

No. 633375/06.04.2022

To: FINANCIAL SUPERVISORY AUTHORITY (FSA) - Financial instruments and investments sector
BUCHAREST STOCK EXCHANGE

Ref: Update of Investor Presentation

Report date: 06.04.2022

Name of the issuer: PATRIA BANK SA

Headquarters: Bucharest, 42, Pipera Road, Globalworth Plaza Building, Floors 8 and 10

Phone / Fax No: 0800 410 310 / +40 372 007 732

Unique Registration Code with the Trade Register: RO 11447021

Order number in the Trade Register: J40/9252/2016

Subscribed and paid-in share capital: RON 327.881.437,60 lei

The regulated market where the instruments are traded: Bucharest Stock Exchange

Important events to be reported

Patria Bank has updated the bank's presentation for investors. The presentation is available below.

General Manager

Burak Yildiran

Deputy General Manager

Valentin Vancea

Expansion of business and increasing profitability

Presentation of 2021 results and 2022 budget

Bucharest • 05 April 2022

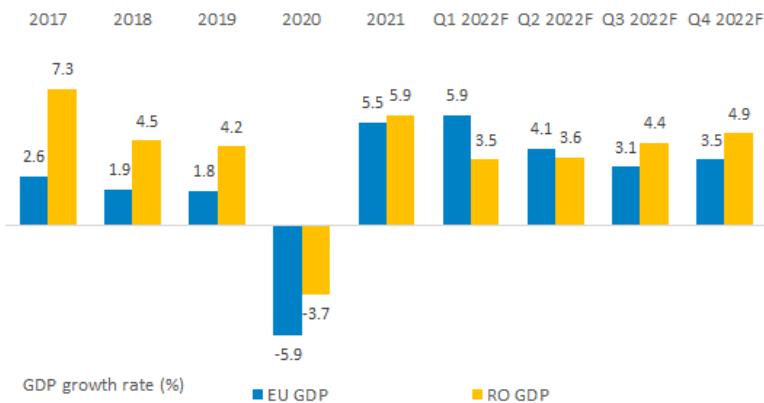
I. Macroeconomic background in brief

Romania shows strong economic recovery in terms of GDP growth, but rising inflation remains an important concern. Inflation fears will lead to rising interest rates going forward.

Romanian economy shows strong recovery against a backdrop of rising inflation

GDP growth

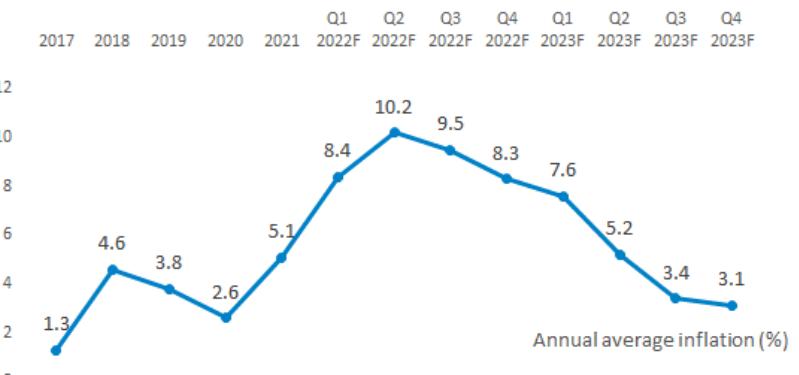
- › Romania recorded a solid recovery in 2021 due to strong domestic demand. Nevertheless, growth slowed down towards the end of the year due to supply restrictions, a new wave of Covid-19 infections and a resurgence of inflation. These factors are also expected to impact the first part of 2022, while the recent Ukraine military conflict is expected to increase this impact.



- › At the beginning of February the European Commission revised downwards its 2022-2023 growth forecast for the Romanian economy. Thus, after a slow-down to 4.2% in 2022, growth is expected to be slightly higher in 2023 at 4.5%.

Inflation

- › The inflation rate has experienced an increasing dynamic mainly due to the materialization of risks associated with accelerated increase in prices of energy products and of raw materials on the domestic and international markets
- › Measures to compensate domestic consumers led to a slight temporary slowdown, with expectations of increase in magnitude from April 2022 to an estimated annualized value of 9.6% at the end of 2022. We expect inflationary pressure to persist taking into account the new geopolitical context due to the military conflict in Ukraine. Inflation is expected to remain high in 2023, with little chance of returning to the target range by early 2024.



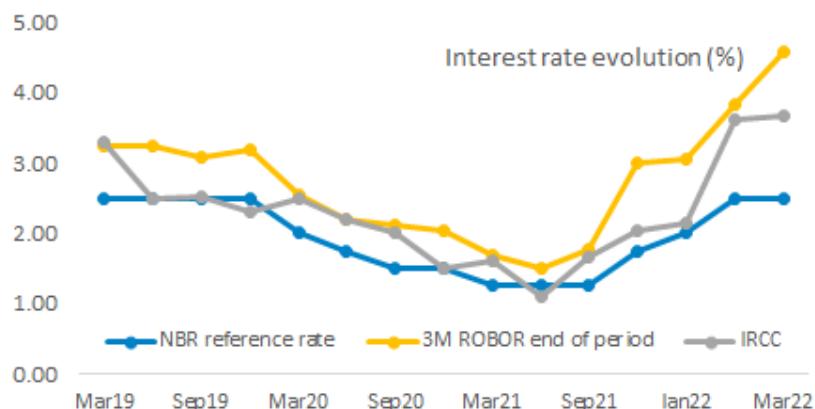
Source: Eurostat, National Bank of Romania



Interest rate and banking environment developments

Interest rates

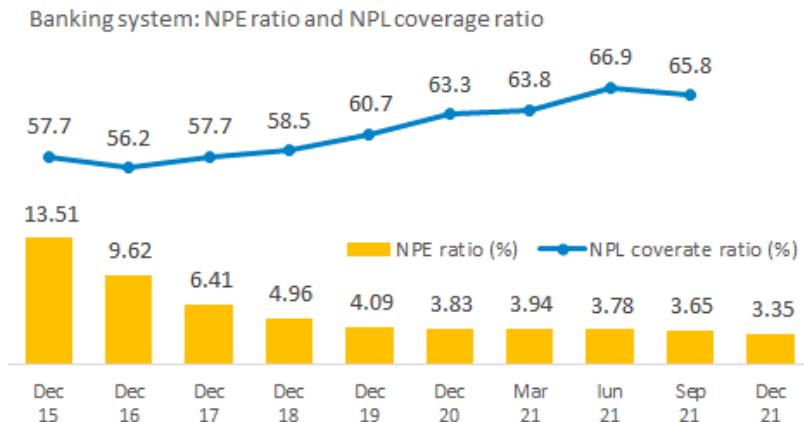
- › Against the background of inflationary pressure, in 2022 the NBR continued the cycle of reference interest rate increases that began at the end of 2021, while maintaining a firm control on liquidity. Two interest rate hikes were recorded in January and February, of 0.25 bps and 0.50 bps respectively, up to 2.50%
- › We expect a continuation of increases in reference rates taking into account inflationary pressures, with a cautious approach by the NBR so that, through its monetary policy, it will contribute to sustainable economic growth with fiscal consolidation and while protecting financial stability.



Source: National Bank of Romania

Banking system

- › The NPE ratio continued to decline during 2021 due to flexibility of the prudential framework implemented by NBR in order to combat the effects of the Covid-19 pandemic. At the same time, the Romanian banking sector registered a continuous improvement of the NPL coverage ratio, in June this indicator being at the highest level in the EU and reflecting the high capacity of banks to absorb future losses
- › In 2022 there is a risk that the average ratio of non-performing loans will increase slightly. The pressure comes from debtors whose rates have been deferred and could be severely affected by the effects of the pandemic and of rising prices.



II. Patria Bank in 2021 in brief

Expansion of balance sheet and important improvement in profitability

Patria Bank in 2021 at a glance

PRELIMINARY FINANCIAL RESULTS 2021		MAIN 2021 RATIOS	
PROFITABILITY	PROFITABILITY	RATES OF RETURN	
Net profit 9.5 mill. RON	Increase in operating result +25.9% vs. 2020	Return on assets (RoA)	0.3%
EFFICIENCY	EXPANSION	Return on equity (RoE)	2.8%
Cost/Income ratio 77% in 2021 vs. 81% in 2020	+11.5% in total assets +14.1% in loans +14.1% in client deposits	CAPITAL & LIQUIDITY	
EXPANSION	EXPANSION	Total Own Funds ratio	19.1%
New loans sales (RON) 1.1 bn, +31.6% vs. 2020 Highest annual level since 2017	Increase in net banking income +7.3% vs. 2020	Liquidity Coverage Ratio (LCR)	177%
NONPERFORMING LOANS/EXPOSURES		NONPERFORMING LOANS/EXPOSURES	
		Nonperforming Exposures ratio (down by 240 bps vs. 2020)	7.9%
		Nonperforming Exposures Coverage ratio	59.7%

Source: Patria Bank



III. Commercial and operational developments

The Bank continued to be an active participant in key segments - SMEs, micro-enterprises and agriculture. The balance of performing loans (stages 1 & 2) increased by RON 278 Million (17%) compared to the level of December 2020.

Key strategic development pillars – 2021 developments

SME and Corporate



- › Resegmentation was done and two distinct departments were created: SME and Corporate, addressing each separate market target, with more tailor made products and services in order to boost sales and increase customer satisfaction
- › Patria Bank remained one of the players in the IMM Invest Program and 24% of new loans granted in 2021 were under this umbrella
- › Increase in sales was 53% in 2021 compared with 2020.

Microenterprises (“Micro”)



- › Continued partnership with European Investment Fund (EIF) in granting loans with EASI guarantee. Patria Group is the biggest player in the market for EASI guarantees.
- › 41% increase in new loan production in 2021 vs. previous year.

Source: Patria Bank

Agriculture (“Agro”)



- › In 2021 the Agro segment of Patria Bank maintained its loan portfolio with an exposure of almost RON 230 Million and continued to advise and finance Romanian agriculture, benefitting from the consolidation and expansion of partnerships with strategic partners such as AFIR, APIA, FGCR and EIF
- › Patria Bank continued its support given to farmers in order to assist in absorption and implementation of EU Funds.

Individuals (“Retail”)

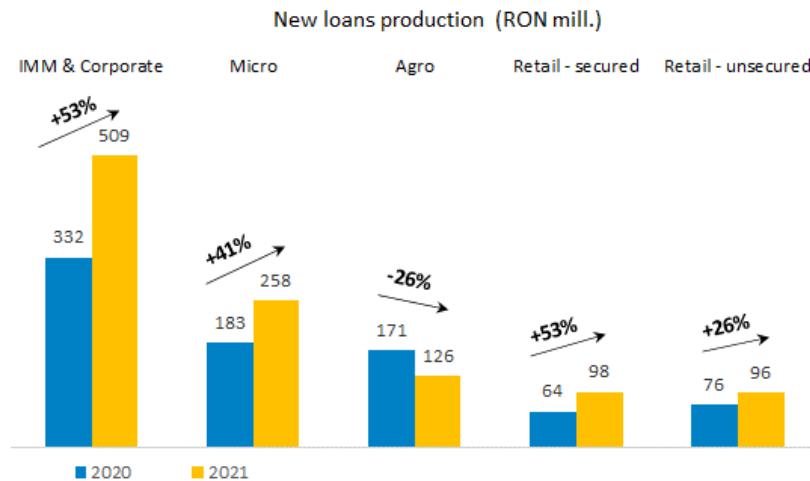


- › The bank has accelerated the growth for Retail Loans (53% growth for secured loan sales & 39% growth for total sales), mainly by:
 - › Optimizing credit granting flow (Automated Decision Making, implementation of Risk Based Pricing)
 - › Launch of new products (e.g. consumer credit exclusively for refinancing)
 - › Increasing collaboration with Developers/Brokers for secured loans.
- › 83% of new retail deposit clients generated by the digital onboarding channel in Q4 2021.



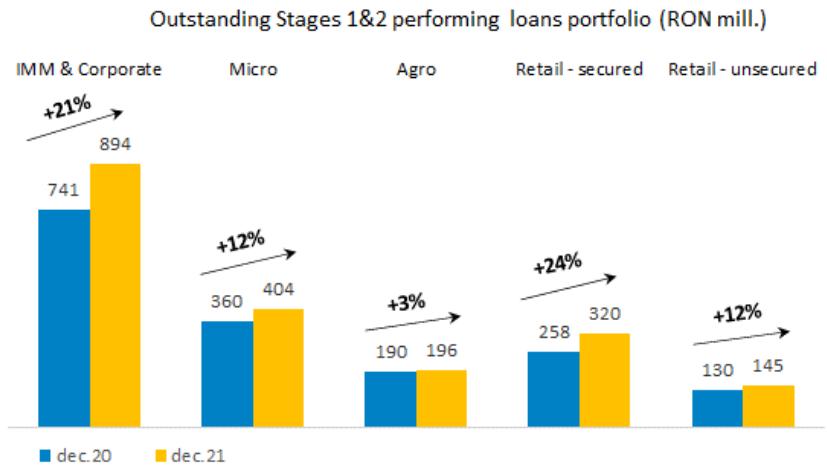
Key strategic pillars – 2021 developments

New loans production (RON Mill.)



- › The Bank's lending activity generated new loans of around RON 1.1 Billion during 2021, the highest annual level recorded since 2017
- › New loan production increased by around 32% compared to the same period of 2020
- › The SME & Corporate, Retail - secured and Micro business segments recorded the highest increase rates at 53%, 53% and 41% respectively compared to 2020.

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



- › Overall, the performing loans portfolio (stages 1 and 2 according to IFRS9) shows an increase of 17% or RON 278 Million at year-end 2021 compared to December 2020
- › All of the Bank's business lines recorded increases of the performing loans portfolio
- › The highest rates of increase between December 2020 and December 2021 were recorded for the Retail – secured (+24%) and SME & Corporate (+21%) segments.

Investments in digitalization of the business model (I)

Advanced online platforms



- › **Patria de oriunde** – the online onboarding platform for individual clients was launched in July 2021. The platform allows remote access to banking products including client enrollment, opening of current accounts, current account packages, setting up of deposits and contracting Internet and Mobile Banking services with the use of qualified electronic signatures

76%

Ratio of new deposits acquired through Patria De Oriunde in total new deposits in Q4 2021

- › **Digital Lending platform for individual clients.** Following the Customer Onboarding platform, Patria Bank plans to launch a digital lending platform in first half of 2022 offering clients the option to request loans with automated and fast approval decisions.

+22%

Increase in Patria Online transactions Dec. 2021 vs. Dec. 2020



- › **Patria Online** – the Bank's online & mobile banking platform has been continuously expanded by adding new features and digital services for clients:

- An **Asset Management** module was launched in Nov. 2021 for showing information on Patria investment funds and the value of investment funds holdings
- Launch in Dec. 2021 of **instant payments** in RON for amounts under RON 50 Thousand that are executed in less than 20 seconds (transfers made only to member banks of the Transfond payment scheme)

+95%

Increase in the total number of Patria Online & Mobile Banking clients
Dec. 2021 vs. Dec. 2020



Investments in digitalization of the business model (II)

Clients access to online products and services

- › Implementation of the second authentication factor for authorization of e-Commerce transactions which provides a high level of security for personal data and prevents fraudulent transactions is to enter into production in **Q1 2022**
- › Implementation in **Q2 2022** of the delivery of cards to the customer's mailing address and delivery of PIN codes via SMS, eliminating the need to visit the Bank's offices by using a delivery service for the non-activated card and sending the PIN code via SMS
- › **Online client information update - implementation in Q2 2022** of a technical solution that provides individuals with an easy and convenient solution for updating personal data
- › Continuation of technology project for traditional commercial spaces such as the ***POS la piata*** project which includes 80 POS terminals in agri-food markets at the end of 2021
- › Overall, **transactions through POS terminals** increased by 23% and their volume by 32% in 2021 compared to the same period of 2020.

Online trading platform for Patria investment funds

- › SAI Patria Asset Management, a subsidiary of Patria Bank specialized in managing investment funds, launched an **online trading platform for investment funds** offered by Patria Bank at the end of 2021
- › The platform, available at online.patriafonduri.ro, is a modern and flexible tool that allows online investments in and withdrawal of funds without visiting Bank offices, as well as real-time access to the value of holdings in fund units
- › Patria Asset Management manages four investment funds available in the platform:
 - Patria Global and Patria Stock - diversified funds in RON
 - Patria Bonds and Patria Euro Bonds - fixed income instrument funds in RON and EUR
- › The BET Patria-Tradeville ETF, also managed by the company, is available to stock exchange investors and is listed on the Bucharest Stock Exchange.



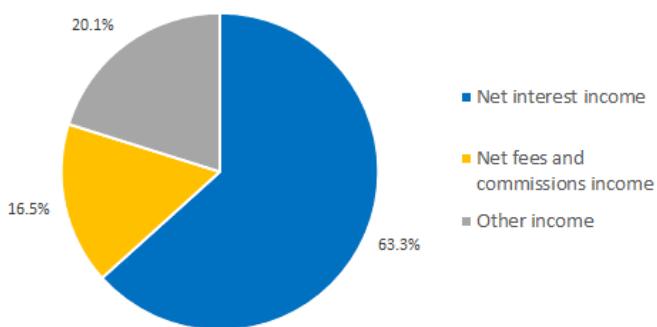
IV. Increasing results in 2021

Preliminary 2021 results show a net profit of RON 9.5 Million, a significant increase compared to RON 2.8 million in 2020. This result comes from a favorable trend in operating revenues, which, combined with a moderate increase in operating costs, led to a 26% higher operating result in 2021 vs. 2020.

Net profit in a pandemic context

Financial performance in 2021

- Net banking income increased from RON 153.2 Million in 2020 to RON 164.3 Million in 2021 (+7.3%)
- Net interest income was close to the one recorded in the previous year due to: (i) a lower level of the ROBOR benchmark in 2021 vs. 2020, with an impact of RON 9 mil. and (ii) fair value adjustments (PPA - Purchase Price Acquisition) amounting to RON -2.5 mil. resulting from sales of non-performing loans coming from the former Banca Comerciala Carpatica
- Structure of net operating income in 2021



Financial performance - 2020 and 2021 trends [RON Million]



	2020	2021	%'21/'20
Net interest income	104.4	104.1	-0.29%
Net fees and commissions income	24.4	27.1	+11.07%
Net banking income	153.2	164.3	+7.25%
Total operating expense	(123.5)	(127.0)	+2.83%
Operating result	29.7	37.4	+25.93%
Cost of risk	(23.6)	(21.9)	-7.20%
Profit before tax	6.1	15.4	+152.46%
Net result	2.8	9.5	+239.29%
Cost/Income ratio	81%	77%	-

Source: Patria Bank. Standalone data



Balance Sheet evolution: placement of liquidity in income-generating assets continues

Evolution of the gross performing loan portfolio [Million RON]

- › The gross loan portfolio increased by 16.4% or RON 277 Million in 2021 compared to 31 December 2020

Dec 2018	1,391
Dec 2019	1,495
Dec 2020	1,686
Dec 2021	1,963

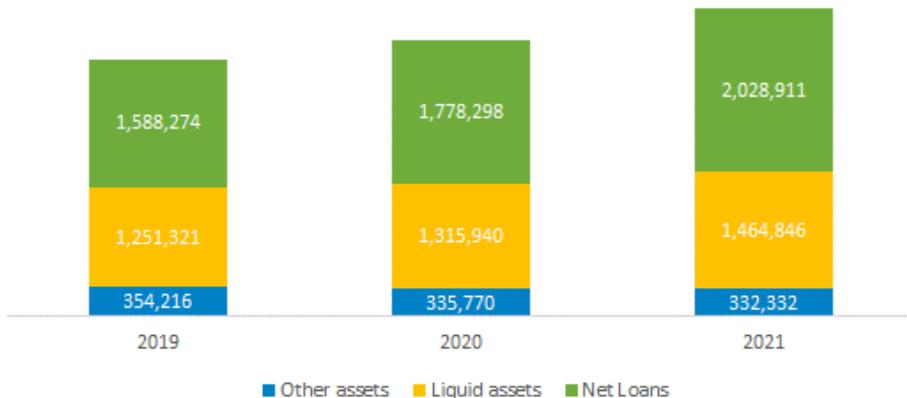
- › As for portfolio structure, the net performing portfolio increased by RON 275 million in December 2021 compared to December 2020 (+16.6%), while the portfolio of non-performing loans decreased by RON 25 Million (-20.7%)
- › Non Performing Exposures ratio decreased to 7.9% in December 2021 compared to 10.3% in December 2020.

Asset structure

The process of placing liquid assets in loans has continued in 2021. The share of net loans in total assets continued to increase in the past year, reaching 53% at December 2021 (as total assets increased by 11.5%) compared to 52% at December 2020 and 50% at December 2019.

The share of liquid assets in total assets reached 38% at the end of December 2021 decreasing compared with 39% in December 2019.

Asset structure (thousand RON)



Source: Patria Bank. Standalone data.



Balance sheet evolution & main ratios

Financial position at 31 Dec. 2021

- › Total Assets of Patria Bank increased by 11.5% in 2021 (RON +396 Million) compared to an increase of 7% in 2020 (RON +236 Million)
- › The Bank also recorded a solid increase in **customer deposits** which increased by 11.5% in 2021 compared to a 6.3% increase in 2020
- › Increase in profits has led to improved **profitability ratios**: the Return on Assets ratio was 0.3% in 2021 compared to 0.1% in 2020, while the Return on Equity increased to 2.8% in 2021 from 0.8% in 2020
- › The balance sheet also shows a significant improvement of the **non-performing exposure ratio**, from 10.3% in 2020 to 7.9% in 2021.

Gross loans / Deposits at Dec 2021

65 %

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

Balance sheet items [RON Million]

	Dec 2020	Dec 2021
› Liquid assets	1,315.9	1,464.8
› Loans and adv. to clients (net)	1,778.3	2,028.9
› Total assets	3,430.0	3,826.1
› Deposits from customers	2,904.8	3,314.8
› Total liabilities	3,086.3	3,489.7
› Shareholders' equity	343.7	336.4

Selected ratios for 2020 and 2021 [%]

%	Dec 2020	Dec 2021
› Total Own Funds Ratio	21.6	19.1
› Gross loans / Total assets	56	56
› Gross loans / Deposits	66	65
› LCR*	206	177
› Return on Assets (RoA)	0.1	0.3
› Return on Equity (RoE)	0.8	2.8
› Non-performing exposures ratio	10.3	7.9
› Non-performing loans coverage ratio	54.3	59.7
› Total assets increase vs previous year	+7.4	+11.5

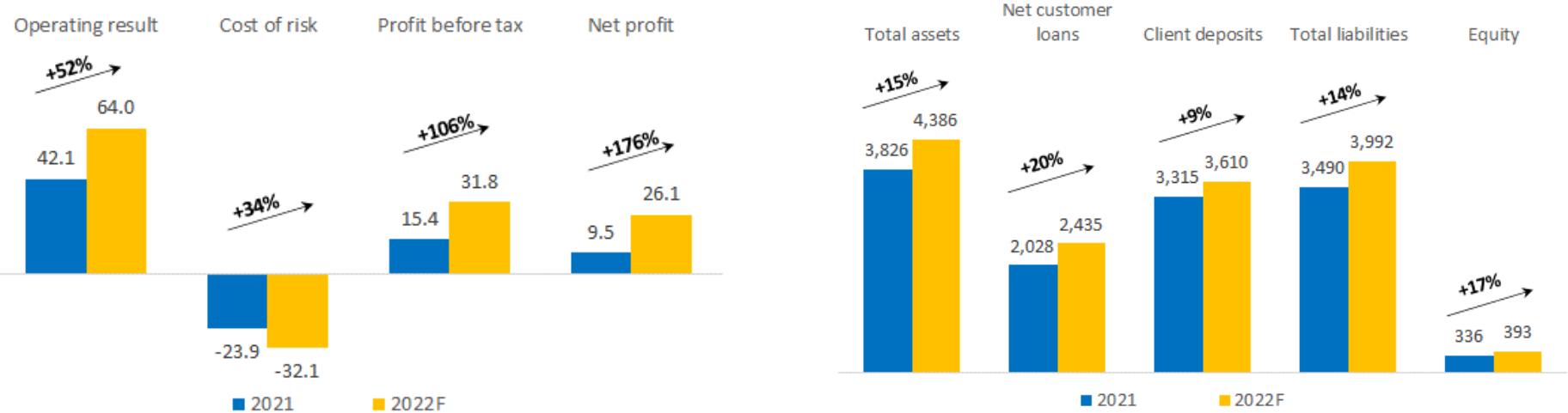


IV. 2022 Budget

The Bank's main short and medium termn objective is increasing profitability through a sustainable business model aimed at conserving capital. For 2022 the Bank estimates an increase in operating result of 52% compared to 2021 and increase in net profit of 176% to RON 26.1 million vs. 9.5 million in 2021.

2022 budget

2022 budget vs. 2021 results [management accounting, RON million]



	2020	2021	2022F
› Gross loans / Deposits	67	65	71
› Net loans / Total assets	52	53	56
› T-bonds / Total assets	28	23	24
› Quick Liquidity Ratio	38	37	40
› Cost / Income	82	75	69
› Annual increase in Net banking income	-8	10	22
› Return on Assets (RoA)	0.1	0.3	0.6
› Return on Equity (RoE)	0.8	2.8	7.1

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



VI. Patria Bank stocks and bonds - market trends

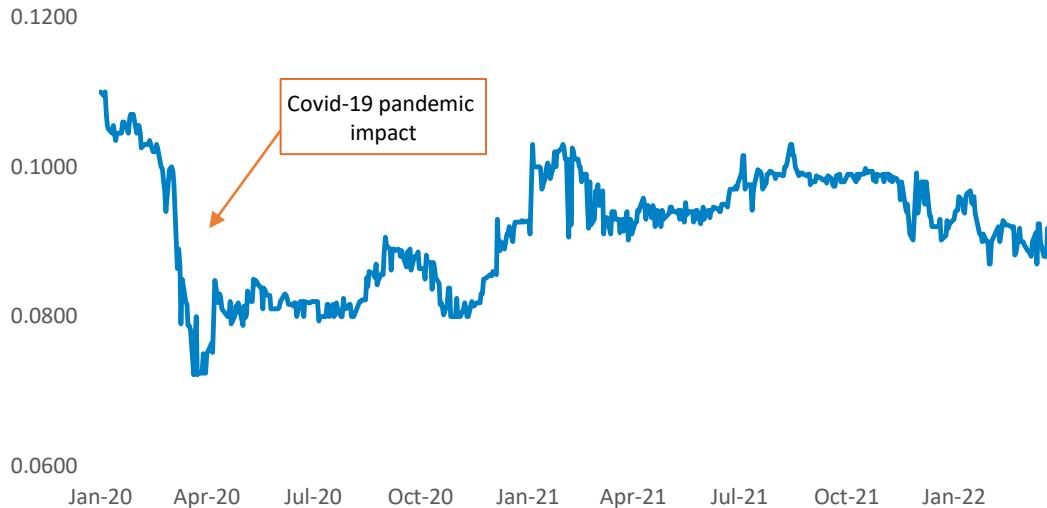
Patria Bank has three securities issues listed on the regulated market of the Bucharest Stock Exchange: the bank's shares, trading with the PBK ticker symbol, and two subordinated bond issues trading with ticker symbols PBK27E and PBK28E.

PBK shares on the Bucharest Stock Exchange

PBK shares

- › Patria Bank shares trade on the Premium Tier of the regulated market managed by the Bucharest Stock Exchange with the PBK ticker symbol
- › ISIN code: ROBACRACNOR6
- › Total number of shares outstanding: 3,278,814,376
- › Par value: RON 0.10 per share
- › Market Capitalization at 25 March 2022: RON 301.0 million
- › Majority shareholder: EEAFF Financial Services BV
- › Majority shareholder holding at 25 March 2022: 84.05%.

Price of PBK shares on the Bucharest Stock Exchange (RON)



Share capital increase

The General Shareholders Meeting of Patria Bank held on 18 October 2021 approved the increase of the Bank's share capital by issuing up to 197,300,000 new shares with an issue price of RON 0.10 per share.

Following the closing of the subscription period, total subscriptions amounting to 163,483,801 new shares were recorded in the share capital increase.

The subscriptions were made in cash and by conversion of the subordinated loan of EUR 3,000,000 granted to the Bank by EEAFF Financial Services BV. Following the completion of this process the share capital increased from RON 311,533,057.50 to RON 327,881,437.60.

Source: Patria Bank, BSE



PBK bonds on the Bucharest Stock Exchange

PBK27E EUR bond issue

- › Issue Date: 20 September 2019
- › Total value: EUR 5.0 Million
- › Interest rate: 6.50% pa (fixed)
- › Maturity Date: 20 September 2027
- › Price at 25 March 2022: 102.00
- › % of issue traded since listing until 25 March 2022: 56.5%.

PBK28E EUR bond issue

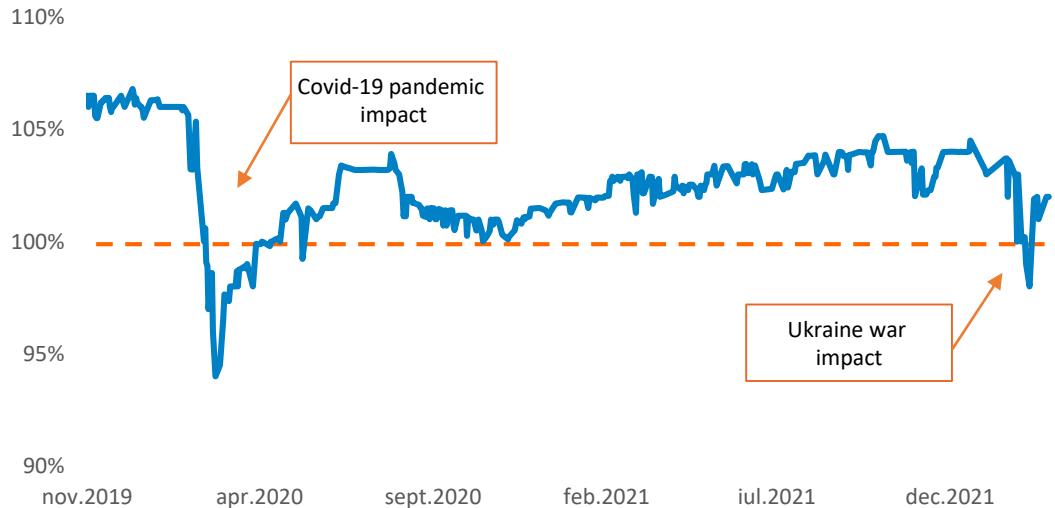
- › Issue Date: 5 October 2020
- › Total value: EUR 8.2 Million
- › Interest rate: 6.50% p.a. (fixed)
- › Maturity Date: 5 October 2028
- › Price at 25 March 2022: 100.80
- › % of issue traded since listing until 25 March 2022: 29.6%.

New issue proposed

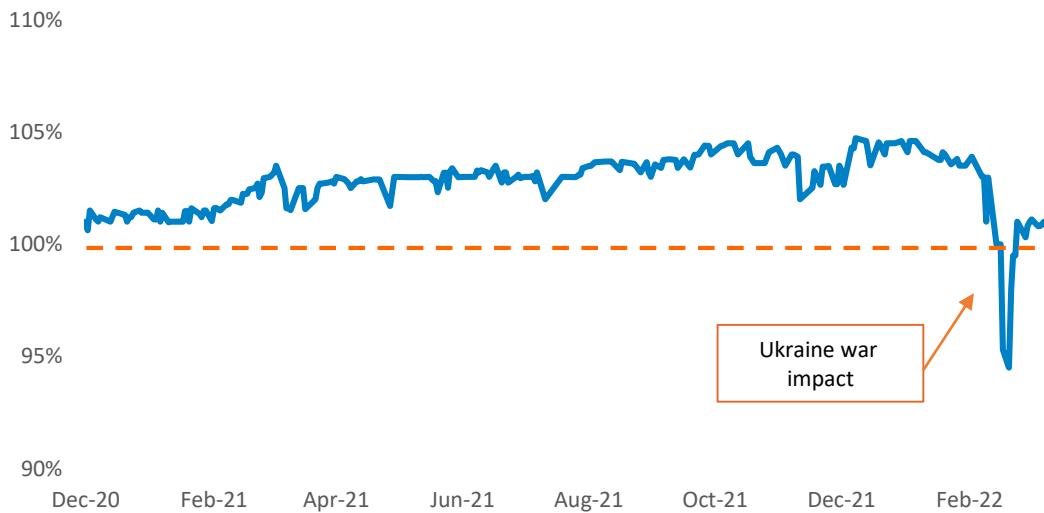
- › Proposal for a new EUR 5-10 mil. issue to be approved by GSM on 28 Apr.

Source: Patria Bank, BSE

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



Price of PBK28E bonds on the Bucharest Stock Exchange (%)



VII. Shareholders and management

Strong shareholding structure and experienced Management and Board members

Strong shareholding structure

Emerging Europe Accession Fund

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

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

Investment

Buyer upon exit



Banca Agricola



BANCA ROMÂNEASCĂ S.A.
Membră a Grupului National Bank of Greece



NATIONAL BANK
OF GREECE



GE Money



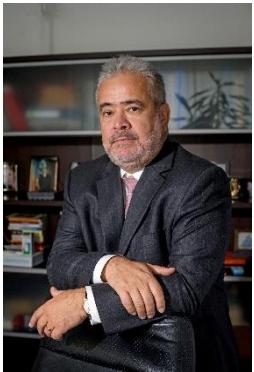
GE Money



GE Money



Experienced management and board members



Horia Manda
BoD Chairman

Managing Partner-
Axxess Capital
BoD member –
various companies
Selected M&A
experience:
Banca Agricola,
Banca Rom., RALFI,
Motoractive,
Romexterra, Patria,
BCC, Jet Finance



Daniela Iliescu
BoD Member

CFO-Axxess Capital
BoD member-BCC
Ex-Senior
Manager-PwC
Selected M&A
experience: Patria,
Jet Finance, BCC



Bogdan Merfea
BoD member

CEO-Raiffeisen
Bank Kosovo
Ex-ED-Raiffeisen
Bank Romania
Selected M&A
experience:
Patria, BCC



Vasile Iuga
BoD member
(independent)

Ex-Managing
Partner-South East
Europe, Romania
Country Manager,
PwC
VP-American
Chamber of
Commerce in
Romania
EIB Audit
Committee
member



Nicolae Surdu
BoD member
(independent)

Ex CEO and
President BCC
Ex-CEO Fortis Bank
Romania
Ex-VP Credit
Europe Bank
Ex-Director
Operations-Tiriac
Bank
Ex-BoD member:
Piraeus Bank RO



Valentin Vancea
COO & Deputy
General Manager

COO-BCC,
Nextebank,
Volksbank RO
CEO – ANSSI
Ex-Audit Director
UniCredit Ro
Selected M&A
experience: HVB
Bank, Unicredit,
BCC, KPMG



Burak Yildiran
CEO

COO TotalSoft
Almost 20 years
with the Garanti
BBVA group,
out of which 6
years as Deputy
General Manager of
Garanti BBVA
Romania



**Georgiana
Stanculescu***
Deputy General
Manager, Financial

Experience in
Credit Agricole,
Emporiki Bank,
Piraeus Bank and
over 7 years in
Patria Bank



Luca Rogojanu
Deputy General
Manager, Risk

Banking
Surveillance
Officer - NBR
Management and
Risk Control
Manager – Patria
Credit IFN
Risk Management
Division Manager
– Libra Bank



Investor relations

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Information for shareholders and bondholders

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

