	CEZ	Colt CZ Group SE	Kofola	MONETA Money Bank	Philip Morris CR	Avast	O2 CR
Overview of last investment research and recommendations related to stocks of particular issuers							
Recommendation	Sell	Buy	Buy	Hold	Buy	End of coverage	End of coverage
Target price	CZK1,079	CZK893	CZK557	CZK192.0	CZK19,527		
Date	23.02.2026	14.07.2025	04.12.2025	14.07.2026	18.09.2025	07.09.2022	25.02.2022
Price on the day of the publication	CZK1,169	CZK738	CZK480	CZK190.9	CZK18,000	CZK205.1	CZK270
Investment horizon	12 months	12 months	12 months	12 months	12 months		
Author	B. Trampota	B. Trampota	B. Trampota	B. Trampota	B. Trampota		
Overview of investment researches and recommendations							
Recommendation	Hold	Buy	Buy	In revision	Buy	Buy	Buy
Target Price	CZK923	CZK921	CZK402	In revision	CZK17,041	GBp600	CZK362
Date	15.11.2024	09.02.2024	03.09.2024	24.04.2026	21.03.2024	11.02.2021	26.03.2021
Recommendation	Buy	Buy	Buy	Buy	Hold	Buy	Buy
Target Price	CZK1,034	CZK652	CZK313	CZK143.3	CZK18,349	GBp466	CZK293
Date	07.09.2023	16.12.2022	29.05.2023	16.01.2025	03.03.2023	30.08.2019	08.01.2020
Recommendation	Buy	Buy	Buy	In revison	Buy	In revision	Buy
Target Price	CZK1,393	CZK645	CZK381	In revison	CZK18,183	In revision	CZK298
Date	07.06.2022	17.01.2022	12.05.2022	25.07.2024	11.02.2022	14.08.2019	12.12.2018
Recommendation	In revison	In revison	In revison	Buy	Buy	Buy	Hold
Target Price	In revison	In revison	In revison	CZK104.6	CZK16,512	GBp342	CZK270
Date	10.05.2022	31.03.2021	15.02.2022	05.09.2022	20.11.2020	15.06.2018	18.08.2017
Valuation methods	DFCF	DFCF	DFCF	DFCF DDM ERM	DDM	DFCF	DFCF DDM
Frequency of rec. (per year)	once	once	once	once	once	once	once
Direct or indirect share (5% or more) of the issuer of the registered capital of KB	no	no	no	no	no	no	no
Other significant financial interest of KB and/or its linked persons in the issuer	no	no	no	no	no	no	no
KB direct or indirect share (0.5% or more) of the registered capital of the issuer.	no	no	no	no	no	no	no
Author's direct or indirect share (0.5% or more) of the registered capital of the issuer.	no	no	no	no	no	no	no
Signific. fin. interest in the issuer of the persons partic. in elaboration of inv. research and rec.	no	no	no	no	no	no	no
Relationships of Komerční banka with particular issuers							
KB Management or co- management of public offerings in the past 12 month	no	yes	no	no	no	no	no
Agreements or contractual relations for providing investment services with the issuer	KB can have concluded agreements with the issuer for providing investment services. This information is protected by bank secret and could not be disclosed.						
Agreement with the issuer on production and dissemination of the research	no	no	no	no	no	no	no
KB market making for common stocks of the issuer	no	no	no	no	no	no	no

Note: DFCF – Discounted free cash flow model, DDM – Discounted dividend model, ERM – Excess return model
Source: Economic & Strategy Research, Komerční banka