

Tomáš Spurný, CEO

CC: Maria Luisa Cicognani, Chair of the Supervisory Board & Philip Holemans, CFO

Moneta Money Bank

BB Centrum, Vyskočilova 1422/1a 140 28 Praha 4 - Michle

London, 26<sup>th</sup> January 2018

Dear Tomáš,

I would like to thank you for our discussion on the 11<sup>th</sup> of January in Prague, I found it highly informative and I appreciate management's sterling efforts in building Moneta into the bank it is today: an independent, locally-listed Czech institution in one of the most buoyant economies in Europe.

Petrus Advisers is one of the five largest shareholders in Moneta. However, the absence of a tax-effective plan to return capital to shareholders causes us substantial discomfort. Much of the shareholder register is populated by international shareholders, ourselves included, who face a tax bill of up to 35% on dividends; local investors do not fare much better. The sting would be lessened if the Czech government needed tax revenues, but its trifling (and declining) budget deficit would indicate otherwise. Distributing excessive dividends serves only to reduce shareholder returns.

Shareholders are not the only ones to be hurt by vast dividends, Moneta suffers too. There are many examples of unsustainable dividends causing a company harm, think of telecommunications companies in 2007, or more recently, Carillion in the United Kingdom. Furthermore, distributing dividends in this way reduces Moneta's market capitalisation and relevance in equity markets.

Instead of excessive dividends, I recommend the bank pursues capital-consuming growth strategies. Such a move would increase shareholder returns and mean Moneta retains its relevance in equity markets and I think a treasury function in an excellent place to start.

I would appreciate a meeting before your planned announcement in February and are happy to come to Prague to do so. Please let us know an appropriate time.

Yours sincerely,



Klaus Umek  
Managing Partner  
Petrus Advisers