

Continued performance and profitability trend

Presentation of 2023 results and 2024 budget

Bucharest • April 2024

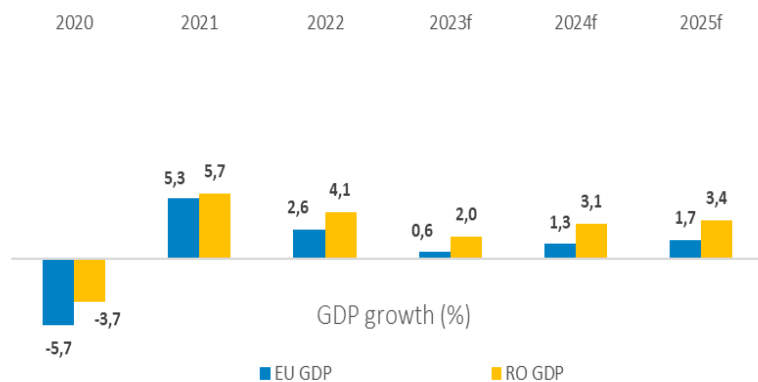
I. Macroeconomic background in brief

Romanian economy continues to show good performance amid decreasing inflation

Romanian economy shows good performance against a backdrop of decreasing inflation

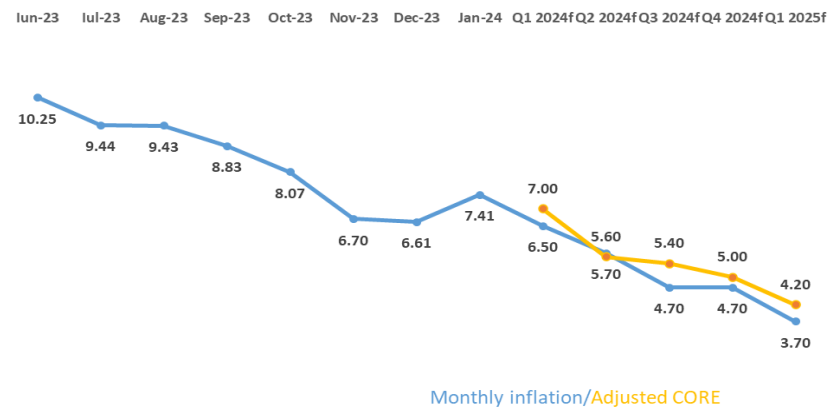
GDP growth

- › The GDP level in Q4 2023 was 0.4% lower, in real terms, compared to the level recorded in Q3 2023. Compared to Q4 2022, the GDP level in Q4 2023 registered an increase of 2.9% on the gross series and 1% on the seasonally adjusted series
- › In 2023 the GDP level increased by 2% compared to 2022, while in 2022 the local economy grew by 4.1%, after increasing by 5.7% in 2021
- › The analysts' 2024 economic growth forecast for Romania is between 3.0% and 3.5%.



Inflation

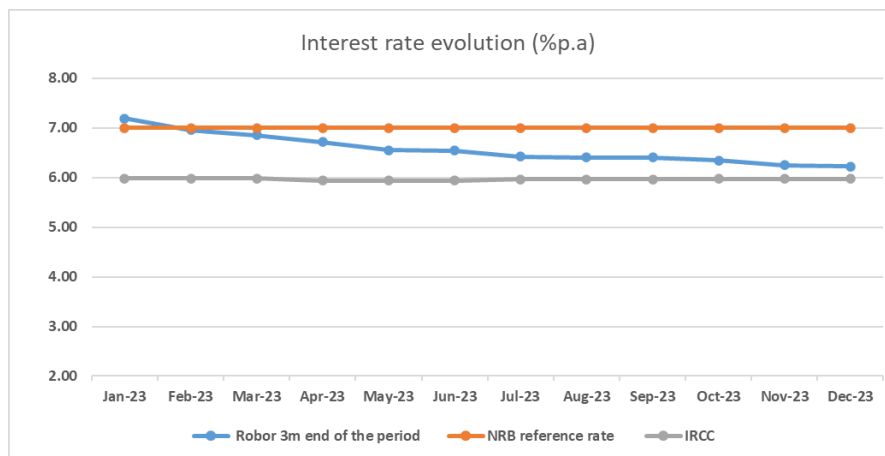
- › 2023 ended with an annual inflation rate of 6.6%, a figure lower than initial forecasts and economists' expectations
- › According to the National Bank of Romania, inflation will be determined by the increase in indirect taxes and the removal of caps on commercial margin for certain food products
- › Nevertheless, NBR forecasts inflation at 6.5% at the end of the first quarter and at 4.7% at the end of 2024. The decrease will be also seen in core inflation, as NBR expects to see core CPI at 5% by the end of this year.



Interest rate and banking environment developments

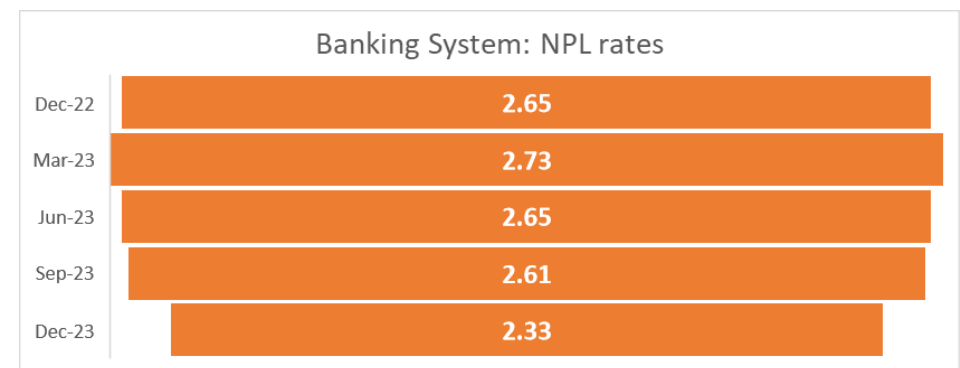
Interest rates

- › The average daily surplus of liquidity in the money market increased significantly in 2023, reaching RON 44.6 billion in December compared to RON 40.3 billion in the previous month. This upward trend was driven by a number of factors, including the high public deficit, payments to beneficiaries in programs financed by European funds and large purchases of Romanian Government securities by non-residents
- › The increase in liquidity surplus has led to a substantial decrease in money market interest rates. For example, the 3-month ROBOR fell to 6.22% at the end of 2023 from 7.57% at the end of 2022. Thus, money market interest rates are trading at significantly lower levels than the monetary policy rate (7%), being aligned with the NBR deposit facility rate (6%).



Banking system

- › The rate of non-performing loans in the banking system (computed in accordance with the EBA definition) was 2.33% at the end of 2023 compared to 3.35% in the end of 2021, based on data gathered by the National Bank of Romania
- › 2023 saw modest lending activity, with only a 6.4% increase in the balance of loans granted to the private sector. Similarly to previous years, non-financial companies recorded the best performance with a 10% increase in the balance of loans
- › Total assets amounted to RON 803.4 billion, 102 billion higher compared to the end of last year. Net profit in September 2023 amounted to RON 13.7 billion (corresponding to an ROE of 20.4% and ROA of 1.8%)
- › Solvency indicators remained significantly above applicable prudential requirements, reaching a level of 22.3%, higher than the European average of 19.9% (recorded in September 2023).



II. Patria Bank at 31.12.2023 in brief

Consolidating profitability

Patria Bank 2023 financials at a glance

FINANCIAL RESULTS AT 31.12.2023

PROFITABILITY

Net profit
23.2 million RON

PROFITABILITY

Increase in net profit
+15%
vs. 31.12.2022

EFFICIENCY

Cost/Income ratio
72%
vs. 71% at 31.12.22

LOANS

Change in performing loans
-6%
at 31.12.23 vs. 31.12.22

EXPANSION

New loans (RON)
804 million
granted in 2023

EXPANSION

Increase in net operating income
+2%
at 31.12.23 vs. 31.12.22

MAIN RATIOS

RATES OF RETURN

	31.12.23	31.12.22
Return on assets (RoA)	0.6%	0.5%
Return on equity (RoE)	6.2%	5.9%

CAPITAL & LIQUIDITY

	31.12.23	31.12.22
Total Own Funds Ratio	22.5%	20.1%
Liquidity Coverage Ratio (LCR)	178%	392%

NONPERFORMING LOANS

	31.12.23	31.12.22
Nonperforming Exposures Rate	5.2%	6.0%
Provisioning Coverage Ratio	60%	57%



III. Commercial and operational developments

The Bank continued to be an active participant in its key target segments – Corporate & SMEs, micro-enterprises and agriculture

Strategic pillars – 2023 developments

Corporate and SME



- › Focus on mid-market clients and medium-sized projects in 2023
- › Sale of new loans in the SME segment increased by 26% last year
- › The portfolio of performing loans of the SME & Corporate segment decreased by 10% last year as a result of higher than expected repayments from the Corporate area.

Microenterprises (“Micro”)



- › The bank continued the joint program with the European Investment Fund (EIF) and, in December 2022, signed the Guarantee Agreement for the Microfinance Guarantee which is part of the InvestEU Program for micro-enterprises
- › Around 900 credit facilities with a total value of over RON 110 million have been granted through this product by the end of 2023
- › 25% decrease in new loans compared with the previous year in the Micro segment due mostly to reluctance of small companies to take on additional debt following uncertainty at the macro level, leading to postponement of investments.

Agriculture (“Agro”)



- › 10% increase in total Agro loan portfolio
- › Even though the volume of loans granted for the APIA subsidy decreased by 38% compared to 2022 (RON 18 million in 2023 vs. 29 million in 2022), the total volume of new loans granted in 2023 increased by 22%, especially due to the 75% increase in the volume of investment loans.

Individuals (“Retail”)



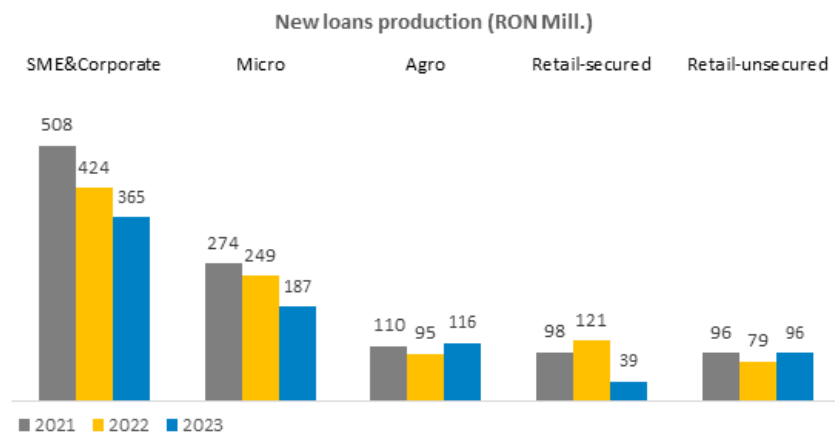
- › Accelerated growth strategy in 2023, mainly in urban areas
- › Offer of products and retail campaigns has improved significantly compared to previous years and developments planned for the coming years are consistent, especially in the areas of products, credit risk control and customer service
- › The Bank has expanded its consumer credit distribution channels by launching a 100% online lending process through "Patria de Oriunde"
- › Lending campaigns with attractive conditions in the area of consumer credit without real estate mortgage and with fixed interest which generated a 21% increase in unsecured outstanding loans at the end of 2023 vs. the previous year.

Patria Academy – business and financial education initiative for micro and agro clients which includes virtual meetings on topics such as branding & marketing, inflation impact and management tools & techniques



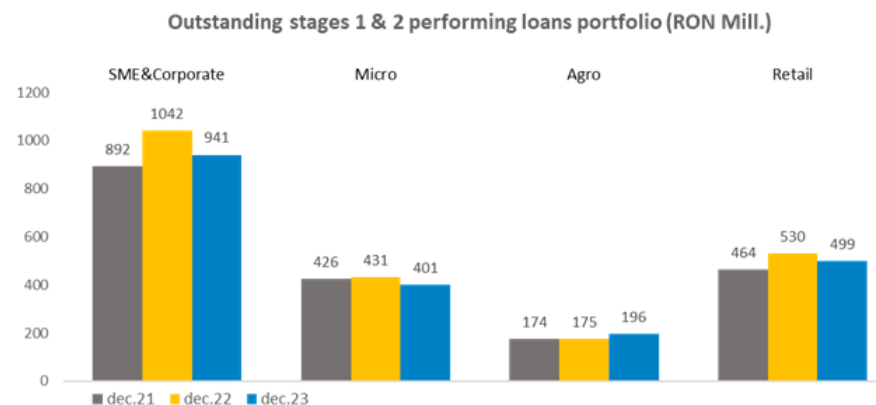
Strategic pillars – 2023 vs. 2022 and 2021

New loans production



- › New loans granted in amount of RON 804 million, of which the largest share is represented by loans granted to the SME & Corporate segment with a share of 45%, followed by Micro and Agro segments which have a cumulative share of 38% of granted financing
- › In 2023 new loans granted to companies recorded a decrease of 13% compared to 2022, with the exception of the Agro business line which recorded an increase of 22% in volume of new sales
- › As for retail, Patria Bank focused on financing consumer needs of individual customers, and especially consumer loans without real estate collateral (unsecured loans), mainly those with fixed interest rates.

ST1 & ST2 outstanding performing loans portfolio



- › As a result of economic conditions recorded last year, the level of outstanding loans granted to companies at 31 December 2023 decreased by 6.6% compared to December 2022
- › 2023 saw a decrease in demand for credit from customers, especially (i) in the Retail segment, in the area of mortgage loans and (ii) in the Micro segment. Factors that contributed to this trend include the high level market interest rates and uncertainty about future macroeconomic developments
- › The bank continued to focus on improving the balance sheet structure by increasing the loan to deposits ratio from 68% at the end of 2022 to 70% at 31 December 2023.



Investments in digitalization of the business model

Advanced online platforms



- › **Patria de oriunde** – online onboarding platform for individual clients. The platform allows remote access to banking products including client enrollment, opening of current accounts, current account packages, setting up of deposits and contracting Internet and Mobile Banking services with the use of qualified electronic signatures
- › **Digital Lending platform for individual clients.** Following the Customer Onboarding platform, Patria Bank has completed the launch of a digital lending platform last year, offering new customers the option to request general-purpose loans with automated and fast approval decisions.

~23%

of new retail deposits from new customers made via Patria de Oriunde



- › **Patria Online** – the Bank's online & mobile banking platform has been continuously expanded by adding new features and digital services for clients.
- › The platform is available online at:
<https://www.patriabank.ro/noua-platforma-patria-online>

+16%

Number of Patria Online users at 31 December 2023 vs. December 2022

+7%

Increase in number of transactions performed via Internet Banking/Mobile Banking platforms in 2023 vs. 2022



Digitalization of services and expansion of product range

Client access to online products and services

- › **Automating the credit flow** for APIA BISS loans and automating the procedures for querying database sources used in lending to corporate clients by implementing software robots
- › **Launch of the new Credit Card** for individuals with multiple competitive benefits such as: automatic delivery of installment plan with zero interest for purchases of more than RON 300 at any physical or online merchant in the country or abroad; up to 12 interest-free installments for refinancing other credit facilities from other banks; cash back for a share of transactions made at certain merchants; integration of the credit card product in the Internet & Mobile Banking services to facilitate a complete digital experience for customers, including the option to transfer amounts from the credit card limit to the current account
- › **Continuation of optimization and digitalization of processes**, both in client relationships and between internal structures, as well as significant reduction of processing time and operational risks associated with various processes
- › **Exntesion of the partnership with Allianz-Tiriac Asigurari** for distribution of mandatory and optional insurance products for real estate properties, offering a complete financial services package to mortgage loan clients.

Ongoing projects

- › **Completing the replacement process of current ATMs** with a new model of machines that will allow new functionalities such as depositing cash, transfers between customer accounts and repayment of credit lines for credit cards
- › **Implementation of the SANB service** (Beneficiary Name Display Service) at payments initiated through Internet & Mobile Banking services for individuals and through Internet Banking for legal persons. This is a useful service which allows the client to identify any discrepancies in information regarding payment beneficiaries
- › **Development of the "Patria de Oriunde"** platform by expanding the online products available to customers (savings account in RON).



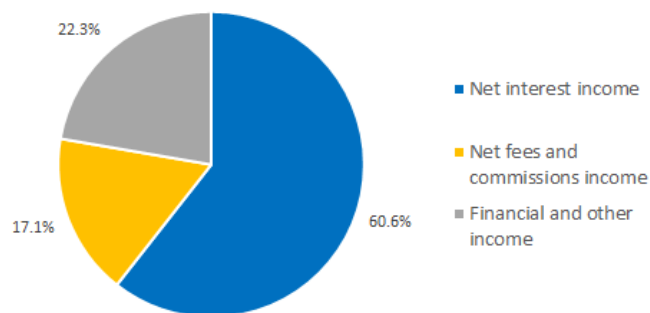
IV. Consolidating profitability

In 2023 the Bank recorded a positive operational result of RON 55 Million. The net result was RON 23.2 Million, a 15% increase compared to 2022.

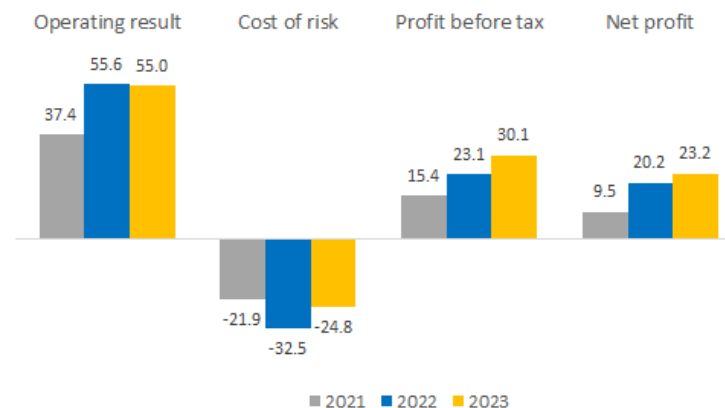
Increasing profitability trend over the past years

Performance in 2023

- › **Net banking income** shows a 1.6% increase compared to 2022 based on increase in financial activity and growth of fees and commissions income
- › The Bank recorded a positive **operating result** of RON 55.0 million and a net result of RON 23.2 million, the latter showing a 15% increase compared to 2022
- › The structure of net operating income in 2023 was as follows:



Financial performance – trends in the past three years [RON Million]



Million RON	12.2022	12.2023	% 23/22
› Net interest income	127.8	119.6	-6.4%
› Net fees and commissions income	31.7	33.8	+6.6%
› Financial and other income	34.8	44.0	+26.4%
› Net banking income	194.3	197.4	+1.6%
› Total operating expense	(138.7)	(142.4)	+2.7%
› Operating result	55.6	55.0	-1.1%
› Cost of risk	(32.5)	(24.8)	-23.7%
› Profit before tax	23.1	30.1	+30.3%
› Net result	20.2	23.2	+14.9%
› Cost/Income ratio	71%	72%	+1.1%



Balance sheet evolution & main ratios

Financial position at 31 Dec 2023

- › Total Assets of Patria Bank decreased by 3.0% at 31 December 2023 compared to 31 December 2022 (RON 4,033 million vs. RON 4,157 million)
- › Continued increase in profits has led to improved **Return on Equity** which increased to 6.2% at 31.12.2023 from 5.9% at 31.12.2022. **Return on Assets** increased from 0.5% to 0.6%

Gross loans / Deposits at Dec. 2023

70%

- › The share of gross loans in total assets decreased slightly to 54% at 31 December 2023 from 57% at 31 December 2022
- › The share of liquid assets in total assets increased to 41% at the end of December 2023 versus 39% at December 2022.

Balance sheet items [RON million]

RON million	31.12.2022	31.12.2023
› Liquid assets	1,619.9	1,670.9
› Loans and adv. to clients (net)	2,216.9	2,058.9
› Total assets	4,157.2	4,033.4
› Deposits from customers	3,447.7	3,124.2
› Total liabilities	3,812.2	3,634.5
› Shareholders' equity	345.1	398.9

Selected ratios [%]

%	31.12.2022	31.12.2023
› Total Own Funds Ratio	20.1	22.5
› Gross loans / Total assets	57	54
› Gross loans / Deposits	68	70
› LCR*	392	178
› Return on Assets (RoA)	0.5	0.6
› Return on Equity (RoE)	5.9	6.2
› Non-performing exposures ratio	6.0	5.2
› Non-performing loans coverage ratio	57	60

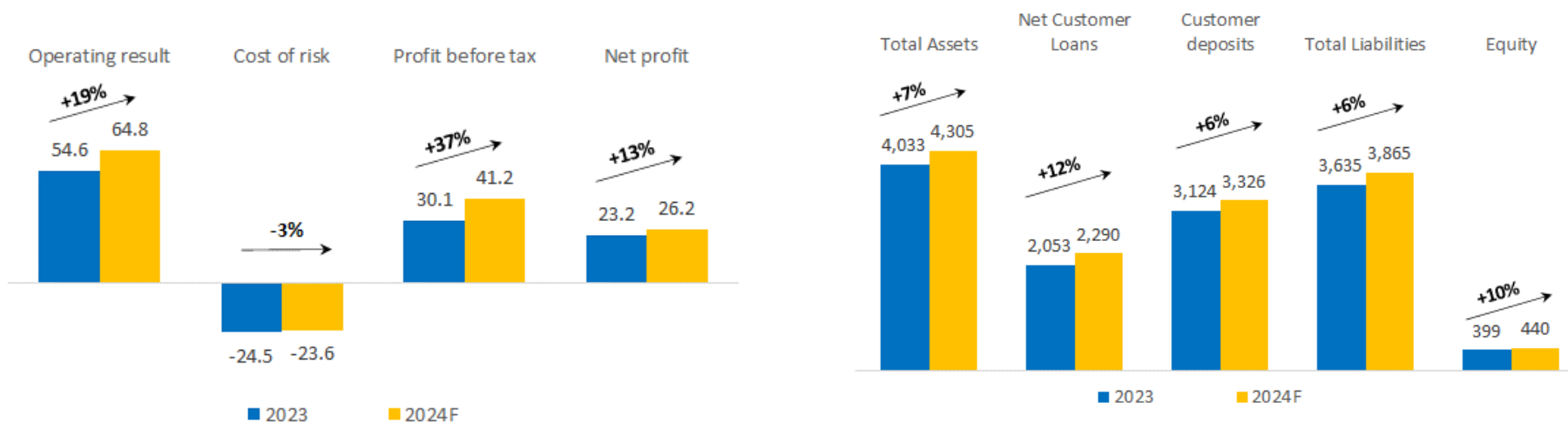


V. 2024 Budget

The Bank's main short and medium-term objective is increasing profitability through a sustainable business model aimed at conserving capital. For 2024 the Bank estimates an increase in operating result of 19% compared to 2023 and an increase in profit before tax of 37% from RON 30.1 million in 2023 to 41.2 million in 2024.

2024 budget

Main 2024 budget estimates



%	2021	2022	2023	2024F
> Gross Loans to Deposits	65	68	70	73
> Gross Loans in Total assets	56	56	54	56
> Return on Assets	0.3	0.5	0.6	0.6
> Return on Equity	2.8	5.9	6.2	6.2
> Cost to Income	76	71	72	70
> Non-performing Exposures	7.9	6.0	5.2	4.8
> Coverage of NPL	60	57	60	55

Source: Patria Bank. Standalone data presented according to management accounting.



VI. Patria Bank stocks and bonds - market trends

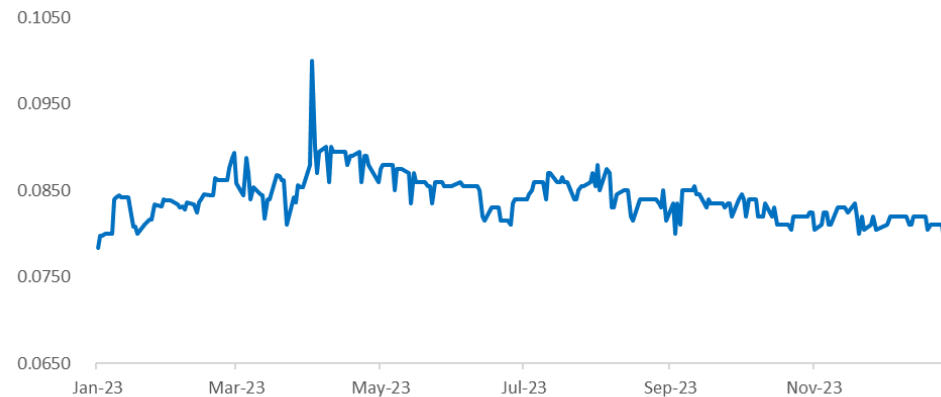
Patria Bank has three securities issues listed on the regulated market of the Bucharest Stock Exchange: the bank's shares, trading with the PBK ticker symbol, and two subordinated bond issues trading with ticker symbols PBK27E and PBK28E.

PBK shares on the Bucharest Stock Exchange

PBK shares

- › Patria Bank shares trade on the Premium Tier of the regulated market managed by the Bucharest Stock Exchange with the PBK ticker symbol
- › ISIN code: ROBACRACNOR6
- › Total number of shares outstanding: 3,278,814,376
- › Par value: RON 0.10 per share
- › Market Capitalization at 31 December 2023: RON 268.9 million
- › Majority shareholder: EEF Financial Services BV
- › Majority shareholder holding at 31 December 2023: 84.05%.

Price of Patria Bank shares a Bucharest Stock Exchange (RON)



PBK bonds on the Bucharest Stock Exchange

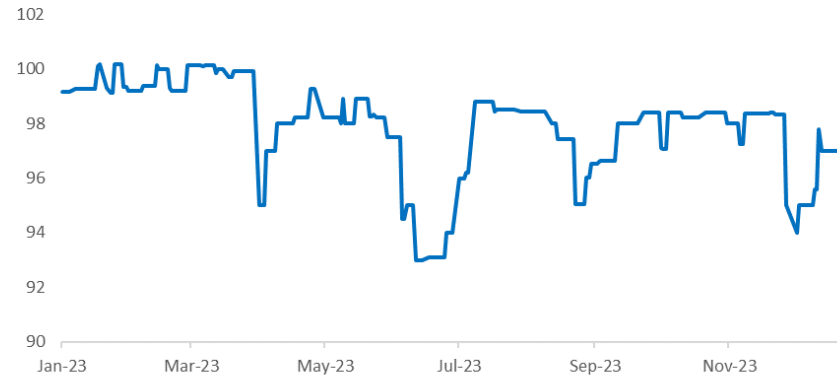
PBK27E EUR bond issue

- › Issue Date: 20 September 2019
- › Total value: EUR 5.0 Million
- › Interest rate: 6.50% p.a. (fixed)
- › Maturity Date: 20 September 2027
- › Price at 31 December 2023: 97.80
- › % of issue traded from listing until 31 December 2023: 67.7%.

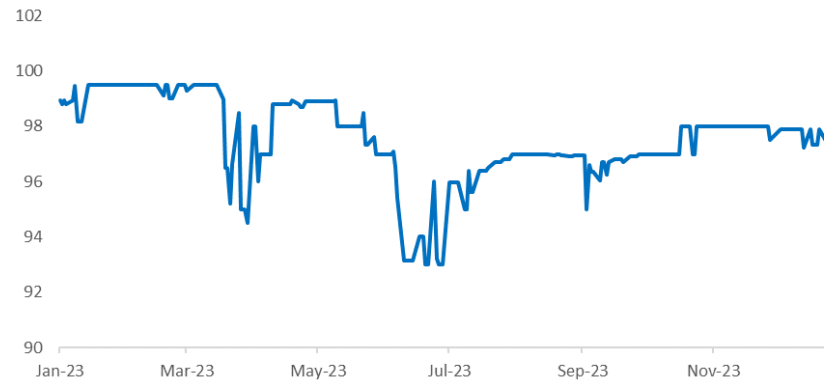
PBK28E EUR bond issue

- › Issue Date: 5 October 2020
- › Total value: EUR 8.2 Million
- › Interest rate: 6.50% p.a. (fixed)
- › Maturity Date: 5 October 2028
- › Price at 31 December 2023: 97.23
- › % of issue traded from listing until 31 December 2023: 46.6%.

Price of PBK27E bonds at Bucharest Stock Exchange (% of par value)



Price of PBK28E bonds at Bucharest Stock Exchange (% of the par value)



VII. Shareholders and management











Strong shareholding structure and experienced Management and Board members

Strong shareholding structure

Emerging Europe Accession Fund

- › The main shareholder of Patria Bank with a 84.05% holding is EAAF Financial Services BV, an investment vehicle controlled by Emerging Europe Accession Fund (“EAAF”)
- › EAAF is a private equity fund whose main investors are international financial institutions (EBRD, EIF, DEG, BSTDB); the investment advisor of EAAF is Axxess Capital Partners
- › Axxess Capital Partners is an investment advisor with an extensive experience in private equity funds as well as relevant expertise on the local banking and financial services market
- › Past deals of Axxess Capital Partners clients include four banks, four leasing companies and five Non-Banking Financial Institutions.

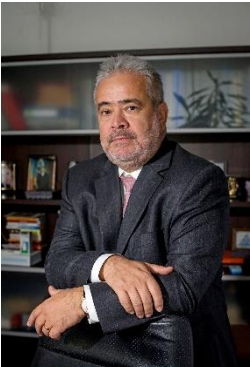


Selected track record in the financial services sector of investment funds for which Axxess Capital Partners was an investment advisor



Investment	Buyer upon exit
 Banca Agricola	
 BANCA ROMĂNEASCĂ S.A. Membră a Grupului National Bank of Greece	 NATIONAL BANK OF GREECE
	 GE Money
	 GE Money
 Domenia Credit Creditul Ipotecar Româno-American	 GE Money

Source: Patria Bank



Experienced management and board members

	<p>Horia Manda BoD Chairman</p> <p>Managing Partner- Axxess Capital BoD member – various companies Selected M&A experience: Banca Agricola, Banca Rom., RALFI, Motoractive, Romexterra, Patria, BCC, Jet Finance</p>		<p>Daniela Iliescu BoD Member</p> <p>CFO-Axxess Capital BoD member-BCC</p> <p>Ex-Senior Manager-PwC</p> <p>Selected M&A experience: Patria, Jet Finance, BCC</p>		<p>Bogdan Merfea BoD member</p> <p>CEO-Raiffeisen Bank Kosovo</p> <p>Ex-ED-Raiffeisen Bank Romania</p> <p>Selected M&A experience: Patria, BCC</p>
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	<p>Vasile Iuga BoD member (independent)</p> <p>Ex-Managing Partner-South East Europe, Romania Country Manager, PwC</p> <p>VP-American Chamber of Commerce in Romania EIB Audit Committee member</p>		<p>Nicolae Surdu BoD member (independent)</p> <p>Ex CEO and President BCC Ex-CEO Fortis Bank Romania Ex-VP Credit Europe Bank Ex-Director Operations-Tiriac Bank Ex-BoD member: Piraeus Bank RO</p>
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	<p>Valentin Vancea General Manager</p> <p>COO-BCC, Nextebank, Volksbank RO CEO – ANSSI Ex–Audit Director UniCredit Ro Selected M&A experience: HVB Bank, Unicredit, BCC, KPMG</p>		<p>Georgiana Stanculescu Deputy General Manager, Financial</p> <p>Experience in Credit Agricole, Emporiki Bank, Piraeus Bank and over 7 years in Patria Bank</p>		<p>Razvan Prodea Deputy General Manager, Risk</p> <p>Experience in Banca Carpatica and over 7 years in Patria Bank</p> <p>Over 10 years experience in risk management</p>		<p>Dragos Calin* Deputy General Manager, Commercial</p> <p>23 years banking experience</p> <p>CCO – BRCI Head of Sales – First Bank Head of SME&Micro – Raiffeisen Bank, Head of SBB – Bancpost</p>
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Investor relations

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Information for shareholders and bondholders

- › <https://en.patriabank.ro/investors>

