

MONETA Money Bank

Results ahead of estimates, better fee and commission, release of provisions

Buy

Price 27.04.23	CZK 85.7
12m target	CZK 104.6
Upside to TP	22.1%
Dividend	CZK 8.0
Total return	31.4%

Sector stance
Overweight

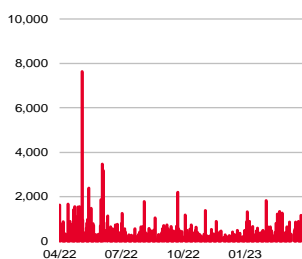
Investment type
High dividend yield
Sensitivity to economic cycle

1 year performance



Source: Bloomberg

Trading volume (in ths of shares)



Source: Bloomberg

Share data

RIC	MONET.PR	Bloom	MONET	CP
52-week range			70.2	- 94.5
Market cap. (CZKbn)				43.8
Market cap. (EURm)				1865
Free float (%)				57.49
Performance (%)	1m	3m	12m	
Share	4.0	5.8	-8.3	
Rel. to PX Index	-4.5	-0.4	-11.4	

Source: Bloomberg

The latest analysis and report:

https://bit.ly/Moneta_2209_analysis_EN
https://bit.ly/Banks_202304_EN
https://bit.ly/Moneta_e1Q23_EN

SOCIETE
GENERALE
GROUP

Moneta Money Bank: 1Q23 results

CZKm	1Q22	1Q23	y/y	KB (estimate)	Consensus
Net Interest Income	2,423	2,031	-16.2%	2,108	2,057
Net Fee and Commission Income	516	616	19.4%	585	583
Others	85	197	132%	188	129
Total Operating Income	3,024	2,844	-6.0%	2,880	2,769
Total Operating Expenses	-1,520	-1,545	1.6%	-1,520	-1,560
Operating Profit	1,504	1,299	-13.6%	1,360	1,209
Net Impairment of Loans and Receivables	95	116	22.1%	-135	-35
Pre-tax	1,599	1,415	-11.5%	1,225	1,174
Net Income	1,290	1,215	-5.8%	980	939

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

Moneta has reported results for 1Q23. The reported numbers exceed market expectations. This is due to better fees and commissions. The release of provisions was also a surprise. The net profit of CZK1.2bn (-5.8% yoy) beat the market consensus by almost 30%. The NPL ratio is at an all-time low. Moneta confirmed its guidance for the full year.

Net interest income decreased 16.2% yoy, to CZK2bn. This is only slightly (-1.3%) below the market estimate. As in previous quarters, the yoy decline was driven by a very rapid increase in funding costs, which tripled yoy. The net interest margin fell to 2.1%, from 2.8% in 1Q22. The surprising factor here is the growth of fee and commission income (CZK616m, +19.4% yoy). This was due to an increase in the sale of third-party products (pension and life insurance). Other income amounted to CZK197m (132% yoy). Customer deposits grew by +19% yoy, to CZK349.9bn, mainly due to high interest rates. The loan portfolio grew by +3.4% to CZK267.3bn. The operating income of the cell amounted to CZK2.8b (-6.0% yoy). Operating expenses remained almost unchanged compared to the same period of the previous year (CZK-1.5bn, +1.6% yoy). The number of employees decreased, which partially offset inflationary pressures and the increase in regulatory fees. The proportion of non-performing loans fell to a historic low of 1.3%. However, the cost of risk was surprising. Provisions of CZK116m were released, mainly due to the sale of non-performing loans. The effective tax rate was lower at 14.4%. The net profit for 1Q23 was CZK1.2bn (-5.8% yoy). This was ahead of the consensus of CZK939m.

The capital adequacy ratio is 18.1%. This is 1.5pps above the capital requirement, including the internal buffer of 1pp.

Confirmation of full-year guidance: Total operating income should equal or exceed CZK12bn, costs up to CZK5.7bn, operating profit at least CZK6.3bn and net profit equal or above CZK4.3bn. The cost of risk should be in the range of 25-45bps.

Please note that today (Thursday, 27 April 2023) is the last trading day for Moneta shares with the right to a dividend from last year's profit. At Tuesday's general meeting, shareholders approved a dividend of CZK8. This dividend represents a gross yield of +9.4%. The distribution will start on 25 May.



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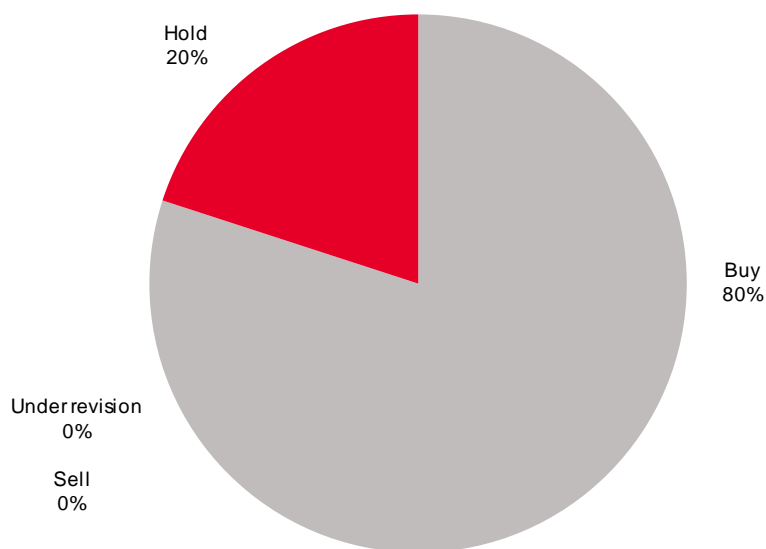
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The chart below shows the structure of grades of valid investment recommendations of equity research of KB Economic & Strategy Research (7 recommendations).

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.

Overview of recommendations published by KB and relationships with particular issuers

	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	Buy	Buy	Buy	Buy	Hold	End	End
Target price	CZK 1 393	CZK 652	CZK 381	CZK 104.6	CZK 18349	of coverage	of coverage
Date	07.06.2022	16.12.2022	12.05.2022	05.09.2022	03.03.2023	07.09.2022	25.02.2022
Price on the day of the publication	CZK 1 154	CZK 559	CZK 293	CZK 73.2	CZK 17200	CZK 205,1	CZK 270
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 for last 12M (quarterly)							
Recommendation	In revision	Buy	In revision	Buy	Buy	Buy	Buy
Target Price	In revision	CZK 645	In revision	CZK 109.7	CZK 18183	GBp 600	CZK 362
Date	10.05.2022	17.01.2022	15.02.2022	31.08.2021	11.02.2022	11.02.2021	26.03.2021
Recommendation	Buy	In revision	Buy	In revision	Buy	Buy	Buy
Target Price	CZK 905	In revision	CZK 367	In revision	CZK 16 512	GBp 466	CZK 293
Date	10.12.2021	31.03.2021	12.01.2021	07.05.2021	20.11.2020	30.08.2019	08.01.2020
Recommendation	Buy	Buy	In revision	Buy	Buy	In revision	Buy
Target Price	CZK 621	CZK 357	In revision	CZK 97	CZK 18308	In revision	CZK 298
Date	23.07.2020	27.11.2020	26.11.2020	29.10.2019	03.12.2018	14.08.2019	12.12.2018
Recommendation	Buy		Buy	Buy	Buy	Buy	Hold
Target Price	CZK 717		CZK 482	CZK 97	CZK 17546	GBp 342	CZK 270
Date	10.06.2019		04.07.2019	07.03.2019	22.08.2017	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