

Mr. Klaus Umek

Mr. Till Hufnagel

Petrus Advisers Ltd.

100 Pal Mall, London SW1Y 5NQ, UK

Prague, 15<sup>th</sup> May 2018

Dear Mr. Umek and Mr. Hufnagel,

First and foremost, I would like to express our sincere appreciation of the fact, that Petrus Advisors acquired a substantial minority position in MONETA Money Bank. We equally appreciate your pro-active feedback and suggestions concerning our growth and development strategy as well as the management of our capital position and our dividend policy.

The strategic matters you have raised require consent and broad approval from our shareholders. Therefore, let me address the specific feedback and suggestions stated in your letter and we will incorporate this into our shareholder outreach strategy.

i) Dividend Policy

During the 2016 IPO (and subsequently), the Bank marketed its capacity to distribute strong dividend streams over the medium term based on two pillars:

- 1) Strong profitability and internal capital generation, and
- 2) RWA optimisation and related decline risk weightings of balance sheet assets

The successful delivery of both pillars during 2016 and 2017, has allowed the Bank to release over Euro 100 million of capital and distribute approximately Euro 45 million through dividends.

During the same period, the Bank accelerated lending growth from 4.1 percent in 2016 to 10.8 percent in 2017. During Q1, 2018 the growth accelerated further, reaching 12.8 percent and exceeding the guidance we provided in February 2018. Our current loan book growth exceeds that of the Czech market due to our successful implementation of mortgage and small business segment based strategies. Management therefore believes in

the need to increase the retention of earnings to maintain a strong capital base while supporting the accelerating organic growth dynamic.

With this in mind, we will perform a mid-year audited review of our accounts to allow for the prompt inclusion of the net income of the first half of the year into our regulatory capital. Additionally, we are conducting internal projects to further improve risk weighted assets (RWA) management. We have also registered a material bond issue program to enable the Bank to potentially issue regulatory capital instruments, further enhancing our overall capital structure, above the CET1 component, from 2019.

As such, the Management Board is reviewing our existing dividend policy and may propose changes in the future. Kindly note that our latest market guidance on 2018 and 2019 dividend payouts is very close to the level suggested in your letter.

ii) Tax Inefficiency of Dividend Distribution

Management has in the past considered the initiation of a share buyback framework. The project was however deferred to a later date due to competing priorities. For such a mechanism to be put in place, the Bank must seek to obtain regulatory approval from the Czech National Bank and subsequently seek shareholder approval.

Specifically, to initiate a share buyback program, the Bank needs to seek regulatory and shareholder authorisations to first increase base capital through the conversion of retained earnings of previous years. Subsequently, the Bank must seek authorizations to acquire and subsequently retire its own shares. We envisage that it would take 9-12 months to obtain the necessary approvals to initiate a share buyback program. We will start the project and will do our utmost to obtain positive clearance for such framework.

iii) Inorganic Growth

The Management Board actively monitors and reviews opportunities to enhance shareholder value. Additionally, our Supervisory Board plays an active role in these considerations as part of our overall strategic and planning discussions. While delivering on the organic growth strategy has been the priority since our IPO, we continually monitor potential acquisition opportunities and would not hesitate to pursue a transaction that would create shareholder value.

Our home market is the natural place to focus on as we would enhance our market position, accelerate our growth potential and create value through the realisation of cost synergies.

Our openness to value enhancing acquisition opportunities has also been communicated in February 2018 during the quarterly results call where we indicated a potential need to review our dividend policy should an appropriate acquisition opportunity materialise.

iv) Capital Increase Authorisation

While Boards of most listed companies have authorisation to issue new shares, we have not previously sought this authority. However, having such authorisation certainly enhances our ability to execute our growth strategy, whether it be organic or through

acquisitions. We shall therefore consider requesting such authorisation at our next shareholder meeting.

We would like to again thank you for your valuable feedback and suggestions. We will seek broader shareholder input on these topics:

- 1) Introduction of a share buyback program
- 2) Authorisation to issue new shares
- 3) Changes to the dividend policy
- 4) Share buyback implementation

The shareholder outreach will be organized during Q3, 2018. Subsequently, we shall plan inclusion of respective matters at the next shareholder meeting, if the Bank receives sufficient support from wider shareholder base.

Respectfully,

A handwritten signature in blue ink, consisting of several overlapping loops and lines, positioned above the name 'Tomas Spurny'.

Tomas Spurny