

Quarterly Report

PATRIA BANK S.A.

March 31, 2022



Report prepared according to the **FSA Regulation no. 5/2018**

Report date: **16.05.2022**

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

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

Phone/fax: **0800 410 310 / 0372 007 732**

Tax identification number: **RO 11447021**

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

Issued and paid-in share capital: **RON 327,881,437.60**

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**

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.

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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 the Bucharest Stock Exchange Code.

2. Important events that took place during the first 3 months of 2022 and their impact on the financial results

Executive Summary

Financial results as of March 31, 2022 for the first quarter of the year show a net profit of RON 882 Thousand, coming mainly from the favorable evolution of the operating revenues related to interest and commission income (main activity of the Bank), but also from a contraction of the depreciation adjustments of the financial assets.

The consolidation of the profitability level, with positive results for the first three months of 2022 within an unfavorable macroeconomic context, represents the confirmation of the viability of the business model materialized in the following financial benchmarks reached on March 31, 2022:

- **New loans granted amounting to RON 193 Million**, which led to an increase in the portfolio of performing loans by 4%, respectively RON +72 Million compared to December 2021 and by 16%, RON + 275 Million compared to March 2021.
- **Improving the Bank's Balance Sheet structure** by increasing the share of net loans in total assets up to 55% from 53% in December 2021, as well as the increase of the loan to customer deposits ratio from 65% at the end of 2021 up to 70% in March 2022
- **Increase of net interest income by 17% in March 2022 compared to March 2021**, in line with the evolution of the loan portfolio and the increase of commercial efficiency through higher than the banking system yields
- **Continued reduction of the NPL rate**, by 2.91% compared to March 2021 and maintaining the coverage rate of non-performing loans with depreciation adjustments to over 58%
- **Maintaining a solid capital base** highlighted by the Own Funds Rate of around 18% both individual as well as consolidated at the level of the Patria Bank Group.

2.1 Macroeconomic and banking environment aspects

The Government ended the first three months with a budget deficit of RON 15.7 Billion, RON 1 Billion more than RON 14.63 Billion in the same period of last year. As share of GDP, the deficit decreased by 0.05 percentage points, from 1.24% of GDP in January-March 2021 to 1.19%.

Revenues for the first three months of this year are up 21.3% from last year, while the expenses are also up 19.2%. There is a decrease in the revenues coming from tax on profit by 74%, an increase in VAT revenues by 39%, but also an increase in interest expenses by 61% up to RON 5.76 Billion, while personnel expenses have not changed significantly.

Public investment expenditures were 4.3% higher in Q1 2022 than in Q1 2021. According to our estimates, against the background of very high levels recorded in January and March (but fueled also by temporary factors), the public deficit in Q1 2022 represented 8.1% of the estimated GDP level for this quarter, being higher than the level recorded in Q4 2021 (7.3% of GDP), Q3 2021 (4.9% of GDP) and Q2 2021 (6.1 % of GDP), but close to the level recorded in Q1 2021 (8% of GDP). The government intends to reduce the public deficit to 5.8% of GDP in 2022 from 6.8% of GDP in 2021. In the current economic and geopolitical context, we believe that achieving this target will be a major challenge for the government.

The deficit was financed in the first quarter of 2022 by issuing bonds, both on the local and foreign markets. In January, the MPF managed to raise about EUR 4.70 Billion from Eurobonds (EUR 2.5 Billion and USD 2.4 Billion). The total target for Eurobond issues in this year was set at EUR 10 Billion. From the domestic market, during the first 3 months of the year MPF attracted approximately RON 13.25 Billion, slightly above the value announced in the prospectus of RON 12.50 Billion. It should be noted that the yields on which the state has borrowed have steadily increased since the beginning of the year, both due to inflationary pressure and the conflict in Ukraine.

In terms of economic growth, the level of GDP in Q4 2021 was 2.4% YoY and -0.1% QoQ; the developments suggest the materialization of a real GDP advance in Q1 2022 compared to Q4 2021. On the other hand, the economic growth forecast for Romania has been revised downwards by most international institutions.

The International Monetary Fund (IMF) has substantially reduced its global economic growth forecasts for 2022 and 2023 amid the negative impact of the war between Russia and Ukraine. The IMF also believes that European countries will be hardest hit by the war in Ukraine, especially through indirect channels such as inflationary pressures and blockages in global production and distribution chains.

Thus, for Romania, the IMF reduced its forecast to 2.2% from 4.8% in October 2021. The IMF also expects the Romanian economy to grow by 3.6% in 2023. At the same time, the World Bank reduced last week the growth forecast for Romania for 2022 to 1.9% from 4.3% in the previous forecast. However, the World Bank now estimates slightly faster economic growth in 2023 of 4.1%, while in 2024 Romania's real GDP is expected to advance by 4.3%.

In the first quarter of the year, the NBR continued its cycle of increasing the monetary policy rate, which began in the last quarter of last year (when the rate doubled from a minimum of 1.25%).

If at the beginning the increase was of 25 basis points, this year there were two consecutive increases of 50 basis points, the interest rate of BNR now reaching 3%. In the current context, we expect core inflationary pressures to remain high in the coming quarters, fueled by large increases in global commodity prices and the migration of price increases for electricity, gas and fuel to other prices within the economy.

The central bank said it expected the annual inflation rate to "rise more sharply in the coming months than the expectation from February, under the impact of supply-side shocks". The NBR's inflation forecast published in May set the annual inflation rate at 13.8% in April and 12.50% at the end of the year. The next inflation forecast is due to be published by the central bank in May. At the same time, the NBR highlights the fact that the uncertainty and risks to medium-term inflation forecasts are very high. In the context of the very high domestic core inflationary pressures expected to materialize in the next period, but also of the considerable strengthening of the monetary policies characteristics in the region, we expect that the cycle of increasing the monetary policy interest rate in Romania will continue at a sustained pace. We expect the NBR to increase the monetary policy interest rate at the next sessions also until January 2023, when it could reach 5.0%. We also see possible increases by 50 basis points in the reference interest rate at the next two monetary policy meetings scheduled for May 10 and July 6.

Inflationary pressures are being felt across the European Union and the United States, prompting all central banks to react. Thus, the FED raised interest rates for the first time in March from 0.25% to 0.50% and predicted that by the end of the year the monetary policy interest rate would be in the range of 1.75% and 2.00%, an aggressive approach given that the inflation rate is at its highest level in 40 years.

On the other hand, the ECB has decided to gradually reduce its asset acquisition program (APP) to EUR 40 Billion in April, EUR 30 Billion in May and EUR 20 Billion in June. The calibration of net acquisitions for the Q3 will depend on the ratios and will reflect the evolution of the outlook assessment. If the new data supports the anticipation that the medium-term inflation outlook will not deteriorate even after the cessation of its net asset acquisitions, the Governing Council will conclude its net acquisitions under the APP in Q3. Any adjustments to the ECB's representative interest rates will take place after a period following the cessation of the Governing Council's net acquisitions under the APP and it will be gradual.

Considering the countries in the region, we see an accelerated increase in monetary policy rates in an attempt to combat the inflationary pressures caused by rising prices, especially for energy and agricultural products caused by the war in Ukraine. The Central Bank of Poland has increased the rate from 0.50% in October 2021 to 5.25% in May 2022. In Hungary this rate has reached 5.40% after 11 consecutive increases, and in the Czech Republic it is now 5%.

The average rate of non-performing loans (NPLs) in the Romanian banking system decreased in 2021 to 3.35%. This level is the lowest level from 2014 to date.

According to the latest available statistics, in October 2021 the NPL rate dropped to 3.52%, the lowest level in 2021, but also in the last decade, after fluctuating in the spring months of 2021 around 3.9 % of total loans. Basically, the NPL rate fell in October to its lowest level since 2009, when the signs of the global financial crisis were felt in the local market. In comparison, in 2014 the NPL rate exceeded 20% of total loans.

But the average rate of non-performing loans in the Romanian banking system could return to growth in 2022. Problems may arise if some borrowers - individuals or companies - affected by the negative economic impact of the Covid-19 crisis and the sharp rise in prices fail to resume the payment of deferred loans, after the expiration of the payment deferral, but also if those who have not postponed their loans in 2020 and 2021 will encounter problems with the payment of installments starting with 2022.

The financial health indicators of the banking sector remained at adequate levels during the Covid-19 pandemic period, at a similar or better level compared to the European averages, giving an increased capacity to absorb possible shocks. The results of the Solvency and Liquidity Stress Testing Exercises show the banking sector's kept ability to manage key risks that could materialize in the context of high-severity macroeconomic developments.

The total own funds ratio stood at 22.26% in December 2021 (compared to an average of 19.6% in EU Member States), while the liquidity coverage ratio rose to 238.57% in December 2021, compared to 172.4% in the EU.

The balance of non-governmental loans granted by credit institutions increased in February 2022 by 1.3% compared to January 2022 (0.7% in real terms). Loans in RON, with a share of 72.5% in the total volume of non-governmental loans, increased by 1.7%, and credit in foreign currency expressed in RON, with a share of 27.5% in total non-governmental loans, increased by 0.3% (similar evolution in case the ratio is expressed in Euro).

Compared to the same period of 2021, the non-governmental loans registered an increase of 15.8% (6.7% in real terms), due to the 20.1% increase of the component in RON (10.7% in real terms) and the increase by 5.9% of the component in foreign currency expressed in RON (4.3% if the ratio is expressed in Euro).

Deposits of non-governmental resident clients increased in February 2022 by 0.5% compared with the previous month, and by 12.6% compared to the same period of last year (3.7% increase in real terms). Deposits of residents in RON, with a share of 63.7% in total deposits of non-governmental clients, decreased by 0.2% compared to January 2022. Compared to February 2021, these deposits increased by 10.4% (1.7% in real terms). Deposits of households in RON registered a decrease of 0.4% compared with the previous month and increase by 6.4% (-1.9% in real terms) compared to the same period of last year.

Deposits of residents in foreign currency, expressed in RON, representing 36.3% of the total volume of deposits of non-governmental clients, increased by 1.7% compared with January 2022 (if expressed in EUR, these deposits increased by 1.7%). Compared with February 2021, the ratio expressed in RON increased by 16.6% (14.8% if expressed in EUR). Foreign currency deposits of households, expressed in RON, increased by 1.3% compared to January 2022 (similar evolution if expressed in EUR). Compared with the same period of 2021, the increase of this ratio expressed in RON was of 12.9% (11.2% if expressed in EUR).

Foreign exchange and money market trends for 2022

In Q1 2022, the exchange rate of the national currency Leu against the single European currency (EUR) varied around 4.9400 - 4.9500, NBR protecting the level of 4.9500 against the background of the pressure to buy arising from the war in Ukraine.

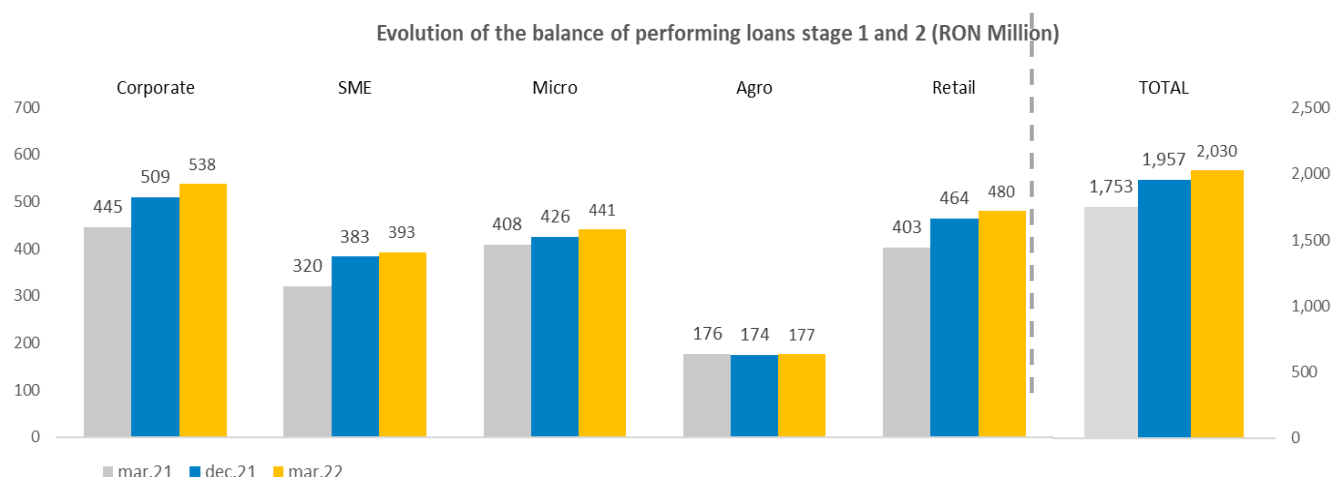
Regarding the medium and long-term interest rate curve, they are related to the NBR's lending interest rate, given the liquidity crisis that has been manifesting in the money market since the beginning of the conflict in Ukraine and incorporate the monetary policy interest rate increases further expected this year.

Regarding the *interest on deposits vs. interest on loans* corridor, it maintains its margin of - / + 1% around the *reference interest rate of monetary policy* and we do not see any change in this instrument either.

2.2 Commercial and operational aspects

On the commercial level, the Bank continued to be an active participant in the specific segments of legal entities representative for its activity (SMEs & Corporate, Microenterprises and Agro). The addressability continued both in the urban area (with the presence of branches) and in the rural area, through the mobile sales force and dedicated collection and through a superior collaboration with the territorial units of Patria Credit IFN, member of the Group.

The evolution of the **performing loans balance** (stage 1 and 2 according to IFRS 9) **shows an increase of 16%, +276 Million compared to March 2021 and of RON 72 Million compared with end of 2021**. The increase of the balance of performing loans was registered on all lines of activity of the bank. The most accelerated trend of balance growth in March 2022 compared to March 2021 was registered on SME (+23%), Corporate (+21%) and Retail (19%) and in March 2022, compared to December 2021, on Corporate (+5.6%) and Retail and Micro with a 3.4% increase in both cases.



In Q1 2022, the lending activity generated new loans of approximately **RON 193 Million**, with superior dynamics in the Retail area (+14% on guaranteed loans and +22% on unsecured loans in Q1 2022 compared to Q1 2021).

The bank has accelerated the growth strategy of the **Retail** segment (individuals), mainly in urban areas, both by optimizing consumer credit granting flow (automated decision, implementation of a pricing methodology), by launching of a new product - Consumer credit intended exclusively for refinancing (for a period of 7 years), and especially by increasing the mortgage loans segment. Thus, in Q1 2022, the Bank **registered an increase of 18% in new loans granted to individuals, with a more pronounced evolution in the segment of unsecured loans (+ 22%)**.

For the **Micro** activity line, there is an increase of the credit production similar with the level registered in Q1 2021. The Bank continued the program developed 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) with an EIF guarantee coverage degree of 80%. At the end of Q1 2022, the cumulative financing on the Easi product reached the level of approx. RON 552 Million at Bank level and approx. RON 639 Million at the Group level. There was also a positive trend in the number of customers using the Bank's Internet Banking platform.

The SME and Corporate Segment. In Q1 2022, on the Corporate segment it was registered a increase of 5.6% of the balance of performing loans compared to the end of 2021 and on the SME segment an increase of 2.7%. For a better customer service, specialized departments have been created to respond easily and pragmatically to the needs of companies; thus, the SME area offers mainly a standardized approach with an emphasis on speed and the Corporate area addresses companies with complex needs, having an approach adapted to the typology of activities carried out by companies with a complex business profile.

The SME customer segment continued to be supported in order to reduce the negative effects of the Covid-19 pandemic, as well as the macroeconomic context generated by the war in Ukraine. Thus, customers were approached to assess the impact of the general situation, being offered financing solutions to reduce the risks they face in this context, but also to improve the economic performance of companies by financing working capital and investments necessary in in order to streamline the activity.

On the corporate customers segment, the monitoring efforts were increased in order to evaluate the possible negative effects generated by the economic and geopolitical context. At the same time, a series of visits were made with company representatives and products and services adapted to the constantly changing complex needs were offered each time, in an attempt to support the economic activity carried out by customers, but also to improve the profitability generated by the corporate customers segment.

In Q1 2022, Patria Bank was also active in financing the **agricultural field**, being among the first banks to sign financing agreements with the Agency for Payments and Intervention for Agriculture, both in the animal and plant sectors. The 15-year credit for land acquisition and the APIA SAPS PLUS product were also relaunched and the process of financing agriculture continued by adapting products and services to current market requirements.

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

1. **Supporting individual and the legal entities debtors** affected by the COVID-19 crisis (deferral of payments or restructuring, where appropriate, or by providing financing to cover the temporary liquidity gap).
2. The role of **active financier of entrepreneurs** (from unaffected economic sectors and markets where the COVID-19 crisis has even generated development opportunities) and individuals (especially in the real estate acquisitions' area).
3. Enhancing **local or international guarantee instruments**. The acceleration of the lending process was achieved also by the constant increase of the number of newly acquired clients, in an adequate risk framework; The Bank is an active part of the IMM Invest, IMM Factor and Agro IMM Invest programs.
4. **Ensuring continuity of the banking services offered to the clients:**

- both through the permanent operation of the branches and the ATM network,
 - as well as by developing remote operation/servicing channels. Thus, at the end of July 2021, **the Patria de Oriunde digital channel was launched, the new "virtual agency" of Patria Bank**, in which individuals can request non-crediting financial products (such as current accounts and packages, cards and Internet & Mobile banking and deposits) through a 100% online procedure.
 - Also, by implementing in March 2022 a foreign exchange facility for preferential exchange rates within the Internet and Mobile Banking services for Individuals and Internet Banking for Legal Entities.
5. **Encouraging the use of the Internet Banking platform.** In Q1 2022 the number of transactions made through the platform increased by 8% compared to the same period of 2021
6. In addition, the Bank continues to develop already integrated digital solutions, a first step planned in this regard being the completion of the Internet Banking platform with a Mobile Banking solution dedicated to customers in the Legal Entities segment, thus adding additional flexibility and mobility in relation to its customers within this key category. Also, in the area of Mobile Banking, but for Individuals, Patria Bank is going to implement a series of new functionalities and options in the area of payments (generation of account statements, generation of details for a payment, etc.). A general component of the planned development is the bi-directional interaction area between the client and the Bank, which will include, among others, the possibility of exchanging information and support in real time and the integration of a dedicated messaging and communication module with the Bank which will be integrated in the Internet and Mobile Banking services and through which the client will be able to benefit from the management of the products and services held through a *self-service* model.

Particular attention was also paid to the qualitative management of the loan portfolio, especially to exposures with deferred installments as a result of the impact of the Covid 19 pandemic on the activity of entrepreneurs. At the end of the period, most of these exposures are classified in the category of performing loans. Last but not least, a complete servicing of credit and non-credit clients was ensured by providing quality services, maintaining the objective of the Patria Bank Group to increase the financial inclusion on this segment of clients.

Patria Bank continued the series of transformations of traditional banking in the direction of solutions already developed around new technologies - internet banking / mobile banking: contactless payments, biometric authentication for cards and authentication / authorization through biometric methods for Mobile Banking, implementation of the instant payments service, the fastest and most modern interbank payment service, available non-stop and with immediate execution, the implementation of a *Personal Finance Manager* module available for the Internet Banking for Individuals service through which customers can organize and view their budget according to their own rules, implementing a module dedicated to *Asset Management* services, available within the Internet Banking for Individuals service, the development of an API service through which the bank provides to the Legal Entities clients information about the transactions executed in their accounts through an automated service, enrollment and provision of online non-credit products or in the direction of certain solutions that have been tested / are

in the testing period and will be launched in the immediate period of 2022 (online granting of consumer loans for individuals without a mortgage, updating personal data online in case of individual customer).

In addition to external solutions and services, directly visible to customers, Patria Bank is actively working to improve internal digitization and automation processes, both through third-party solutions, such as the integration of RPA processes in various pilot areas of the Bank, as well as by implementing automated or semi-automated flows, as the case may be, whether they are alerts, notifications or other developments that can add value to both business and operational processes.

Operationally, Patria Bank will continue in 2022 its digital strategy focused on innovation but also on the area of experience of the bank's clients. Thus, Patria Bank continues to diversify its entire range of products and services, continuing to implement relevant optimization and digitization projects in the current market context, projects that come to support and strengthen all the objectives agreed in the Bank's strategy plan. During Q1 2022, the Bank continued the processes of optimization, development of interaction flows with remote customers and digitization, the main initiatives with an impact on the Commercial area being:

- **Implementation of the second authentication factor and authorization of E-Commerce transactions** - Addition of the second authentication factor imposed by the low adoption rate of the biometric authentication version, providing a high security of personal details and preventing conducting fraudulent transactions on behalf of customers. Implementation of the new solution offers the alternative to customers who have not opted for the biometrics functionality to use the password and the OTP code (*one-time password*) for the authentication of e-commerce transactions – made available to the customers since 1.03.2022
- **Implementation of the card delivery channel to the correspondence address and delivery of the PIN code by SMS** thus eliminating the interaction with the clients in the territorial units by using the inactivated card delivery service at the client's domicile and transmission of the PIN code by SMS, following that this service to be made available for the customers starting with Q2 2022
- **Development of the Customer Digital Lending platform for individuals.** As a development of the Customer Onboarding platform, Patria Bank will complete the portfolio of remote services with the implementation of a digital lending platform, customers having the opportunity to request credit products with automatic and fast decision only by signing an electronic contract starting with the second half of 2022, without coming into physical contact with the Bank
- **Multi-Functional Machines Program.** In order to modernize the automated services and considering the evolution of the *Self-Service* banking terminals and the positive average of adoption of these services in the local market, Patria Bank started the project to replace the Bank's ATM fleet with multi-functional machines, but also the arrangement of *self-service* areas. within the branches that will be included in the program
- Continuation of the technology project of traditional commercial spaces, such as the project "**POS la piata**" which involves the installation of POS terminals in agri-food markets.

2.3 Financial Results

a) The Bank's financial position as at March 31, 2022 is as follows:

FINANCIAL POSITION							
-thousands RON-							
ASSETS	31.mar.22	31.dec.21	mar.22/ dec.21 (abs.)	mar.22/ dec.21 (%)	31.mar.21	mar-22/ 21 (abs.)	mar-22/ 21 (%)
Cash and cash equivalents	364,645	497,316	(132,671)	(26.7%)	381,238	(16,593)	(4%)
Loans and advances to banks	8,123	5,834	2,289	39.2%	5,602	2,521	45%
Securities	989,899	961,696	28,203	2.9%	814,091	175,808	22%
Investments in subsidiaries	34,296	34,296	-	0.0%	34,296	-	0%
Loans and advances to customers, net	2,095,822	2,028,911	66,911	3.3%	1,844,805	251,017	14%
Other assets	284,245	298,036	(13,791)	(4.6%)	298,527	(14,282)	(5%)
Total ASSETS	3,777,030	3,826,089	(49,059)	(1.3%)	3,378,559	398,471	12%
LIABILITIES	31.mar.22	31.dec.21	mar.22/ dec.21 (abs.)	mar.22/ dec.21 (%)	31.mar.21	mar-22/ 21 (abs.)	mar-22/ 21 (%)
Due to banks & REPO	105,891	18,312	87,579	478.3%	47,464	58,427	123%
Due to customers	3,198,227	3,314,846	(116,619)	(3.5%)	2,842,857	355,370	13%
Other liabilities	60,995	67,575	(6,580)	(9.7%)	58,192	2,803	5%
Subordinated debt	10,082	24,797	(14,715)	(59.3%)	24,998	(14,916)	(60%)
Debt securities in issue	63,187	64,174	(987)	(1.5%)	62,567	620	1%
Total Liabilities	3,438,382	3,489,704	(51,322)	(1.5%)	3,036,078	402,304	13%
Total Equity	338,648	336,385	2,263	0.7%	342,481	(3,833)	(1%)
Total LIABILITIES AND EQUITY	3,777,030	3,826,089	(49,059)	(1.3%)	3,378,559	398,471	12%

- RON Thousand-	31.mar.22	31.dec.21	mar.22/ dec.21		31.mar.21	mar 22/ mar-21	
Gross loans	2,223,835	2,159,648	64,188	3%	1,985,675	238,160	12%
Performing loans	2,035,122	1,963,164	71,958	4%	1,760,073	275,049	16%
Non-performing loans	188,713	196,483	(7,770)	-4%	225,602	(36,889)	-16%
Impairments	(128,013)	(130,736)	2,723	-2%	(140,871)	12,858	-9%
Performing loans impairments	(31,559)	(29,320)	(2,239)	8%	(28,079)	(3,480)	12%
Non-performing loans impairments	(96,454)	(101,416)	4,962	-5%	(112,791)	16,337	-14%
Net loans	2,095,822	2,028,911	66,911	3%	1,844,805	251,018	14%
Net performing loans	2,003,563	1,933,844	69,719	4%	1,731,994	271,569	16%
Net non-performing loans	92,259	95,067	(2,808)	-3%	112,811	(20,552)	-18%

- **Total assets, amounting to RON 3.78 Billion**, show a slight decrease compared to the end of 2021, by 1% (RON -49 Million), simultaneously with the change in the Bank's balance sheet structure: increase in net loans (RON +67 Million) and the reduction of liquid assets by RON 102 Million, the excess liquidity being placed in loans (assets with the best return)
- **The loan portfolio (net value) registered an increase of 3%**, RON +67 Million, compared to December 2021 and an increase of 14%, RON +251 Million, compared to March 31, 2021; In terms of structure, the net performing portfolio (stage 1 + 2 as per IFRS 9) registered an increase of RON 70 Million (+4%) compared to December 2021, while the portfolio of non-performing loans

registered a decrease of RON 3 Million (-3%), due to the write-off operations of fully impaired non-performing loans;

- **Debt due to customers shows a decrease of 3.5% (RON +117 Million)** compared to December 2021, against the background of the war in Ukraine but also due to the rising inflation and the existence of other investment alternatives in the market.

At the individual level, the capital adequacy ratio (Total Own Funds Ratio) is 18.3%, exceeding the regulatory limit, registering a slight decrease compared to the end of 2021 when the level of 19.1% was registered; the evolution is justified by the decrease of the reserves from the mark-to-market of the debt instruments in the current macroeconomic context at the level of the banking system.

At consolidated level, the capital adequacy ratio (Total Own Funds Ratio) is 17.6%, exceeding the regulatory limit.

The Total Own Funds Ratio both at individual and consolidated level does not incorporate the profit obtained by the Bank, respectively by the Patria Bank S.A. Group, as it is not audited, a mandatory condition for its incorporation in Own Funds. Thus, the consolidation of the Total Own Funds Ratio will be performed at the end of the year by including the profits obtained by the Bank and by the Group.

b) Profit and Loss Account:

FINANCIAL PERFORMANCE STATEMENT -thousands RON-	3 months up to 31.mar.22	3 months up to 31.mar.21	Δ 2022/ 2021 (abs.)	Δ 2022/ 2021 (%)
Net interest income	29,761	25,520	4,241	17%
Net fees and commission income	7,052	6,652	400	6%
Net gains from financial activity & other income	4,778	9,033	(4,255)	(47%)
Net banking Income	41,591	41,205	386	1%
Staff costs	(17,050)	(15,322)	(1,728)	11%
Depreciation and amortization	(5,317)	(5,499)	182	(3%)
Other operating and administrative expenses	(12,743)	(10,011)	(2,732)	27%
Total operating expense	(35,110)	(30,832)	(4,278)	14%
Operating Result	6,481	10,373	(3,892)	(38%)
Net impairment of financial assets	(4,174)	(9,048)	4,874	(54%)
Gain/ (Loss) before tax	2,307	1,325	982	74%
Expense from deferred tax	(1,425)	(872)	(553)	63%
Gain/ (Loss) for the year	882	453	429	95%

- **Net banking income** remains at a level similar to Q1 2021, determined by the evolution of revenues from financial activity affected by market conditions and which shows a contraction of 47%, RON -4.3 Million; However, the income from the basic activity of the Bank, represented by the income from interest and commissions, shows a positive evolution in line with the development of the balance sheet, fully covering the contraction of the income from the financial activity.

- **Income from loan interests** increased by 16% (RON +5 Million) in Q1 2022 compared to the same period of 2021, in line with the development of the portfolio of performing loans, increasing efficiency in commercial activity and diversifying the mix of products.

An upward trend is also shown for income from debt instruments interest of +30% or RON +1.4 Million, generated by the increase of the government bond portfolio by RON +28 Million (+ 3%) and also by improving the mix of maturity and yield of the portfolio.

	3 months up to 31.mar.22	3 months up to 31.mar.21	Δ 2022/ 2021 (abs.)	Δ 2022/ 2021 (%)
Interest income	43,231	36,614	6,617	18%
Loans	36,812	31,773	5,039	16%
Debt securities	6,123	4,723	1,400	30%
Other interest bearing assets	296	119	177	150%
Interest expense	(13,470)	(11,094)	(2,376)	21%
Due to cutomers	(11,768)	(9,448)	(2,320)	25%
Other interest earning liabilities	(1,703)	(1,647)	(56)	3%
Net interest income	29,761	25,520	4,241	17%

- **Total interest expenses** increased by 21% (RON +2.4 Million) compared to Q1 2021, considering the evolution of interest rates in the market which generates a pressure on the financing cost related to commercial deposits. This trend is generated both by the increase in the inflation rate and by the latest events in Ukraine, which have determined an uncertainty that affects the saving behavior of customers. Also, the availability in the market of savings and investment alternatives with higher yields than that of bank deposits redirected some of the sources, putting additional pressure on the cost of financing.
- **Operating expenses** registered an increase compared to the same period of 2021 of 14% (RON 4.3 Million), an evolution explained by the following elements:
 - Rising inflation
 - Energy crisis with direct implications for rising utility prices
 - Macroeconomic uncertainty generated by the war in Ukraine
 - The increase of fixed costs, the most important being the one regarding the contribution to the Deposit Guarantee Fund, which tripled compared to the previous year
 - Salary costs - strengthening the Patria Bank team by recruiting new positions correlated with staff retention measures and implementing a new variable payment model
 - New investment projects both in the commercial area, as well as new regulatory requirements with influence in the amortization expenses.
- **The net cost of risk registers a substantial decrease of 54% (RON 4.9 Million)** compared to the same period of 2021 due to the payment behavior of customers, the very good quality of the new portfolio generated in recent years, the implementation of The Monitoring Committee, whose primary purpose is a proactive and not a reactive approach to the evolution of the loan portfolio and the timely taking of measures, as well as the very good results in terms of collecting and recovering outstanding receivables. In Q1 2022, the Bank carried out write-off operations of non-performing loans amounting to RON 14 Million, in line with the NPL management strategy, managing to reduce the rate by 2.91% compared to March 2021 and by 0.6% compared to December 2021.

The Bank also considered a prudent level of impairment adjustments to anticipate possible risks that may arise in 2022 in the current macroeconomic context.

The net result for Q1 2022 shows an increasing evolution compared to Q1 2021 of 95%, from RON 453 Thousand to RON 882 Thousand.

Another non-recurring element with an impact on the net result is represented by the deferred tax constituted historically on the basis of fiscal losses and which must be reversed in line with the related expiration calendar. Thus, the Bank has a much higher deferred tax expense than it would have on a recurring basis for current income tax.

However, Patria Bank reported a level of Net Profit with a continuous positive dynamic, proving the capacity to grow towards a sustainable profitability.

2.4 Financial-economic main ratios (individual level)

Main ratios		31.mar.22	31.dec.21	31.mar.21
1	Total Own Funds Ratio	18.29%	19.13%	21.19%
2	The potential change of the economic value (EVI/ Own Funds)	11.3%	9.7%	8.5%
3	Loans (gross value) / Customer deposits	70%	65%	70%
4	Loans (gross value) / Total assets	59%	56%	59%
5	Liquidity Coverage Ratio (LCR)	150%	177%	199%
6	Liquid assets / Total assets	36%	38%	36%
7	Debt securities and equity instruments / Total assets	26%	25%	24%
8	Return on Assets ratio (RoA)	0.1%	0.3%	0.1%
9	Return on Equity ratio (RoE)	1.0%	2.8%	0.5%
10	Expense/income ratio	84%	77%	75%
11	Non Performing Loans (NPL)*	8.78%	9.38%	11.69%
12	Non Performing Exposures (NPE)*	7.77%	7.88%	10.09%
13	Coverage NPL	53%	54%	52%
14	Coverage NPL**	59%	60%	58%

(*) As per individual FINREP

(**) As per the presentation for the calculation of the systemic risk buffer

3. The activity of the Bank's subsidiaries

Patria Credit IFN

Patria Credit IFN SA, a company authorized by the NBR to carry out lending activities, is a name known on the local and European markets through its longstanding expertise in the field of agricultural microfinance. Patria Credit expanded its loan portfolio balance at the end of Q1 2022 up to the equivalent of RON 149.4

Million (up 31% compared to March 2021). The volume of new loans granted during the first 3 months of 2022 was of EUR 24.6 Million, increasing by 28% compared to the same period of 2021. The company obtained a net profit of RON 1.58 Million, down 24% compared to the same period last year.

Regarding credit risk, the company has maintained a prudent and appropriate policy for its risk profile. Thus, Patria Credit registered in the the first three months of 2022 an annual cost of risk of 0.003%, compared to a cost of the budgeted risk of 1.28%, calculated as a ratio between the level of expenses / revenues with the provisions from loans and the average portfolio.

Financial - economic main ratios (individual level):

Ratios	31-mar.-22	31-dec.-21
Own funds ratios / Total assets	20.36%	22.20%
Loans (gross value) / Total assets	95.15%	95.52%
Return on assets (RoA)	4.14%	6.13%
Return on equity (RoE)	25.89%	35.38%
Cost to income ratio	54.21%	45.72%
PAR ratio>30	3.31%	4.02%

During the first three months of 2022 Patria Credit carried out the following projects:

- Continuation of the project for the implementation of the new IT system dedicated both to the granting and management of loans (*Loan Origination & Management*) and to the accounting activity (*Core System*)
- Project on the implementation of a provisioning calculation platform necessary for the automated calculation of provisions according to IFRS 9 standard, in accordance with legislative requirements
- Enten Partnership on facilitating the adoption of high precision agriculture-specific technologies among vegetable micro-producers in rural communities.

The company continues financing the rural environment, micro-farms and small rural businesses, meeting their needs with new products and campaigns.

SAI Patria Asset Management

Patria Asset Management, an Investment Management Company authorized by FSA, managed five open-end investment funds as at 31.03.2022: ETF BET Patria- Tradeville a shares fund listed on Bucharest Stock Exchange (BSE), Patria Global, a diversified fund, Patria Stock, an equity-focused fund, Patria Obligatiuni, a fund specialized in fixed income instruments denominated in RON and Patria Euro Obligatiuni, an EUR denominated fund specialized in fixed income investments.

ETF BET Patria-Tradeville is an *Exchange Traded Fund* in Romania with the objective of replicating the structure and performance of the BET stock index, the reference index of the Bucharest Stock Exchange, which currently includes the most important 20 companies listed on BSE. The fund is traded on the stock

exchange with the symbol TVBETETF and can be purchased through any intermediary authorized to trade on the stock exchange. On 31.03.2022 ETF BET Patria-Tradeville had net assets of RON 58.6 Million, increasing by 25.1% compared to 31.12.2021 and almost 3.5 times higher than the level registered on 31.03.2021, when the assets amounted to RON 16.87 Million. In the last 12 months ended on 31.03.2022, the BET Patria-Tradeville ETF brought a yield of + 18.6%.

Patria Global fund brought investors a positive return of 5.5% during the last 12 months ended on 31.03.2022 and the fund's assets increased by 30.3%, reaching RON 16.52 Million. **Patria Stock fund** recorded an increase of unit fund value by 8.26% and the fund's assets increased by 26.8%, up to RON 4.97 Million. As for **Patria Obligatiuni fund**, it recorded an yield of 2.30% during 31.03.2021 – 31.03.2022 while the fund's net assets decreased by 10.1% to RON 25.1 Million. **Patria Euro Obligatiuni fund** recorded a yield of 1.89% in Euro during the same period, while the fund's assets increased by 38.0% up to EUR 1.81 Million.

At the end of March 2022, **the total assets managed by Patria Asset Management registered the level of RON 114.2 Million, increasing by 123.9% compared to March 31, 2021**, when they amounted to RON 51.0 Million. An important contribution to this increase was the takeover in management of the BET Patria-Tradeville ETF fund in April 2021, a fund whose assets represented on 31.03.2022 over 51% of the assets managed by the Company.

As at 31.03.2022, the funds managed by Patria Asset Management had 7,011 investors, increasing by 22% compared to the end of 2021, when their number was 5,742.

Patria Asset Management launched in December 2021 an internet trading platform for investment funds. Available at *online.patriafonduri.ro*, the platform offers faster access to Patria Global, Patria Stock, Patria Obligatiuni and Patria Euro Obligatiuni funds. Through it, investors have access at any time to the value of their holdings in the four funds and can perform online operations of depositing money or withdrawing money from funds.

4. Other information and statements

During the first three months of 2022, the Bank's activity was carried out under the conditions of the previously described economic environment, there have been macroeconomic and geopolitical events that impacted the evolution of the Bank's revenues.

The main activity took place under normal conditions. The legal obligations regarding the correct and up-to-date organization and management of the accounting, regarding the observance of the accounting principles, of the accounting rules and methods provided by the regulations in force have been fulfilled.

The interim financial statements have been prepared in accordance with International Financial Reporting Standards adopted by the European Union and IAS 34 "Interim Financial Reporting".

The data presented on March 31, 2022 are based on the organization and management of accounting in accordance with Law no. 82/1991 republished with the subsequent modifications and completions, in accordance with the NBR Order no. 27/2010 for the approval of the accounting regulations compliant

with the International Financial Reporting Standards adopted by the European Union, with the subsequent modifications and completions.

The bank has not been unable to meet its financial obligations in any situation during 2022.

Description of any change in the rights of the shareholders of the shares issued by the company

During the reporting period there were no changes regarding the rights of the shareholders.

As at March 31, 2022, shareholders whose voting rights are suspended under NBR's Orders held a total of 245,490,909 shares representing 7.49% of the total number of shares and the total number of voting rights.

Changes of the share capital

By Patria Bank EGMS decision no. 1/18.10.2021 it has been approved the increase of the share capital of the Bank with a maximum amount of RON 19,730,000, from RON 311,533,057.50 to a maximum of RON 331,263,057.50 by issuing, without issuance premium, a number of maximum 197,300,000 new, nominative, ordinary, dematerialized shares each having a nominal value of RON 0.10 / share. By the same decision it was approved that the share capital increase to be carried out by: i) conversion, up to RON 14,925,000 (representing the RON equivalent of the amount of EUR 3,000,000 at an estimated exchange rate of 4.9750 RON / EUR updated with the NBR exchange rate on the day of subscription) of the subordinated loan granted to the Bank by EEAF Financial Services BV on 18.12.2018 and ii) additional cash contribution, with rendering the preference rights to all existing shareholders of the Bank registered in the register of Bank's shareholders as of the record date.

The share capital increase was carried out in accordance with the simplified Offering Prospectus approved by FSA Decision no. 1587/15.12.2021. Following the expiration, on 19.01.2022, of the period of exercising the preference rights by shareholders in the share capital increase, in the meeting dated 20.01.2022 the Board of Directors of Patria Bank determined the following:

- A total number of 163,483,801 new shares were subscribed at a price of RON 0.10 per share by shareholders exercising preference rights
- The total amount resulting from these subscriptions was RON 16,348,380.10 which was subscribed as follows:
 - The value of RON 14,847,300 resulted from the exercise of preemptive rights corresponding to the conversion of the amount of EUR 3,000,000 (at the NBR exchange rate of RON 4.9491 / EUR valid on the date of subscription), representing the subordinated loan granted to the Bank by the majority shareholder - EEAF Financial Services BV through the subordinated loan agreement dated 18.12.2018
 - The value of RON 1,501,080.10 resulted from the exercise of preference rights via cash subscriptions of shareholders of the Bank registered in the shareholder registry on record date.

The shares remaining unsubscribed following the exercise of the preemptive rights, respectively a number of 33,816,199 shares, were canceled. Therefore, the share capital of the Bank was increased by RON 16,348,380.10, from RON 311,533,057.50 to RON 327,881,437.60.

Patria Bank SA is a company whose shares are traded on the Bucharest Stock Exchange, Premium Category, under PBK symbol. The structure of the Bank's stock holdings amounting to at least 10% of its share capital at 31.03.2022 is as follows:

Shareholder	No. of shares	Percent (%)
EEAF FINANCIAL SERVICES BV, Amsterdam	2,755,927,215	84,0526
Individuals	456,551,621	13,9243
Legal entities	66,335,540	2,0232
Total	3,278,814,376	100

Management of the company

As at 31.03.2022 the management of the Bank is provided by:

a) The Board of Directors:

- Mr. Horia Dragos Manda - chairman
- Mrs. Daniela Elena Iliescu – member
- Mr. Bogdan Merfea - member
- Mr. Nicolae Surdu – independent member
- Mr. Vasile Iuga - independent member.

b) The Executive Committee:

- Mr. Suleyman Burak Yildiran – General Manager
- Mr. Grigore Valentin Vancea - Deputy General Manager, Operations and IT Division
- Mr. Luca Rogoianu – Deputy General Manager, Risk Division
- Mrs. Georgiana Stanciulescu – Deputy General Manager, Financial Division (pending NBR approval).

5. Significant transactions

Excepting the affiliated parties transactions mentioned at point 3, there were no other significant contracts concluded by Patria Bank S.A. during 2022 on acquisitions, mergers, divisions etc. or significant transactions with persons with whom they would act concertedly or in which such persons were involved.

6. Significant litigations

On 06.05.2021 Patria Bank S.A. was notified the summons in file no. 494/99/2021 at Iasi Court which has the object the lawsuit filed by SC Iasisting SRL (which has concluded with Patria Bank S.A. loan agreements for investments and working capital), SC Red Hospital SRL, SC Recumedis SRL, SC Red Plaza SRL and Blajut Viorel (which are guarantors in the loan agreements concluded between Patria Bank S.A. and Iasisting SRL company), in which the Bank is asked to pay Euro 5,000,000 as material damages and Euro 3,000,000 as non-material damages (rom. daune morale). The file is under the settlement procedure.

7. Subsequent events after 31.03.2022

The Convening of Patria Bank SA Extraordinary General Shareholders Meeting for May 19/20, 2022

By the Decision of the Board of Directors of Patria Bank SA no. 94/12.04.2022, it was decided the convening of the EGSM for May 19/20, 2022, at 10:00 hours, at the Bank registered office, considering the fact that Mr. Ilie Carabulea, as shareholder of the Bank, holding a number of 245,490,909 shares, representing 7.49 % of the share capital of the Bank, submitted, on the basis of Article 119 para. (1) of the Companies Law No 31/1990, as amended, by letter received by the Bank on 24.03.2022, a request to convene the EGSM with the following agenda:

- Analysis of the economic situation of Patria Bank SA on 31.12.2021
- The reasons for which the shares are not paid as a result of the request for exit from the shareholders submitted on 31.10.2016 by the shareholder Carabulea Ilie
- Indication of the reason for non-compliance with the provisions of Regulation (EU) No 475/2013 and Regulation (EU) No 241/2014 on the submission of the application for approval of the payment of shares to the NBR.

8. Annexes

- Primary Individual and Consolidated Financial Statements as at 31.03.2022:
 - Consolidated and Separate Statement of Profit or Loss
 - Consolidated and Separate Statement of Other Comprehensive Income
 - Consolidated and Separate Statement of Financial Position
 - Consolidated and Separate Statement of Changes in Equity
 - Consolidated and Separate Statement of Cash Flows
 - Explanatory notes to the consolidated and individual financial statements

Management's Statement regarding the assumption of responsibility for the preparation of the financial statements for Q1 2022.

NOTE: The financial statements for the first 3 months of 2022 have not been audited/reviewed by the independent financial auditor.

General Manager
Burak Yildiran

Deputy General Manager
Valentin Vancea

Statement

We, the undersigned, Suleyman Burak Yildiran, General Manager and Valentin Vancea, Deputy General Manager, as the legal representatives of Patria Bank SA, in accordance with the provisions of art. 30 of the Accounting Law no. 82/1991 republished and of art. 65 para. (1) lit. c) of Law no. 24/2017 regarding the issuers and of art. 223 lit. B para. 1 c) of the ASF Regulation 5/2018 regarding the issuers of financial instruments and market operations, assume the responsibility for the preparation of the annual and consolidated financial statements as at 31.03.2022 and certify that, to our knowledge:

A) The accounting policies used to prepare the financial statements as at 31.03.2022 are in accordance with the accounting regulations applicable to credit institutions, based on the NBR Order no. 27/2010 for approving the accounting regulations in compliance with the International Financial Reporting Standards adopted by the European Union, with subsequent amendments;

B) The interim financial statements as at 31.03.2022 present a fair view of the financial position, financial performance and other information regarding the activity of Patria Bank SA;

C) Patria Bank SA operates in terms of continuity;

D) The Quarterly Report on the aforementioned financial statements includes an accurate analysis of the evolution and performance of the Bank, as well as a description of the main risks and uncertainties specific to the business performed.

General Manager
Burak Yildiran

Deputy General Manager
Valentin Vancea



PATRIA BANK GROUP

**INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2022**

**Prepared in accordance with International Financial Reporting Standards as adopted by
the European Union**

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INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2022 (All amounts are in thousand RON)

<i>Thousand RON</i>	<i>Note</i>	Group		Bank	
		Unaudited(*) 31 March 2022	Unaudited(*) 31 March 2021	Unaudited(*) 31 March 2022	Unaudited(*) 31 March 2021
Interest and similar income calculated using the effective interest rate		50,117	42,102	43,231	36,614
Interest and similar expense		(15,358)	(12,075)	(13,470)	(11,094)
Net interest income	4	<u>34,759</u>	<u>30,027</u>	<u>29,761</u>	<u>25,520</u>
Fee and commission income		8,705	8,363	8,322	8,192
Fee and commission expense		(1,892)	(1,789)	(1,270)	(1,540)
Net fee and commission income	5	<u>6,813</u>	<u>6,574</u>	<u>7,052</u>	<u>6,652</u>
Net gain/(loss) from financial assets measured at fair value through profit or loss	6	(1,379)	975	369	727
Net gain/(loss) from disposal of investment securities at fair value through other comprehensive income	7	-	4,508	-	4,508
Net gain/(loss) on derecognition of financial assets measured at amortised cost		(79)	(8)	(79)	(8)
Net gains/(losses) on investment properties		474	(68)	474	(68)
Net gains/(losses) on non-current assets held for sale		(38)	2	(38)	2
Other operating income	8	5,117	4,011	4,052	3,872
Net Operating income		<u>45,667</u>	<u>46,021</u>	<u>41,591</u>	<u>41,205</u>
Personnel expenses	10	(19,025)	(16,883)	(17,050)	(15,322)
Administrative and other operating expenses	11	(12,827)	(11,159)	(12,743)	(10,011)
Depreciation and amortization		(5,598)	(5,737)	(5,317)	(5,499)
Operational result before impairment		<u>8,217</u>	<u>12,242</u>	<u>6,481</u>	<u>10,373</u>
Net charge with impairment of financial assets	9	(4,350)	(8,578)	(4,174)	(9,048)
Operational profit		<u>3,867</u>	<u>3,664</u>	<u>2,307</u>	<u>1,325</u>
Profit before tax		<u>3,867</u>	<u>3,664</u>	<u>2,307</u>	<u>1,325</u>
Income tax charge for the year		(1,720)	(1,281)	(1,425)	(872)
Net profit for the period		<u>2,147</u>	<u>2,383</u>	<u>882</u>	<u>453</u>

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

**INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022 (All amounts are in thousand RON)**

<i>Thousand RON</i>	Unaudited(*) 31 December 2021	Unaudited(*) 31 December 2020	Unaudited(*) 31 December 2021	Unaudited(*) 31 December 2020
Net profit for the period	2,147	2,383	882	453
Other elements of the comprehensive income				
Items that may be reclassified to profit or loss:				
Gains on debt instruments measured at FVOCI, recycled in the profit or loss	-	(4,508)	-	(4,508)
Gains/(losses) from fair value measurement of debt instruments measured at FVOCI	(18,371)	2,192	(18,372)	2,192
Variation of expected credit loss related to debt instruments measured at FVOCI	(6)	(6)	(6)	(6)
Income tax recorded directly in other comprehensive income	2,940	371	2,940	371
Items that may not be reclassified to profit or loss:				
Income tax recorded directly in other comprehensive income, related to the changes of revaluation reserve	471	248	471	248
Gain on equity investments measured at FVOCI	-	3	-	3
Other elements of the comprehensive income, net of tax	(14,966)	(1,700)	(14,967)	(1,700)
Comprehensive income	<u>(12,819)</u>	<u>683</u>	<u>(14,085)</u>	<u>(1,247)</u>
Profit attributable to:				
-Equity holders of the parent entity	2,147	2,383	882	453
-Non-controlling interests	-	-	-	-
Profit for the period	<u>2,147</u>	<u>2,383</u>	<u>882</u>	<u>453</u>
Comprehensive income attributable to:				
-Equity holders of the parent entity	(12,819)	683	(14,085)	(1,247)
-Non-controlling interests	-	-	-	-
Comprehensive income	<u>(12,819)</u>	<u>683</u>	<u>(14,085)</u>	<u>(1,247)</u>
Earnings per share (basic and diluted)	<u>0.0007</u>	<u>0.0008</u>	<u>0.0003</u>	<u>0.0001</u>

The financial statements were approved by the Board of Directors on the 13th of May 2022 and were signed on its behalf by:

Burak Yildiran
General Manager

Valentin Vancea
Deputy General Manager

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022 (All amounts are in thousand RON)

<i>Thousand RON</i>	<i>Note</i>	Group		Bank	
		Unaudited(*)	31 December	Unaudited(*)	31 December
		31 March	2021	31 March	2021
		2022		2022	
Assets					
Cash and cash equivalents	12	367,204	502,974	364,645	497,316
Financial assets measured at fair value through profit or loss	13	111,694	97,181	19,380	19,377
Financial asset measured at fair value through other items of comprehensive income	14	701,486	682,856	701,486	682,856
Due from other banks	15	8,123	5,834	8,123	5,834
Loans and advances to customers	16	2,242,944	2,154,954	2,095,822	2,028,911
Investments in debt instruments at amortized cost	17	269,033	259,463	269,033	259,463
Investment property	18	114,306	118,871	114,306	118,871
Fixed assets held for sale		2,148	7,011	2,148	7,011
Investment in subsidiaries	19	-	-	34,296	34,296
Other financial assets	20	13,985	14,960	13,684	15,143
Other assets	21	12,079	8,408	12,187	8,443
Deferred tax assets		13,989	11,965	13,380	11,394
Intangible assets	22	46,758	47,005	45,881	46,139
Property and equipment	23	84,434	92,895	82,659	91,035
Total assets		<u>3,988,183</u>	<u>4,004,377</u>	<u>3,777,030</u>	<u>3,826,089</u>
Liabilities					
Due to other banks	24	105,891	18,312	105,891	18,312
Customer deposits	25	3,192,148	3,306,159	3,198,227	3,314,846
Loans from banks and other financial institutions	26	115,802	99,377	-	-
Other financial liabilities	27	144,173	143,841	42,814	53,832
Provisions	28	12,081	11,113	11,207	10,357
Other liabilities	29	8,531	3,704	6,974	3,386
Subordinated debts	30	20,040	34,896	10,082	24,797
Debt securities in issue	31	63,187	64,174	63,187	64,174
Total liabilities		<u>3,661,853</u>	<u>3,681,576</u>	<u>3,438,382</u>	<u>3,489,704</u>
Equity					
Share capital and equity premiums	32	332,181	315,833	332,181	315,833
Merger premium		(67,569)	(67,569)	(67,569)	(67,569)
Treasury shares		(1,140)	(1,140)	(6)	(6)
Accumulated Profits / (Losses)		18,628	13,539	31,640	27,816
Revaluation reserve	35	15,911	33,819	14,200	32,109
Reserves for general banking risks	35	-	-	-	-
Statutory legal reserve	35	13,641	13,641	13,524	13,524
Other reserves	35	14,678	14,678	14,678	14,678
Total equity		<u>326,330</u>	<u>322,801</u>	<u>338,648</u>	<u>336,385</u>
Total liabilities and equity		<u>3,988,183</u>	<u>4,004,377</u>	<u>3,777,030</u>	<u>3,826,089</u>

The financial statements were approved by the Board of Directors on the 13th of May 2022 and were signed on its behalf by:

Burak Yildiran
General Manager

Valentin Vancea
Deputy General Manager

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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**INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022 (All amounts are in thousand RON)**

Grup

<i>Mii LEI</i>	Share capital	Merger premium	Treasury shares	Revaluation reserves for financial assets at FVOCI	Revaluation reserve for property	Statutory legal reserve	Reserves for general banking risks	Other reserves	Accumulated Profits / (Losses)	Total equity attributable to the parent	Non-controlling interest	Total equity
Balance at 1 January 2022	315,833	(67,569)	(1,140)	(5,841)	39,660	13,641	-	14,678	13,539	322,801	-	322,801
Comprehensive income	-	-	-	-	-	-	-	-	2,147	2,147	-	2,147
Profit for the period	-	-	-	-	-	-	-	-	2,147	2,147	-	2,147
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Net gain related to FVOCI debt instruments recycled in profit or loss account	-	-	-	-	-	-	-	-	-	-	-	-
Expected net credit loss related to FVOCI debt instruments	-	-	-	(5)	-	-	-	-	-	(5)	-	(5)
Gains/(losses) from the measurement at fair value of debt instruments FVOCI	-	-	-	(15,432)	-	-	-	-	-	(15,432)	-	(15,432)
Net gain from the fair value measurement of FVOCI equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the reserve for the revaluation of property	-	-	-	-	471	-	-	-	-	471	-	471
Total other comprehensive income	-	-	-	(15,437)	471	-	-	-	-	(14,966)	-	(14,966)
Total comprehensive income	-	-	-	(15,437)	471	-	-	-	2,147	(12,819)	-	(12,819)
Revaluation reserve realized	-	-	-	-	(2,942)	-	-	-	2,942	-	-	-
Share capital increase	16,348	-	-	-	-	-	-	-	-	16,348	-	16,348
Balance at 31 March 2022	332,181	(67,569)	(1,140)	(21,278)	37,189	13,641	-	14,678	18,628	326,330	-	326,330

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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**INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022 (All amounts are in thousand RON)**

	Share capital	Merger premium	Treasury shares	Revaluation reserves for financial assets at FVOCI	Revaluation reserve for property	Statutory legal reserve	Reserves for general banking risks	Other reserves	Accumulated Profits / (Losses)	Total equity attributable to the parent	Non-controlling interest	Total equity
Balance at 1 January 2021	315,833	(67,569)	(1,138)	11,667	43,361	12,752	15,301	14,678	(15,253)	329,632	-	329,632
Comprehensive income												
Profit for the period	-	-	-	-	-	-	-	-	9,887	9,887	-	9,887
Other comprehensive income												
Net gain related to FVOCI debt instruments recycled in profit or loss account	-	-	-	(5,718)	-	-	-	-	-	(5,718)	-	(5,718)
Expected net credit loss related to FVOCI debt instruments	-	-	-	425	-	-	-	-	-	425	-	425
Gains/(losses) from the measurement at fair value of debt instruments FVOCI	-	-	-	(13,174)	-	-	-	-	-	(13,174)	-	(13,174)
Net gain from the fair value measurement of FVOCI equity instruments	-	-	-	959	-	-	-	-	-	959	-	959
Changes in the reserve for the revaluation of property	-	-	-	-	705	-	-	-	-	705	-	705
Total other comprehensive income	-	-	-	(17,508)	705	-	-	-	-	(16,803)	-	(16,803)
Total comprehensive income	-	-	-	(17,508)	705	-	-	-	9,887	(6,916)	-	(6,916)
Revaluation reserve realized	-	-	-	-	(4,406)	-	-	-	4,406	-	-	-
Allocation to the legal reserve	-	-	-	-	-	889	-	-	(802)	87	-	87
Use of reserves to cover losses from loans	-	-	-	-	-	-	(15,301)	-	15,301	-	-	-
Acquisitions of treasury shares	-	-	(2)	-	-	-	-	-	-	(2)	-	(2)
Balance at 31 December 2021	315,833	(67,569)	(1,140)	(5,841)	39,660	13,641	-	14,678	13,539	322,801	-	322,801

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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**INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022 (All amounts are in thousand RON)**

Banca

Mii LEI

	Share capital	Merger premium	Treasury shares	Revaluation reserves for financial assets at FVOCI	Revaluation reserve for premises	Statutory legal reserve	Reserves for general banking risks	Other reserves	Accumulated Profits / (Losses)	Total equity
Balance at 1 January 2022	315,833	(67,569)	(6)	(5,840)	37,949	13,524	-	14,678	27,816	336,385
Comprehensive income	-	-	-	-	-	-	-	-	882	882
Profit for the period	-	-	-	-	-	-	-	-	882	882
Other comprehensive income										
Net gain related to FVOCI debt instruments recycled in profit or loss account	-	-	-	-	-	-	-	-	-	-
Expected net credit loss related to FVOCI debt instruments	-	-	-	(5)	-	-	-	-	-	(5)
Gains/(losses) from the measurement at fair value of debt instruments FVOCI	-	-	-	(15,433)	-	-	-	-	-	(15,433)
Net gain from the fair value measurement of FVOCI equity instruments	-	-	-	-	-	-	-	-	-	-
Changes in the reserve for the revaluation of property	-	-	-	-	471	-	-	-	-	471
Total other comprehensive income	-	-	-	(15,438)	471	-	-	-	-	(14,967)
Total comprehensive income	-	-	-	(15,438)	471	-	-	-	882	(14,085)
Revaluation reserve realized	-	-	-	-	(2,942)	-	-	-	2,942	-
Share capital increase	16,348	-	-	-	-	-	-	-	-	16,348
Balance at 31 March 2022	332,181	(67,569)	(6)	(21,278)	35,478	13,524	-	14,678	31,640	338,648

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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**INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022 (All amounts are in thousand RON)**

<i>Mii LEI</i>	Share capital	Merger premium	Treasury shares	Revaluation reserves for financial assets at FVOCI	Revaluation reserve for premises	Statutory legal reserve	Reserves for general banking risks	Other reserves	Accumulated Profits / (Losses)	Total equity
Balance at 1 January 2021	315,833	(67,569)	(4)	11,668	41,648	12,752	15,301	14,678	(579)	343,728
Comprehensive income										
Profit for the period	-	-	-	-	-	-	-	-	9,462	9,462
Other comprehensive income										
Net gain related to FVOCI debt instruments recycled in profit or loss account	-	-	-	(5,718)	-	-	-	-	-	(5,718)
Expected net credit loss related to FVOCI debt instruments	-	-	-	425	-	-	-	-	-	425
Gains/(losses) from the measurement at fair value of debt instruments FVOCI	-	-	-	(13,174)	-	-	-	-	-	(13,174)
Net gain from the fair value measurement of FVOCI equity instruments	-	-	-	959	-	-	-	-	-	959
Changes in the reserve for the revaluation of property	-	-	-	-	705	-	-	-	-	705
Total other comprehensive income	-	-	-	(17,508)	705	-	-	-	-	(16,803)
Total comprehensive income	-	-	-	(17,508)	705	-	-	-	9,462	(7,341)
Allocation to the legal reserve	-	-	-	-	-	772	-	-	(772)	-
Revaluation reserve realized	-	-	-	-	(4,404)	-	-	-	4,404	-
Use of reserves to cover losses from loans	-	-	-	-	-	-	(15,301)	-	15,301	-
Acquisitions of treasury shares	-	-	(2)	-	-	-	-	-	-	(2)
Balance at 31 December 2021	315,833	(67,569)	(6)	(5,840)	37,949	13,524	-	14,678	27,816	336,385

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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**INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 31 MARCH 2022 (All amounts are in thousand RON)**

<i>Thousand RON</i>	Group		Bank	
	Unaudited(*) 31 March 2022	Unaudited(*) 31 March 2021	Unaudited(*) 31 March 2022	Unaudited(*) 31 March 2021
Cash flows from operating activities				
Interest received	36,770	35,579	34,125	33,581
Interest paid	(16,191)	(13,977)	(13,411)	(12,845)
Fees and commissions received	8,705	8,363	8,322	8,192
Fees and commissions paid	(1,892)	(1,789)	(1,270)	(1,540)
Gain / (Loss) from financial derivatives	141	157	141	159
Net gain from financial instruments and other operating income	313	6,892	996	6,505
Recoveries from off balance sheet items	1,357	2,636	1,353	2,612
Cash payments to employees	(17,745)	(16,169)	(15,880)	(14,710)
Cash payments to suppliers	(12,637)	(11,182)	(12,561)	(10,033)
Income taxes paid	(265)	-	-	-
Net cash-flow from operating activities before changes in operating assets and liabilities	<u>(1,444)</u>	<u>10,510</u>	<u>1,815</u>	<u>11,921</u>
Changes of operating assets				
<i>(Increase)/Decrease of:</i>				
- loans and advances to banks	(2,199)	2,021	(2,196)	2,012
- financial assets measured at fair value through profit or loss	(14,536)	9,024	(26)	10,321
- loans and advances to customers	(86,899)	(83,391)	(69,882)	(73,437)
- other financial assets	16,349	(1,065)	16,825	(1,596)
Total changes of operating assets	<u>(87,285)</u>	<u>(73,411)</u>	<u>(55,279)</u>	<u>(62,700)</u>
Changes of operating liabilities				
<i>Increase/(Decrease) of:</i>				
- due to other banks	87,575	9,999	87,570	9,999
- deposits from customers	(115,102)	(65,442)	(118,743)	(66,433)
- other financial liabilities	10,194	5,143	(2,293)	2,010
Total changes of operating liabilities	<u>(17,333)</u>	<u>(50,300)</u>	<u>(33,466)</u>	<u>(54,424)</u>
Net cash flow used in operating activities	<u>(106,062)</u>	<u>(113,201)</u>	<u>(86,930)</u>	<u>(105,203)</u>
Cash flows from investing activities				
Acquisition of investment securities at FVOCI	(112,901)	(151,666)	(112,901)	(151,666)
Proceeds from investment securities at FVOCI	62,738	227,473	62,738	227,473
Acquisition of equity instruments	-	(974)	-	(974)
Maturities of investments at amortized cost	(8,337)	60,830	(8,337)	60,830
Proceeds from dividend	5	-	5	-
Sale of investment property and non-current assets held for sale and premises	12,873	11,787	12,873	11,787
Acquisition of tangible and intangible assets	(1,920)	(13,658)	(1,816)	(13,654)
Net cash used in investing activities	<u>(47,542)</u>	<u>133,792</u>	<u>(47,438)</u>	<u>133,796</u>
Cash flows from financing activities				
Withdrawals from loans from other financial institutions	23,574	11,020	-	-
Repayments of loans from other financial institutions	(7,149)	(1,578)	-	-
Subordinated debt	(14,792)	187	(14,844)	187
Issuance of debt securities	(339)	492	-	492
	-	-	-	-
Net cash generated from financing activities	<u>1,294</u>	<u>10,121</u>	<u>(14,844)</u>	<u>679</u>
Effect of exchange rate changes on cash and cash equivalents	<u>192</u>	<u>1,025</u>	<u>193</u>	<u>1,023</u>
Net (decrease)/increase in cash and cash equivalents	(152,118)	31,737	(149,019)	30,295
Cash and cash equivalents at 1 January	502,974	354,793	497,316	350,943
Cash and cash equivalents at the end of the period	<u>350,856</u>	<u>386,530</u>	<u>348,297</u>	<u>381,238</u>

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

**NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL
STATEMENTS FOR THE PERIOD ENDED AT 31 MARCH 2022**
(All amounts are in Thousand RON)

1. REPORTING ENTITY

As at 31 March 2022, the Structure of the Patria Bank Group is the following:

- **Patria Bank S.A. – Parent company** – “The Bank / PBK” is a Romanian credit institution resulted from the merger by absorption between the former Banca Comerciala Carpatica S.A. (as an absorbing entity) and former Patria Bank S.A. (as an absorbed entity), which took place on 1st of May 2017.

According to the decision of the General Meeting of Shareholders regarding the approval of the merger, the decision to change the name of the absorbing company from Banca Comerciala Carpatica S.A. in Patria Bank S.A. was implemented at the same time with the merger date.

The Registered office: 42, Pipera Road, Globalworth Plaza Building, 8 and 10 Floors, Bucharest, Sector 2, postal code 020112.

As at 31 March 2022 and 31 December 2021 the Bank is ultimately controlled by Emerging Europe Accession Fund Cooperatief U.A. (“EEAF”) sole owner of EEAF Financial Services B.V. The main investors in EEAF are EBRD - European Bank for Reconstruction and Development, EIF - European Investment Fund (part of the European Investment Bank group), DEG - Deutsche Investitions- und Entwicklungsgesellschaft GmbH, Black Sea Trade and Development Bank.

The Bank provides banking services and other financial services to companies and retail clients. These services include: deposit and current accounts, domestic and international payments, foreign exchange transactions, working capital loans, medium term lending, bank guarantees, letters of credit.

- **Patria Credit IFN SA – Subsidiary** – (“IFN”) is a company registered in Romania since February 12, 2004 and it is authorized by the National Bank of Romania (“NBR”) to carry out lending activities. Starting with September 28, 2007, IFN is registered with the General Register of the NBR's Non-banking Financial Institutions (“IFN”), and as of February 26, 2008 Patria Credit IFN was also registered with the NBR Special Register.

Patria Credit IFN is specialized in rural lending and microfinance and it is under the control of Patria Bank SA (99,99%).

- **SAI Patria Asset Management SA (former SAI Carpatica Asset Management SA) – Subsidiary** – is authorized by the Financial Supervision Authority (“FSA”) for the management of open-end investment funds. The company manages five investment funds – FDI Patria Stock, FDI Patria Global, FDI Patria Obligatiuni, FDI Patria Euro Obligatiuni and ETF BET Patria – Tradeville. The BET Patria-Tradeville ETF was taken over by the administration of SAI Patria Asset Management in April 2021, being the only ETF (Exchange Traded Fund) equity fund in Romania. ETF BET Patria-Tradeville is a passively-managed fund, listed on the Bucharest Stock Exchange, which tracks

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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**NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL
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(All amounts are in Thousand RON)

the evolution of the exchange's main index, BET. The fund's units can be bought on the exchange through any intermediary licensed by the Bucharest Stock Exchange. SAI Patria Asset Management SA together with the managed investment funds are under the control of Patria Bank SA. Patria Bank holds 99.99% of the share capital and voting rights of SAI Patria Asset Management.

- **Carpatica Invest SA** (undergoing dissolution) – **Subsidiary** – Carpatica Invest S.A. with its headoffice in Sibiu, 5 Mihai Viteazu Street. Carpatica Invest S.A. was a financial investment services company that was authorized, regulated and supervised by the FSA; Patria Bank SA holds 95.68% of its shares.

The Financial Supervisory Authority has ruled to suspend the trading activity of SSIF Carpatica Invest SA, considering that the company was not compliant with the legal requirements regarding the level of own funds and the main shareholder at that time, Banca Comerciala Carpatica SA, decided to dissolve the company. Considering the dissolving decision and the insignificant impact of consolidating SSIF Carpatica Invest SA, the Group has decided to modify the scope of the consolidation by excluding Carpatica Invest SA.

The criminal case no. 19883/3/2017 * a1, in which Carpatica Invest S.A. has the quality of defendant, is on the role of the Bucharest Court. By decision of 24.04.2018, it was ordered to suspend the dissolution or liquidation process, but the appeal of the judicial liquidator against the measures ordered by the Bucharest Court was admitted, the request for suspension of the bankruptcy procedure against CARPATICA INVEST SA being definitively rejected as inadmissible.

As a result, the bankruptcy procedure continued with successive trial terms granted in the case 2127/85/2016 Sibiu Court, but the closing of the procedure is dependent on the way of solving the criminal case and the lifting of the seizure on the debtor's assets.

The insolvency case 2127/85/2016 pending before the Sibiu Tribunal has a deadline of 19.05.2022 (deadline granted for the continuation of the insolvency procedure in order to definitively solve the criminal case and to clarify the situation of the assets.). In the criminal case no. 19883/3/2017 * of the Bucharest Tribunal, the following solution was pronounced on the merits.

By Decision no. 79/2022 of 28.01.2022, it was ordered to convict the defendants, as well as to maintain the precautionary measures established by the ordinances during the criminal investigation (insurance seizure), concerning the assets of the defendants, including the company Carpatica Invest. Multi-party appeals have been filed against the solution.

As at 31 December 2021 – The Group Patria Bank (“The Group”) includes Patria Bank S.A. (“The Bank” / “PBK (resulted from the 2017 merger between Banca Comerciala Carpatica and Patria Bank, former Nextebank until 2016), Patria Credit IFN SA (“IFN”), SAI Patria Asset Management SA (former SAI Carpatica Asset Management SA) together with the managed investment funds: FDI Patria Stock, FDI Patria Global, FDI Patria Obligatiuni, FDI Patria Euro Obligatiuni and ETF BET Patria – Tradeville and SSIF Carpatica Invest SA (in bankruptcy, ongoing insolvency procedure, unconsolidated). Patria Bank SA is the Parent company of the Group.

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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**NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL
STATEMENTS FOR THE PERIOD ENDED AT 31 MARCH 2022**
(All amounts are in Thousand RON)

2. BASIS OF PREPARATION

a) Statement of compliance

The interim consolidated and individual financial statements have been prepared in accordance with *IAS 34 Interim Financial Reporting*. These interim consolidated and individual financial statements were not audited or reviewed.

The interim consolidated and individual financial statements include:

- Interim Consolidated and Separate Statement of Profit or Loss
- Interim Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income
- Interim Consolidated and Separate Statement of Financial Position
- Interim Consolidated and Separate Statement of Changes in Equity
- Interim Consolidated and Separate Statement of Cash Flows
- a selection of relevant explanatory notes for the period ending at 31 March 2022.

The interim financial statements do not include all disclosures required by the International Financial Reporting Standards adopted by the European Union ("IFRS") for the full set of annual financial statements; so, these interim statements should be read together with the Group's annual financial statements as at 31 December 2021.

In accordance with Order 27 / 16.12.2010 issued by the President of the Board of Directors of the National Bank of Romania, the Group's annual financial statements at 31 December 2021 were prepared in accordance with IFRS.

The Group keeps its accounting records in Romanian LEI ("RON"); RON is also the functional and presentation currency of the Group in accordance with the Romanian Accounting Law and the accounting and reporting regulations issued by NBR and the Ministry of Public Finance.

b) Basis of measurement

These financial statements have been prepared under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value, the revaluation of land and buildings, financial assets at fair value through other comprehensive income, non-current assets held for sale, investment properties and financial instruments at fair value through profit or loss.

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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**NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL
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(All amounts are in Thousand RON)

c) Basis of Consolidation

The consolidated interim financial statements comprise the financial statements of Patria Bank SA and all its subsidiaries for the period ended at 31 March 2022 and the comparative financial statements of the Patria Bank SA and all its subsidiaries for the period ended 31 March 2021 or 31 December 2021.

All outstanding balances between Group companies, transactions, income and expenses, losses and gains arising from transactions between Group companies are eliminated in full.

Subsidiaries are entities controlled by the Bank. An investor controls an investee when it has power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns.

The entities in the Group are incorporated in Romania, keep their accounting books and prepare their statutory financial statements as follows:

- the Bank, SAI Patria Asset Management S.A., FDI Patria Stock, FDI Patria Global, FDI Patria Obligatiuni, FDI Patria EURO Obligatiuni and FDI ETF BET Patria Tradeville in accordance with IFRS as adopted by the European Union;
- Patria Credit IFN SA in accordance with Romanian accounting regulations.

The Bank consolidates the financial statements of its subsidiaries in accordance with IFRS 10. The list of Group subsidiaries is presented at Note 1 "Reporting entity".

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these interim financial statements are those presented in Note 3 of the Group's Annual Consolidated and Separate Financial Statements for the year ended 31 December 2021.

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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**NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL
STATEMENTS FOR THE PERIOD ENDED AT 31 MARCH 2022**
(All amounts are in Thousand RON)

4. NET INTEREST INCOME

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Interest and similar income				
Loans and advances to customers (*)	43,267	36,936	36,827	31,828
Debt instruments at amortised cost	1,340	1,289	1,340	1,289
Financial assets at fair value through other comprehensive income	5,203	3,791	4,783	3,434
Due from other banks	304	86	281	60
Interest income on lease receivables	3	-	-	3
Total interest and similar income using effective interest method	<u>50,117</u>	<u>42,102</u>	<u>43,231</u>	<u>36,614</u>
Interest and similar expense				
Customer deposits	11,746	9,433	11,767	9,447
Loans from banks and other financial institutions	2,072	960	310	118
Subordinated liabilities	331	463	187	313
Other interest expense	62	71	59	68
Subordinated bonds	1,147	1,148	1,147	1,148
Total interest and similar expense	<u>15,358</u>	<u>12,075</u>	<u>13,470</u>	<u>11,094</u>
Net interest income	<u>34,759</u>	<u>30,027</u>	<u>29,761</u>	<u>25,520</u>

(*) Interest income at Group level includes RON 580 thousand (31 March 2021: RON 1,545 thousand) interest income recognized on impaired loans to customers.

(*) Interest income at Bank level includes RON 488 thousand (31 March 2021: RON 1,484 thousand) interest income recognized on impaired loans to customers.

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 31 MARCH 2022
(All amounts are in Thousand RON)

5. NET FEE AND COMMISSION INCOME

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Fee and commission income				
Cards activity (VISA & MC)	1,990	1,746	1,991	1,746
Non-cash transactions	3,515	3,769	3,521	3,773
Non-deferrable commissions related to loans	421	475	401	475
Cash transactions	1,557	1,401	1,557	1,401
Income from other financial services	1,108	782	738	607
Interbank settlements	57	70	57	70
<i>Total fee and commission income from contracts with customers</i>	<u>8,648</u>	<u>8,243</u>	<u>8,265</u>	<u>8,072</u>
Issuing financial guarantees	57	120	57	120
Total fee and commission income	<u>8,705</u>	<u>8,363</u>	<u>8,322</u>	<u>8,192</u>
Fee and commission expense				
Cards activity (VISA & MC)	284	241	284	241
Interbank settlements	510	478	510	477
Expenses from other financial services	688	350	71	107
Other	410	720	405	715
Total fee and commission expense	<u>1,892</u>	<u>1,789</u>	<u>1,270</u>	<u>1,540</u>
Net fee and commission income	<u>6,813</u>	<u>6,574</u>	<u>7,052</u>	<u>6,652</u>

Non-deferrable commissions related to loans represent fees and commissions that are not subject of amortization according to the Effective Interest Rate methodology and consist mainly on fees charged for services provided (administration fees) that are recognized in the period when they were incurred, fees for credit commitments when the probability of disbursement is not certain, fees charged for early repayments, etc. The Group has internal procedures that classifies all commission types and specifies the accounting treatment to be applied for each class.

6. NET GAIN/(LOSS) FROM FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Net gain/(loss) from financial assets measured at fair value through profit or loss	(1,890)	617	(143)	369
Net gain/(loss) from derivatives	511	358	512	358
Total	<u>(1,379)</u>	<u>975</u>	<u>369</u>	<u>727</u>

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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**NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL
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(All amounts are in Thousand RON)

**7. NET GAIN/(LOSS) FROM DISPOSAL OF INVESTMENT SECURITIES AT FAIR VALUE
THROUGH OTHER COMPREHENSIVE INCOME**

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Gains from disposals of investment securities at fair value through other comprehensive income	-	4,664	-	4,664
Losses from disposals of investment securities at fair value through other comprehensive income	-	(156)	-	(156)
Total	-	<u>4,508</u>	-	<u>4,508</u>

8. OTHER OPERATING INCOME

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Net gain/ (loss) from foreign exchange transactions	1,900	1,337	1,906	1,221
Dividend income	1,043	187	5	187
Other operating income	96	636	63	613
Gain / (Loss) from disposal of premises and equipment sales	244	322	244	322
Income from rental of real estate	1,834	1,529	1,834	1,529
Total	<u>5,117</u>	<u>4,011</u>	<u>4,052</u>	<u>3,872</u>

For the Group, dividend income of RON 1,043 thousand (31 March 2021: RON 187 thousand) represents share of profits paid proportionally to the Group, as follows:

- RON 1,038 thousand, dividends related to assets held for trading (31 March 2021: RON zero thousand);
- RON 5 thousand, received from other investments (31 March 2021: RON 187 thousand).

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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**NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL
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9. NET CHARGE WITH IMPAIRMENT OF FINANCIAL ASSETS

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Charge with adjustments for impairment of cash and cash equivalents	(5)	-	(5)	-
Charge/(Release) with adjustments for impairment of loans and advances to customers	6,116	9,637	5,934	10,193
Loss from written off loans	7	23	6	14
Recoveries from loans previously written off	(1,357)	(2,642)	(1,354)	(2,619)
Charge/(Release) with the adjustments for impairment of financial asset measured at fair value through other items of comprehensive income	(7)	(7)	(7)	(7)
Charge/(Release) with the adjustments for impairment of debt instruments at amortised cost	8	3	8	3
Charge/(Release) with the adjustments for impairment of credit commitments and financial guarantees	(502)	(193)	(502)	(293)
Charge/(Release) with adjustments for impairment of other financial assets	90	1,757	94	1,757
Net charge with adjustments for impairment of financial assets	<u>4,350</u>	<u>8,578</u>	<u>4,174</u>	<u>9,048</u>

10. PERSONNEL EXPENSES

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Wages and salaries	17,033	15,502	15,327	14,109
Social security contributions	629	539	470	473
Net expense/(income) with provisions related to wage costs	1,280	714	1,170	612
Other personnel expense	83	128	83	128
Total	<u>19,025</u>	<u>16,883</u>	<u>17,050</u>	<u>15,322</u>

The average number of employees of the Group as at 31 March 2022 is 655 employees (31 March 2021: 639 employees).

Notes 1 to 39 are part of the consolidated and separate financial statements.

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11. ADMINISTRATIVE AND OTHER OPERATING EXPENSES

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Third parties services	9,710	8,921	9,206	8,543
Rent	97	(552)	84	(548)
Materials and small inventories	455	530	375	465
Annual contribution to Guarantee Fund	1,580	740	1,580	740
Other taxes	809	879	745	768
Advertising and publicity	363	164	281	124
Net charge/(release) of litigation provisions	190	(23)	182	(22)
Other operating expenses	292	(49)	290	(59)
The expense related to the financial debt for the fund unit holders	(669)	549	-	-
Total	<u>12,827</u>	<u>11,159</u>	<u>12,743</u>	<u>10,011</u>

12. CASH AND CASH EQUIVALENTS

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Cash on hand	22,321	18,220	22,320	18,220
Cash in ATMs	52,713	62,892	52,713	62,893
Mandatory minimum reserve	266,907	279,641	266,907	279,641
Correspondent accounts and sight deposits with other banks	23,584	47,653	22,705	46,558
Placements with other banks with original maturities of less than three months	1,679	94,568	-	90,004
Total	<u>367,204</u>	<u>502,974</u>	<u>364,645</u>	<u>497,316</u>

(*)Cash and cash equivalents are not guaranteed.

(i) The mandatory minimum reserve is maintained in accordance with Regulation no. 6/2002 issued by the National Bank of Romania and the subsequent changes and amendments. According to this regulation, the Group is required to maintain a minimum average balance of mandatory reserve throughout the reporting period (monthly basis). The amounts from the mandatory reserve accounts are readily available for the use of the Group according to the liquidity needs and strategy, subject to achieving the minimum reserve as an average for the reporting period.

Notes 1 to 39 are part of the consolidated and separate financial statements.

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As of 31 March 2022 the mandatory minimum reserve requirement was 8% (31 December 2021: 8%) for RON funds attracted from customers and 5 % (31 December 2021: 5%) for foreign currency denominated funds attracted.

As of 31 March 2022 the amounts presented in the statement of financial position of cash and equivalents and cash at Central Banks are neither past due nor impaired.

13. FINANCIAL ASSETS EVALUATED AT FAIR VALUE THROUGH PROFIT OR LOSS

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Equity instruments(i)	19,380	19,377	19,380	19,377
Debt instruments (ii)	92,314	77,804	-	-
Total	<u>111,694</u>	<u>97,181</u>	<u>19,380</u>	<u>19,377</u>

- (i) In this category the Group included shares held at Visa Inc. in amount of RON 4,489 thousand (31 December 2021: RON 4,308 thousand) and listed equity instruments, held by the consolidated funds and other funds held by the Group.
- (ii) In this category the Group include:
- Bonds issued in RON, EUR and USD by financial and non-banking financial institutions as well as central and local public authorities;
 - Treasury bills issued by the Ministry of Public Finance of Romania.

Notes 1 to 39 are part of the consolidated and separate financial statements.

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**NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL
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**14. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE
INCOME**

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Debt securities at fair value through other items of comprehensive income				
-Treasury bills issued by the Ministry of Public (i)	650,241	630,719	650,241	630,719
-Debt securities issued by MAS SECURITIES BV	33,421	33,737	33,421	33,737
-Debt securities issued by AGRICOVER HOLDING S.A.	7,480	8,056	7,480	8,056
Equity investments at fair value through other comprehensive income	-	-	-	-
-Equity investments	10,344	10,344	10,344	10,344
Total	<u>701,486</u>	<u>682,856</u>	<u>701,486</u>	<u>682,856</u>

- i) Treasury bills are issued by the Ministry of Public Finance of Romania and includes listed discounted treasury bills and bonds denominated in RON, EUR and USD. As of 31 March 2022 the Group has no assets pledged for Repo contracts (31 December 2020: the Group has no pledged assets for Repo Contracts).

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 31 MARCH 2022

(All amounts are in Thousand RON)

The Group held the following equity investments FVOCI:

<i>Thousand RON</i>	Nature of business	Group				Bank			
		31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
		Carring amount	Effective Holding (%)	Carring amount	Effective Holding (%)	Carring amount	Effective Holding (%)	Carring amount	Effective Holding (%)
Transfond SA	Clearing House	7,812	5.69	7,812	5.69	7,812	5.69	7,812	5.69
Globinvest	Investments fund administrator	2,142	19.99	2,142	19.99	2,142	19.99	2,142	19.99
Biroul de credit S.A.	Collection and processing of customer data	59	0.32	59	0.32	59	0.32	59	0.32
SWIFT	Payment activities	331	0.01	331	0.01	331	0.01	331	0.01
Total equity investments		<u>10,344</u>		<u>10,344</u>		<u>10,344</u>		<u>10,344</u>	

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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15. DUE FROM OTHER BANKS

<i>Thousand RON</i>	31 March 2022	Group 31 December 2021	31 March 2022	Bank 31 December 2021
Collateral deposit Banca Transilvania S.A.	445	437	445	437
Collateral deposit U.S. Bank N.A.	5,496	5,397	5,496	5,397
Collateral deposit CITIBANK EUROPE PLC	2,182	-	2,182	-
Total	<u>8,123</u>	<u>5,834</u>	<u>8,123</u>	<u>5,834</u>

The deposits to banks presented below include collateral deposits for settlement amounts from Visa and MasterCard related to cards activity.

16. LOANS AND ADVANCES TO CUSTOMERS

<i>Thousand RON</i>	31 March 2022	Group 31 December 2021	31 March 2022	Bank 31 December 2021
Gross carrying amount of loans and advances to customers	2,381,107	2,295,659	2,223,835	2,159,647
Credit loss allowance	(138,163)	(140,705)	(128,013)	(130,736)
Total net loans and advances to customers	<u>2,242,944</u>	<u>2,154,954</u>	<u>2,095,822</u>	<u>2,028,911</u>

The structure of loan portfolio classified per main business lines is as follows:

<i>Thousand RON</i>	31 March 2022	Group 31 December 2021	31 March 2022	Bank 31 December 2021
Consumer loans	177,175	176,921	176,793	176,541
Mortgage loans	324,842	312,461	324,842	312,461
Loans to entrepreneurs	283,265	256,227	145,403	137,558
SME loans	1,569,059	1,518,601	1,550,031	1,501,638
State and municipal organizations	26,766	31,449	26,766	31,449
Total gross loans and advances to customers	2,381,107	2,295,659	2,223,835	2,159,647
Less: Provision for loan impairment	(138,163)	(140,705)	(128,013)	(130,736)
Total net loans and advances to customers	<u>2,242,944</u>	<u>2,154,954</u>	<u>2,095,822</u>	<u>2,028,911</u>

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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Risk concentrations by economic sectors within the customer loan portfolio were as follows:

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Loans to individuals	<u>502,017</u>	<u>489,382</u>	<u>501,636</u>	<u>489,002</u>
Loans to corporate customers:	<u>1,879,090</u>	<u>1,806,277</u>	<u>1,722,199</u>	<u>1,670,645</u>
Agriculture	525,550	503,167	385,880	383,659
Trade	356,432	345,260	349,585	338,675
Industry	295,380	302,259	293,696	300,677
Hotels and restaurants	61,309	58,614	59,556	57,038
Constructions	207,502	197,273	204,897	194,828
Transport	93,679	86,255	91,069	83,772
Professional Services	32,484	33,534	31,349	32,381
Services	52,073	52,221	51,031	51,103
Financial and real estate activities	189,549	160,437	190,389	161,564
Others	26,840	26,400	26,723	26,376
IT, research and development	13,786	12,872	13,518	12,587
Public Administration and Defence	24,506	27,985	24,506	27,985
Total loans and advances to customers before provisions	<u>2,381,107</u>	<u>2,295,659</u>	<u>2,223,835</u>	<u>2,159,647</u>
Less provision for impairment losses on loans	<u>(138,163)</u>	<u>(140,705)</u>	<u>(128,013)</u>	<u>(130,736)</u>
Total	<u>2,242,944</u>	<u>2,154,954</u>	<u>2,095,822</u>	<u>2,028,911</u>

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 31 MARCH 2022

(All amounts are in Thousand RON)

The structure of the Group's loan portfolio classified by credit quality is as follows:

Thousand RON	31 March 2022							POCI	Total
	Stage 1		Stage 2		Stage 3				
	Individual	Collective	Individual	Collective	Individual	Collective			
Performing loans	354	1,916,133	35,475	229,565	-	-	1,050	2,182,577	
Non-performing loans	-	-	-	-	92,141	50,760	55,629	198,530	
Total gross exposure	354	1,916,133	35,475	229,565	92,141	50,760	56,679	2,381,107	
Less: Provision for loan impairment	(2)	(21,542)	(2,182)	(10,318)	(50,620)	(24,016)	(29,483)	(138,163)	
Net Exposure	352	1,894,591	33,293	219,247	41,521	26,744	27,196	2,242,944	

Thousand RON	31 December 2021						POCI	Total
	Stage 1		Stage 2		Stage 3			
	Individual	Collective	Individual	Collective	Individual	Collective		
Performing loans	-	1,840,570	19,409	228,796	-	-	1,158	2,089,933
Non-performing loans	-	-	-	-	101,113	46,089	58,524	205,726
Total gross exposure	=	<u>1,840,570</u>	<u>19,409</u>	<u>228,796</u>	<u>101,113</u>	<u>46,089</u>	<u>59,682</u>	<u>2,295,659</u>
Less: Provision for loan impairment	-	(19,651)	(1,155)	(11,341)	(53,959)	(23,575)	(31,024)	(140,705)
Net Exposure	-	1,820,919	18,254	217,455	47,154	22,514	28,658	2,154,954

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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(All amounts are in Thousand RON)

The structure of the Bank's loan portfolio classified by credit quality is as follows:

<i>Thousand RON</i>	31 March 2022						POCI	Total
	Stage 1		Stage 2		Stage 3			
	Individual	Collective	Individual	Collective	Individual	Collective		
Performing loans	354	1,776,283	27,756	229,565	-	-	1,050	2,035,008
Non-performing loans	-	-	-	-	92,141	41,057	55,629	188,827
Total gross exposure	354	1,776,283	27,756	229,565	92,141	41,057	56,679	2,223,835
Less: Provision for loan impairment	(2)	(19,521)	(1,718)	(10,318)	(50,620)	(16,351)	(29,483)	(128,013)
Net Exposure	352	1,756,762	26,038	219,247	41,521	24,706	27,196	2,095,822

<i>Thousand RON</i>	31 December 2021						POCI	Total
	Stage 1		Stage 2		Stage 3			
	Individual	Collective	Individual	Collective	Individual	Collective		
Performing loans	-	1,722,530	19,409	219,915	-	-	1,158	1,963,012
Non-performing loans	-	-	-	-	101,113	36,998	58,524	196,635
Total gross exposure	=	<u>1,722,530</u>	<u>19,409</u>	<u>219,915</u>	<u>101,113</u>	<u>36,998</u>	<u>59,682</u>	<u>2,159,647</u>
Less: Provision for loan impairment	-	(17,544)	(1,155)	(10,621)	(53,959)	(16,434)	(31,023)	(130,736)
Net Exposure	=	<u>1,704,986</u>	<u>18,254</u>	<u>209,294</u>	<u>47,154</u>	<u>20,564</u>	<u>28,659</u>	<u>2,028,911</u>

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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(All amounts are in Thousand RON)

Information about Group's collaterals is as follows:

<i>Thousand RON</i>	31 March 2022					Total
	SME loans	Consumer loans	Entrepreneurs loans	Mortgage loans	State and municipal organizations	
Unsecured loans(*)	306,949	152,831	80,403	5,001	-	545,184
Loans guaranteed by third parties, including credit insurance	396,946	409	148,666	6,816	222	553,059
Loans collateralized by:	<u>865,164</u>	<u>23,935</u>	<u>54,196</u>	<u>313,025</u>	<u>26,544</u>	<u>1,282,864</u>
- residential real estate	85,354	20,229	9,680	305,966	-	421,229
- other real estate	668,695	2,449	21,896	6,944	-	699,984
- cash collateral	10,041	1,257	425	115	-	11,838
- other assets	101,074	-	22,195	-	26,544	149,813
Total loans and advances to customers	<u>1,569,059</u>	<u>177,175</u>	<u>283,265</u>	<u>324,842</u>	<u>26,766</u>	<u>2,381,107</u>

<i>Thousand RON</i>	31 December 2021					Total
	SME loans	Consumer loans	Entrepreneurs loans	Mortgage loans	State and municipal organizations	
Unsecured loans(*)	267,863	148,323	70,117	5,446	-	491,749
Loans guaranteed by third parties, including credit insurance	381,597	438	125,853	6,981	413	515,282
Loans collateralized by:	<u>869,141</u>	<u>28,160</u>	<u>60,257</u>	<u>300,034</u>	<u>31,036</u>	<u>1,288,628</u>
- residential real estate	82,590	21,227	10,149	292,633	-	406,599
- other real estate	664,261	2,537	20,070	7,284	-	694,152
- cash collateral	10,827	4,396	438	117	-	15,778
- other assets	111,463	-	29,600	-	31,036	172,099
Total loans and advances to customers	<u>1,518,601</u>	<u>176,921</u>	<u>256,227</u>	<u>312,461</u>	<u>31,449</u>	<u>2,295,659</u>

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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(All amounts are in Thousand RON)

Information about Bank's collaterals is as follows:

<i>Thousand RON</i>	31 March 2022					Total
	SME loans	Consumer loans	Entrepreneurs loans	Mortgage loans	State and municipal organizations	
Unsecured loans(*)	304,094	152,765	21,993	5,001	-	483,853
Loans guaranteed by third parties, including credit insurance	387,606	409	77,151	6,816	222	472,204
Loans collateralized by:	<u>858,331</u>	<u>23,619</u>	<u>46,259</u>	<u>313,025</u>	<u>26,544</u>	<u>1,267,778</u>
- residential real estate	82,020	20,162	6,763	305,966	-	414,911
- other real estate	667,128	2,200	20,135	6,944	-	696,407
- cash collateral	10,041	1,257	425	115	-	11,838
- other assets	99,142	-	18,936	-	26,544	144,622
Total loans and advances to customers	<u>1,550,031</u>	<u>176,793</u>	<u>145,403</u>	<u>324,842</u>	<u>26,766</u>	<u>2,223,835</u>

<i>Thousand RON</i>	31 December 2021					Total
	SME loans	Consumer loans	Entrepreneurs loans	Mortgage loans	State and municipal organizations	
Unsecured loans(*)	265,310	148,258	16,962	5,446	-	435,976
Loans guaranteed by third parties, including credit insurance	373,497	438	68,112	6,981	413	449,441
Loans collateralized by:	<u>862,831</u>	<u>27,845</u>	<u>52,484</u>	<u>300,034</u>	<u>31,036</u>	<u>1,274,230</u>
- residential real estate	79,834	21,162	7,251	292,633	-	400,880
- other real estate	662,557	2,287	18,315	7,284	-	690,443
- cash collateral	10,827	4,396	438	117	-	15,778
- other assets	109,613	-	26,480	-	31,036	167,129
Total loans and advances to customers	<u>1,501,638</u>	<u>176,541</u>	<u>137,558</u>	<u>312,461</u>	<u>31,449</u>	<u>2,159,647</u>

*Unsecured loans represents exposures or part of exposures that are not covered by the market value of collaterals for collateral types deductible, according to IFRS9 provisioning methodology.

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17. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Treasury bills issued by the Ministry of Public Finance of Romania	229,137	219,769	229,137	219,769
Bonds issued by Alpha Bank	24,816	24,764	24,816	24,764
Bonds issued by LIBRA INTERNET BANK S.A.	15,080	14,930	15,080	14,930
Total	<u>269,033</u>	<u>259,463</u>	<u>269,033</u>	<u>259,463</u>

18. INVESTMENT PROPERTY

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Balance at 1 January	118,871	115,823	118,871	115,823
Transfers from/(to) fixed assets held for sale	-	6,108	-	6,108
(Sales)	(5,045)	(4,809)	(5,045)	(4,809)
Net gain / (loss) from revaluation of investment property	474	2,071	474	2,071
Value increases	6	78	6	78
(-) Provisions for impairment losses	-	(400)	-	(400)
Balance at the end of the period	<u>114,306</u>	<u>118,871</u>	<u>114,306</u>	<u>118,871</u>

19. INVESTMENTS IN SUBSIDIARIES

The structure of investments in subsidiaries is as follows:

<i>Thousand RON</i>	31 March 2022			31 December 2021		
Subsidiary name	Gross value	Impairment adjustments	Net value	Gross value	Impairment adjustments	Net value
Patria Credit IFN	32,522	-	32,522	32,522	-	32,522
SAI Patria Asset Management S.A.	1,774	-	1,774	1,774	-	1,774
Carpatica Invest S.A.	6,807	(6,807)	-	6,807	(6,807)	-
Total	<u>41,103</u>	<u>(6,807)</u>	<u>34,296</u>	<u>41,103</u>	<u>(6,807)</u>	<u>34,296</u>

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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20. OTHER FINANCIAL ASSETS

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Amounts to be recovered from banks and clients	7,787	7,537	7,787	7,537
Other financial assets	7,561	9,651	7,254	9,362
Derivative financial instruments	240	-	240	-
Other debtors	9,253	8,529	8,303	8,000
Subleasing IFRS 16	2	-	799	839
(-) Provisions for impairment losses	(10,858)	(10,757)	(10,699)	(10,595)
Total	<u>13,985</u>	<u>14,960</u>	<u>13,684</u>	<u>15,143</u>

21. OTHER ASSETS

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Sundry debtors	136	117	117	97
Prepayments	7,676	3,954	7,635	3,906
Income tax to recover	2,519	2,584	2,853	2,853
Other assets	1,748	1,753	1,582	1,587
Total	<u>12,079</u>	<u>8,408</u>	<u>12,187</u>	<u>8,443</u>

22. INTANGIBLE ASSETS

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Goodwill	20,103	20,103	20,103	20,103
Other intangible assets	26,655	26,902	25,778	26,036
Total	<u>46,758</u>	<u>47,005</u>	<u>45,881</u>	<u>46,139</u>

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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The cost movements of intangible assets and amortisation are the following:

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Balance at 1 January	91,964	84,434	86,354	79,093
Acquisitions	3,729	15,197	3,625	14,926
-transfers from intangible assets in progress	2,097	7,494	2,097	7,494
Release of intangible assets in progress	(2,097)	(7,494)	(2,097)	(7,494)
Disposals	-	(173)	-	(171)
Balance at the end of the period	93,596	91,964	87,882	86,354
<i>Cumulative amortisation</i>				
Balance at 1 January	44,959	38,557	40,215	34,211
Amortisation and impairment expense	1,257	4,010	1,250	3,953
Expense with acquisition clients list and brand	622	2,487	536	2,144
Disposals	-	(95)	-	(93)
Balance at the end of the period	46,838	44,959	42,001	40,215
<i>Net carrying amount</i>				
Balance at 1 January	<u>47,005</u>	<u>45,877</u>	<u>46,139</u>	<u>44,882</u>
Balance at the end of the period	<u>46,758</u>	<u>47,005</u>	<u>45,881</u>	<u>46,139</u>

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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23. PREMISES AND EQUIPMENT

<i>Thousand RON</i>	Group 31 March 2022				Total
	Land and buildings	Furniture and equipment	Means of transport	Assets in the course of construction	
Cost					
Balance at 1 January	106,565	80,710	6,494	873	194,642
Acquisitions and transfers from assets under construction	212	191	-	304	707
Outflows, transfer from assets under construction, write-offs	-	-	-	(432)	(432)
Right of use - new contracts	1,089	-	18	-	1,107
Right of use (early termination of lease contracts)	-	(6,137)	-	-	(6,137)
Balance at the end of the period	<u>107,866</u>	<u>74,764</u>	<u>6,512</u>	<u>745</u>	<u>189,887</u>
Cumulative depreciation					
Balance at 1 January	30,518	66,992	4,237	-	101,747
Amortization expense	2,197	1,108	310	-	3,615
Impairment expense	-	104	-	-	104
Outflows	(13)	-	-	-	(13)
Balance at the end of the period	<u>32,702</u>	<u>68,204</u>	<u>4,547</u>	<u>-</u>	<u>105,453</u>
Net carrying amount					
Balance at 1 January	<u>76,047</u>	<u>13,718</u>	<u>2,257</u>	<u>873</u>	<u>92,895</u>
Balance at the end of the period	<u>75,164</u>	<u>6,560</u>	<u>1,965</u>	<u>745</u>	<u>84,434</u>

<i>Thousand RON</i>	31 December 2021				Total
	Land and buildings	Furniture and equipment	Means of transport	Assets in the course of construction	
Cost					
Balance at 1 January	95,626	72,622	6,374	1,447	176,069
Acquisitions and transfers from assets under construction	1,199	1,353	-	2,497	5,049
Outflows, transfer from assets under construction, write-offs	6,460	-	-	-	6,460
Outflows, transfer from assets under construction, write-offs	(1,802)	(47)	(102)	(3,071)	
Right of use - new contracts	8,510	6,782	222	-	15,514
Right of use (early termination of lease contracts)	(3,428)	-	-	-	(3,428)
Balance at 31 December	<u>106,565</u>	<u>80,710</u>	<u>6,494</u>	<u>873</u>	<u>194,642</u>
Cumulative depreciation					
Balance at 1 January	21,988	61,099	3,021	-	86,108
Amortization expense	12,041	5,689	1,305	-	19,035
Impairment expense	-	250	-	-	250
Outflows	(3,511)	(46)	(89)	-	(3,646)
Balance at 31 December	<u>30,518</u>	<u>66,992</u>	<u>4,237</u>	<u>-</u>	<u>101,747</u>
Net carrying amount					
Balance at 1 January	<u>73,638</u>	<u>11,523</u>	<u>3,353</u>	<u>1,447</u>	<u>89,961</u>
Balance at 31 December	<u>76,047</u>	<u>13,718</u>	<u>2,257</u>	<u>873</u>	<u>92,895</u>

Notes 1 to 39 are part of the consolidated and separate financial statements.

(*) Unaudited / unrevised by the financial auditor.

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	Bank 31 March 2022				
<i>Thousand RON</i>	Land and buildings	Furniture and equipment	Means of transport	Assets in the course of construction	Total
Cost					
Balance at 1 January	104,067	79,668	5,803	873	190,411
Acquisitions and transfers from assets under construction	212	191	-	303	706
Outflows, transfer from assets under construction, writte-offs	-	-	-	(432)	(432)
Right of use - new contracts	1,004	-	-	-	1,004
Right of use (early termination of lease contracts)	-	(6,137)	-	-	(6,137)
Balance at the end of the period	<u>105,283</u>	<u>73,722</u>	<u>5,803</u>	<u>744</u>	<u>185,552</u>
Cumulative depreciation					
Balance at 1 January	29,157	66,305	3,914	-	99,376
Amortization expense	2,075	1,080	271	-	3,426
Impairment expense	-	104	-	-	104
Outflows	(13)	-	-	-	(13)
Balance at the end of the period	<u>31,219</u>	<u>67,489</u>	<u>4,185</u>	<u>-</u>	<u>102,893</u>
Net carrying amount					
Balance at 1 January	<u>74,910</u>	<u>13,363</u>	<u>1,889</u>	<u>873</u>	<u>91,035</u>
Balance at the end of the period	<u>74,064</u>	<u>6,233</u>	<u>1,618</u>	<u>744</u>	<u>82,659</u>

	31 December 2021				
<i>Thousand RON</i>	Land and buildings	Furniture and equipment	Means of transport	Assets in the course of construction	Total
Cost					
Balance at 1 January	92,962	71,661	5,800	1,448	171,871
Acquisitions and transfers from assets under construction	1,128	1,225	-	2,496	4,849
Transfer from IFRS 5	6,460	-	-	-	6,460
Outflows, transfer from assets under construction, writte-offs	(1,802)	-	(102)	(3,071)	(4,975)
Right of use - new contracts	8,036	6,782	105	-	14,923
Right of use (early termination of lease contracts)	(2,717)	-	-	-	(2,717)
Balance at 31 December	<u>104,067</u>	<u>79,668</u>	<u>5,803</u>	<u>873</u>	<u>190,411</u>
Cumulative depreciation					
Balance at 1 January	20,768	60,519	2,823	-	84,110
Amortization expense	11,594	5,536	1,180	-	18,310
Impairment expense	-	250	-	-	250
Outflows	(3,205)	-	(89)	-	(3,294)
Balance at 31 December	<u>29,157</u>	<u>66,305</u>	<u>3,914</u>	<u>-</u>	<u>99,376</u>
Net carrying amount					
Balance at 1 January	<u>72,194</u>	<u>11,142</u>	<u>2,977</u>	<u>1,448</u>	<u>87,761</u>
Balance at 31 December	<u>74,910</u>	<u>13,363</u>	<u>1,889</u>	<u>873</u>	<u>91,035</u>

Notes 1 to 39 are part of the consolidated and separate financial statements.

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24. DUE TO OTHER BANKS

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Sight deposits	49,466	14,844	49,466	14,844
Term deposits	45,018	-	45,018	-
Collateral deposits	495	495	495	495
Transitory amounts	1,091	2,973	10,912	2,973
Total	<u>105,891</u>	<u>18,312</u>	<u>105,891</u>	<u>18,312</u>

25. CUSTOMER DEPOSITS

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Retail customers				
Current accounts	300,997	336,660	300,997	336,660
Term deposits	1,606,134	1,657,796	1,606,134	1,657,796
Collateral deposits	4,404	8,345	4,404	8,345
Corporate customers				
Current accounts	338,690	378,228	341,097	382,381
Sight deposits	120,030	11,265	120,030	11,265
Term deposits	783,970	874,335	787,642	878,868
Collateral deposits	33,778	33,605	33,778	33,605
Amounts in transit	4,145	5,925	4,145	5,926
Total	<u>3,192,148</u>	<u>3,306,159</u>	<u>3,198,227</u>	<u>3,314,846</u>

Notes 1 to 39 are part of the consolidated and separate financial statements.

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Risk concentrations by economic sectors within the deposits from customers portfolio were as follows:

<i>Thousands RON</i>	Bank			
	31 March 2022	31 December 2021		
	Amount	Percentage of total deposits(%)	Amount	Percentage of total deposits(%)
Retail customers	<u>1,911,535</u>	<u>59.77</u>	<u>2,002,801</u>	<u>60.42</u>
Corporate customers	<u>1,176,657</u>	<u>36.79</u>	<u>1,150,671</u>	<u>34.71</u>
Financial and real estate activities	489,846	15.32	474,947	14.33
Industry	83,295	2.60	74,675	2.25
Others	91,647	2.87	105,530	3.18
Constructions	73,615	2.30	82,958	2.50
IT, research and development	10,481	0.33	7,598	0.23
Trade	108,575	3.39	135,569	4.09
Transport	46,530	1.45	56,272	1.70
Professional Services	39,358	1.23	43,058	1.30
Services	137,721	4.31	52,266	1.58
Agriculture	83,380	2.61	103,722	3.13
Hotels and restaurants	12,209	0.38	14,076	0.42
Public Administration and Defense	<u>110,035</u>	<u>3.44</u>	<u>161,374</u>	<u>4.87</u>
Total	<u>3,198,227</u>	<u>100.00</u>	<u>3,314,846</u>	<u>100.00</u>

26. LOANS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Financing name				
EFSE - European Fund for Southeast Europe (i)	27,977	27,926	-	-
First Bank S.A.(ii)	21,236	8,460	-	-
Raiffeisen Bank S.A. (iii)	11,969	11,229	-	-
Symbiotics Sicav (Lux.) (iv)	16,019	22,371	-	-
Casa de Economii si Consenmatiuni (v)	29,617	19,610	-	-
Garanti Bank International N.V. (vi)	8,984	9,781	-	-
Total	<u>115,802</u>	<u>99,377</u>	=	=

Notes 1 to 39 are part of the consolidated and separate financial statements.

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(i) European Fund for Southeast Europe

In November 2018, the Group obtained a financing agreement from EFSE, amounting RON 9,300 thousand. The loan provides for quarterly repayments in 8 equal instalments, after a grace period for the principal of 15 months, with a ROBOR variable interest rate of 3 months plus margins and final maturity on 15 December 2021.

In November 2019, the Group obtained a financing agreement from EFSE, amounting RON 11,900 thousand. The loan provides for quarterly repayments in 9 equal instalments, with a ROBOR variable interest rate of 3 months plus margins and final maturity on 15 November 2022.

In December 2020, the Group obtained a financing agreement from EFSE, amounting RON 17,000 thousand. The loan provides a variable interest rate of ROBOR 3 months plus margin and final maturity on 15 December 2023.

In December 2021, the Group obtained a new loan facility from EFSE, amounting RON 19,600 thousand. The loan provides a variable interest rate of ROBOR 3 months plus margin and final maturity on 15 December 2024.

In December 2021, the Group obtained a new financing contract from EFSE, amounting to 19,600 thousand RON. The loan provides for a variable ROBOR interest rate at 3 months plus the margin and final maturity on December 15, 2024.

The total outstanding loan from EFSE as at 31 March 2022 is RON 27,977 thousand.

(ii) First Bank S.A.

In August 2021, the Group obtained a loan facility from First Bank S.A. amounting RON 12,900 thousand for a period of one year. The loan provides a variable interest rate of ROBOR 3 months plus margin 2.9% and final maturity on 24 August 2022.

In August 2021, the Group also obtained a loan facility from First Bank S.A. amounting RON 2,100 thousand for 2 years period. The loan provides a variable interest rate of ROBOR 3 months plus margin 3.2% and final maturity on 24 November 2023.

In February 2022 the Group obtained the increase of the credit facility (Overdraft) with the amount of 9,900 thousand RON up to the maximum ceiling of 22,800 thousand RON, and the extension of the facility until 10.02.2023 in accordance with additional act no. 1 of 10.02 .2022.

The annual interest rate remains ROBOR at 3 months plus a margin of 2.9 percentage points per year.

The total outstanding loan from First Bank at 31 March 2022 is RON 21,236 thousand.

(iii) Raiffeisen Bank S.A.

In May 2018, the Group obtained a loan facility from Raiffeisen Bank in amount of RON 7,032 thousand for 3 years period. The loan provides a variable interest rate of ROBOR 1 months plus margin and final maturity on 20 May 2021. In July 2021, the value of the loan has been increased to RON 12,000 thousand with a maturity on 20 July 2024.

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In February 2022, the Group used the amount of 729.5 thousand lei from the revolving facility from Raiffeisen Bank.

The total outstanding loan from Raiffeisen Bank at 31 March 2022 is RON 11,969 thousand.

(iv) Symbiotics Sicav (Lux.)

In December 2018 the Group obtained a loan facility from Symbiotics in total amount of RON 4,100 thousand for 3 years. The loan provides a variable interest rate of ROBOR 3 months plus margin and final maturity on 21 December 2021.

In January 2019 the Group obtained a loan facility from Symbiotics in total amount of RON 5,200 thousand for 3 years. The loan provides a variable interest rate of ROBOR 3 months plus margin and final maturity on 31 January 2022.

In April 2019 the Group obtained a loan facilities from Symbiotics in total amount of RON 4,800 thousand for 2 and 3 years respectively. The loans provides a variable interest rate of ROBOR 3 months plus margin and final maturity on 5 April 2021 for the loan amounting RON 2,400 thousand, and final maturity on 11 April 2022 for the loan amounting RON 2,400 thousand.

In February 2020 the Group obtained a loan facility from Symbiotics in total amount of RON 4,750 thousand for 3 years. The loan provides a variable interest rate of ROBOR 3 months plus margin and final maturity on 10 February 2023.

In March 2020 the Group obtained a loan facility from Symbiotics in total amount of RON 2,400 thousand for 3 years. The loan provides a variable interest rate of ROBOR 3 months plus margin and final maturity on 12 March 2023.

In February 2021 the Group obtained two new loan facilities from Symbiotics in total amount of RON 6,250 thousand for 2 years : the first loan amounting RON 2,500 provides a fixed interest rate of 5.75% with final maturity on 25 May 2023, the second loan amounting RON 3,750 thousand provides a fixed interest rate of 5.65% with final maturity on 25 February 2023.

In March 2021 the Group obtained a new loan facility from Symbiotics in total amount of RON 3,750 thousand for 3 years. The loan provides a fixed interest rate of 6.1% and final maturity on 12 March 2024.

On 31.03.2022, the balance of the loan facilities from Symbiotics decreased by the amount of 6,175 thousand RON due to the principal repayments as follows:

In January 2022, the Group repaid to Symbiotics the last principal installment in the amount of 2,600 thousand RON of the loan facility obtained in January 2019 in the total amount of 5,200 thousand RON.

In February 2022, the Group repaid to Symbiotics the amount of 2,375 thousand RON from the loan facility obtained in February 2020 in a total amount of 4,750 thousand RON.

In March 2022, the Group repaid to Symbiotics the amount of 1,200 thousand RON from the credit facility obtained in March 2020 in a total amount of 2,400 thousand RON.

The total outstanding loan from Symbiotics at 31 March 2022 is RON 16,019 thousand.

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(v) *CEC Bank S.A.*

In November 2020, the Group obtained a loan facility from CEC Bank S.A. in the total amount of 9,700 thousand RON for a period of 2 years. In April 2021, the value of the loan is modified to 19,700 thousand RON by the additional act no. 1 from 19.04.2021. The loan has a variable interest rate of ROBOR at 3 months plus a margin of 2.5% and a final maturity on October 28, 2022.

In February 2022, the Group obtained the increase of the credit facility with the amount of 10,000 thousand RON up to the maximum ceiling of 29,700 thousand RON, and the extension of the facility until 27.10.2023 in accordance with additional act no. 2 of 23.02.2022.

All other clauses in the contract remain in force.

The total outstanding loan from CEC Bank at 31 March 2022 is RON 29,617 thousand.

(vi) *Garanti BBVA România S.A.*

In September 2021, the Group obtained a new loan facility from Garanti Bank S.A. in amount of RON 9,800 thousand for 2 years period. The loan provides a variable interest rate of ROBOR 3 months plus margin and final maturity on 1 July 2023.

The total outstanding loan from Garanti Bank S.A. at 31 March 2022 is RON 8,984 thousand.

The loans from international financial institutions are unsecured credit facilities, arranged under *negative pledge, pari passu* clauses. According to each loan agreement, the Group shall all time comply with a set of financial undertakings (covenants).

As of 31 March 2022, the Group complied with all the covenants included in the loan agreements.

27. OTHER FINANCIAL LIABILITIES

<i>Thousand RON</i>	31 March 2022	Group 31 December 2021	31 March 2022	Bank 31 December 2021
Financial liabilities to owners of fund units	97,694	86,227	-	-
Derivative financial instruments	-	130	-	130
Other financial liabilities	19,991	23,775	17,093	20,777
Lease liabilities IFRS 16	26,488	33,709	25,721	32,925
Total	<u>144,173</u>	<u>143,841</u>	<u>42,814</u>	<u>53,832</u>

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28. PROVISIONS

<i>Thousand RON</i>	Group 31 March 2022	31 December 2021	Bank 31 March 2022	31 December 2021
Provisions for loan commitments and financial guarantees	1,675	2,177	1,675	2,178
Provisions for personnel expenses	4,653	3,373	3,944	2,774
Provisions for litigations	2,799	2,609	2,782	2,600
Other provisions	2,954	2,954	2,806	2,805
Total	<u>12,081</u>	<u>11,113</u>	<u>11,207</u>	<u>10,357</u>

The provision for credit commitments represents the specific provisions calculated for losses on financial guarantees or credit commitments for customers whose financial situation has deteriorated.

Personnel expenses provision relates to accruals for untaken holidays, the restructuring provision, the provision regarding the employees' participation in the profit as well as the related taxes.

29. OTHER LIABILITIES

<i>Thousand RON</i>	Group 31 March 2022	31 December 2021	Bank 31 March 2022	31 December 2021
Other liabilities	4431	146	3,242	91
State budget debts	3544	3,008	3,176	2,747
Other income to be received	556	550	556	548
Total	<u>8,531</u>	<u>3,704</u>	<u>6,974</u>	<u>3,386</u>

30. SUBORDINATED DEBTS

<i>Thousand RON</i>	Group 31 March 2022	31 December 2021	Bank 31 March 2022	31 December 2021
Balance at 1 January	34,896	34,555	24,797	24,403
Repayments	(14,840)	-	(14,840)	-
Other movements & FX differences	(16)	341	125	394
Balance at the end of the period	<u>20,040</u>	<u>34,896</u>	<u>10,082</u>	<u>24,797</u>

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The Group has the following outstanding subordinated loans as of March 31, 2022:

- EUR 2,000 thousand with interest rate EURIBOR 6M + 585 bps margin, granted to the Bank by Mr. Horia Manda, Chairman of the Board of Directors of Patria Bank S.A in 2017. On 30.03.2019 of the Amendment no. 1 that extended the maturity by 1 year was concluded, therefore the new loan maturity is 28.11.2024. According to NBR approval letter No VI/1/18597/29.12.2017 this loan is included in Tier 2 capital. No changes during 2021;
- EUR 11.5 thousand representing the balance of the loan EUR 4,300 thousand granted to the Bank by EEAF Financial Services BV in 2018 with interest rate EURIBOR 6M + 585 bps margin, loan converted in share capital in 2018, remaining outstanding at the end of the year: EUR 11.5 thousand. No changes during 2021;
- EUR 3,000 thousand granted to the Bank by EEAF Financial Services BV in 2018 with interest rate EURIBOR 6M + 585 bps margin. According to NBR approval letter No VI/1/17408/24.12.2018 this loan is included in Tier 2 capital. In December 2020, the signing of the Amendment no. 2 was initiated (the signing by both parties took place on 5.01.2021, the effectiveness date of the Amendment being 19.12.2020) by which it was extended the maturity by 1 year, therefore the loan new maturity is 19.12.2026;
- RON 10,000 thousand loan granted to Patria Credit IFN by FEI in 2019 with EURIBOR interest 6M + 300 bps margin. No changes during 2021;
-

31. DEBT SECURITIES IN ISSUE

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Debt securities in issue	63,187	64,174	63,187	64,174
Total	<u>63,187</u>	<u>64,174</u>	<u>63,187</u>	<u>64,174</u>

As of March 31, 2022 and December 31, 2021, the Group has 2 debt securities in issues as follows:

- EUR 5,000 thousand – represent debt securities in issue placed through a private placement on the capital market, with the issue date of September 20, 2019 and an 8-year maturity, fixed interest rate of 6.50% / year.
- EUR 8,187 thousand – represent debt securities in issue placed through a private placement on the capital market, with the issue date of October 05, 2020 and an 8-year maturity, fixed interest rate of 6.50% / year.

The Debt securities in issue are included in Patria Bank's Tier 2 Capital following the National Bank of Romania approval (October 26, 2020 for the debt issued in 2020 and October 10, 2019 for the debt issued in 2019).

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32. SHARE CAPITAL AND EQUITY PREMIUMS

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Share Capital according to Trade Register	311,533	311,533	311,533	311,533
Share capital increase	16,348	-	16,348	-
Other adjustments of the Share Capital	2,250	2,250	2,250	2,250
Share premium	2,050	2,050	2,050	2,050
Share capital under IFRS	<u>332,181</u>	<u>315,833</u>	<u>332,181</u>	<u>315,833</u>

The main shareholders are presented below:

Name of the shareholder	31 March 2022		31 December 2021	
	Number of shares Patria Bank	Percentage of ownership (%)	Number of shares Patria Bank	Percentage of ownership (%)
EEAF Financial Services B.V.	2,755,927,215	84.05	2,592,620,715	83.22
Individuals	456,551,621	13.92	456,357,973	14.65
Legal entities	66,335,540	2.02	66,351,887	2.13
Total	<u>3,278,814,376</u>	<u>100.00</u>	<u>3,115,330,575</u>	<u>100.00</u>

(*) No individual holds more than 10% of the shares.

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33. EARNINGS PER SHARE

	31 March 2022	31 December 2021
Number of shares at the beginning of the period	3,115,330,575	3,115,330,575
Share capital increase	163,483,801	-
Number of shares at the end of the period	<u>3,278,814,376</u>	<u>3,115,330,575</u>

Earnings per share are calculated by dividing the net result by the weighted average number of ordinary shares issued, as follows:

Group

31 March 2022	No. of shares in movement	No. days
No. of shares 01.01.2022-26.01.2022	3,115,330,575	26
No. of shares 27.01.2022-31.03.2022(Share capital increase)	3,278,814,376	64
Average no. of shares	3,231,585,722	90
Result of the period at 31.03.2022	2,147,299	
Profit per share (RON/share)	0.0007	

31 March 2021	No. of shares in movement	No. days
No. of shares 01.01.2021-31.03.2021	3,115,330,575	90
Average no. of shares	3,115,330,575	90
Result of the period at 31.03.2021	2,382,683	
Profit per share (RON/share)	0.0008	

Bank

31 March 2022	No. of shares in movement	No. days
No. of shares 01.01.2022-26.01.2022	3,115,330,575	26
No. of shares 27.01.2022-31.03.2022(Share capital increase)	3,278,814,376	64
Average no. of shares	3,231,585,722	90
Result of the period at 31.03.2022	881,594	
Profit per share (RON/share)	0.0003	

31 March 2021	No. of shares in movement	No. days
No. of shares 01.01.2021-31.03.2021	3,115,330,575	90
Average no. of shares	3,115,330,575	90
Result of the period at 31.03.2021	453,101	
Profit per share (RON/share)	0.0001	

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34. SEGMENT ANALYSIS

The disclosure Segment Reporting as required by IFRS 8 is presented only on the elements of the Statement of Financial Position for:

- Loans and advances to customers (Note 16);
- Customer deposits (Note 25) in line with internal reporting for decision makers.

Considering the following criteria the Bank does not report a full disclosure for Segment Reporting:

- No internal reporting for decision makers related the profitability per segments;
- No clients that generates at individual level more 10% from Banks's total banking income ;
- No geographical segments defined (foreign jurisdictions), insignificant exposures granted to foreign customers;
- No transfer pricing allocation defined internally for profitability per segments.

35. RESERVES

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Reserves from revaluation of financial assets at fair value through other items of comprehensive income	(21,277)	(5,840)	(21,277)	(5,840)
Revaluation reserve for premises	37,189	39,659	35,477	37,949
Statutory legal reserve	13,640	13,641	13,524	13,524
Other Reserves	14,678	14,678	14,678	14,678
Total	<u>44,230</u>	<u>62,138</u>	<u>42,402</u>	<u>60,311</u>

Statutory legal reserves

Statutory reserves represent accumulated transfers from retained earnings in accordance with relevant local regulations. These reserves are not distributable. Local legislation requires 5% of the Group's and its subsidiaries net statutory profit to be transferred to a non-distributable statutory reserve until such time this reserve represents 20% of the statutory share capital.

Reserves for general banking risks include amounts set aside in accordance with the Banking legislation and are separately disclosed as appropriations of statutory profit. These reserves are not distributable. According to the Romanian legislation in force the reserves for general banking risks were set aside starting with 2004 financial year until the end of the 2006 financial year.

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36. COMMITMENTS AND CONTINGENCIES

Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate or cash deposits and, therefore, carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit related commitments, because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

Outstanding loan commitments have a commitment period that does not extend beyond the normal underwriting and settlement period. The Group provides also letter of guarantees and letters of credit on behalf of the customers. The contractual amounts of commitments and contingent liabilities are set out in the following table by category. Many of the contingent liabilities and commitments expire without being funded in whole or in part, therefore, the amounts do not represent expected future cash flows.

The amounts reflected in the table as commitments assume that amounts are fully advanced. The amounts reflected in the table as guarantees and letters of credit represent the maximum accounting loss that would be recognized at the balance sheet date if counterparties failed completely to perform as contracted.

For provisions for credit related commitments refer to Note 28.

Provision methodology for computing expected credit loss for credit commitments is the same as for the on balance exposures, the only difference being the credit conversion factor applied for transforming the undrawn. In Regarding the CCF component, the Bank decided to use the regulatory CCFs.

Commitments related to credits

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Letters of guarantees	9,641	10,647	9,641	10,647
Commitments of granted credits	296,120	333,450	294,900	332,987
Total	<u>305.761</u>	<u>344.097</u>	<u>304.541</u>	<u>343.634</u>

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Transfer pricing

Romanian tax legislation includes the arm's length principle according to which transactions between related parties should be carried out at market value. Local taxpayers engaged in related party transactions have to prepare and make available upon the written request of the Romanian Tax Authorities their transfer pricing documentation file.

Failure to present the transfer pricing documentation file, or presenting an incomplete file, may lead to non-compliance penalties; additionally, notwithstanding the contents of the transfer pricing documentation, the tax authorities may interpret the facts and transactions differently from management and impose additional tax liabilities resulting from transfer price adjustments. Despite the fact that the tax authorities might challenge the implementation of the transfer pricing requirements by the Group, the Group's management believes that will not suffer losses in case of a fiscal inspection on the subject of transfer prices.

However, the impact of any change of the tax authorities can't be estimated reliably. It may be significant for the financial situation and / or the overall operations of the entity.

Litigations

At 31 March 2022, the provision for litigation, in which the Group is involved as defendant is in amount of RON 1,644 thousand (31 December 2021: RON 1,397 thousand).

The management of the Group considers that they will have no material adverse effect on the results and the financial position.

Provisions for litigations are made mainly for disputes that concern the actions of borrower's private individuals, by requesting cancellation of clauses deemed unfair in credit agreements.

37. RELATED PARTY TRANSACTIONS

Parties are generally considered to be related if the parties are under common control, or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The Group entered into a number of transactions with its related parties in the normal course of business. These transactions were carried out in the normal course of business on commercial terms and conditions and at market rates.

The Group performed related party transactions during period ended 31 March 2022 with EEAF Financial Services B.V. (immediate parent), the members of the Board of Directors, the members of the Executive Management and Bank's employees that hold *key-functions*.

EEAF Financial Services B.V.(EEAFSBV) is owned and fully controlled by Emerging Europe Accession Fund Cooperatief UA.

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The Group's income and expense items with related parties are as follows:

	31 martie 2022				31 decembrie 2021			
<i>Mii LEI</i>	Immediate parent company	Other affiliated entities	Key personnel	Other affiliated parties	Immediate parent company	Other affiliated entities	Key personnel	Other affiliated parties
Interest and similar income calculated using the effective interest rate	-	583	2	-	-	-	31	1,378
Interest and similar expense	-	(28)	(1)	-	(749)	-	(548)	(47)
Fee and commission income	-	3	-	-	-	-	-	13
Net charge with impairment of financial assets	-	(153)	-	-	-	-	-	(847)
Other operating and administrative expenses	-	-	(7)	-	-	-	(10)	-
Dividends income	-	5	-	-	-	818	-	-

The Group's outstanding balances with related parties were as follows:

	31 martie 2022				31 decembrie 2021			
<i>Mii LEI</i>	Immediate parent company	Other affiliated entities	Key personnel	Other affiliated parties	Immediate parent company	Other affiliated entities	Key personnel	Other affiliated parties
Financial Assets								
Financial asset evaluated at fair value through other comprehensive income	-	2,142	-	-	-	2,142	-	-
Loans and advances to customers	-	-	398	35,134	-	-	862	28,473
Other financial assets	-	-	-	-	-	-	30	-
Liabilities								
Deposits from customers	(71)	(457)	(7,183)	(6,252)	(1,557)	(457)	(6,660)	(29,969)
Subordinated debt	(58)	-	(10,024)	-	(14,901)	-	(9,896)	-
Provisions	-	-	-	(57)	-	-	(1)	(198)
Commitments to customers	-	-	52	2,506	-	-	104	8,644

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The Bank's income and expense items with related parties are as follows:

<i>Mii LEI</i>	31 martie 2022					31 decembrie 2021				
	Immediate parent company	Other affiliated entities	Key personnel	Subsidiaries	Other affiliated parties	Immediate parent company	Other affiliated entities	Key personnel	Subsidiaries	Other affiliated parties
Interest and similar income calculated using the effective interest rate	-	583	2	25	-	-	-	31	604	1,378
Interest and similar expense	-	(28)	(1)	(21)	-	(749)	-	(548)	(56)	(47)
Fee and commission income	-	3	-	1	-	-	-	-	4	13
Net gain/(loss) from financial assets measured at fair value through profit or loss	-	-	-	(156)	-	-	-	-	1,001	-
Net charge with impairment of financial assets	-	(153)	-	-	-	-	-	-	(556)	(847)
Other operating and administrative expenses	-	-	(7)	-	-	-	-	(10)	-	-
Dividends income	-	5	-	-	-	-	818	-	5,000	-

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The Bank's outstanding balances with related parties were as follows:

<i>Mii LEI</i>	31 martie 2022					31 decembrie 2021				
	Immediate parent company	Other affiliated entities	Key personnel	Subsidiaries	Other affiliated parties	Immediate parent company	Other affiliated entities	Key personnel	Subsidiaries	Other affiliated parties
Financial Assets										
Financial asset evaluated at fair value through other comprehensive income	-	2,142	-	-	-	-	2,142	-	-	-
Financial assets measured at fair value through profit or loss	-	-	-	14,153	-	-	-	-	14,291	-
Loans and advances to customers	-	-	398	1,128	35,134	-	-	862	1,127	28,473
Investment in subsidiaries	-	-	-	34,296	-	-	-	-	34,296	-
Other financial assets	-	-	-	-	-	-	-	30	839	-
Liabilities										
Deposits from customers	(71)	(457)	(7,183)	(6,078)	(6,252)	(1,557)	(457)	(6,660)	(8,686)	(29,969)
Subordinated debt	(58)	-	(10,024)	-	-	(14,901)	-	(9,896)	-	-
Provisions	-	-	-	-	(57)	-	-	(1)	-	(198)
Commitments to customers	-	-	52	-	2,506	-	-	104	-	8,644

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38. LEASES

A. Leases as lessee (IFRS 16)

The Group leases a number of branch and office premises. The leases typically run for a period up to 10 years, with an option to renew the lease after that date. For some leases, payments are renegotiated every five years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. The Group has in place some contracts for premises that are running for a period less than one year for which the Group decided not to recognize right-of-use assets and lease liabilities.

The Group also leases IT equipment, ATMs and cars with contract terms up to five years for which the Group recognise right-of-use assets and lease liabilities.

Previously, these leases were classified as operating leases under IAS 17.

Right-of-use assets relate to leased branch and office premises that are presented within property and equipment (see Note 23).

Information about leases for which the Group is a lessee is presented below:

Thousand RON

	Group 31 March 2022				Group 31 December 2021			
	Land and buildings	Furniture and equipment	Means of transport	Total	Land and buildings	Furniture and equipment	Means of transport	Total
<i>Right of use at 1 January</i>	37,741	14,785	5,349	57,875	32,659	8,003	5,127	45,789
New contracts during the period	1,089	-	18	1,107	8,510	6,782	222	15,514
Contracts closed during the period	-	(6,137)	-	(6,137)	(3,428)	-	-	(3,428)
Balance at the end of the period	<u>38,830</u>	<u>8,648</u>	<u>5,367</u>	<u>52,845</u>	<u>37,741</u>	<u>14,785</u>	<u>5,349</u>	<u>57,875</u>
<i>Depreciation at 1 January</i>	15,230	7,659	3,070	25,959	8,990	5,143	1,938	16,071
Expenses with depreciation during the period	1,603	488	282	2,373	9,856	2,516	1,132	13,504
Depreciation for contrats closed during the period	-	-	-	-	(3,616)	-	-	(3,616)
Balance at the end of the period	<u>16,833</u>	<u>8,147</u>	<u>3,352</u>	<u>28,331</u>	<u>15,230</u>	<u>7,659</u>	<u>3,070</u>	<u>25,958</u>
Balance at 1 January	<u>22,511</u>	<u>7,126</u>	<u>2,279</u>	<u>31,916</u>	<u>23,669</u>	<u>2,860</u>	<u>3,189</u>	<u>29,718</u>
Balance at the end of the period	<u>21,997</u>	<u>501</u>	<u>2,015</u>	<u>24,514</u>	<u>22,511</u>	<u>7,126</u>	<u>2,279</u>	<u>31,917</u>

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Information about leases for which the Bank is a lessee is presented below:

<i>Thousand RON</i>	Bank 31 March 2022				Bank 31 December 2021			
	Land and buildings	Furniture and equipment	Means of transport	Total	Land and buildings	Furniture and equipment	Means of transport	Total
<i>Right of use at 1 January</i>	35,575	14,564	4,658	54,797	30,257	7,782	4,552	42,591
New contracts during the period	1,005	-	-	1,005	8,035	6,782	106	14,923
Contracts closed during the period	-	(6,137)	-	(6,137)	(2,717)	-	-	(2,717)
Balance at the end of the period	<u>36,580</u>	<u>8,427</u>	<u>4,658</u>	<u>49,665</u>	<u>35,575</u>	<u>14,564</u>	<u>4,658</u>	<u>54,797</u>
<i>Depreciation at 1 January</i>	14,138	7,526	2,747	24,411	8,033	5,055	1,744	14,832
Expenses with depreciation during the period	1,557	417	243	2,217	9,414	2,471	1,003	12,888
Depreciation for contracts closed during the period	-	-	-	-	(3,309)	-	-	(3,309)
Balance at the end of the period	<u>15,695</u>	<u>7,943</u>	<u>2,990</u>	<u>26,628</u>	<u>14,138</u>	<u>7,526</u>	<u>2,747</u>	<u>24,411</u>
Balance at 1 January	<u>21,437</u>	<u>7,038</u>	<u>1,911</u>	<u>30,386</u>	<u>22,224</u>	<u>2,727</u>	<u>2,808</u>	<u>27,759</u>
Balance at the end of the period	<u>20,885</u>	<u>484</u>	<u>1,668</u>	<u>23,037</u>	<u>21,437</u>	<u>7,038</u>	<u>1,911</u>	<u>30,386</u>

The future minimum lease payments under non-cancellable operating leases were payable as follows:

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Not later than 1 year	8,550	8,333	7,783	7,549
Later than 1 year and not later than 5 years	17,938	17,410	17,938	17,410
More than 5 years	-	7,966	-	7,966
Total	<u>26,488</u>	<u>33,709</u>	<u>25,721</u>	<u>32,925</u>

B. Leases as lessor

The Group leases out certain property and equipment under finance leases in its capacity as a lessor. For interest income on the Group's lease receivables, see Note 4.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

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Operating lease commitments - Group as lessor

The Group concluded rental agreements for commercial premises. The future value of the minimum revenues from operating leasing is presented in the table below:

<i>Thousand RON</i>	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Not later than 1 year	2	2	161	160
Later than 1 year and not later than 5 years	-	-	629	630
More than 5 years	-	-	9	49
Total	2	2	799	839

39. SUBSEQUENT EVENTS

The Convening of Patria Bank SA Extraordinary General Shareholders Meeting for May 19/20, 2022

By the Decision of the Board of Directors of Patria Bank SA no. 94/12.04.2022, it was decided the convening of the EGSM for May 19/20, 2022, at 10:00 hours, at the Bank registered office, considering the fact that Mr. Ilie Carabulea, as shareholder of the Bank, holding a number of 245,490,909 shares, representing 7.49 % of the share capital of the Bank, submitted, on the basis of Article 119 para. (1) of the Companies Law No 31/1990, as amended, by letter received by the Bank on 24.03.2022, a request to convene the EGSM with the following agenda:

- Analysis of the economic situation of Patria Bank SA on 31.12.2021
- The reasons for which the shares are not paid as a result of the request for exit from the shareholders submitted on 31.10.2016 by the shareholder Carabulea Ilie
- Indication of the reason for non-compliance with the provisions of Regulation (EU) No 475/2013 and Regulation (EU) No 241/2014 on the submission of the application for approval of the payment of shares to the NBR

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