

Tomáš Spurný, CEO
cc. Gabriel Eichler (Chairman of the Supervisory Board)
Moneta Money Bank ("Moneta")
BB Centrum, Vyskočilova 1422/1a 140 28 Praha 4 - Michle

London, 29 November 2018

Dear Tomáš,

Petrus Advisers is one of the largest investors in Moneta. We have been convinced of the quality of the management team - lead by you - the strength of the business and the market opportunity in the Czech Republic and nearby countries. However, after the events of recent months, the following concerns need to be addressed immediately:

1. Changes to Supervisory Board and Management Team

The sudden and unexpected resignation of the Supervisory Board Chair, Maria Luisa Cicognani, a nominee of Franklin Templeton, raises question marks; as does the unexpected resignation of CFO Philip Holemans in the middle of a transformational M&A transaction where the CFO should have a leading role in negotiations and due diligence.

We are worried that you are "home alone" at this crucial point of Moneta's development. This reminds us of the movie of the same title and its title song "Somewhere in my Memory". Unfortunately, it brings memories of disasters, which we would like to avoid in a bank in the Czech Republic - a growing and important banking market for the entire CEE region.

2. Contemplated Combination with Home Credit Group BV ("HCBV") and its Subsidiary Air Bank

In our letter dated 24 April 2018, we asked you not to pay out excess capital to shareholders. Instead, we asked you to actively and carefully seek consolidation via M&A. We, however, fail to see the logic for the proposed combination and see only risks to the downside for existing Moneta shareholders:

(1) Wrong asset mix: Your investor presentation of 8 October 2018 suggests that a combination with Air Bank (without PPF friends and family lending businesses) makes sense. Contrary to you, we believe much of the profitability of Air Bank will be found in PPF friends and family lending and question the ability of challenger banks to attract meaningful business in corporates and SMEs across the globe. In addition, we do not want to become owners of Home Credit's operations in the Czech Republic and Slovakia. Similar to Moneta's existing car and consumer loan operations, this business is in the late part of its cycle and offers anaemic structural growth. 3Q 2018 customer numbers and loan book were down 21% and 9% respectively vs. 3Q 2017¹. It is clear that Home Credit's story is at odds with Moneta's. Moneta is the leading and fast-growing challenger wholesale bank and white label distribution platform of financial products in the Czech Republic. Home Credit amounts to little more than restructuring work managing an existing portfolio to its end. As such, we question the rationale behind a purchase.

(2) Wrong level of transparency: Your 13 November 2018 presentation contains data covering 6 quarters for Air Bank and 7 quarters for Home Credit – a short and seemingly carefully curated history of profitability. Even information on fundamental basics, such as shareholders' equity of Air Bank and Home Credit, are not clear and investors have been given contradictory information in the various documents and updates posted, which you should have due diligenced before presenting them to investors.

Furthermore, you have warned investors that Moneta stand-alone is a difficult proposition. We note that this type of communication has only been introduced by you now and, by pure coincidence, perfectly suits the transaction logic. We sense a manipulative element in this information policy as any underlying structural problems should have been communicated earlier. We strongly disagree with such tactics and think the bank should be presented as it was shown to research analysts who had target prices of around CZK 100 before the announcement of the transaction².

(3) Lack of sustainable profitability: Numbers presented for Air Bank and Home Credit appear to include numerous non-recurring and/or unsustainable profit items³:

- Air Bank: CZK 550 million one-off dividend from subsidiaries representing 45% of 1-3Q 2018 net profit;
- Home Credit: significant reduction of marketing & advertisement spending by 30% from 3Q 2017 to 3Q 2018 - clearly at the detriment of any business development but prove the business is in run-down mode;
- Home Credit: we agree it is not interesting to buy the PPF business and without it, there is no profit that we deem sustainable as loans to PPF Group will have to be replaced with new and profitable business.

¹ See page 3 of 13 November 2018 presentation on results of Air Bank and Home Credit as per Moneta website.

² E.g. Erste at CZK 100 per 18 April 2018, J&T Banka at CZK 100 per 21 May 2018, Wood at CZK 96.3 per 20 June 2018, HSBC at CZK 96 per 2017 and increased to CZK 99 per 9 August 2018.

³ Per 13 November 2018 presentation on results of Air Bank and Home Credit as per Moneta website.

(4) Wrong price: Despite the lack of transparent numbers, it remains clear that the price offered is extreme. You are paying a hefty premium – the implied 2.23x book value is substantially higher than your own valuation of 1.65x⁴ and seems to be based on equity numbers that appear to be unstable based on what you have shown to investors. Your team will have to work at full speed to deliver synergies, which, if achieved in their entirety, give us the same profitability we will have from Moneta stand-alone. The quality of the acquired assets and especially of Home Credit does not justify such an approach. Given Moneta is solving a problem for Messrs Kellner and Šmejč, this actually seems absurd.

(5) Wrong structure: The proposed structure will see Home Credit BV own a c. 25% stake in Moneta. Given the significant level of financial leverage on this holding company, we expect it to be a source of future trouble and question whether it is even in line with banking regulation.

Furthermore, your idea of taking the PPF business out is naive. The reality of such an action will be extremely complex.

(6) Wrong governance: You are now 'home alone'. Under the proposed terms, you will be alone with strangers if you grant strong governance rights to HCBV. We will not accept the capitulation of Moneta, a highly profitable and growing bank, to relinquish its name and allow Air Bank to bring management into the operations as well as two dominant (and respected, but not capital market capable) figures onto the Supervisory Board. The implications on the operational performance and capital market perception of Moneta could be devastating.

(7) Wrong shareholder structure: We have not invested in Moneta to end up being controlled by PPF Group. This adds to our concerns around potential conflicts of interest, governance issues and perception deficiencies you must avoid.

It feels like the oligarch entrepreneurs behind this deal were invited to your birthday party and are bringing cakes - only to eat all of them themselves plus the rest of the food. As Petrus Advisers, we would not have such a party.

As friends of Moneta, we trust that the deal, as it was announced as non-binding, will be exited with immediate effect. We expect to hear back on our letter by 6 December and hence ahead of the EGM. Your skill is singular in the Czech equity market in that you were able to build and promote a strong equity story with international investors. Clearly this was not possible for Home Credit in their latest unsuccessful attempt to come to the international equity markets in 2011. Do not spill your milk and make sure this story ends before it starts costing more of our money.

Yours sincerely,



Klaus Umek
Managing Partner



Till Hufnagel
Partner

⁴ Based on a share price of CZK 79.65 (closing price on 28 November 2018) and total equity as per the latest quarterly report.