

2021 starts with growing results

Presentation of results and outlook

Bucharest • May 2021

I. Patria Bank – Background strategic update

Romania represents an important opportunity in the financial services sector due to a low level of financial intermediation. Patria Bank is positioned to capture the potential of banking services on the Romanian market through products, distribution model and knowledge of target segments.

We are positioned to capture the potential of banking services

- › Romania represents an important opportunity in the financial services sector due to the low level of financial intermediation:

- › The lending to the private sector as share in GDP was of only 25% in March 2020
- › As per an OECD study from 2020, only 53% of the adults in Romania held a bank account or a debit card (payment instruments)
- › In accordance with the same study, only 23% of the adults held a saving or investment instrument, and only 41% a loan.

Romania: adults without a current account or debit card

47%

Romania: Lending to the private sector / GDP (Mar 2020)

25 %

Patria Bank is positioned to capture the potential of banking services in Romania

- › Patria Bank is a commercial bank with Romanian management listed on Bucharest Stock Exchange (Premium Category)
- › The Bank is excellently positioned to capture the Romanian potential in financial services due to:
 - › knowledge and understanding of target segments
 - › flexible, customer-oriented products
 - › decentralized distribution model
- › Patria Bank developed a significant loan portfolio in the micro-enterprises and agriculture segments, where it benefits from the expertise developed during the last 10 years within Patria Credit
- › The Bank is also growing strongly in the SME & Small Corporate and in the Retail (individuals) segments.



Products for banked and non-banked customers

Target segments



- › Patria Bank focuses on **SME**, **Microenterprises (“Micro”)**, **Agriculture (“Agro”)** and **Retail**, especially in areas where a competitive advantage is identified
- › The distribution model based on **partnerships** and a **mobile sales force** made of specialized relationship managers allowed for an increase in credit activity at a higher rate than market average in the two key segments specific to “2nd Romania”: Micro and Agro



Competitive advantages of Patria Bank

- › **Decentralised and dynamic** distribution and sales models
- › Tailored specific products: **flexible** lending products designed according to client business and cash flows (Agro and Micro)
- › Business model with a **specific financing technology**, developed *in-house*, with a track record of over 10 years
- › Knowledge of target segments (especially Micro and Agro) developed over a **15-year funding history**
- › Specialized sales force
- › De-localized/regional specific collection model.



Target segments (I)

SME and Small Corporate (“SME”)



SME

- › Focus on developing customer base **through personalized offers** and continuously improving quality of customer relationship.
- › Portfolio: optimal combination between secured and unsecured financing, together with **sector diversification** and a comfortable level of maximum loan value.
- › Implementation of the **IMM Invest** Governmental program for supporting Small and Medium Enterprises. Patria Bank's approach: targeting SME & Corporate, as well as larger Agriculture clients and Micro-enterprises.
- › In Q1 2021, the turnover registered by existing customers through Patria Bank were approximately 64% higher compared to the same period of 2020, by encouraging the use of the Internet Banking platform.

Microenterprises (“Micro”)



MICRO

- › Patria Bank is **one of the major players** on the market in this segment (ranked in Top 3).
- › The Bank continued the campaign carried out together with the European Investment Fund (EIF) and ensured, with the support of partners, the possibility of doubling the maximum amount granted to a debtor (RON 240,000 / debtor) as a COVID-19 support measure approved by the EIF, as well as **increasing the value of the guarantee from 80% to 90%**. This measure will apply until June 30, 2021.
- › During Q1 2021, EASI loans were granted at a level of 57% compared to the volumes granted throughout 2021.



Target segments (II)

Agriculture (“Agro”)



- › **Key segment** for Patria Bank, affected to a lesser extent by the Covid-19 pandemic
- › Portfolio predominantly focused on vegetable farming and increasing interest in financing irrigation equipment
- › In March 2021 Patria Bank was, again, **one of the first signatories of the 2020 convention with APIA**
- › The Bank is still in the **top 3 users of guarantees** issued by the Romanian Rural Credit Guarantee Fund (FGCR)
- › The bank is an active part of the IMM Invest, IMM Factor and Agro IMM Invest programs
- › The amount of precipitation in Q1 2021 will ensure a good yield of customer crops this year.

Individuals (“Retail”)



- › Providing a high level of services through the network
- › Transformation of traditional banking towards new technologies - **internet/mobile banking, contactless**
- › The first quarter of 2021 meant an acceleration both in lending activity and in improving and optimizing products, processes, flows and systems.
- › **Expanding partnerships** with credit brokers and digital platforms of lead providers - the bank generated additional sales as a result of attracting a significant number of Online leads and as a result of starting relations with credit brokers (following the signing of partnerships in December 2020)
- › Online onboarding and online lending in preparation to be launched in 2021.



Evolution towards a new business lines structure



New structure of business lines under implementation in 2021

- › Change in structure of Patria Bank's business lines to be finalized in 2021 for improved focus on key client segments
- › **SMEs** will remain a key focus area and will include the current SME clients as well as the Bank's **Microenterprises and Agriculture clients** - two key segments that remain very important for the Bank's strategy due to its competitive advantages in these sectors
- › New business line created for **Corporate clients**
- › **Retail** will also remain a key target segment for the Bank with plans for higher-rate growth through new products and services
- › New **Alternative Channels** business line for the Bank's digitalization initiatives and for improved focus on partners and other channels (ATMs, brokers, partnerships and others)
- › Goal of Alternative Channels line is to optimize and expand current partnerships and identify new partners



II. Growing results as at 31.03.2021

Financial results as of March 31, 2021 show a net profit of RON 453 Thousand, increasing by 119% compared to the same period of 2020, coming from the favorable evolution on all areas of activity and also including an additional cost of risk for a prudent approach of the 2021 year. New loans granted during 2021 amounted to over RON 217 Million, which led to an increase in the portfolio of performing loans by 4%, respectively RON +74 Million compared to December 2020

Placement of cash in income-generating assets continues

Evolution of the gross performing loan portfolio [Million RON]

- › The portfolio of gross performing loans increased to RON 1.76 Billion at the end of March 2021. The evolution of the portfolio was as follows:

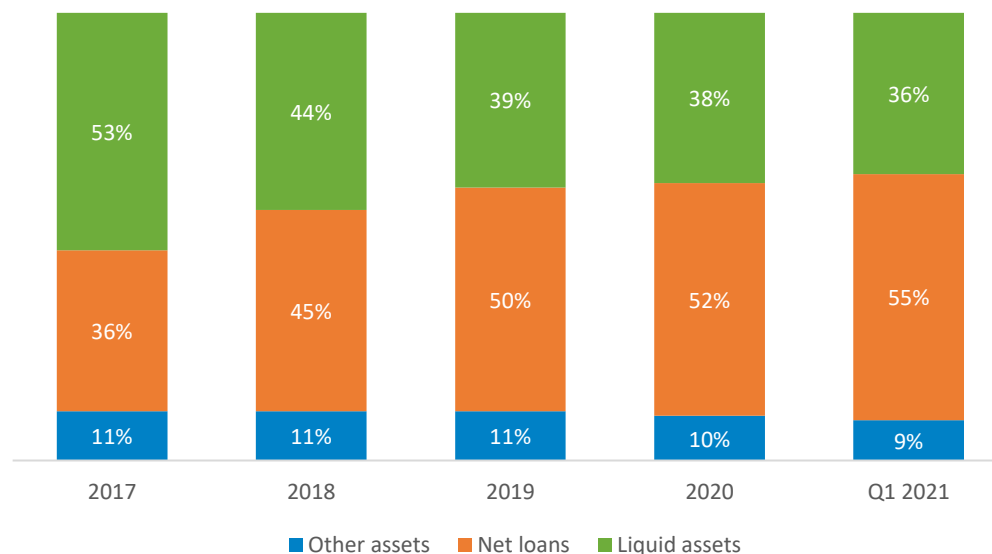


- › The balance of loans granted to individuals increased by 15.78% YoY March 2021 vs. March 2020 (compared to an average growth of the banking system of 4.73%), while the balance of loans to companies increased by 12.43% (9.05% market growth).

Assets structure

The process of placing liquid assets in loans to customers in recent years has continued in 2021.

Thus, the share of liquid assets in the balance sheet continued to decrease, reaching 36% at the end of March 2021, compared to 38% in 2020 and 39% in 2019, while the share of assets placed in net loans increased up to 55% in March 2021 from 55% in 2020 and 50% in 2019.



Source: Patria Bank. Standalone data.



Key Balance Sheet items

Changes in Patria Bank asset structure

- › Total Assets amounting to RON 3,379 Million shows a slight contraction compared to the end of 2020, simultaneously with the change of the Bank's balance sheet structure: increase of net loans by RON 67 Million lei and reduction of liquid assets by RON 115 Million, the excess liquidity being placed in loans and used to cover the slight contraction of commercial deposits.

Gross loans / Total assets at Mar 2021

59 %

Selected ratios 2018 - 2021 [%]

%	Dec 2018	Dec 2019	Dec 2020	Mar 2021
› Total Own Funds Ratio	15.78	17.75	21.60	21.19
› Gross loans / Total assets	50	53	56	59
› Gross loans / Deposits	56	62	66	70
› LCR*	632	422	206	199
› Return on Assets (RoA)	0.0	0.2	0.1	0.1
› Return on Equity (RoE)	-0.1	1.6	0.8	0.5

Balance sheet items [RON Million]

	Dec 2018	Dec 2019	Dec 2020	Mar 2021
› Liquid assets	1,543.2	1,251.3	1,315.9	1,200.9
› Loans and advances to customers (net)	1,543.0	1,588.3	1,778.3	1,844.8
› Total assets	3,453.5	3,193.8	3,430.0	3,378.6
› Deposits from customers	3,064.6	2,733.7	2,904.8	2,842.9
› Total liabilities	3,135.6	2,860.3	3,086.3	3,086.3
› Shareholders' equity	317.9	333.5	343.7	342.5

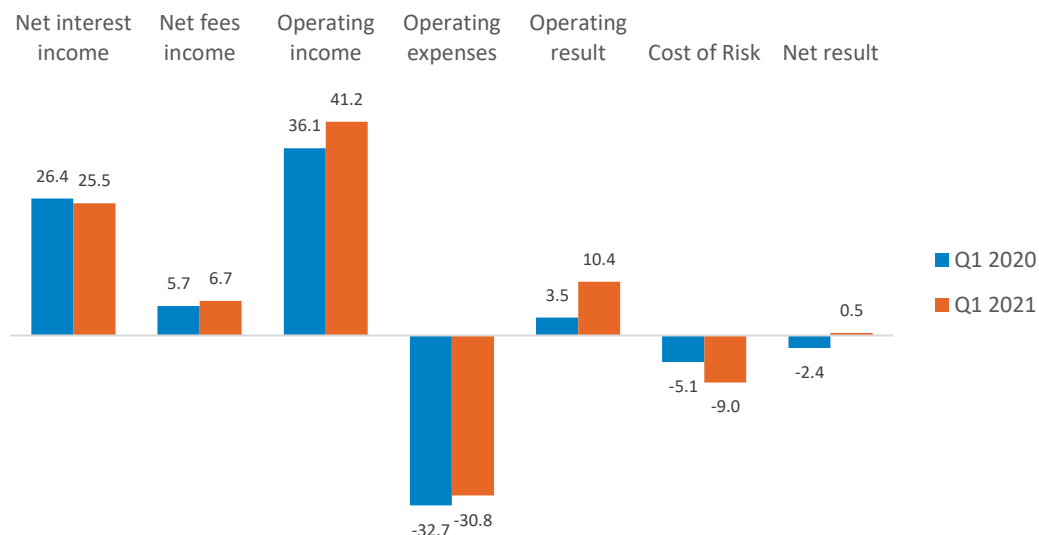
Source: Patria Bank. Standalone data. *LCR - Liquidity Coverage Ratio.



Net profit in a pandemic context

- › Net banking income registered in Q1 2021 **an increase of 14%** compared to Q1 2020, mainly due to income from fees and commissions and from financial activity
- › Interest income was negatively impacted by the COVID-19 pandemic, the evolution of the ROBOR interest index being reflected in the income level
- › Operating expenses **contracted by 6%**, the Bank taking measures to maintain profitability
- › Reduced number of new requests under the payment moratorium program in Q1
- › Prudent approach towards cost of risk which increased due to the effects of the pandemic (finalization of deferral of payments) and the updating of the parameters used in the calculation of impairment adjustments in accordance with IFRS 9
- › Positive operating result amounting to RON 10.4 Million, **200% higher than in Q1 2020**.

Profit and loss account: Q1 2021 evolution vs. Q2 2020 [RON Million]



	Mar 2020	Mar 2021	%
› Net interest income	26.4	25.5	-3.4
› Net fees and commissions income	5.7	6.7	+17.5
› Total operating income	36.1	41.2	+14.1
› Total operating expenses	(32.7)	(30.8)	-5.8
› Operating result	3.5	10.4	+197.1
› Cost of risk	(5.1)	(9.0)	+76.5
› Net result	(2.4)	0.5	-

Source: Patria Bank. Standalone data.

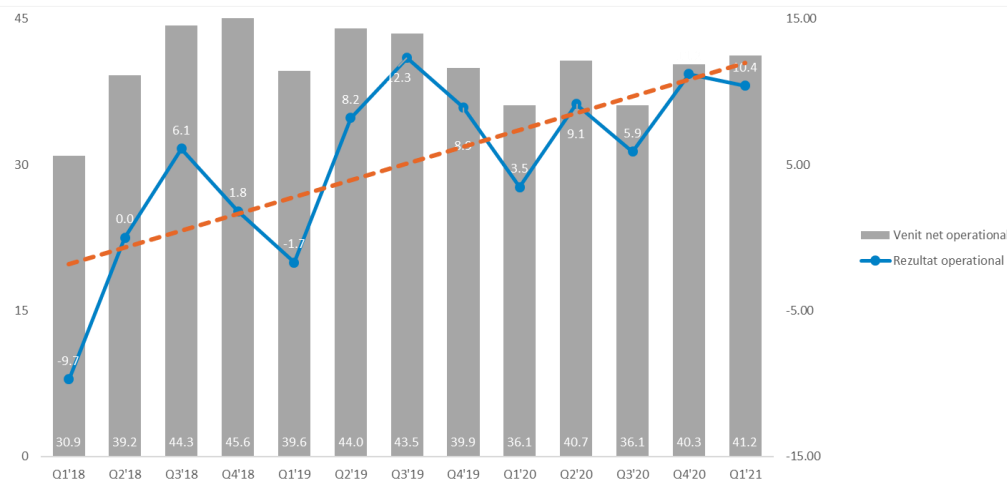


The road to sustainable and profitable growth

Innovative participant in key segments

- › The Bank continued to be an active and innovative participant in the key customer segments for its activity (agriculture, micro-enterprises and SMEs)
- › Increase in the balance of performing loans in the Q1 compared to Dec. 2020 on all business segments, as follows:
 - +3% for SME and Corporate
 - +6% for Micro
 - +8% for Agro
 - +4% for Retail

Quarterly results evolution [RON Million]



New loans sales by segment [RON Million]

	2017	2018	2019	2020	03.2021
› No. of branches (end of year)	85	81	46	45	45
› New loans sales, out of which:	688.5	978.2	841.0	825.6	216.9
• SME & Small Corporate	270.0	384.3	349.4	332.3	80.4
• Micro	180.3	223.1	213.6	182.5	66.5
• Agro	107.4	191.7	188.5	171.2	25.4
• Retail	130.8	179.2	89.4	139.5	44.5
› Sales/branch	8.1	12.1	18.3	18.3	4.8

Source: Patria Bank. Standalone data.

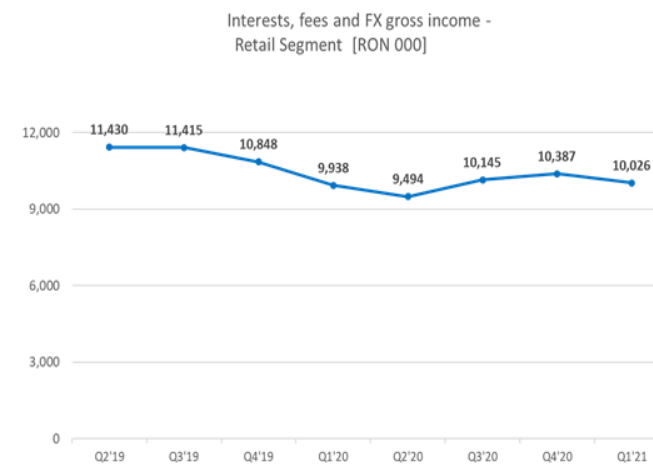
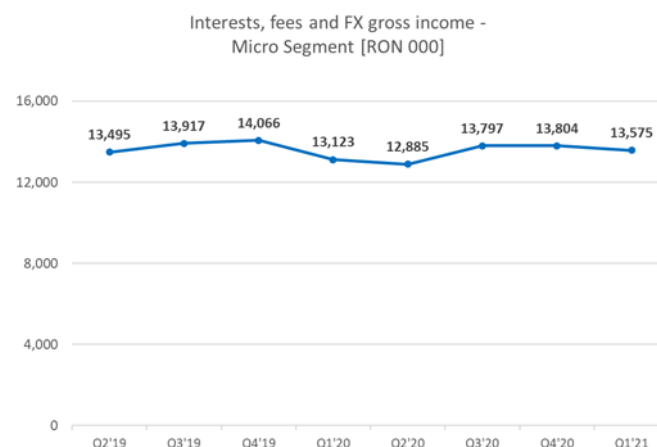
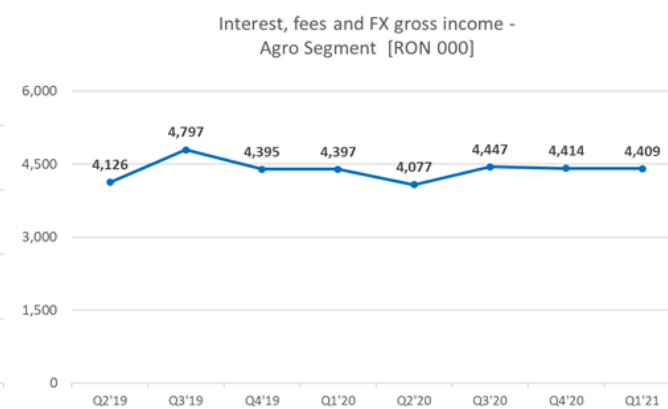
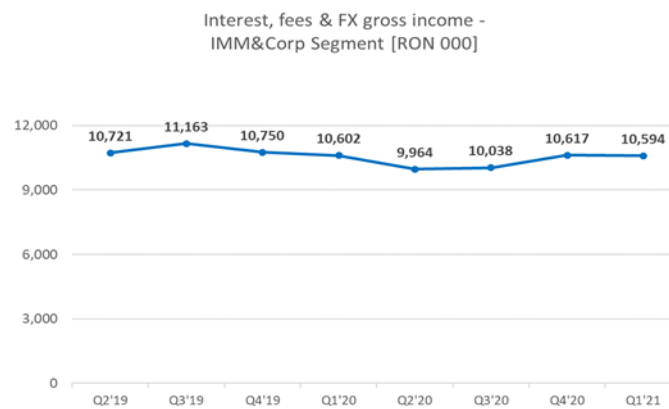


The road to sustainable and profitable growth

› Patria Bank continued its support for those economic sub-sectors still impacted by the crisis, continuing its major roles assumed since the outbreak of the Covid-19 Pandemic, through:

- Supporting the customers impacted by the COVID-19 crisis (debt deferral, restructuring, providing financing to cover the temporary liquidity gap)
- Active financier of entrepreneurs (from the sectors not impacted by the COVID-19 crisis) and of individuals (especially in the area of real estate acquisitions)
- Providing continuously and permanently banking services to customers.

Quarterly gross income from interest, fees, commissions and FX [RON Thousand]



Source: Patria Bank. Standalone data.



Investment in technology and operational flows



Q1 – Initiatives with impact on business area

- › **Online Customer Onboarding Individuals** - development of a platform for remote accessing products and services: opening current accounts, setting up deposits etc.
- › **Implementation of Trusted Services** related to qualified electronic signature: Remote identification of customers through digital channels, issuance of a electronic signature qualified certificate, as well as signing contractual packages according to European and national legislation governing trusted services and remote identification
- › **Mobile Banking application optimization** by adding new functionalities such as a new advanced secure authentication solution using biometric methods
- › **Optimization of the Internet Banking application** by developing new modules: Asset Management, Personal Finance and Instant Payments
- › **Customer Digital Lending Individuals**

Solutions with impact on the Operational Security Area

- › **Solution for Classification and Encryption of Documents** - implementation of security measures specific to the degree of classification necessary to protect information
- › **Document Sanitizing Solution** - the possibility of sanitizing and / or reconstructing all documents from the external environment in order to mitigate the risk of infection with malicious codes inside Patria Bank.

Future development projects and plans - digitization

- › **Improving / optimizing the processes** of issuing, re-issuing and delivering the card and the PIN code
- › **Optimizing the Patria SecurePay application** by adding the second authentication factor imposed by the low rate of adoption of the biometric authentication variant
- › **Optimization of business processes** (business processes re-engineering) both for the Retail segment and for all business lines related to legal entities in order to optimize and / or automate the identified processes in order to streamline flows, both in the relationship with the client and between Bank structures , as well as the significant reduction of the associated operational risk.

Source: Patria Bank



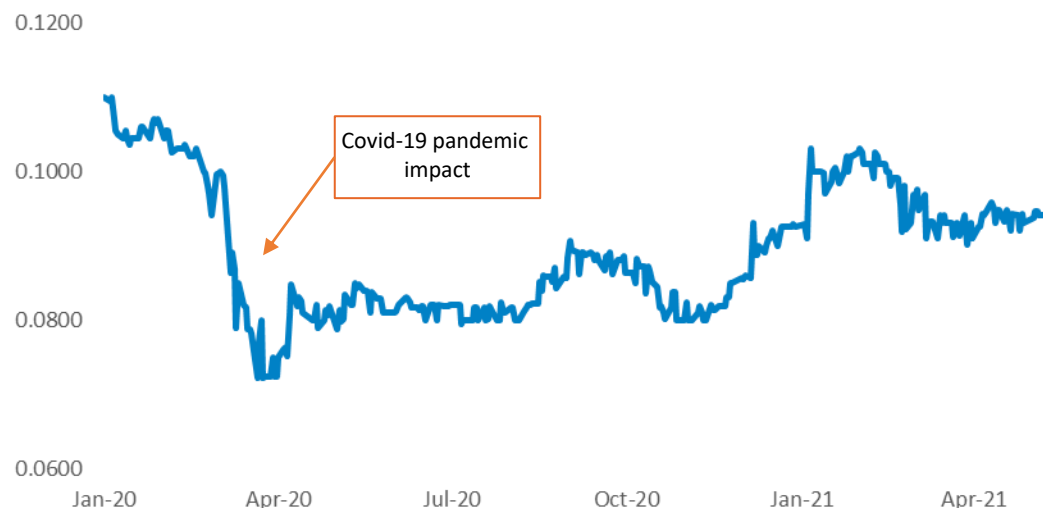
III. Patria Bank stocks and bonds - market trends

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

PBK shares on the Bucharest Stock Exchange

- › Patria Bank shares are traded on the regulated market operated by the Bucharest Stock Exchange (Premium Tier) with PBK ticker symbol
- › Issue ISIN: ROBACRACNOR6
- › Total number of shares outstanding: 3,115,330,575
- › Par value: RON 0.1000 per share
- › Market Capitalization at May 14 2021: RON 293.5 Million
- › Majority shareholder: EAAF Financial Services BV
- › Majority shareholder holding at March 31, 2021: 83.22%.

PBK shares on the Bucharest Stock Exchange (RON/share)



2021 Financial calendar

	Date
› Publication of Q1 2021 financial results	17.05.2021
› Investor and analyst teleconference	25.05.2021
› Publication of 2021 half-year financial results	17.08.2021
› Publication of Q3 2021 financial results	15.11.2021
› Investor and analyst teleconference	23.11.2021



PBK bonds on the Bucharest Stock Exchange

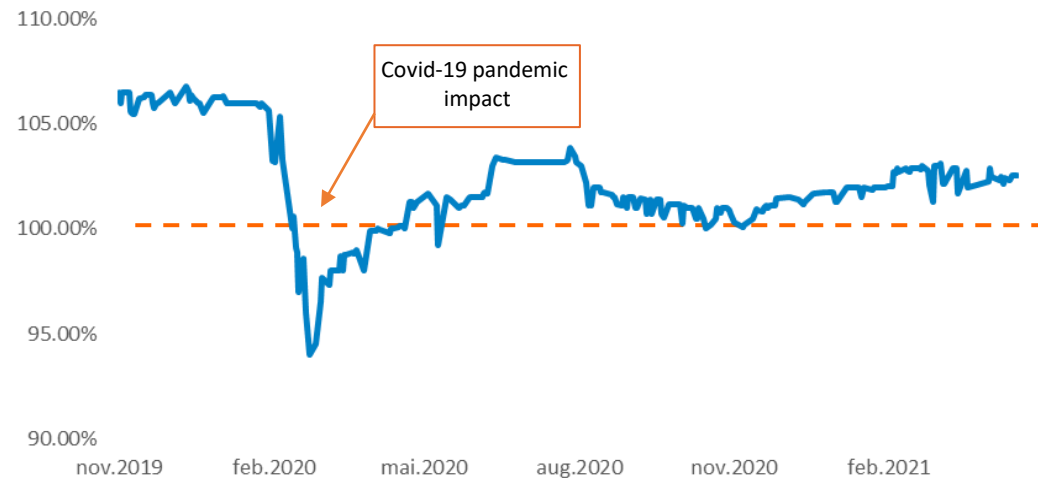
PBK27E bond issue

- › Subordinated, unsecured, nonconvertible issued in Euro
- › Issue Date: 20 September 2019
- › Total value: EUR 5.0 Million
- › Interest rate: 6.50% pa (fixed)
- › Maturity Date: 20 September 2027
- › ISIN: ROZN0PQQARR5.

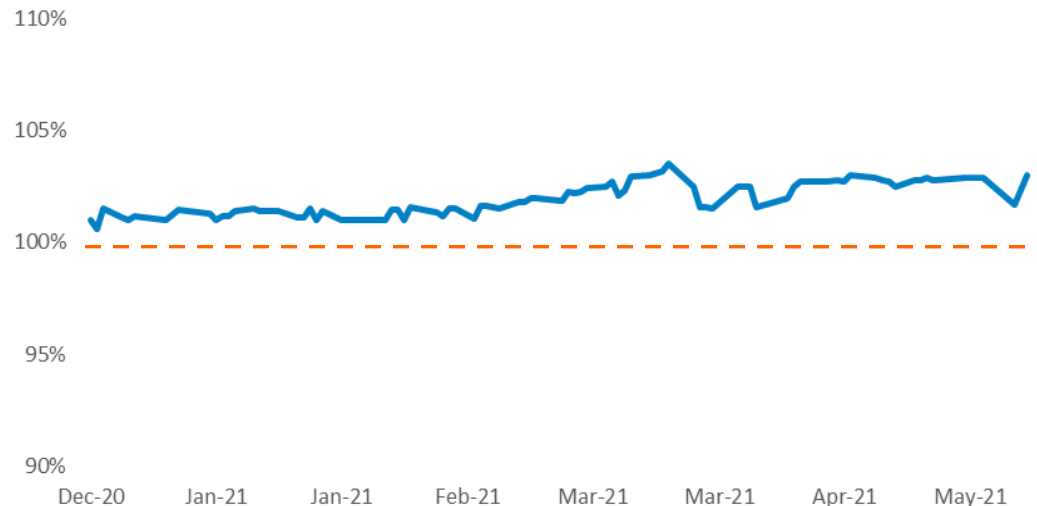
PBK28E bond issue

- › Subordinated, unsecured, nonconvertible issued in Euro
- › Issue Date: 5 October 2020
- › Total value: EUR 8.2 Million
- › Interest rate: 6.50% p.a. (fixed)
- › Maturity Date: 5 October 2028
- › ISIN: ROWRHZRZD4L3.

PBK27E bonds on the Bucharest Stock Exchange



PBK28E bonds on the Bucharest Stock Exchange













Strong shareholding structure

Emerging Europe Accession Fund

- › The main shareholder of Patria Bank is EEAF Financial Services BV, an investment vehicle managed by Axxess Capital Partners, with a 83.22% holding
- › EEAF is a private equity fund whose main investors are international financial institutions (EBRD, EIF, DEG)
- › Axxess Capital Partners is a Private Equity funds management company with an extensive experience in financial and banking services on the local market
- › Past deals of Axxess Capital-managed funds include four banks, four leasing companies and five Non-Banking Financial Institutions.

Axxess Capital track record in the financial services sector

Investment	Buyer upon exit
 Banca Agricola	
 BANCA ROMÂNEASCĂ S.A. Membru a Grupului National Bank of Greece	
	 GE Money
	 GE Money
	 GE Money

Source: Patria Bank



Experienced management and board executives teams

	<p>Horia Manda BoD Chairman</p> <p>Managing Partner-Axxess Capital BoD member – various companies Selected M&A experience: Banca Agricola, Banca Romaneasca, RALFI, Motoractive, Romexterra, Patria, BCC, Jet Finance</p>		<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>Bogdan Merfea BoD member</p> <p>CEO-Raiffeisen Bank Kosovo Ex-ED-Raiffeisen Bank Romania Selected M&A experience: Patria, BCC</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>
	<p>Burak Yildiran CEO (pending NBR approval)</p> <p>COO TotalSoft Almost 20 years with the Garanti BBVA group, out of which 6 years as Deputy General Manager of Garanti BBVA Romania</p>		<p>Daniela Iliescu CEO & BoD member</p> <p>CFO-Axxess Capital BoD member-BCC Ex-Senior Manager-PwC Selected M&A experience: Patria, Jet Finance, BCC</p>		<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>Codrut Nicolau CCO & Deputy General Manager</p> <p>Ex- Retail Commercial Strategy Director, UniCredit RO Ex-Retail Sales Director, UniCredit RO Ex-Corporate Director, UniCredit RO</p>



Investor relations

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Information for shareholders and bondholders

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

