

Performance in a challenging context

Presentation of 2023 half-year results

Bucharest • September 2023

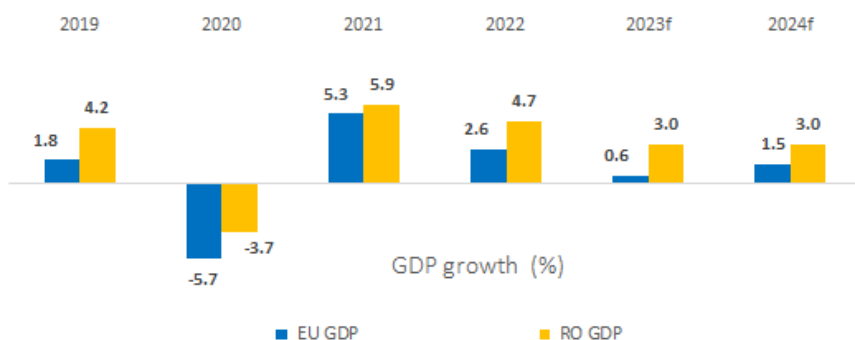
I. Macroeconomic background in brief

Romanian economy shows good performance against a backdrop of decreasing inflation

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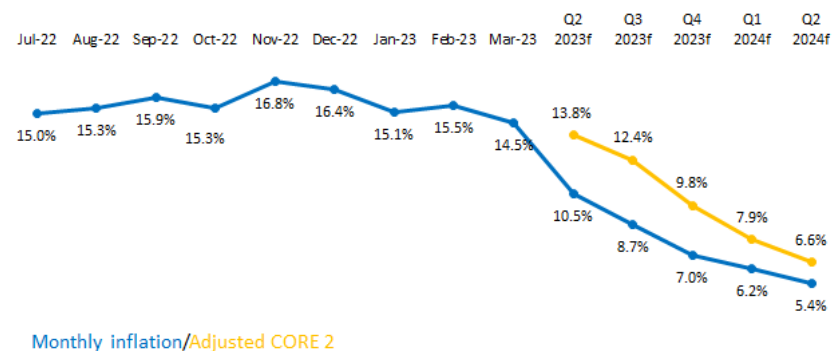
GDP growth

- › According to INS preliminary data, Romania had economic growth of 1.7% in the first half of the year on a gross basis, with GDP growth of 2.4% in the first quarter and 1.1% in the second. On a seasonally adjusted basis, GDP increased by 2.8% in the first six months and by 2.7% in Q2
- › In the 2023 budget, the Government's economic growth forecast is 2.8%
- › According to the latest data, the European Commission anticipates 2023 economic growth of 3.2%, while the IMF's forecast is 2.4%.



Inflation

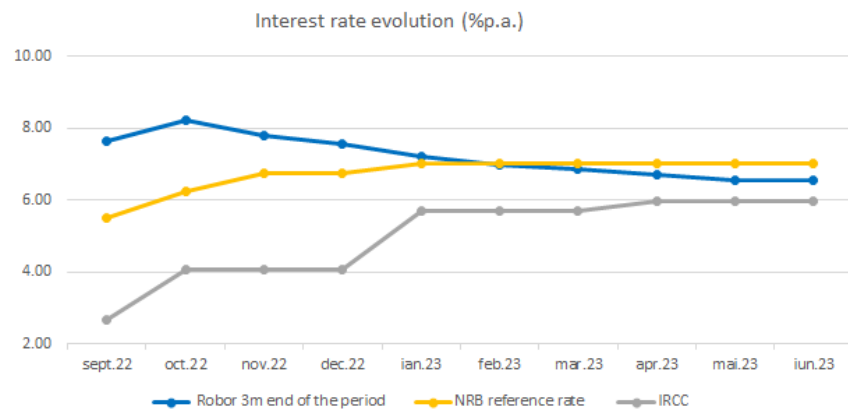
- › Prices for goods and consumer services increased by 9.4% annually (July 2023 versus July 2022), with the biggest price increases recorded for food (16.2%) and services (11.7%)
- › Thus, the annual inflation rate is estimated at 7.5% at the end of the current year, up from the previous forecast of 7.1%
- › For December 2024 an inflation of 4.4% is forecast, compared to the previous projection of 4.2%, while in June 2025 inflation should reach 3.8%.



Interest rate and banking environment developments

Interest rates

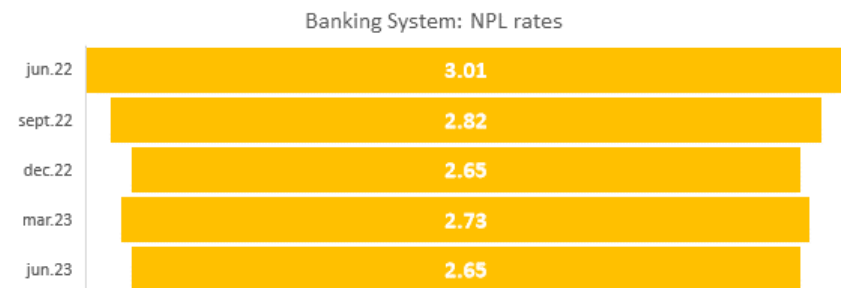
- › The National Bank of Romania (NBR) kept the monetary policy interest rate unchanged at 7% at the last monetary policy meeting, in line with expectations
- › The governor of the NBR emphasized that the monetary policy interest rate will not be reduced this year and that its reduction from the current level of 7% will take place when prospects suggest that annual inflation will fall below this level
- › Surplus liquidity in the banking system increased in July to RON 26 billion from 25.2 billion in June. Banks placed this surplus liquidity in full at the central bank's deposit facility at an interest rate of 6%.



Source: National Bank of Romania

Banking system

- › The rate of non-performing loans in the banking system (computed in accordance with the EBA definition) was 2.65% at the end of June 2023 compared to a similar level of 2.65% at the end of last year and 3.01% in June 2022, based on data gathered by the National Bank of Romania
- › Outstanding balance in current accounts in the banking system decreased by 10.26% for Households and by 8.73% for Non-Financial Corporations while deposits increased by more than 45% both for Households and Non-Financial Corporations
- › Total assets amounted to RON 737.8 billion, 36.8 billion higher compared to the end of last year. The assets of institutions with private capital represented 87.2% of total assets while the assets of institutions with foreign capital were 67.0%
- › The solvency indicator was 22.83% in June 2023 compared to 23.4% at the end of December 2022.



II. Patria Bank at 30.06.2023 in brief

Trend of increasing profitability continues

Patria Bank in the first half of 2023 at a glance

FINANCIAL RESULTS AT 30.06.2023

PROFITABILITY

Net profit
11.2 million RON

PROFITABILITY

Increase in net profit
+11%
vs. 30.06.2022

EFFICIENCY

Cost/Income ratio
73%
vs. 75% at 30.06.22

EXPANSION

increase in performing loans
+3%
at 30.06.23 vs. 31.12.22

EXPANSION

New loans (RON)
415 million
granted in first half of 2023

EXPANSION

Increase in net operating income
+4%
at 30.06.23 vs. 30.06.22

MAIN RATIOS

RATES OF RETURN

	30.06.23	31.12.22
Return on assets (RoA)	0.5%	0.5%
Return on equity (RoE)	6.2%	5.9%

CAPITAL & LIQUIDITY

	30.06.23	31.12.22
Total Capital Ratio	20.1%	20.1%
Liquidity Coverage Ratio (LCR)	154%	392%

NONPERFORMING LOANS

	30.06.23	31.12.22
Nonperforming Exposures Rate	5.8%	6.0%
Provisioning Coverage Ratio	57%	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

Key strategic development pillars – Half-year 2023 developments

Corporate and SME



- › Patria Bank continued to finance SME entrepreneurs in the first half of 2023. Loans outstanding increased by 4% compared with 2022 year end
- › The bank consolidated new sales of loans in the SME & Corporate area, which increased by 2% compared with same period of 2022. The majority of new RON sales in the market where under the IMM Invest program, while Patria Bank focused mainly on EUR financing as the Bank did not benefit from a consistent volume in IMM Invest.



Microenterprises (“Micro”)

- › Patria continued its cooperation with the European Investment Fund (EIF) which provides guarantees for micro clients through the Microfinance programme. This segment had a share of approximately 50% in new sales
- › Outstanding loans of the Micro segment increased by 4% compared with the end of 2022
- › The market saw increasing competition pressures from participants in the banking sector.

Agriculture (“Agro”)



- › Patria Bank continued to be active in the agriculture sector by being the first among signatories of the APIA convention
- › The Bank started the APIA season with an automated loan analysis process (APIA ROBOT launched and fully operational)
- › Outstanding agro loans increased by 10% compared with the end of 2022.

Individuals (“Retail”)



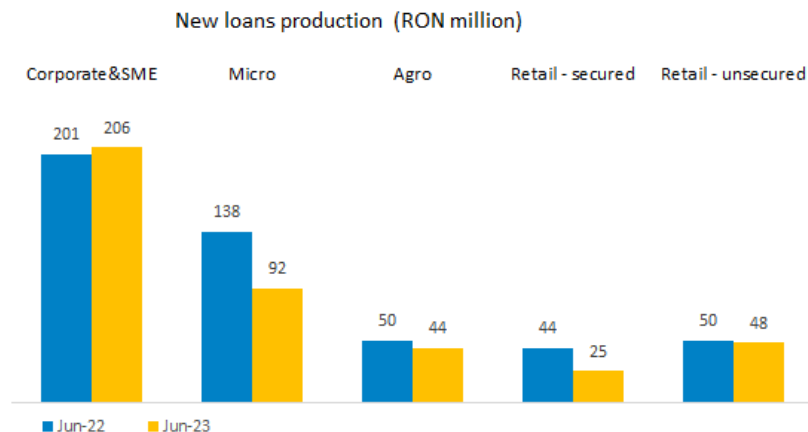
- › Acceleration of lending activity and improvement of product range, processes, flows and systems
- › Launching the Credit Card for private individuals
- › Decrease in Retail loans balance of 1% compared to end of 2022 year due to mortgages refinanced by other banks
- › Focus on consumer loans - in the first 6 months of 2023 consumer loans represented 65% of total new retail sales
- › Focus on deposits, especially in RON and EUR currencies
- › Adjusted and improved customer interactions through new flows and products which meet the needs for remote services (e.g. house insurance, etc).

***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*



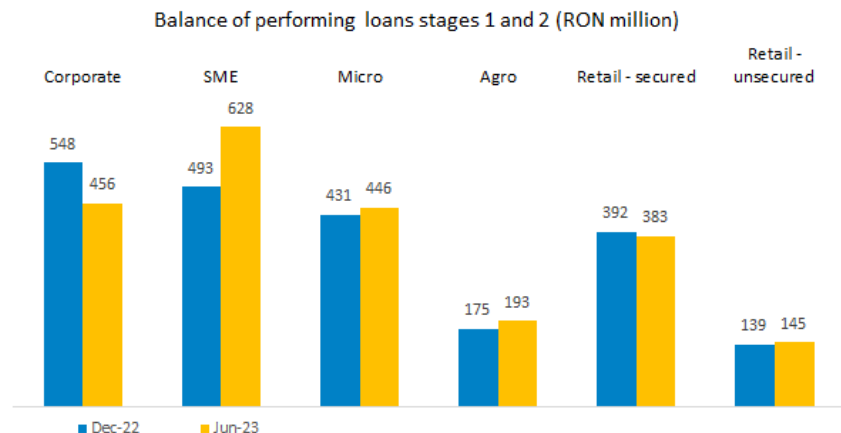
Key strategic pillars – 2023 Half-year vs. 2022 Half-year developments

New loans production (RON mill.)



- › Patria Bank continued to be an active participant in the key target segments: SME & Corporate, Microenterprises and Agriculture
- › The Bank targeted both urban areas, via branches, and rural areas through the mobile sales force and dedicated collection, and through cooperation with the network of Patria Credit IFN, a member company of the Group
- › New loans of RON 415 Million granted in the first six months of 2023.

ST1 & ST2 outstanding performing loans portfolio (RON mill.)



- › The balance of performing loans (stages 1 and 2 according to IFRS 9) shows an increase of 3.4% (RON 74 Million) at June 2023 compared to December 2022
- › In the first six months of 2023 the market saw decreasing demand for loans, particularly for secured retail products, but also from micro business clients. This was based on increasing interest rates and uncertainty of future evolutions.



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 plans to launch a digital lending platform in Q3 2023 offering new customers the option to request general-purpose loans with automated and fast approval decisions. Starting with the end of June 2023, the Digital Lending flow is used in a pilot program in Patria Bank branches.

~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>

+7%

Increase in Patria Online users at 30.06.2023 vs. 31.12.2022



Digitalization of services and expansion of product range

Clients access to online products and services

- › **New Credit Card for individuals**, launched in Q2 2023, with additional benefits for cardholders (installments without interest rate, cash back , grace period, etc)
- › **Optimizing account opening/reevaluation/data update flows** and managing relationships by digitalizing processes within a new WebDesk platform for improved efficiency and reduced operational risk and paperwork
- › **Online client data update**
- › **Optimizing operational processes for issue, re-issue and delivery of cards and PIN codes** by delivery of non-activated cards to client home address and setting of PIN code via SMS
- › **Implementation of ecommerce transactions authorization** by using the static password directly in the 3D Secure page displayed when authorizing a transaction at the merchant
- › **Development of a Smart API service** for legal entity clients to allow querying of the CIP database, querying transaction history and ensuring an automated process for providing available transaction information
- › **Optimizing business processes** through the implementation of the RPA automated query of public databases (ONRC, PortalJust, CRC, APIA).

New IT architecture for Patria Credit IFN

- › Following a Gap analysis carried out in 2021, starting in January 2022 Patria Credit IFN has begun the implementation of a significant IT architecture change
- › This will replace existing Front Office, Absolut and Collection CRM platforms with a new all-in-one platform based on newer technology that supports workflow optimizations and tablet use, and is open for API integration
- › The project is currently in the parallel run stage, with the aim to launch in production on 01.09.2023

Online trading platform for Patria investment funds

- › SAI Patria Asset Management, a subsidiary of Patria Bank specialized in managing investment funds, operates an **online trading platform for four open-end investment funds**.
- › The platform, available at online.patriafonduri.ro, is a modern and flexible tool that allows online fund investments and withdrawal of funds without visiting Bank offices, as well as real-time access to the value of holdings in investment funds
- › The BET Patria-Tradeville and Energie Patria-Tradeville ETFs, also managed by the company, are the only ETFs available in Romania and are listed on the Bucharest Stock Exchange, trading with tickers TVBETETF and PTENGETF.



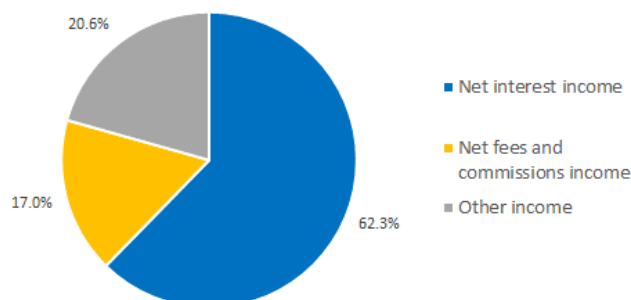
IV. Increasing profitability trend maintained in 2023

Financial results at 30 June 2023 show a net profit of RON 11.2 million, increasing by 11% from RON 10.1 million at 30 June 2022, while Net Banking Income increased from RON 93.2 million to 96.9 million at the same dates.

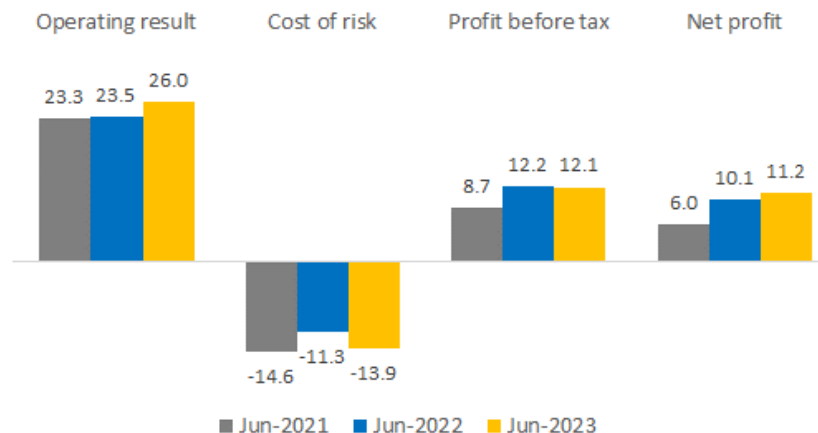
Increasing profitability trend over the past years

Performance in the first half of 2023

- › **Net banking income** shows a 4% increase compared the first half of 2022 based on strong increases in fees and commissions income and in financial activity
- › The Bank recorded a positive **operating result** of RON 26.0 million and a net result of RON 11.2 million, the latter showing an 11% increase compared to the first half of last year
- › Structure of net operating income in the first six months of this year:



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



Million RON	06.2022	12.2022	06.2023	% 23/22
› Net interest income	62.9	127.8	60.4	-4.0%
› Net fees and commissions income	14.3	31.7	16.5	+15.4%
› Financial and other income	15.9	34.8	20.0	+25.5%
› Net banking income	93.2	194.3	96.9	+4.0%
› Total operating expense	(69.7)	(138.7)	(71.0)	+1.9%
› Operating result	23.5	55.6	26.0	+10.6%
› Cost of risk	(11.3)	(32.5)	(13.9)	+23.0%
› Profit before tax	12.2	23.1	12.1	-0.8%
› Net result	10.1	20.2	11.2	+10.9%
› Cost/Income ratio	75%	71%	73%	-2.7%

Source: Patria Bank. Standalone data



Balance Sheet evolutions

Evolution of the gross performing loan portfolio [Million RON]

- › The gross loans portfolio increased from RON 2,354 million at 31 December 2022 to 2,412 million at 30 June 2023:



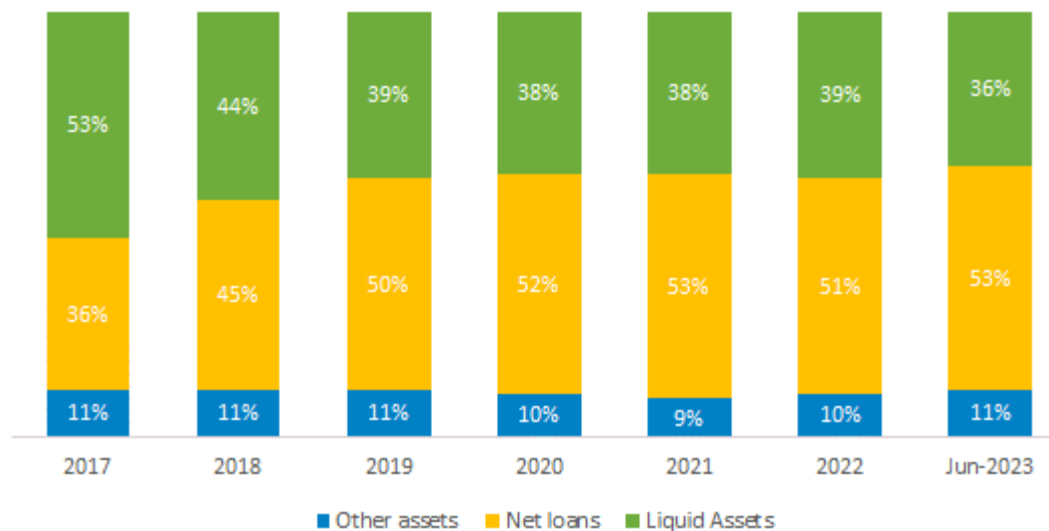
- › The net loans portfolio increased from RON 2,217 million at 31 December 2022 to 2,286 million at 30 June 2023:



Asset structure

The process of placing liquid assets in loans has continued in 2023. The share of net loans in total assets reverted to 53% at 30 June 2023 from 51% at 31 December 2022 and 53% at 31 December 2021.

The share of liquid assets in total assets decreased to 36% at the end of June 2023 versus 39% at December 2022.



Source: Patria Bank. Standalone data.



Balance sheet evolution & main ratios

Financial position at 30 Jun 2023

- › Total Assets of Patria Bank decreased by 1.5% at 30 June 2023 compared to 31 December 2022 (RON 4,093 million vs. RON 4,157 million)
- › Continued increase in profits has led to improved **Return on Equity** which increased to 6.2% at 30.06.2023 from 5.9% at 31.12.2022. Return on Assets was stable at 0.5% for both time periods.

Gross loans / Deposits at June 2023

75%

- › **New Subordinated debt** in amount of EUR 5 million for a period of 10 years was granted by the European Investment Fund (EIF). This loan will contribute to the consolidation of the bank's capitalization
- › This follows the EUR 7 million subordinated loan granted by the European Fund of Southeast Europe (EFSE) and the EUR 20 million financing granted by the International Finance Corporation in 2022.

Balance sheet items [RON Million]

	30.06.2022	31.12.2022	30.06.2023
› Liquid assets	1,299.4	1,619.9	1,491.8
› Loans and adv. to clients (net)	2,245.5	2,216.9	2,286.5
› Total assets	3,888.2	4,157.2	4,092.9
› Deposits from customers	3,177.0	3,447.7	3,217.4
› Total liabilities	3,570.2	3,812.2	3,719.5
› Shareholders' equity	318.0	345.1	373.3

Selected ratios [%]

%	30.06.2022	31.12.2022	30.06.2023
› Total Own Funds Ratio	16.9	20.1	20.1
› Gross loans / Total assets	61	57	59
› Gross loans / Deposits	75	68	75
› LCR*	143	392	154
› Return on Assets (RoA)	0.5	0.5	0.5
› Return on Equity (RoE)	6.2	5.9	6.2
› Non-performing exposures ratio	7.4	6.0	5.8
› Non-performing loans coverage ratio	60	57	57

Source: Patria Bank. Standalone data. *LCR - Liquidity Coverage Ratio.



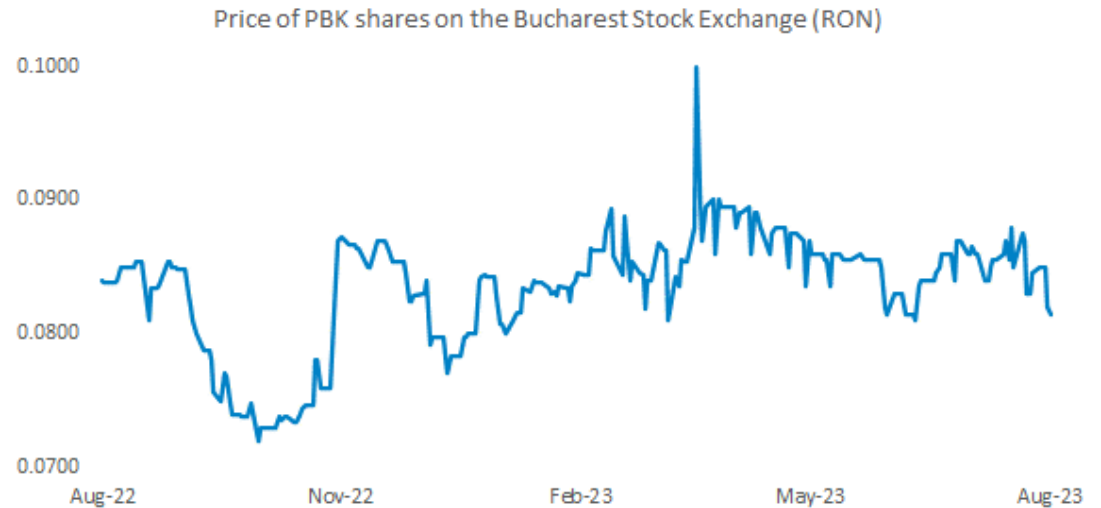
V. Patria Bank stocks and bonds - market trends

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 30 June 2023: RON 275.4 million
- › Majority shareholder: EEF Financial Services BV
- › Majority shareholder holding at 30 June 2023: 84.05%.



PBK bonds on the Bucharest Stock Exchange

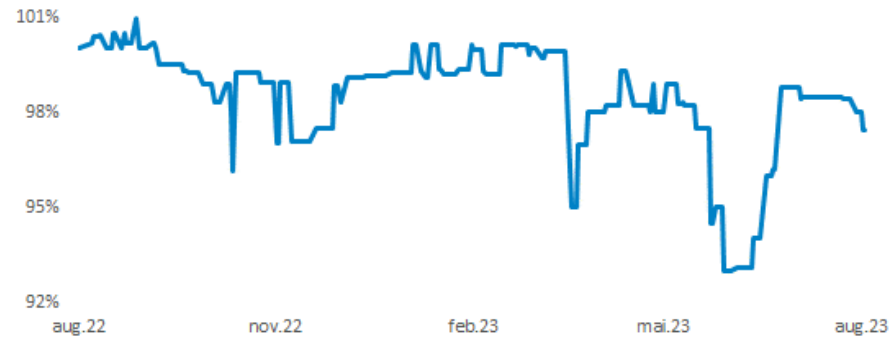
PBK27E EUR bond issue

- › 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 30 June 2023: 94.00
- › % of issue traded since listing until 30 June 2023: 65.0%.

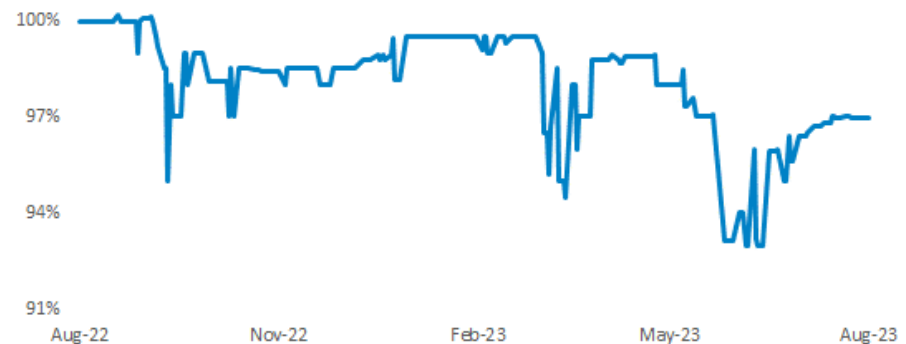
PBK28E EUR bond issue

- › 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 30 June 2023: 93.00
- › % of issue traded since listing until 30 June 2023: 42.2%.

Price of PBK27E bonds on the Bucharest Stock Exchange (%)



Price of PBK28E on the Bucharest Stock Exchange (%)



VI. 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 EEAF Financial Services BV, an investment vehicle controlled by Emerging Europe Accession Fund (“EEAF”)
- › EEAF is a private equity fund whose main investors are international financial institutions (EBRD, EIF, DEG, BSTDB); the investment advisor of EEAF 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.

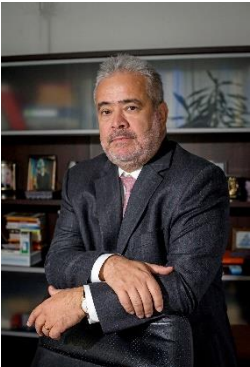


Selected track record in the financial services sector of investment funds for which Axxess Capital Partners was an investment advisor



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 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 COO & Deputy 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>Burak Yildiran CEO</p> <p>COO TotalSoft</p> <p>Almost 20 years with the Garanti BBVA group, out of which 6 years as Deputy General Manager of Garanti BBVA Romania</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>
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Investor relations

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Information for shareholders and bondholders

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

