

2018 Preliminary Financial Results

PATRIA BANK S.A.

- According to the FSA Regulation no. 5/2018 -

This version of the accompanying documents is a translation from the original, which was prepared in Romanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views and opinions, the original language version of our report takes precedence over this translation.

Report date: **20.02.2019**

Company name: **PATRIA BANK S.A.**

Registered office: **Bucharest, District 1, 31 Ion Brezoianu Actor Street, floors 1, 2 and attic**

Actual office: **Bucharest, District 2, 42 Pipera Road, Globalworth Plaza, floors 7, 8 and 10**

Phone/fax: **+40 372 538 725 / +40 21 206 39 02**

Tax identification number: **RO 11447021**

Trade Register number: **J40/9252/2016**

Issued and paid-in share capital: **RON 311,533,057.50**

Regulated market on which the issued shares are traded: **Bucharest Stock Exchange - Premium category**

Main characteristics of the securities issued by the trading company: **nominal value of RON 0.1**

Patria Bank S.A.

Sediu Social: Str. Brezoianu Ion, actor, nr. 31, Et. 1, 2 și mansardă, București, România, cod poștal 010131;

Sediul real: Bd. Pipera, nr. 42, Clădirea Globalworth Plaza, et. 7, 8, 10, sector 2, București

Bancă participantă la Fondul de Garantare a Depozitelor în Sistemul Bancar (FGDB); ORC: J40/9252/2016, C.I.F. RO 11447021, Nr. RB-PJR-32-045/15.07.1999;

Capital social (subscris și vărsat) 311.533.057,50 RON; Cod operator date personale Registrul ANSPDCP: nr. 753; Tel: 0800 410 310, Fax: +40 372 148 273, info@patriabank.ro; www.patriabank.ro

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1. Disclosure requirements

This Report meets the disclosure requirements of Law no. 24/2017 on issuers of financial instruments and market operations, Regulation of the Financial Supervisory Authority (FSA) no. 5/2018 on issuers of financial instruments and market operations and Bucharest Stock Exchange Code.

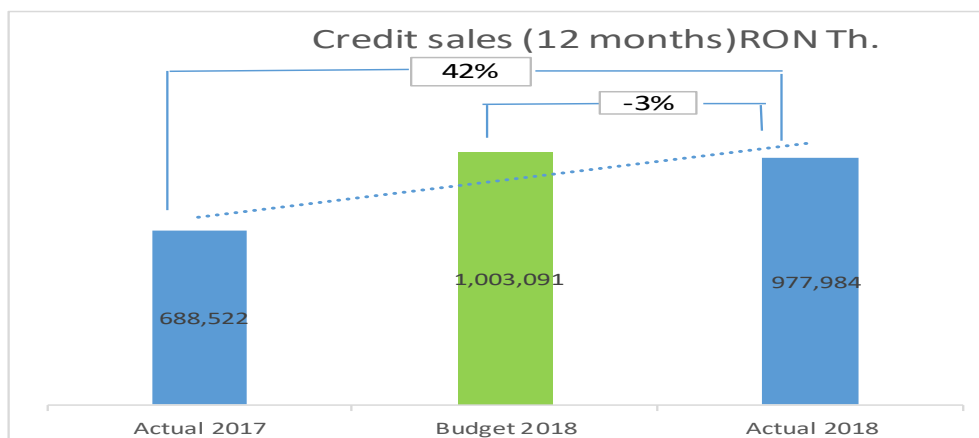
2. Executive Summary

In less than two years since the merger, the Bank has reached the break-even point, amid increased commercial activity (especially credit growth), optimization in the area of non-productive fixed assets and increased recovery of non-performing loans, entering, starting with the second half of 2018, into a positive territory of monthly operational profitability.

The positive evolution registered during 2018 is evidenced by the quarterly results of 2018, where in the third and fourth quarter profits were recorded compared with the losses recorded in the first two quarters of the year.

The Bank's profitability continues to be under pressure, due to the under-optimal structure of assets in the Bank's balance sheet, where the significant liquidity surplus is invested in short-term government bonds, which, however, generates lower interest earnings than average yields of the loan portfolio. The increase of the loan portfolio during 2018 has created the premises for this pressure to gradually decrease as the Bank implements its lending growth strategy. In the same time, during 2018 there were identified operational aspects which are already in the management's attention as part of the continuous optimization process. These aspects will be calibrated in the context of the implications generated by the new tax on assets in order to support a business model which generates viable outcome.

On Commercial level: during 2018 the lending activity had a growing dynamics compared to 2017, new loans amounting to RON 978 million being granted. This volume lead to the achievement of the budgeted loan sales plan for 2018, together with a 42% increase in the volume of new loans granted compared to 2017.



On the **retail segment**, the increase in credit sales to individuals in 2018 was of 35%, respectively EUR 38.5 mill. (RON equiv. 179 mill.) compared to EUR 28.6 mill. (RON equiv. 133 mill.) in 2017.

The **lending activity on the Retail segment** was carried out through 3 strategic directions having as main objective the production of high quality loans:

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- (1) calibration of customer selection criteria;
- (2) optimization of sales channels in the sense of increasing the share of sales through the “own branches” channel, and
- (3) product campaigns addressed to customers with a very good credit history.

In the **corporate loans segment**, the significant increase in new loans production is seen in all business sub-segments, both in the Micro and Agro area (114%), as well as in the SME & Small Corporate (109%), as the Bank manages to monthly gain a market share of newly granted loans significantly higher than the market share of the outstanding loans.

The lending portfolio (contracted gross value) shows an increase of RON 224 mill. at the end of 2018 compared to the end of 2017 of which:

- RON 77 mill. Agro and Micro segments;
- RON 102 mill. SME and Corporate segments;
- RON 45 mill. Retail segment.

At the same time, the increase in the non-default loans portfolio is RON 264 mill. (+ 24%), while for default loans there is a decrease of RON 40 mill. (mainly from off-balance sheet operations).

As far as the Micro Sub-segment is concerned, expanding the cooperation with the European Investment Fund (EIF) through the EU guarantee for granting EaSI credits and diversifying alternative sales channels provides the premises for a continuous development. In particular, during the year 2018, the second loan guarantee facility for EaSI micro-enterprises was accessed in amount of EUR 20 mill.

In the Agro sub-segment, an important pillar of funding is the financing of EU Funds projects which at the level of 2018 alone for this category of customers amounted to EUR 10 mill. The Bank's interest in financing companies operating in the field of agriculture is reiterated through the financing provided through bridge credits within the APIA program.

In the area of SMEs and Corporates, the Bank is constantly focusing on the significant development of the customer base through personalized offers and the development of the quality of the customer management relationship, as the main differentiator.

On the operational level, in terms of the Bank's objectives and business plan for 2018, the Bank continued to improve its lending flows to individuals by automating the end-to-end process and modifying the IT support flows to comply with the provisions of the EU Directive no. 92/2014.

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For the next period, the Bank intends to continue its strategy of streamlining processes and significantly reducing operational costs by implementing several strategic projects (such as: implementing a new Internet Banking and Mobile Banking solution dedicated to both individual and corporate clients, implementing a transactional platform according to PSD II standards etc.)

From the **risk management** perspective:

The Bank continued in 2018 the optimization process of the allocation of the bank's capital, in order to improve its management as well as the use of capital to create added value based on risk-adjusted returns, diversification of asset classes, portfolio and customers.

The Bank continued the process of analyzing and monitoring the cost of credit risk in order to identify in due time the higher-risk products / financing areas, in order to optimize the structure of the income-generating assets vs. the degree of risk and the level of associated provisions.

In the liquidity and market risk area, the Bank continued to record comfortable levels of the main prudential indicators monitored.

The Bank continued the process of improving the quality of its loan portfolio granted to its clients, both in retail and in the corporate segment, focusing on the quality of the client portfolio attracted by the Bank, both in the funding stage as well as in the subsequent monitoring process, in order to prevent possible difficulties that clients may encounter as a result of legislative changes, economic cycles or seasonal activities.

Also, during 2018, the process of valorification of the repossessed assets taken over on the account of the receivables, as well as the process of recovery of non-performing loans which lead to the conclusion in Q4 2018 of a non-performing loans portfolio selling transaction (a portfolio of RON 245 mill. gross value as described in section 4) and the signing of a binding offer for selling non-performing loans (gross value of RON 255 mill. to be implemented in January and February 2019).

3. Economic and financial ratios (individual level – the Bank)

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Main ratios		31.12.2018	31.12.2017
1	Total Own Funds Ratio	15.48%	10.61%
2	Loans (gross value) / Customer deposits	57%	46%
3	Loans (gross value)/Total assets	50%	41%
4	Liquidity Coverage Ratio (LCR)	653%	393%
5	Liquid Assets / Total Assets	45%	53%
6	Debt securities and equity instruments/Total assets	30%	35%
7	Return on Assets ratio (ROA)	0.1%	-1.17%
8	Return on Equity ratio (ROE)	0.18%	-16.56%

Note: The Own Funds as at December 31, 2018 do not include the profit of the financial year, this not being audited.

- The Bank still maintains a **high level of liquid assets** in the balance sheet (45%), but dropping from the level recorded in December 2017, as a result of the increase in the loans to customers balance;
- **The Loan / Deposits ratio** recorded an increased level at the end of 2018 compared with the level from the end of 2017 (57% vs. 46%), still well below the banking system average level of 73.56% (according to data provided by the NBR for December 2018), which indicates that the liquidity resources needed to increase lending are still very high, well above the market level.

4. Financial Results

The year 2018 represents the confirmation of the positive evolution of the financial results registered gradually over the year. The third and fourth quarters of 2018 accumulate a **net profit of RON 23,784 thousand** covering the losses of the first two quarters. Thus, ***the financial result of 2018, less than 2 years from the merger, is net profit of RON 495 thousand.***

The achievement of a level of profitability represents the cumulation of the strategic decisions that the Bank has made, materialized in the following financial objectives achieved in 2018 compared to 2017:

- **Organic growth on all lines of activity through sales of loans of over RON 978 mill. during 2018 which led to an increase of the net loan portfolio by 16% compared to 2017;**
- **Operating revenues increase by RON 9,261 thousand, + 6% compared to 2017.**
- **Optimization and reduction of operational expenses by 7%, RON -12,317 thousand.**
- **Improvement of the Operating Result by 95%, RON +21,578 thousand by both components: the increase of the operational revenues and the reduction of the costs.**
- **Depreciation adjustments for financial assets show a positive value generated by the impact coming from the assignment of receivables and sales of non-performing loans made by the Bank during 2018.**

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a) **Balance sheet items: The Bank's financial position at the end of 2018 compared with 2017 and with the Budget, is as follows:**

FINANCIAL POSITION							
-thousands RON-							
ASSETS	31-Dec-18	31-Dec-17	Dec-18/ Dec-17 (abs.)	Dec-18/ Dec-17 (%)	Buget 31-Dec-18	Actual / Buget (abs.)	Actual / Buget (%)
Cash and cash equivalents	480,655	618,864	(138,209)	(22%)	377,731	102,924	27%
Loans and advances to banks	35,704	22,737	12,967	57%	134,129	(98,425)	(73%)
Securities	1,026,814	1,287,407	(260,593)	(20%)	1,262,022	(235,208)	(19%)
Investments in subsidiaries	31,725	27,505	4,220	15%	26,931	4,794	18%
Loans and advances to customers, net	1,543,019	1,325,216	217,803	16%	1,716,233	(173,214)	(10%)
Other assets	335,550	363,664	(28,114)	(8%)	314,489	21,061	7%
Total ASSETS	3,453,467	3,645,393	(191,926)	(5%)	3,831,535	(378,068)	(10%)
LIABILITIES							
	31-Dec-18	31-Dec-17	Dec-18/ Dec-17 (abs.)	Dec-18/ Dec-17 (%)	Buget 31-Dec-18	Actual / Buget (abs.)	Actual / Buget (%)
Due to banks & REPO	6,951	95,967	(89,016)	(93%)	48,106	(41,155)	(86%)
Due to customers	3,064,601	3,256,296	(191,695)	(6%)	3,364,274	(299,673)	(9%)
Borrowings and other liabilities (including subordinated)	63,279	61,579	1,700	3%	87,255	(23,976)	(27%)
Total Liabilities	3,134,831	3,413,842	(279,011)	(8%)	3,499,635	(364,804)	(10%)
Total Equity	318,636	231,551	87,085	38%	331,899	(13,263)	(4%)
Total LIABILITIES AND EQUITY	3,453,467	3,645,393	(191,926)	(5%)	3,831,535	(378,067)	(10%)

The present financial statements for year ended 2018 are currently under audit by the financial auditor.

- On December 31, 2018, **the Total Assets** amounted to RON 3,453,467 thousand, slightly decreasing (5%) as compared to the end of 2017, but with a change in the structure of the assets due to the increasing of the share of commercial credits and diminishing liquidity in excess, together with a decrease in resources attracted from institutional players on the market, with a higher volatility profile;
- The net value of **Loans and advances to customers increased by 16%, + RON 217,803 thousand** compared to the December 31, 2017 level, the positive evolution being the result of the sales teams' efforts on all business lines of activity: MICRO, Agro, SMEs & Small Corporate and Retail that generated **new loans in 2018 amounting to over RON 978,000 thousand**. Thus, there is a transfer of the liquidity excess towards lending activity. Optimizing the balance sheet structure is an action that strives to achieve strategic goals by redistributing part of the excess liquidity into loans and advances to customers, leading **to increase the share of gross loans in total assets from 41% on December 31, 2017 to 50% on September 30, 2018**;
- During 2018, the Bank considered actions aimed at improving the rate of non-performing loans affecting off-balance-sheet loans fully covered by depreciation adjustments (for a total gross value of RON 41 million).
- Deposits attracted from Bank customers** recorded a 6% drop as of December 31, 2018 compared to the beginning of the year, this being mainly concentrated on few counterparties from the Corporate & Financial Institutions segment.

The financing sources were diversified through REPO operations on government bonds with market's counterparties and the subordinated loan of EUR 3 million granted in December 2018 by the majority shareholder of Patria Bank SA, EEF Financial Services BV.

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The Bank has paid significant attention to commercial resources by maintaining a high duration of the deposit portfolio, as well as of the share of current accounts in total. By contrast, by comparing the share of deposits made by individuals in total deposits (79% at the end of 2018 versus 74% at the end of 2017), we find a high degree of „stickiness” of the liabilities of Patria Bank SA, which confirms the stable character of the base of the attracted sources from the clients; the evolution of the balance of credits and deposits led to an improvement in Gross Loans / Deposits ratio as of December 31, 2018 to 57% compared to December 31, 2017 when its level was 46%;

- **Strengthening the capital base** - During 2018, the Bank carried out two phases of consolidation of the capital base, which resulted in a capital increase of RON 84.41 mill. (from RON 227.12 mill to RON 311.53 mill) through the conversion of subordinated loans (RON 63.64 mill) and by cash contribution (RON 20.77 mill). Also, in December 2018, the majority shareholder granted a new subordinated loan of EUR 3 million.
- **The Total Capital Adequacy Ratio (individual level) on December 31, 2018 was 15.48%**, exceeding the TSCR limit (10.93%) and the OCR level of 12.81% (TSCR plus 1.88% capital buffer) and registering an increase compared to 10.61% level at the end of 2017, supported by the share capital increase process from 2018. The TSCR limit for the Total Own Funds has been increased starting with February 2018 from 10.57% to 10.93% following the completion of the Surveillance and Evaluation Process (SREP) conducted by the National Bank of Romania in 2017.

Based on the completion of the second capital increase process in October 2018 and improvement of the financial performance, the Bank is compliant with the OCR at the individual level.

b) Profit and Loss Account: The main elements of the separate Profit and Loss Account compared to the same period last year and to the Budget are as follows:

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FINANCIAL PERFORMANCE STATEMENT -thousands RON-	31-Dec-18	31-Dec-17	Dec-18/ Dec-17 (abs.)	Dec-18/ Dec-17 (%)	Buget 31-Dec-18	Actual / Buget (abs.)	Actual / Buget (%)
Net interest income	102,274	104,502	(2,228)	-2%	107,399	(5,125)	(5%)
Net fees and commission income	23,628	22,787	841	4%	27,934	(4,306)	(15%)
Net gains from financial activity & other income	33,944	23,296	10,648	46%	27,063	6,881	25.4%
Net banking Income	159,846	150,585	9,261	6%	162,396	(2,550)	(2%)
Staff costs	(74,697)	(81,055)	6,358	-8%	(76,311)	1,614	(2%)
Other operating and administrative expenses	(67,619)	(76,638)	9,019	-12%	(64,267)	(3,352)	5%
Depreciation and amortization	(18,677)	(15,617)	(3,060)	20%	(17,184)	(1,493)	9%
Total operating expense	(160,993)	(173,310)	12,317	-7%	(157,761)	(3,232)	2%
Operating Result	(1,147)	(22,725)	21,578	-95%	4,636	(5,782)	(125%)
Net impairment of financial assets	1,642	(19,819)	21,461	-108%	557	1,085	195%
Loss before tax	495	(42,544)	43,039	-101%	5,193	(4,697)	(90%)
Expense from deferred tax	-	-	-		(1,676)	1,676	(100%)
Loss for the year	495	(42,544)	43,039	-101%	3,517	(3,021)	(86%)

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- **Net interest income: - 2% , (RON 2 mill.) compared to 2017** of which:
 - **from commercial loans: increased by + 17%, + RON 18 mill.**, excluding the impact of the resumption of fair value adjustments for the loan portfolio taken over from the former Banca Comerciala Carpatica (BCC) which shows a decrease of RON 16 million compared to the same period of previous year. This evolution is generated by the evolution of the balance of loans from the acquisition of the former BCC, as well as by the change in treatment for the POCI („Purchased or Originated Credit-Impaired)” exposures under IFRS 9 (reversal of value adjustments related to POCI loans is recognized in the cost of risk starting with 01.01.2018);
 - **from debt securities portfolio: decreased by 5%, (RON 0.7 mill.)** in line with the liquidity excess management strategy by identifying the best investment options and also with the change of the balance sheet structure → diminishing of the balance in 2018 as compared with 2017, with RON 261 mill., -20%.
- **Interest expenses: + 14%, (RON 4 mill.) versus 2017** being influenced by the financing strategy: deposits in RON attracted from clients (where the financing cost increased during 2018 compared to 2017 in line with the evolution of interest rates on the market), the increase of deposits attracted from the interbank market, REPO operations, new subordinated loans received by the Bank; for the deposits in foreign currency attracted from clients, the Bank reduced interest rates in line with the objectives of optimizing the financing cost and the structure on currencies of the balance sheet;
- **The Net Commission Income registered a positive trend of +4%, RON +0.8 mill** as compared with the previous year level (this economic parameter being influenced by the decrease by 27 in the number of territorial units by the end of 2017);
- **Other operating income recorded a significant increase of 46%, +RON 11 mill.** in 2018 vs. 2017. Compared with the budget, it has been recorded a significant increase of +52%, + RON 8 mill.,

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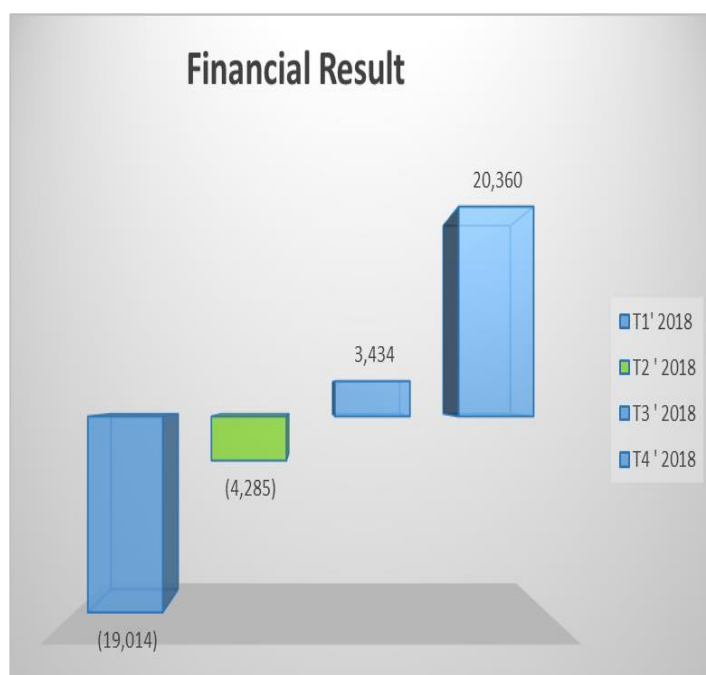
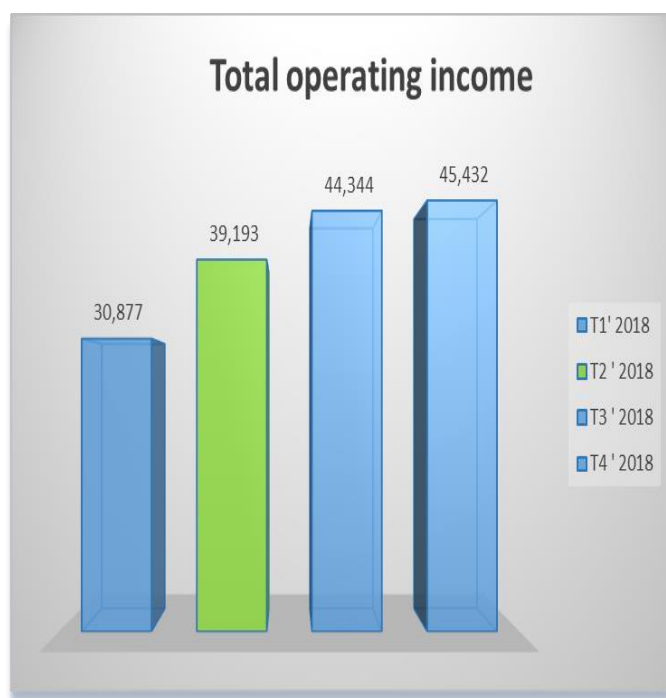
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the positive increase being recorded at the amount of the proceeds coming from the capitalization of the fixed assets of the Bank as well as the sale of repossessed assets (on the receivable account after the execution process) and on the increase of the income from dividends,.

- **Operating expenses decreased by 7% (RON 12 mill.)** compared to the same period of the previous year. The level of depreciation expense includes a non-recurrent item generated by the Bank's revaluation of buildings and land at the end of the year, amounting to RON -5.7 mill. The Bank continues to identify new opportunities to optimize operational processes in order to maximize the synergies resulting from the merger process.
- **Cost of risk: registered positive values** above the projected budget, being influenced by the recovery of non-performing loans, the Bank recovering from the legacy portfolio of the former BCC and the sale of a non-performing loans portfolio carried out in October 2018. The Bank also concluded in December 2018 a binding offer for the 2nd non-performing loan portfolio tranche, the settlement of which will materialize on February 26, 2019. The positive impact of these transactions is at a value of RON 33 mil.

The positive evolution in 2018 is evidenced by the quarterly results of 2018, when profits were recorded in the third and fourth quarter compared with the losses of RON 19 mill. recorded in the first quarter and respectively of RON 4 mill. in the second quarter.

RON Thousand



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FINANCIAL PERFORMANCE STATEMENT -thousands RON-	Q1 ' 2018	Q2 ' 2018	Q3 ' 2018	Q4 ' 2018	Cumulativ e 2018	Δ Q4 / Q3 (abs.)	Δ Q4 / Q3 2018 (%)
Net interest income	21,658	24,404	28,194	28,018	102,274	(175)	-1%
Net fees and commission income	5,252	5,868	5,892	6,616	23,628	723	12%
Net gains from financial activity & other income	3,966	8,922	10,258	10,798	33,944	540	5%
Net banking Income	30,877	39,193	44,344	45,432	159,846	1,088	2%
Staff costs	(19,727)	(18,766)	(18,542)	(17,662)	(74,697)	880	-5%
Other operating and administrative expenses	(17,055)	(16,298)	(15,528)	(18,738)	(67,619)	(3,210)	21%
Depreciation and amortization	(3,790)	(4,085)	(4,219)	(6,583)	(18,677)	(2,363)	56%
Total operating expense	(40,572)	(39,149)	(38,289)	(42,983)	(160,993)	(4,694)	12%
Operating Result	(9,695)	44	6,055	2,449	(1,147)	(3,606)	-60%
Net impairment of financial assets	(9,319)	(4,329)	(2,621)	17,911	1,642	20,532	-783%
Loss before tax	(19,014)	(4,285)	3,434	20,360	495	16,926	493%
Expense from deferred tax	-	-	-	-	-	-	-
Result for the year	(19,014)	(4,285)	3,434	20,360	495	16,926	493%
Operational expenses / Operational income	131%	100%	86%	95%	101%		

The present financial statements for year ended 2018 are currently under audit by the financial auditor.

5. Issues impacting the overall economic environment and specifically the banking environment

At the end of December 2018, the Government Emergency Ordinance No. 114/2018 was published, ordinance affecting various sectors of the economy such as energy, telecommunications, private pensions (second pillar) and the banking sector.

As regards the financial and banking sector, the tax on assets is applied using the ROBOR levels at 3 months and 6 months as a benchmark. Practically, the method of calculation links the payment of a fee by financial institutions to a transparent index, also used as a benchmark in the field of lending to individuals. Thus, considering the current ROBOR level at 3 and 6 months, the annual tax (payable quarterly) would amount to 1.2% of the financial assets. We are mentioning that this level is estimated by the Bank in the absence of the methodological norms for the application of the Ordinance.

In fact, linking the banking fee to a transparent index, freely established as a result of demand and supply in a functional market, is a premiere for the global financial systems.

Moreover, the ROBOR indices at the above-mentioned periods are a result of the liquidity in the market, of the fiscal-budgetary and monetary policy, but especially a result of future inflation. As a conclusion, it can be considered that commercial banks operating in Romania are forced to pay a tax that is outside the control area of those who are going to pay them.

Patria Bank S.A.

Sediul Social: Str. Brezoianu Ion, actor, nr. 31, Et. 1, 2 și mansardă, București, România, cod poștal 010131;

Sediul real: Bd. Pipera, nr. 42, Clădirea Globalworth Plaza, et. 7, 8, 10, sector 2, București

Bancă participantă la Fondul de Garantare a Depozitelor în Sistemul Bancar (FGDB); ORC: J40/9252/2016, C.I.F. RO 11447021, Nr. RB-PJR-32-045/15.07.1999;

Capital social (subscris și vărsat) 311.533.057,50 RON; Cod operator date personale Registrul ANSPDCP: nr. 753; Tel: 0800 410 310, Fax: +40 372 148 273,

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Repercussions on the banking system, as well as on the economy can be substantial with negative effects both at the institutional level and at the level of the final consumer. In this way, legislative changes made without consulting the banking system and without impact analyzes can negatively influence the overall economic environment. The lack of predictability and the high incidence of legislative changes made by the Emergency Ordinances will generate a decrease in the investment appetite and the re-planning of the budgetary plans, including rapid measures to restructure operational expenditures and / or increase of the active interest rates impacting on the financing costs for the clients.

6. Annexes

- Statement of Financial Position as of 31.12.2018 for Patria Bank SA (individual)
- Statement of Financial Performance for the period ended 31.12.2018 for Patria Bank SA (individual)

NOTE: The financial statements for the the year 2018 are currently under audit by the financial auditor.

General Director - CEO

Bogdan Merfea

Deputy General Director - CFO

Lucica Pitulice

ANNEXES

Patria Bank S.A.

Sediu Social: Str. Brezoianu Ion, actor, nr. 31, Et. 1, 2 și mansardă, București, România, cod poștal 010131;

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Statement of Financial Position

-thousands RON-

	BANK	
	31.dec.18	31.dec.17
Assets		
Cash and cash equivalents	510,992	636,525
Financial assets held for trading	6,785	28,635
Financial assets at FV through other comprehensive income	651,914	1,151,064
Due from banks	5,367	5,076
Loans and advances to customers	1,543,019	1,325,216
Financial assets at amortised cost - Debt securities	368,115	-
Investments held to maturity	-	107,708
Investment property	77,326	73,476
Investments in subsidiaries	31,725	27,505
Other financial assets	13,027	9,065
Other assets	37,615	47,090
Deferred tax assets	23,215	22,936
Intangible assets	41,049	43,211
Tangible assets	143,318	167,886
Total assets	3,453,467	3,645,393
	BANK	
	31.dec.18	31.dec.17
Liabilities		
Deposits from banks	6,951	95,967
Deposits from customers	3,064,601	3,256,296
Loans from banks and other financial institutions	-	59
Other financial liabilities	8,015	6,892
Provisions for other risks, credit commitments and financial guarantees	9,201	10,979
Other liabilities	22,690	14,060
Subordinated debt	23,373	29,589
Total liabilities	3,134,831	3,413,842
Equity		
Share capital	315,829	231,418
Merger premium	(67,569)	(67,569)
Accumulated losses	(21,128)	(25,226)
Revaluation reserve	49,639	51,063
Reserves for general banking risks	15,301	15,301
Statutory legal reserves	11,887	11,887
Other reserves	14,678	14,677
Total equity	318,636	231,551
Total liabilities and equity	3,453,467	3,645,393

NOTE: The financial statements for the the year 2018 are currently under audit by the financial auditor.

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Statement of Comprehensive Income

-thousands RON-

BANK
31.dec.18
31.dec.17

Interest income	139,362	137,148
Interest expense	(37,088)	(32,646)
Net interest income	102,274	104,502
Fee and commission income	27,578	27,278
Fee and commission expense	(3,950)	(4,491)
Net fee and commission income	23,628	22,787
Net trading income	9,152	10,545
Net gain/(loss) from investments	(2,378)	468
Other operating income	27,170	12,283
Total operating income	159,846	150,585
Staff costs	(74,697)	(81,055)
Other operating and administrative expenses	(67,619)	(76,638)
Depreciation and amortization	(18,677)	(15,617)
Total operating expense	(160,993)	(173,310)
Net impairment of financial assets	1,642	(19,819)
Result before tax	495	(42,544)
Income tax	-	-
Result for the year	495	(42,544)

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