

Patria Bank financial results reported on March 31, 2023 show a net profit of RON 3 million for the first 3 months of the current year, up by RON 2.1 million, respectively +241%, compared to the same period of the previous year

May 15, 2023

The financial results for Q1 2023 show a net profit of RON 3 million for the first 3 months of the current year, up by RON 2.1 million, respectively +241%, compared to the same period of the previous year. Patria Bank continued the process of consolidating profitability, process which arises from the development of operational revenues correlated with a prudent evolution of the cost of risk. The improvement of profitability in a volatile and uncertain macroeconomic environment denotes a sustainable evolution as well as the adaptability of the Bank to the current market conditions.

The main financial milestones reached on March 31, 2023 are presented below:

- **Increase of net banking income by 6% in Q1 2023 compared to Q1 2022**, evolution supported by all activity components
- **Total assets above the level of RON 4 billion in positive evolution compared to Q1 2022 by 8%**
- **Improving the balance sheet structure of the bank** by increasing the loans to deposits ratio from 68% at the end of 2022 to 72% in March 2023
- **Increasing investments in debt securities** by temporarily placing excess liquidity at competitive yields in line with the evolution of interest rates
- **Maintaining a solid capital base** highlighted by the level of the Total Own Funds Rate of 18.26%, a level recorded as a result of the cessation of applicability of the transitional provisions established by the EU Regulation 575/2013.

The integral version of the Report on the Q1 2023 financial results of Patria Bank S.A together with the separate and consolidated financial statements for the period ended 31.03.2023, prepared in accordance with IFRS as adopted by EU, shall be accessible on the bank's website at <https://en.patriabank.ro/investors/reports-and-results/financial-reports> or on the website of the Bucharest Stock Exchange at the link below starting with 15.03.2023.

Financial statements as at 31.03.2023 are not audited or reviewed.

For further details: pr@patriabank.ro , +40 732 800 326.

About Patria Bank Group

Patria Bank is a Romanian bank, listed on the Bucharest Stock Exchange, with a national presence, being dedicated to increasing the degree of banking in Romania and supporting local entrepreneurs. The Patria Bank Group is majority owned by the Emerging Europe Accession Fund (EEAF), a private equity fund whose main investors are EBRD (European Bank for Reconstruction and Development), EIF (European Investment Fund, part of the European Bank Group for Investments), DEG (Development Bank, part of the banking group KfW), BSTDB (Development Bank of the Black Sea Region). Patria Bank Group includes Patria Bank, Patria Credit IFN and SAI Patria Asset Management.



PATRIA BANK SA Quarterly Report

For period ended

MARCH 31, 2023

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

Report date: **15.05.2023**

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 0.10**

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. The Bank and the Shareholders

Patria Bank SA (hereinafter referred to as "the Bank") is a joint stock company using a one-tier corporate model, authorized as a credit institution for carrying out banking activities in Romania according to Emergency Ordinance of Government (EOG) no. 99/2006 on credit institutions and capital adequacy.

Patria Bank SA is the result of the merger through absorption between i) the former Banca Comerciala Carpatica SA as an absorbing entity, having fiscal code 11447021, registered with the Trade Registry under no. J40 / 9252/2016 and ii) former Patria Bank SA (formerly Nextebank) as an absorbed entity having fiscal code 4786360 and registered with the Trade Registry under no. J23 / 2563/2016, a process that closed on 01.05.2017. With the implementation of the merger the absorbing company, Banca Comerciala Carpatica SA, changed its name to Patria Bank SA and the ticker symbol on the Bucharest Stock Exchange was changed from BCC to PBK.

The Bank offers banking and other financial services to individuals and legal entities: opening of accounts and of deposits, domestic and foreign payments, foreign exchange operations, financing for current activity, medium-term financing, issuing letters of guarantee, letters of credit.

Patria Bank Group

As at 31.03.2023 the Patria Bank Group includes:

- Patria Bank SA, a credit institution authorized to perform banking activities in Romania
- Patria Credit IFN SA, a non-banking financial institution authorized by the NBR to perform lending activities in Romania, registered in the General Register of Non-Banking Financial Institutions held by the NB specialized in rural lending and microfinance. Patria Bank SA holds 99.99% of the share capital of Patria Credit IFN
- SAI Patria Asset Management SA and the six investment funds managed by it - Patria Obligatiuni Patria Global, Patria Stock, Patria Euro Obligatiuni, ETF BET Patria Tradeville and ETF Energie Patria-Tradeville. The company is authorized by the Financial Supervisory Authority of Romania (FSA) for the management of investment funds and is 99.99% under the control of Patria Bank SA.

As at 31.03.2023, the Bank also holds a participation of 95.68% of the share capital of Carpatica Invest SA (formerly SSIF Carpatica Invest SA), a company currently undergoing judicial liquidation and being represented by judicial liquidator Premier Insolv SPRL.

Shareholders Structure

As at 31.03.2023 the share capital of Patria Bank SA amounted to RON 327,881,437.60, consisting of 3,278,814,376 ordinary nominative and dematerialized shares, each having a par value of RON 0.10/share.

As at 31.03.2023 the Bank was 84.0526% owned by EEF FINANCIAL SERVICES BV ("EEF"), a limited liability company registered in accordance with Dutch law, based in Basisweg 10, 1043AP, Amsterdam, The Netherlands. EEF FINANCIAL SERVICES BV is controlled by the EMERGING EUROPE ACCESSION FUND COOPERATIEF UA, a cooperative with the exclusion of liability set up in accordance with the Dutch legal framework, based in Basisweg 10, 1043AP, Amsterdam, The Netherlands. The EEF Investment Fund is the third private equity fund whose investment consultant is Axxess Capital Partners and brings together, as major investors, important international financial such as:

- EBRD – European Bank for Reconstruction and Development
- EIF – European Investment Fund, part of European Investment Bank Group (EIB)
- BSTDB – Black Sea Trade and Development Bank
- DEG - Development Bank part of KfW Banking Group

The structure of the Bank's stockholders owning at least 10% of its share capital at 31.03.2023 is as follows:

Shareholder	No. of shares	Percent (%)
EEF FINANCIAL SERVICES BV, Amsterdam	2,755,927,215	84,0526
Individual shareholders	458,760,118	13,9916
Other shareholders - Legal entities	64,127,043	1,9558
Total	3,278,814,376	100,0000

3. Key Figures

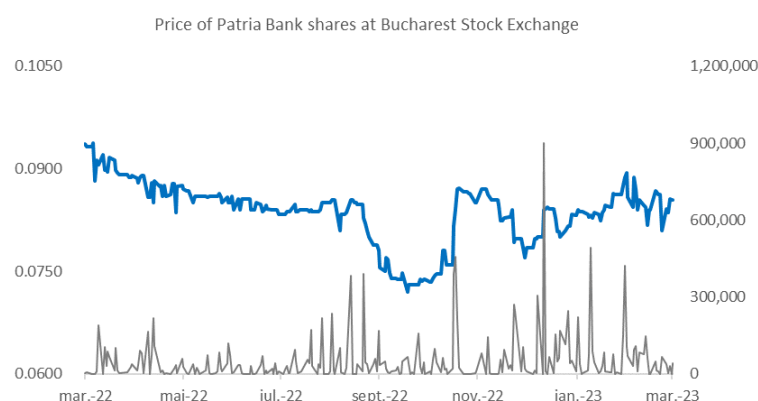
Bank		3M up to 31.mar.23	3M up to 31.mar.22	Variation
Financial results	Net banking income (Ths. RON)	44,017	41,591	5.8%
	Operational expenses (Ths. RON)	(36,092)	(35,110)	2.8%
	Net cost of risk (Ths. RON)	(4,690)	(4,174)	12.4%
	Net result (Ths. RON)	3,005	882	240.7%
	Cost / income ratio	82.0%	84.4%	-2.4 p.p.
	ROE	3.4%	1.0%	2.4 p.p.
Loans and deposits		31.mar.23	31.mar.22	Variation
Loans and deposits	Total net loans (Ths. RON)	2,183,303	2,185,407	-0.1%
	Total deposits (Ths. RON)	3,300,446	3,447,728	-4.3%
	Loans (gross value) / deposits ratio	71.9%	69.5%	2.4 p.p.
Capital adequacy		31.mar.23	31.mar.22	Variation
Capital adequacy	Own Funds (Ths. RON)	393,842	355,491	10.8%
	Risk weighted assets (Ths. RON)	2,156,542	1,943,695	11.0%
	Total own funds ratio	18.3%	20.1%	-1.8 p.p.
Network		31.mar.23	31.mar.22	Variation
Network	Number of branches	45	45	-

4. Shares and Bonds

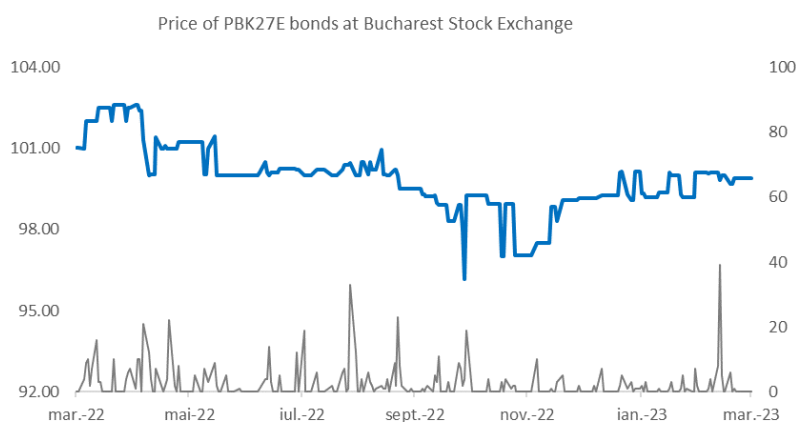
Patria Bank has three issues of financial instruments listed on the regulated market of the Bucharest Stock Exchange: the Bank's shares and two issues of subordinated bonds.

The Bank's shares trade on the regulated market managed by the Bucharest Stock Exchange, in the Premium category, with the PBK ticker symbol. The issue's ISIN code is ROBACRACNOR6.

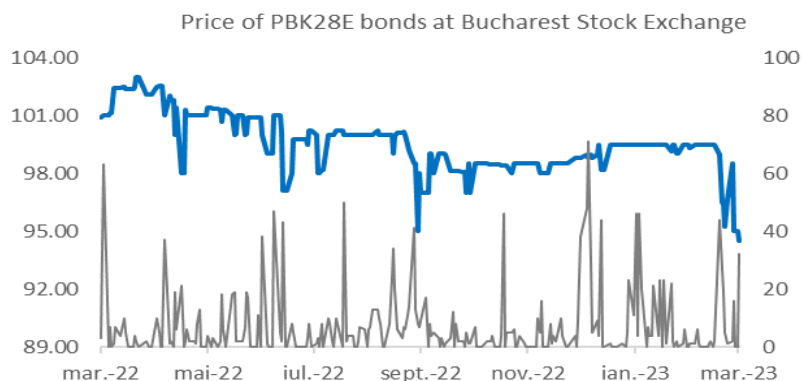
The closing price for PBK shares on 31.03.2023 was RON 0.0854/share, increasing by 8.93% compared with the price at the end of 2022, of RON 0.0784/share. The evolution of Patria Bank's share price in Q1 2023 was characterized by a slightly higher volatility compared with the previous year amid the instability of the financial markets and uncertainties regarding their future evolution.



Patria Bank's subordinated bond issue issued in Euro on 20.09.2019, with a total value of EUR 5.0 million, a fixed interest rate of 6.50%/year and maturity on 20.09.2027, trades on the regulated market managed by the Bucharest Stock Exchange with the symbol PBK27E. The ISIN code of the issue is ROZN0PQQARR5. The closing price of PBK27E bonds on 31.03.2023, expressed as a percentage of the 500 Euro par value, was 99.90 compared to 99.14 at the end of 2022.

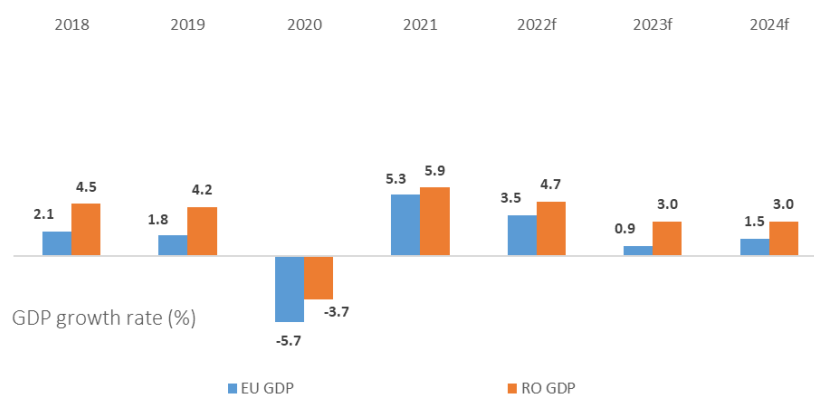


Patria Bank's subordinated bond issue issued in Euro on 05.10.2020, with a total value of EUR 8.2 million, a fixed interest rate of 6.50%/year and maturity on 05.10.2028, trades on the regulated market managed by the Bucharest Stock Exchange with the symbol PBK28E. The ISIN code of the issue is ROWRHZRZD4L3. The closing price of PBK28E bonds on 31.03.2023, expressed as a percentage of the 500 Euro par value, was 94.51 compared to 98.80 at the end of 2022.



5. Macroeconomic and banking environment

The economic growth (gross series). The GDP level in Q4 2022 was 1.0% higher than in Q3 (below the 2.1% level initially estimated) and a 5.1% increase compared to Q2 last year. The economic growth in 2022 was supported primarily by trade, IT&C, construction and real estate transactions, while agriculture and industry had negative contributions. Both exports and imports of goods and services decreased in Q4 2022 compared to Q3 2022, and the contraction of imports (-9.7%) was more severe than the contraction of exports (-3.3%). The level of GDP in real terms increased by 4.8% in 2022 compared to 2021.



The public budget deficit totalled a very high level in February, respectively RON 13 billion (or 0.8% of the official GDP projection for this year) after it totalled RON 4 billion in January, respectively 0.25% of the official GDP projection for this year, according to data published by the Ministry of Public Finance (MFP).

The public deficit in the first two months of the year represented RON 17.1 billion, respectively 1.07% of the official GDP projection for this year.

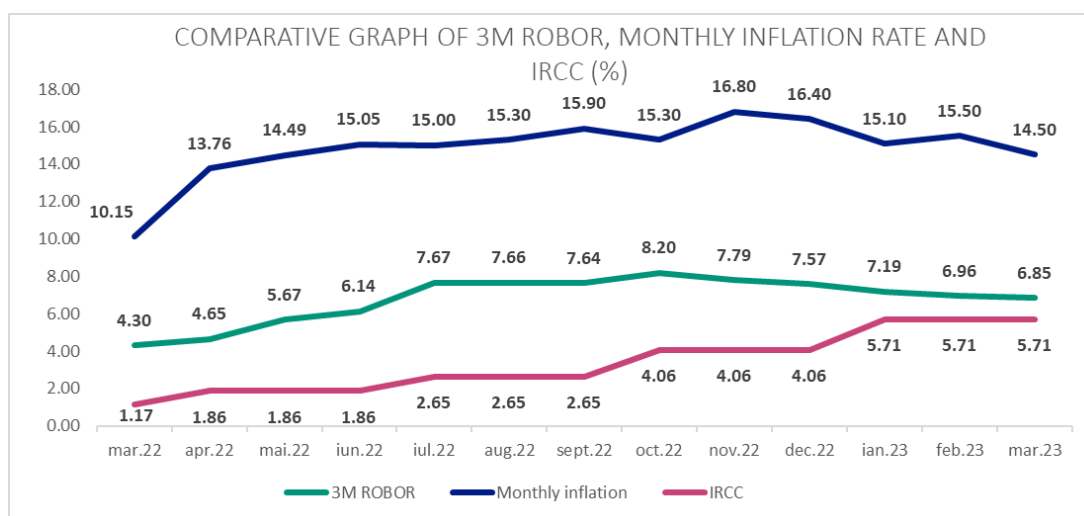
The growth of the public deficit in the first months was fuelled by the visibly faster growth of public spending compared to the advance of budget revenues. At the same time, the increase of public personnel expenses, as well as of interest expenses, continued. Also, at the level of social assistance expenses, there was an increase that was supported by the increase of the pension point by 12.5% starting with January 1st, the increase of the minimum pension to RON 1.125 from RON 1.000, the granting of a financial aid to pensioners with monthly incomes less than or equal to RON 3,000, respectively the granting of the 13th indemnity for people with disabilities.

The Government has proposed to reduce the deficit compared to 2022, with an increase in revenues of 14% for the whole year 2023, over the 10% increase of the expenses, according to the draft of the budget. The Government plans to reduce the budget deficit to 4.4% of GDP from 5.7% of GDP in 2022.

The International Monetary Fund (IMF) reduced the expectation of real economic growth for Romania to 2.4% in 2023 from an increase of 3.1% as estimated in the autumn forecast, according to the latest "World Economic Outlook" report. Thus, according to the IMF's new forecast, the growth of the local economy will slow down from 4.8% in 2022 to 2.4% in 2023, following that in 2024 to reach 3.7%.

The International Monetary Fund also estimates that the current account balance will continue to adjust to -7.9% in 2023 and -7.7% in 2024, from -9.3% in 2022 and the unemployment rate will remain constant in 2023, at the level of 5.6%, following that to fall slightly to 5.4% in 2024.

The **Consumer Price Index (CPI)**. The intensity of inflationary pressures remained high in the first months of 2023 and the prices of consumer goods and services increased by 14.5% in annual terms (March 2023 compared to March 2022), higher than the forecast of 14.1% made by the NBR in early February. In March inflation entered a downward trajectory as the high monthly inflation dynamics from 2022 will be eliminated from its calculation and the intensity of basic inflationary pressures will gradually decrease. Analysts expect that the NBR to maintain the monetary policy interest rate unchanged at 7% this year.



The rate of non-performing loans at the level of the banking system (according to the definition of EBA) maintained its annual downward trend, reaching 2.66% in February 2023. The non-performing loans ratio was 2.65%, at the end of last year, compared to 2.82% in September 2022 and 3.35% in December 2021. February's value of 2.66% marks the lowest level of the non-performing loans ratio in the last decade.

Banking sector indices concerning the health of the system continue to remain at reasonable levels, giving a capacity to absorb possible shocks. The results of the stress tests of solvency and liquidity show that the banking sector is able to address the key risks that may arise in connection with severe macroeconomic developments. The assets of private equity institutions represented 87.9% in total assets at the end of last year and the assets of institutions with foreign capital represented 68.1%. Also, the solvency ratio was 21.73% in December 2022 compared to 21.52% at the end of September.

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 no change is expected to occur in case of this instrument either.

6. Commercial activity

Retail Banking activity

The Bank focused more on unsecured loans compared to secured loans in the **Retail** segment (individuals), by launching campaigns and by optimizing internal workflows that led to offering a faster response time to customers.

Outstanding loans (RON Th. Equiv.)	31.03.2022	31.12.2022	31.03.2023
Secured	347,268	405,817	401,117
Unsecured	151,827	145,668	145,271
Total	499,097	551,484	546,388

New loans sales (RON Th. equiv.)	Q1 2022	Q4 2022	Q1 2023
Secured	22,856	34,252	11,601
Unsecured	29,642	11,470	21,686
Total	52,498	45,722	33,287

New sales of unsecured loans recorded in Q1 2023 a total volume of approximately RON 21.7 million equivalent, representing 65% of the total retail loans sales in the first 3 months of 2023. Taking into account the economic context, the sales of new loans suffered a decrease compared to the same period of last year, both in the area of guaranteed loans as well as in the unsecured loans area.

Outstanding loans recorded an upward evolution in Q1 2023, correlated with new sales, registering an increase of RON 47.2 million equivalent compared to the same period of last year, respectively an increase of approximately 9.5%.

The Bank continued the intensive promotion of the new ***Patria de Oriunde distribution channel*** by launching campaigns for deposits purchased. Approximately 23% of new deposits from new customers are made through this channel.

In Q1 2023, the volume of new amounts attracted in term deposits was RON 30.4 million equivalent.

Liabilities outstanding (Th. RON equiv.)	31.03.2021	31.03.2022
Term deposits	1,610,538	1,700,380
Current accounts	301,523	271,854
Total	1,912,061	1,972,234

Digital Onboarding	Q4 2022 –Q1 2023	
	No. of clients	Total volume (Th RON)
New term deposits through Digital Onboarding	853	112,884

Commercial Banking activity

Outstanding loans

The level of loans outstanding granted to companies had a positive evolution, compared both with March 2022, as well as December 2022, respectively an increase of 5% vs March and of 1% vs December 2022.

In the Q1 2023, the Bank continued to focus on growing its loan portfolio and supporting Micro companies specifically through loans with EIF guarantees (InvestEU Program). The Bank has developed a new analysis tool to ensure a faster approval time for clients in the agricultural industry, having as beneficiaries clients from the Agro and Micro segments.

Outstanding loans in all stages (Th. RON equiv.)	31.03.2022	31.12.2022	31.03.2023
Agro	203,022	199,108	203,108
Micro	479,381	478,410	477,030
SME	419,434	517,597	581,224
Corporate	640,423	609,624	567,136
Total	1,742,260	1,804,739	1,828,497

New loans sales

New loans sales in case of legal entities segment had a better performance by 19% compared to the first 3 months of 2022, an increase from RON 140,345 thousand to RON 166,724 thousand. The biggest impact in this result comes from the SME & Corporate segment where mid-market transactions in sectors such as green energy, real estate, production, trade etc. have been financed.

New loans sales (Th. RON equivalent)	Q1 2022	Q4 2022	Q1 2023
Agro	14,596	18,561	18,230
Micro	66,135	57,986	41,333
IMM&Corporate	59,613	82,460	107,162
Total	140,345	159,007	166,724

Liabilities outstanding

The level of outstanding debts registered a positive overall evolution in the case of companies compared to the first three months of 2022 (+3%) and a decrease of 6% compared to the end of 2022.

The decrease of the deposits balance compared to the end of the year was due both to the bank's strategy of reducing the financing cost, thus giving up a part of the expensive deposits in the Corporate and Financial Institutions business lines, as well as to the seasonality in agriculture, where APIA subsidies begin to be collected around October, following that, by the end of the year most sources will repay short-term loans or purchase raw materials.

Liabilities outstanding (Th. RON equiv.)	31.03.2022	31.12.2022	31.03.2023
Total	1,282,020	1,417,144	1,325,533

New active clients

On the general segment of companies, the Bank recorded a decrease of the active clients by 4% compared with December 2022, respectively by 6% compared with March 2022. The decrease recorded was generated by the clients in the Micro customers within the context of reducing the financing appetite.

Active clients	31.03.2022	31.12.2022	31.03.2023
Total	12,913	12,526	12,072

At operational level, Patria Bank continued the innovation process, by developing and implementing new products and technologies, thus ensuring a continuous improvement of the organization's competitiveness and sustainability. The ongoing optimization and digitalization initiatives with an impact on the commercial area, include:

- **Completion of the development of the Customer Digital Lending platform for individuals**, through which the Bank will complete the portfolio of remote services with the implementation of a digital lending platform. This will offer potential customers the possibility to request unsecured consumer loans, granted with automatic and fast decision only by signing an electronic contract without coming into physical contact with the Bank, starting with Q4 2022 based on ADR certification
- **Multi-Functional Machines Program**. In order to modernize the automated services and considering the evolution of the *Self-Service* banking terminals and the increasing level of adoption of these services on the local banking market, Patria Bank started the project of

replacing the Bank's ATM fleet with multi-functional machines in all territorial units. The implementation will take place in stages starting with Q1 2023

- **Launching of a new Credit Card lending product for individuals**, through which the Bank will offer benefits to customers (zero interest rates, cashback, grace periods up to 55 days) in order to increase the degree of penetration of the Credit Card product among the existing customer base as well as to attract new customers
- **Automation of the interrogation of the external databases** within the internal processes of maintaining business relationships with companies, as well as of granting APIA loans in the case of companies operating in the agriculture field by implementing robots with the ultimate goal of optimizing the flow and reducing the processing time of the requests
- **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
- **Continuing the strategy of optimizing and digitizing the processes** in order to streamline the activity, both in the relationship with the clients and between the internal structures, as well as the significant reduction of the processing time and of the operational risk associated with the processes by implementing the flows of initiating the business relationship and granting of products and services, updating data and identification documents for individual customers at the counter, in the territorial units, within a WebDesk platform
- **Starting a partnership with Allianz-Tiriac Asigurari SA** regarding the activity of distribution of mandatory and optional insurance for the buildings belonging to individuals having housing as destination and which constitute guarantees for loans with real estate mortgage in order to provide financial services as complete as possible to mortgage clients.

The activity of subsidiaries

Patria Credit IFN

Patria Credit IFN SA is a non-banking financial institution (IFN) that supports the efforts of rural and small urban entrepreneurs, as well as their positive impact on their communities. Specialized in financing farmers, Patria Credit is a member of the EuropAtean Microfinance Network (EMN) and Microfinance Center (MFC) and it is the first non-banking financial institution dedicated to microfinance in Romania, with almost 20 years of experience and over 18,000 financed clients.

On March 31, 2023, the loan portfolio of Patria Credit IFN continued to grow, **the growth rate being 19% compared to March 2022**. Sales of new loans maintained approximately the same level compared to the same period of the previous year. The institution continued offering personalized loans to the main segment (small farmers). For the first three months of 2022, **the company obtained a net profit of RON 2.6 million**, up by 60% compared to the same period last year. Regarding the structure of the portfolio on financed activities, the high share of agriculture is maintained, i.e. 84%. In line with the strategy proposed for this year, the Agritech projects continued in partnership with Agricultural technology providers, as well as the project of digitization and modernization of the entire IT architecture. In Q1 2023, Patria Credit IFN SA concluded a unique local partnership for the financing and inclusion of Roma entrepreneurs, especially farmers, from small rural communities in the country and launched a financing

product exclusively for businesses managed by Roma citizens and local businesses that employ Roma workers.

SAI Patria Asset Management

Patria Asset Management, an Investment Management Company authorized by FSA, increased its assets under management by 7.0%, in a difficult market context, up to RON 116 million on 31.03.2023 compared to RON 108 million on 31.12.2022.

The company launched in February a new fund, ETF Energie Patria-Tradeville, the second *Exchange Traded Fund* in Romania and the first sectoral ETF in our country. It aims to replicate the structure and performance of the BET-NG sectoral index of the Bucharest Stock Exchange, which reflects the evolution of the shares listed on the main market with the field of activity energy and related utilities. The fund is listed on the Bucharest Stock Exchange, it is traded with the PTENGETF symbol and registered net assets of RON 6.02 million on 31.03.2023.

The other ETF type fund managed by the company, ETF BET Patria-Tradeville, is traded on the Bucharest Stock Exchange under the symbol TVBETETF and registered net assets of RON 82.11 million on 31.03.2023, increasing by 13.9% compared with RON 72.11 million at the end of 2022. The two ETF funds can be purchased through any intermediary authorized to trade on the BSE.

SAI Patria Asset Management has managed even since December 2021 its own internet trading platform for investment funds. Available at *online.patriafonduri.ro*, the platform offers fast and easy 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 in/from the mentioned funds.

7. Financial Results and economic – financial ratios

a) The Bank's financial position as at 31.03.2023, compared with 31.03.2022 and 31.12.2022 is as follows:

FINANCIAL POSITION							
-thousands RON-							
ASSETS	31.mar.23	31.dec.22	mar.23/ dec.22 (abs.)	mar.23/ dec.22 (%)	31.mar.22	mar-23/ 22 (abs.)	mar-23/ 22 (%)
Cash and cash equivalents	340,635	596,801	(256,166)	(43%)	364,645	(24,010)	(7%)
Loans and advances to banks	18,634	17,695	939	5%	8,123	10,511	129%
Securities	1,183,171	1,005,364	177,807	18%	989,899	193,272	20%
Investments in subsidiaries	36,296	36,296	-	0%	34,296	2,000	6%
Loans and advances to customers, net	2,236,161	2,216,935	19,226	1%	2,095,822	140,339	7%
Other assets	276,674	284,121	(7,447)	(3%)	284,245	(7,571)	(3%)
Total ASSETS	4,091,571	4,157,212	(65,641)	(2%)	3,777,030	314,541	8%
LIABILITIES	31.mar.23	31.dec.22	mar.23/ dec.22 (abs.)	mar.23/ dec.22 (%)	31.mar.22	mar-23/ 22 (abs.)	mar-23/ 22 (%)
Due to banks & REPO	240,100	172,880	67,220	39%	105,891	134,209	127%
Due to customers	3,300,446	3,447,728	(147,282)	(4%)	3,198,227	102,219	3%
Other liabilities	86,373	82,732	3,641	4%	60,995	25,378	42%
Subordinated debt	44,576	44,311	265	1%	10,082	34,494	342%
Debt securities in issue	63,540	64,501	(961)	(1%)	63,187	353	1%
Total Liabilities	3,735,035	3,812,152	(77,117)	(2%)	3,438,382	296,653	9%
Total Equity	356,536	345,060	11,476	3%	338,648	17,888	5%
Total LIABILITIES AND EQUITY	4,091,571	4,157,212	(65,641)	(2%)	3,777,030	314,541	8%

- **Total assets, in amount of RON 4.1 billion**, show a similar level compared to the end of 2022 due to the slight reduction of deposits attracted from financial institutions, the Bank aiming at optimizing the financing cost and managing liquidity at optimal costs
- **The loan portfolio (net value)** registered an increase of 1% compared to the end of 2022 and of 7% compared to March 2022 (RON +140 million). In the first 3 months of 2023, the market highlights a decrease in the lending demand occurred from customers, especially on the Retail segment in the area of guaranteed loans. The reasons for this are the high level of interest rates in the market as well as a level of uncertainty over future developments
- **Interbank financing** developed in a positive way, complementing commercial financing and diversifying the sources of financing used by the Bank
- **The own funds** show an increase of 3% compared to 31 December 2022 arising from the profit obtained in Q1 2023, as well as from the positive evolution of the revaluation reserves related to the debt securities portfolio (RON +8 Mill. in Q1 2023).

At individual level, the capital adequacy ratio (Total Own Funds Ratio) is 18.26%, exceeding the regulatory limit, registering a decrease compared to the level of 20.08% recorded at the end of 2022, being at the March 31, 2022 level, i.e. 18.29%. This is mainly due to the development of risk-weighted assets (the increase in the loan portfolio) and the slight decrease in own funds as a result of the termination, starting with January 2023, of the application in the calculation of own funds of the temporary treatment provided for in paragraphs (1) and (2) of Article 468 paragraph (3) of Regulation (EU) no. 575/2013 on prudential requirements for credit institutions and investment companies with subsequent amendments.

At consolidated level, the capital adequacy ratio (Total Own Funds Ratio) is 17.80%, exceeding the regulatory limit.

- b) Financial results (at individual level): The main elements compared to the same period of last year are as follows:

FINANCIAL PERFORMANCE STATEMENT -thousands RON-	3M up to 31.mar.23	3M up to 31.mar.22	Δ 2023/ 2022 (abs.)	Δ 2023/ 2022 (%)
Net interest income	29,918	29,761	157	1%
Net fees and commission income	8,360	7,052	1,308	19%
Net gains from financial activity & other income	5,739	4,778	961	20%
Net banking Income	44,017	41,591	2,426	6%
Staff costs	(18,776)	(17,050)	(1,726)	10%
Depreciation and amortization	(5,076)	(5,317)	241	(5%)
Other operating and administrative expenses	(12,240)	(12,743)	503	(4%)
Total operating expense	(36,092)	(35,110)	(982)	3%
Operating Result	7,925	6,481	1,444	22%
Net impairment of financial assets	(4,690)	(4,174)	(516)	12%
Gain before tax	3,235	2,307	928	40%
Expense from deferred tax	(230)	(1,425)	1,195	(84%)
Gain for the year	3,005	882	2,123	241%

	3M up to 31.mar.23	3M up to 31.mar.22	Δ 2023/ 2022 (abs.)	Δ 2023/ 2022 (%)
Interest income	67,533	43,231	24,302	56%
Loans	55,339	36,827	18,512	50%
Debt securities	10,087	6,123	3,964	65%
Other interest bearing assets	2,107	281	1,826	650%
Interest expenses	(37,615)	(13,470)	(24,145)	179%
Due to customers	(33,324)	(11,768)	(21,556)	183%
Other interest bearing liabilities	(4,291)	(1,703)	(2,589)	152%
Net interest income	29,918	29,761	157	1%

- **Net banking income registered a positive evolution of 6%** compared to the same period of 2022 with a positive dynamics in the fees and commissions income segment due to the increase of the trading activity of the customers, of the number of POs, as well as from the financial activity
- With regard to **interest income**, the Bank presents an increase of 56% compared to the same period of the previous year, the evolution being generated by the interest income related to commercial loans, as well as by those related to the portfolio of debt securities in which the bank has temporarily invested the excess liquidity
- **Interest expenses** registered an increase of **RON 24 Mill.** compared to the same period of 2022. The evolution is determined by the evolution of the interest rates paid for the deposits attracted from the non-banking clientele, in line with the increase of the monetary policy rate in the last 12 months and of the ROBOR index
- **Net commissions income** shows a positive evolution of 19% generated mainly by the increase in customer transaction activity and trade finance activity

- **Operational expenses registered an increase of 3% (+RON 1 Mill.)** at a lower pace than the evolution of net banking income of +6%, wage costs being influenced by inflationary pressure
- **The net cost of risk registered a prudent evolution**, the bank permanently monitors the loan portfolio for an adequate management of the credit risk taking into account the uncertainties that manifest in the market
- The Bank registered a **positive operational result for the first three months of 2023 in amount of RON 7.9 million and a net result of RON 3 million**, in a positive dynamic of 241% compared to the same period of 2022.

c) Economic-financial ratios

Ratios		31.mar.23	31.dec.22	31.mar.22
1	Total Own Funds Ratio	18.26%	20.08%	18.29%
2	The potential change of the economic value (EVI/ Own Funds)	12.1%	8.0%	11.3%
3	Loans (gross value) / Customer deposits	72%	68%	70%
4	Loans (gross value) / Total assets	58%	57%	59%
5	Liquidity Coverage Ratio (LCR)	189%	392%	150%
6	Liquid assets / Total assets	38%	39%	36%
7	Debt securities and equity instruments / Total assets	29%	24%	26%
8	Return on Assets ratio (RoA)	0.3%	0.5%	0.1%
9	Return on Equity ratio (RoE)	3.4%	5.9%	1.0%
10	Expense/income ratio	82%	71%	84%
11	Non Performing Loans (NPL)*	8.23%	7.36%	8.78%
12	Non Performing Exposures (NPE)*	7.35%	6.02%	7.77%
13	Coverage NPL	54%	53%	53%
14	Coverage NPL**	59%	57%	59%

(*) As per individual FINREP

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

8. Conclusions

The financial results for Q1 2023 show a net profit of RON 3 million for the first 3 months of the current year, up by RON 2.1 million, respectively +241%, compared to the same period of the previous year. Patria Bank continued the process of consolidating profitability, process which arises from the development of operational revenues correlated with a prudent evolution of the cost of risk. The improvement of profitability in a volatile and uncertain macroeconomic environment denotes a sustainable evolution as well as the adaptability of the Bank to the current market conditions.

The main financial milestones reached on March 31, 2023 are presented below:

- **Increase of net banking income by 6% in Q1 2023 compared to Q1 2022**, evolution supported by all activity components

- **Total assets above the level of RON 4 billion in positive evolution compared to Q1 2022 by 8%**
- **Improving the balance sheet structure of the bank** by increasing the loans to deposits ratio from 68% at the end of 2022 to 72% in March 2023
- **Increasing investments in debt securities** by temporarily placing excess liquidity at competitive yields in line with the evolution of interest rates
- **Maintaining a solid capital base** highlighted by the level of the Total Own Funds Rate of 18.26%, a level recorded as a result of the cessation of applicability of the transitional provisions established by the EU Regulation 575/2013.

NOTE: The financial statements for the first 3 months of 2023 have not been audited/reviewed by the independent financial auditor.

General Manager
Burak Yildiran

Deputy General Manager
Georgiana Stanculescu



PATRIA BANK GROUP

**INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2023**

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

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**INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023 (All amounts are in thousand RON)**

Thousand RON	Note	Group		Bank	
		Unaudited(*) 31 March 2023	Unaudited(*) 31 March 2022	Unaudited(*) 31 March 2023	Unaudited(*) 31 March 2022
Interest and similar income calculated using the effective interest rate		76,486	50,117	67,533	43,231
Interest and similar expense		(41,214)	(15,358)	(37,615)	(13,470)
Net interest income	4	<u>35,272</u>	<u>34,759</u>	<u>29,918</u>	<u>29,761</u>
Fee and commission income		10,224	8,705	9,848	8,322
Fee and commission expense		(2,180)	(1,892)	(1,488)	(1,270)
Net fee and commission income	5	<u>8,044</u>	<u>6,813</u>	<u>8,360</u>	<u>7,052</u>
Net gain/(loss) from financial assets measured at fair value through profit or loss	6	4,006	(1,379)	1,029	369
Net gain/(loss) from disposal of investment securities at fair value through other comprehensive income	7	403	-	403	-
Net gain/(loss) on derecognition of financial asstes measured at amortised cost		(33)	(79)	(33)	(79)
Net gains/(losses) on investment properties		146	474	146	474
Net gains/(losses) on non-current assets held for sale		-	(38)	-	(38)
Other operating income	8	4,183	5,117	4,194	4,052
Net Operating income		<u>52,021</u>	<u>45,667</u>	<u>44,017</u>	<u>41,591</u>
Personnel expenses	10	(20,699)	(19,025)	(18,776)	(17,050)
Administrative and other operating expenses	11	(15,799)	(12,827)	(12,240)	(12,743)
Depreciation and amortization		(5,394)	(5,598)	(5,076)	(5,317)
Operational result before impairment		<u>10,129</u>	<u>8,217</u>	<u>7,925</u>	<u>6,481</u>
Net charge with impairment of financial assets	9	(4,007)	(4,350)	(4,690)	(4,174)
Operational profit		<u>6,122</u>	<u>3,867</u>	<u>3,235</u>	<u>2,307</u>
Profit before tax		<u>6,122</u>	<u>3,867</u>	<u>3,235</u>	<u>2,307</u>
Income tax charge for the year		(715)	(1,720)	(230)	(1,425)
Net profit for the period		<u>5,407</u>	<u>2,147</u>	<u>3,005</u>	<u>882</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 2023 (All amounts are in thousand RON)**

<i>Thousand RON</i>	Group		Bank	
	Unaudited(*) 31 March 2023	Unaudited(*) 31 March 2022	Unaudited(*) 31 March 2023	Unaudited(*) 31 March 2022
Net profit for the period	5,407	2,147	3,005	882
Other elements of the comprehensive income				
Items that may be reclassified to profit or loss:				
Net gain on debt instruments measured at FVOCI, transferred to profit or loss	(403)	-	(403)	-
Gain/(loss) from fair value measurement of debt instruments measured at FVOCI	10,410	(18,371)	10,410	(18,372)
Variation of expected credit loss related to debt instruments measured at FVOCI	62	(6)	62	(6)
Income tax recorded directly in other comprehensive income	(1,611)	2,940	(1,611)	2,940
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	13	-	13	-
Gain on equity investments measured at FVOCI	-	471	-	471
Other elements of the comprehensive income, net of tax	8,471	(14,966)	8,471	(14,967)
Comprehensive income	<u>13,878</u>	<u>(12,819)</u>	<u>11,476</u>	<u>(14,085)</u>
Profit attributable to:				
-Equity holders of the parent entity	5,407	2,147	3,005	882
-Non-controlling interests	-	-	-	-
Profit for the period	<u>5,407</u>	<u>2,147</u>	<u>3,005</u>	<u>882</u>
Comprehensive income attributable to:				
-Equity holders of the parent entity	13,878	(12,819)	11,476	(14,085)
-Non-controlling interests	-	-	-	-
Comprehensive income	<u>13,878</u>	<u>(12,819)</u>	<u>11,476</u>	<u>(14,085)</u>
Earnings per share (basic and diluted)	<u>0.0016</u>	<u>0.0007</u>	<u>0.0009</u>	<u>0.0003</u>

The financial statements were approved by the Board of Directors on the 12th of May 2023 and were signed on its behalf by:

Burak Yildiran
General Manager

Georgiana Stanciulescu
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 2023 (All amounts are in thousand RON)**

<i>Thousand RON</i>	<i>Note</i>	Group		Bank	
		Unaudited(*)	Unaudited(*)	Unaudited(*)	31
		31 March	31 December	31 March	December
		2023	2022	2023	2022
Assets					
Cash and cash equivalents	12	344,603	599,137	340,635	596,803
Financial assets at fair value through profit or loss	13	149,849	111,629	50,507	19,008
Financial asset measured at fair value through other items of comprehensive income	14	642,044	545,720	642,044	545,720
Due from banks	15	18,634	17,693	18,634	17,693
Loans and advances to customers	16	2,408,379	2,367,714	2,236,161	2,216,935
Investments in debt instruments at amortized cost	17	490,620	440,636	490,620	440,636
Investment property	18	94,948	94,766	94,948	94,766
Non-current assets held for sale		2,316	2,150	2,150	2,150
Investment in subsidiaries	19	-	-	36,296	36,296
Other financial assets	20	13,974	21,684	13,984	21,930
Other assets	21	14,299	11,267	15,299	11,595
Deferred tax assets		12,892	14,738	12,006	13,835
Intangible assets	22	50,661	49,595	48,714	47,998
Property and equipment	23	91,495	93,499	89,573	91,847
Total assets		<u>4,334,714</u>	<u>4,370,228</u>	<u>4,091,571</u>	<u>4,157,212</u>
Liabilities					
Due to banks	24	140,667	74,966	140,667	74,966
Customer deposits	25	3,295,855	3,441,591	3,300,446	3,447,728
Loans from banks and other financial institutions	26	238,080	217,870	99,433	97,914
Other financial liabilities	27	178,832	172,457	69,255	69,979
Provisions	28	10,420	9,754	9,466	8,893
Other liabilities	29	8,406	4,101	7,652	3,860
Subordinated liabilities	30	54,545	54,558	44,576	44,311
Debt securities in issue	31	63,540	64,501	63,540	64,501
Total liabilities		<u>3,990,345</u>	<u>4,039,798</u>	<u>3,735,035</u>	<u>3,812,152</u>
Equity					
Share capital and equity premiums	32	332,181	332,181	332,181	332,181
Merger premium		(67,569)	(67,569)	(67,569)	(67,569)
Treasury shares		(1,140)	(1,140)	(5)	(5)
Accumulated Profits / (Losses)		50,246	44,698	63,503	60,418
Revaluation reserve	35	776	(7,615)	(933)	(9,324)
Statutory legal reserve	35	15,197	15,197	14,681	14,681
Other reserves	35	14,678	14,678	14,678	14,678
Total equity		<u>344,369</u>	<u>330,430</u>	<u>356,536</u>	<u>345,060</u>
Total liabilities and equity		<u>4,334,714</u>	<u>4,370,228</u>	<u>4,091,571</u>	<u>4,157,212</u>

The financial statements were approved by the Board of Directors on the 12th of May 2023 and were signed on its behalf

by:

Burak Yildiran
General Manager

Georgiana Stanciulescu
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 2023 (All amounts are in thousand RON)**

Group

<i>Thousand RON</i>	Share capital	Merger premium	Treasury shares	Revaluation reserves for financial assets at FVOCI	Revaluation reserve for property	Statutory legal reserve	Other reserves	Accumulated Profits / (Losses)	Total equity attributable to the parent	Non-controlling interest	Total equity
Balance at 1 January 2023	332,181	(67,569)	(1,140)	(38,344)	30,729	15,197	14,678	44,698	330,430	-	330,430
Comprehensive income	-	-	-	-	-	-	-	5,407	5,407	-	5,407
Profit for the period	-	-	-	-	-	-	-	5,407	5,407	-	5,407
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	-	-	-	52	-	-	-	-	52	-	52
Gains/(losses) from the measurement at fair value of debt instruments FVOCI	-	-	-	8,744	-	-	-	-	8,744	-	8,744
Changes in the revaluation reserve for property and equipment	-	-	-	-	13	-	-	-	13	-	13
Total other comprehensive income	-	-	-	8,457	13	-	-	-	8,470	-	8,470
Total comprehensive income	-	-	-	8,457	13	-	-	5,407	13,877	-	13,877
Revaluation reserve realized	-	-	-	-	(79)	-	-	79	-	-	-
Other adjustments	-	-	-	-	-	-	-	62	62	-	62
Balance at 31 March 2023	332,181	(67,569)	(1,140)	(29,887)	30,663	15,197	14,678	50,246	344,369	-	344,369

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 2023 (All amounts are in thousand RON)**

<i>Thousand RON</i>	Share capital	Merger premium	Treasury shares	Revaluation reserves for financial assets at FVOCI	Revaluation reserve for property	Statutory legal reserve	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	-	-	-	-	-	-	-	19,234	19,234	-	19,234
Profit for the period	-	-	-	-	-	-	-	19,234	19,234	-	19,234
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Expected net credit loss related to FVOCI debt instruments	-	-	-	(108)	-	-	-	-	(108)	-	(108)
Gains/(losses) from the measurement at fair value of debt instruments FVOCI	-	-	-	(33,499)	-	-	-	-	(33,499)	-	(33,499)
Net gain from the fair value measurement of FVOCI equity instruments	-	-	-	1,104	-	-	-	-	1,104	-	1,104
Changes in the revaluation reserve for property and equipment	-	-	-	-	4,583	-	-	-	4,583	-	4,583
Total other comprehensive income	-	-	-	(32,503)	4,583	-	-	-	(27,920)	-	(27,920)
Total comprehensive income	-	-	-	(32,503)	4,583	-	-	19,234	(8,686)	-	(8,686)
Allocation to legal reserve	-	-	-	-	-	1,557	-	(1,557)	-	-	-
Revaluation reserve realized	-	-	-	-	(13,514)	-	-	13,514	-	-	-
Other adjustments	-	-	-	-	-	-	-	(33)	(33)	-	(33)
Share capital increase	16,348	-	-	-	-	-	-	-	16,348	-	16,348
Balance at 31 December 2022	<u>332,181</u>	<u>(67,569)</u>	<u>(1,140)</u>	<u>(38,344)</u>	<u>30,729</u>	<u>15,197</u>	<u>14,678</u>	<u>44,698</u>	<u>330,430</u>	-	<u>330,430</u>

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 2023 (All amounts are in thousand RON)**

Bank

<i>Thousand RON</i>	Share capital	Merger premium	Treasury shares	Revaluation reserves for financial assets at FVOCI	Revaluation reserve for premises	Statutory legal reserve	Other reserves	Accumulated Profits / (Losses)	Total equity
Balance at 1 January 2023	332,181	(67,569)	(5)	(38,343)	29,019	14,681	14,678	60,418	345,060
Comprehensive income	-	-	-	-	-	-	-	3,005	3,005
Profit for the period	-	-	-	-	-	-	-	3,005	3,005
Other comprehensive income									
Net gain related to FVOCI debt instruments recycled in profit or loss account	-	-	-	(339)	-	-	-	-	(339)
Expected net credit loss related to FVOCI debt instruments	-	-	-	52	-	-	-	-	52
Gains/(losses) from the measurement at fair value of debt instruments FVOCI	-	-	-	8,744	-	-	-	-	8,744
Changes in the revaluation reserve for property and equipment	-	-	-	-	13	-	-	-	13
Total other comprehensive income	-	-	-	8,457	13	-	-	-	8,470
Total comprehensive income	-	-	-	8,457	13	-	-	3,005	11,476
Revaluation reserve realized	-	-	-	-	(79)	-	-	79	-
Balance at 31 March 2023	332,181	(67,569)	(5)	(29,886)	28,953	14,681	14,678	63,503	356,536

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 2023 (All amounts are in thousand RON)**

<i>Thousand RON</i>	Share capital	Merger premium	Treasury shares	Revaluation reserves for financial assets at FVOCI	Revaluation reserve for premises	Statutory legal reserve	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	-	-	-	-	-	-	-	20,247	20,247
Profit for the period	-	-	-	-	-	-	-	20,247	20,247
Other comprehensive income	-	-	-	-	-	-	-	-	-
Expected net credit loss related to FVOCI debt instruments	-	-	-	(108)	-	-	-	-	(108)
Gains/(losses) from the measurement at fair value of debt instruments FVOCI	-	-	-	(33,499)	-	-	-	-	(33,499)
Net gain from the fair value measurement of FVOCI equity instruments	-	-	-	1,104	-	-	-	-	1,104
Changes in the revaluation reserve for property and equipment	-	-	-	-	4,583	-	-	-	4,583
Total other comprehensive income	-	-	-	(32,503)	4,583	-	-	-	(27,920)
Total comprehensive income	-	-	-	(32,503)	4,583	-	-	20,247	(7,673)
Allocation to legal reserve	-	-	-	-	-	1,157	-	(1,157)	-
Revaluation reserve realized	-	-	-	-	(13,513)	-	-	13,513	-
Share capital increase	16,348	-	1	-	-	-	-	-	16,348
Balance at 31 December 2022	332,181	(67,569)	(5)	(38,343)	29,019	14,681	14,678	60,418	345,060

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 2023 (All amounts are in thousand RON)**

<i>Thousand RON</i>	Group		Bank	
	Unaudited(*) 31 March 2023	Unaudited(*) 31 March 2022	Unaudited(*) 31 March 2023	Unaudited(*) 31 March 2022
Cash flows from operating activities				
Interest received	57,427	36,770	51,326	34,125
Interest paid	(29,810)	(16,191)	(26,009)	(13,411)
Fees and commissions received	10,224	8,705	9,848	8,322
Fees and commissions paid	(2,180)	(1,892)	(1,488)	(1,270)
Gain / (Loss) from financial derivatives	(7,235)	141	(7,235)	141
Net gain from financial instruments and other operating income	225	313	(2,728)	996
Recoveries from off balance sheet items	1,576	1,357	1,574	1,353
Cash payments to employees	(19,679)	(17,745)	(17,862)	(15,880)
Cash payments to suppliers	(21,639)	(12,637)	(17,762)	(12,561)
Income taxes paid	-	(265)	-	-
Net cash-flow from operating activities before changes in operating assets and liabilities	<u>(11,091)</u>	<u>(1,444)</u>	<u>(10,336)</u>	<u>1,815</u>
Changes of operating assets				
<i>(Increase)/Decrease of:</i>				
- loans and advances to banks	(1,610)	(2,199)	(1,623)	(2,196)
#NAME?	(37,976)	(14,536)	(31,255)	(26)
- loans and advances to customers	(35,273)	(86,899)	(17,336)	(69,882)
- other financial assets	907	16,349	879	16,825
Total changes of operating assets	<u>(73,952)</u>	<u>(87,285)</u>	<u>(49,335)</u>	<u>(55,279)</u>
Changes of operating liabilities				
<i>Increase/(Decrease) of:</i>				
- due to banks	66,766	87,575	66,766	87,570
- deposits from customers	(143,717)	(115,102)	(145,269)	(118,743)
- other financial liabilities	9,741	5,164	2,121	(2,293)
Total changes of operating liabilities	<u>(67,210)</u>	<u>(22,363)</u>	<u>(76,382)</u>	<u>(33,466)</u>
Net cash flow used in operating activities	<u>(152,253)</u>	<u>(111,092)</u>	<u>(136,053)</u>	<u>(86,930)</u>
Cash flows from investing activities				
Acquisition of investment securities at FVOCI	(103,297)	(112,901)	(103,297)	(112,901)
Maturities and proceeds from investment securities at FVOCI	31,177	62,739	31,177	62,738
Maturities of investments at amortized cost	(49,661)	(8,337)	(49,661)	(8,337)
Proceeds from dividend	(522)	5	(535)	5
Sale of investment property and non-current assets held for sale and premises	(202)	12,873	(36)	12,873
Acquisition of tangible and intangible assets	1,914	3,110	2,534	(1,816)
Net cash used in investing activities	<u>(120,591)</u>	<u>(42,511)</u>	<u>(119,818)</u>	<u>(47,438)</u>
Cash flows from financing activities				
Withdrawals from loans from other financial institutions	27,521	23,574	(135)	-
Repayments of loans from other financial institutions	(8,800)	(7,149)	-	-
Subordinated liabilities	(307)	(14,792)	(60)	(14,844)
Issuance of debt securities	(89)	(339)	(89)	-
Issue of share capital	-	16,348	-	16,348
Net cash generated from financing activities	<u>18,325</u>	<u>17,642</u>	<u>(284)</u>	<u>1,504</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(15)</u>	<u>191</u>	<u>(13)</u>	<u>193</u>
Net (decrease)/increase in cash and cash equivalents	(254,534)	(135,770)	(256,168)	(132,671)
Cash and cash equivalents at 1 January	599,137	502,974	596,803	497,316
Cash and cash equivalents at the end of the period	<u>344,603</u>	<u>367,204</u>	<u>340,635</u>	<u>364,645</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 2023 (All amounts are in Thousand RON)

1. REPORTING ENTITY

As at 31 March 2023, 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 2023 and 31 December 2022 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.

The Group exercises direct and indirect control over the following subsidiaries:

Subsidiary	Field of activity	Ownership	Ownership
		percentage in 2023	percentage in 2022
Patria Credit IFN SA	Rural lending and microfinance	99,99%	99,99%
SAI Patria Asset Management SA and managed funds	The management of open-end investment funds	99,99%	99,99%
Carpatica Invest SA	Financial investment services	95,68%	95,68%

- **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.

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 2023 (All amounts are in Thousand RON)

- **SAI Patria Asset Management SA – Subsidiary** – is authorized by the Financial Supervision Authority (“FSA”) for the management of open-end investment funds. The company manages six investment funds –Patria Stock, Patria Global, Patria Obligatiuni, Patria Euro Obligatiuni, ETF BET Patria – Tradeville and ETF Energie Patria – Tradeville. The two ETFs are the only Exchange Traded Funds in Romania and are both listed on the Bucharest Stock Exchange. SAI Patria Asset Management SA together with the managed investment funds are under the control of Patria Bank. 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 operated according to FSA regulations.
The Financial Supervisory Authority decide to suspend the trading activity of Carpatica Invest SA(decision 1486/06.07.2015).
The liquidator appointed by the Extraordinary General Meeting of Carpatica Invest S.A. shareholders requested the opening of the simplified insolvency procedure, which was opened by sentence no. 928/03.11.2016 of the Sibiu Court, in file no. 2127/85/2016.
Considering the dissolution decision as well as the insignificant impact of the consolidation of Carpatica Invest SA, the Group took the decision to change the scope of consolidation in 2023 and 2022 excluding Carpatica Invest SA.

As at 31 December 2022 – 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 2023 (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 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 2023.

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 2022.

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.

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 2023 and the comparative financial statements of the Patria Bank SA and all its subsidiaries for the period ended 31 March 2022 or 31 December 2022.

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 2023 (All amounts are in Thousand RON)

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 in accordance with IFRS as adopted by the European Union;

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 2022.

NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 31 MARCH 2023 (All amounts are in Thousand RON)

4. NET INTEREST INCOME

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Interest and similar income				
Loans and advances to customers (*)	63,982	43,267	55,339	36,827
Debt instruments at amortised cost	5,473	1,340	5,473	1,340
Financial assets at fair value through other comprehensive income	4,895	5,203	4,614	4,783
Due from banks	2,136	304	2,107	281
Interest income on lease receivables	-	3	-	-
Total interest and similar income using effective interest method	<u>76,486</u>	<u>50,117</u>	<u>67,533</u>	<u>43,231</u>
Interest and similar expense				
Customer deposits	33,298	11,746	33,324	11,767
Loans from banks and other financial institutions	5,541	2,072	2,199	310
Subordinated liabilities	1,167	331	889	187
Other interest expense	82	62	77	59
Subordinated bonds	1,126	1,147	1,126	1,147
Total interest and similar expense	<u>41,214</u>	<u>15,358</u>	<u>37,615</u>	<u>13,470</u>
Net interest income	<u>35,272</u>	<u>34,759</u>	<u>29,918</u>	<u>29,761</u>

(*) Interest income at Group level includes RON 234 thousand (31 March 2022: RON 580 thousand) interest income recognized on impaired loans to customers.

(*) Interest income at Bank level includes RON 169 thousand (31 March 2022: RON 488 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 2023 (All amounts are in Thousand RON)

5. NET FEE AND COMMISSION INCOME

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Fee and commission income				
Cards activity (VISA & MC)	2,395	1,990	2,395	1,991
Non-cash transactions	3,992	3,515	4,000	3,521
Non-deferrable commissions related to loans	695	421	695	401
Cash transactions	1,190	1,557	1,190	1,557
Income from other financial services	1,068	1,108	685	738
Interbank settlements	42	57	42	57
<i>Total fee and commission income from contracts with customers</i>	<u>9,382</u>	<u>8,648</u>	<u>9,007</u>	<u>8,265</u>
Issuing financial guarantees	841	57	841	57
Total fee and commission income	<u>10,223</u>	<u>8,705</u>	<u>9,848</u>	<u>8,322</u>
Fee and commission expense				
Cards activity (VISA & MC)	525	284	525	284
Interbank settlements	526	510	526	510
Expenses from other financial services	723	688	37	71
Other	406	410	400	405
Total fee and commission expense	<u>2,180</u>	<u>1,892</u>	<u>1,488</u>	<u>1,270</u>
Net fee and commission income	<u>8,043</u>	<u>6,813</u>	<u>8,360</u>	<u>7,052</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.

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 2023 (All amounts are in Thousand RON)

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

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Net gain/(loss) from financial assets at fair value through profit or loss	3,941	(1,890)	964	(143)
Net gain/(loss) from derivatives	65	511	65	512
Total	<u>4,006</u>	<u>(1,379)</u>	<u>1,029</u>	<u>369</u>

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

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Gains from disposals of investment securities at fair value through other comprehensive income	556	-	556	-
Losses from disposals of investment securities at fair value through other comprehensive income	(153)	-	(153)	-
Total	<u>403</u>	<u>-</u>	<u>403</u>	<u>-</u>

8. OTHER OPERATING INCOME

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Net gain/ (loss) from foreign exchange transactions	2,517	1,900	2,578	1,906
Dividend income	13	1,043	-	5
Other operating income	92	96	55	63
Gain / (Loss) from disposal of premises and equipment sales	(1)	244	(1)	244
Income from rental of real estate	1,562	1,834	1,562	1,834
Total	<u>4,183</u>	<u>5,117</u>	<u>4,194</u>	<u>4,052</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 2023 (All amounts are in Thousand RON)

For the Bank, dividend income of RON 13 thousand (31 March 2022: RON 1,043 thousand) represents share of profits paid proportionally to the Bank, as follows:

- RON 13 thousand, dividends related to assets held for trading (31 March 2022: RON 1,038 thousand);
- RON nil, received from other investments (31 March 2022: RON 5 thousand).

9. NET CHARGE WITH IMPAIRMENT OF FINANCIAL ASSETS

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Charge with adjustments for impairment of cash and cash equivalents	(5)	(5)	(5)	(5)
Charge/(Release) with adjustments for impairment of loans and advances to customers	4,967	6,116	5,628	5,934
Loss from written off loans	87	7	87	6
Recoveries from loans previously written off	(1,509)	(1,357)	(1,508)	(1,354)
Charge/(Release) with the adjustments for impairment of financial asset measured at fair value through other items of comprehensive income	62	(7)	62	(7)
Charge/(Release) with the adjustments for impairment of debt instruments at amortised cost	20	8	20	8
Charge/(Release) with the adjustments for impairment of credit commitments and financial guarantees	86	(502)	106	(502)
Charge/(Release) with adjustments for impairment of other financial assets	299	90	300	94
Net charge with adjustments for impairment of financial assets	<u>4,007</u>	<u>4,350</u>	<u>4,690</u>	<u>4,174</u>

10. PERSONNEL EXPENSES

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Wages and salaries	18,817	17,033	17,177	15,327
Social security contributions	698	629	521	470
Net expense/(income) with provisions related to wage costs	1,020	1,280	914	1,170
Other personnel expense	164	83	164	83
Total	<u>20,699</u>	<u>19,025</u>	<u>18,776</u>	<u>17,050</u>

The average number of employees of the Group as at 31 March 2023 is 646 employees (31 March 2022: 655 employees).

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 2023 (All amounts are in Thousand RON)

11. ADMINISTRATIVE AND OTHER OPERATING EXPENSES

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Third parties services	10,322	9,710	9,790	9,206
Rent	69	97	39	84
Materials and small inventories	466	455	370	375
Annual contribution to Guarantee Fund	812	1,580	812	1,580
Other taxes	744	809	626	745
Advertising and publicity	262	363	178	281
Net charge/(release) of litigation provisions	(446)	190	(446)	182
Other operating expenses	877	292	871	290
The expense related to the financial debt for the fund unit holders	2,694	(669)	-	-
Total	<u>15,800</u>	<u>12,827</u>	<u>12,240</u>	<u>12,743</u>

12. CASH AND CASH EQUIVALENTS

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Cash on hand	18,757	18,309	18,757	18,309
Cash in ATMs	47,932	54,867	47,932	54,867
Mandatory minimum reserve	202,583	244,385	202,583	244,385
Correspondent accounts and sight deposits with other banks	71,898	279,944	71,363	279,242
Placements with other banks with original maturities of less than three months	3,433	1,632	-	-
Total	<u>344,603</u>	<u>599,137</u>	<u>340,635</u>	<u>596,803</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.

(*) 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 2023 (All amounts are in Thousand RON)

As of 31 March 2023 the mandatory minimum reserve requirement was 8% (31 December 2022: 8%) for RON funds attracted from customers and 5 % (31 December 2022: 5%) for foreign currency denominated funds attracted.

As of 31 March 2023 the amounts presented in the statement of financial position of cash and equivalents and cash at Central Banks are neither past due no impaired.

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

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Equity instruments (i)	21,005	19,008	21,005	19,008
Debt instruments (ii)	128,844	92,621	29,502	-
Total	<u>149,849</u>	<u>111,629</u>	<u>50,507</u>	<u>19,008</u>

- (i) In this category the Group included shares held at Visa Inc. in amount of RON 4,632 thousand (31 December 2022: RON 4,351 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.

(*) 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 2023 (All amounts are in Thousand RON)

14. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Debt securities at fair value through other items of comprehensive income				
-Treasury bills issued by the Ministry of Public (i)	577,699	498,817	577,699	498,817
-Debt securities issued by MAS SECURITIES BV	29,891	27,563	29,891	27,563
-Debt securities issued by AGRICOVER HOLDING S.A.	7,614	7,682	7,614	7,682
-Debt securities issued by CEC Bank S.A.	15,182	-	15,182	-
Equity investments at fair value through other comprehensive income	-	-	-	-
-Equity investments	11,658	11,658	11,658	11,658
Total	642,044	545,720	642,044	545,720

- 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 2023 the Group has no assets pledged for Repo contracts (31 December 2022: 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 2023 (All amounts are in Thousand RON)

The Group held the following equity investments FVOCI:

<i>Thousand RON</i>		31 March 2023		31 December 2022		31 March 2023		31 December 2022	
	Nature of business	Carring amount	Effective Holding (%)	Carring amount	Effective Holding (%)	Carring amount	Effective Holding (%)	Carring amount	Effective Holding (%)
Transfond SA	Clearing House	8,996	5.69	8,996	5.69	8,996	5.69	8,996	5.69
Globinvest	Investments fund administrator	2,179	19.99	2,179	19.99	2,179	19.99	2,179	19.99
Biroul de credit S.A.	Collection and processing of customer data	64	0.32	64	0.32	64	0.32	64	0.32
SWIFT	Payment activities	419	0.01	419	0.01	419	0.01	419	0.01
Total equity investments		<u>11,658</u>		<u>11,658</u>		<u>11,658</u>		<u>11,658</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 2023 (All amounts are in Thousand RON)

15. DUE FROM OTHER BANKS

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

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Collateral deposit Banca Transilvania S.A.	455	463	455	463
Collateral deposit U.S. Bank N.A.	5,635	5,734	5,635	5,734
Collateral deposit CITIBANK EUROPE PLC	11,610	10,549	11,610	10,549
Mastercard	934	947	934	947
Total	<u>18,634</u>	<u>17,693</u>	<u>18,634</u>	<u>17,693</u>

16. LOANS AND ADVANCES TO CUSTOMERS

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Gross carrying amount of loans and advances to customers	2,554,290	2,514,347	2,373,051	2,353,863
Credit loss allowance	(145,911)	(146,633)	(136,890)	(136,928)
Total net loans and advances to customers	<u>2,408,379</u>	<u>2,367,714</u>	<u>2,236,161</u>	<u>2,216,935</u>

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

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Consumer loans	166,863	168,509	166,788	168,187
Mortgage loans	381,262	385,082	381,262	385,082
Loans to entrepreneurs	307,889	286,215	150,723	148,220
SME loans	1,675,929	1,653,237	1,651,931	1,631,070
State and municipal organizations	22,347	21,304	22,347	21,304
Total gross loans and advances to customers	2,554,290	2,514,347	2,373,051	2,353,863
Less: Provision for loan impairment	(145,911)	(146,633)	(136,890)	(136,928)
Total net loans and advances to customers	<u>2,408,379</u>	<u>2,367,714</u>	<u>2,236,161</u>	<u>2,216,935</u>

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 STATEMENTS FOR THE PERIOD ENDED AT 31 MARCH 2023 (All amounts are in Thousand RON)

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

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Loans to individuals	<u>548,125</u>	<u>553,591</u>	<u>548,050</u>	<u>553,269</u>
Loans to corporate customers:	<u>2,006,165</u>	<u>1,960,756</u>	<u>1,825,001</u>	<u>1,800,594</u>
Agriculture	522,832	492,999	364,739	355,143
Trade	347,513	354,432	336,218	343,769
Industry	321,847	282,993	319,407	280,835
Hotels and restaurants	75,509	72,838	72,480	69,922
Constructions	282,004	291,127	278,273	287,290
Transport	77,887	83,586	73,551	79,465
Professional Services	35,286	36,856	34,063	35,564
Services	50,449	51,907	48,649	50,236
Financial and real estate activities	244,588	244,941	249,690	249,645
Others	19,244	20,316	19,119	20,180
IT, research and development	8,592	9,474	8,398	9,258
Public Administration and Defence	20,414	19,287	20,414	19,287
Total loans and advances to customers before provisions	<u>2,554,290</u>	<u>2,514,347</u>	<u>2,373,051</u>	<u>2,353,863</u>
Less provision for impairment losses on loans	<u>(145,911)</u>	<u>(146,633)</u>	<u>(136,890)</u>	<u>(136,928)</u>
Total	<u>2,408,379</u>	<u>2,367,714</u>	<u>2,236,161</u>	<u>2,216,935</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 2023 (All amounts are in Thousand RON)

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

<i>Thousand RON</i>	31 March 2023							
	Stage 1		Stage 2		Stage 3		POCI	Total
	Individual	Collective	Individual	Collective	Individual	Collective		
Performing loans	63,721	2,039,771	42,203	207,781	-	-	1,726	2,355,202
Non-performing loans	-	-	-	-	98,101	62,973	38,014	199,088
Total gross exposure	<u>63,721</u>	<u>2,039,771</u>	<u>42,203</u>	<u>207,781</u>	<u>98,101</u>	<u>62,973</u>	<u>39,740</u>	<u>2,554,290</u>
Less: Provision for loan impairment	(1,492)	(23,414)	(3,286)	(14,046)	(57,224)	(27,516)	(18,933)	(145,911)
Net Exposure	<u>62,229</u>	<u>2,016,357</u>	<u>38,917</u>	<u>193,735</u>	<u>40,877</u>	<u>35,457</u>	<u>20,807</u>	<u>2,408,379</u>

<i>Thousand RON</i>	31 December 2022							
	Stage 1		Stage 2		Stage 3		POCI	Total
	Individual	Collective	Individual	Collective	Individual	Collective		
Performing loans	62,159	1,981,930	78,533	212,404	-	-	2,347	2,337,373
Non-performing loans	-	-	-	-	73,941	64,270	38,763	176,974
Total gross exposure	<u>62,159</u>	<u>1,981,930</u>	<u>78,533</u>	<u>212,404</u>	<u>73,941</u>	<u>64,270</u>	<u>41,110</u>	<u>2,514,347</u>
Less: Provision for loan impairment	(1,466)	(22,693)	(13,177)	(17,927)	(41,314)	(31,153)	(18,903)	(146,633)
Net Exposure	<u>60,693</u>	<u>1,959,237</u>	<u>65,356</u>	<u>194,477</u>	<u>32,627</u>	<u>33,117</u>	<u>22,207</u>	<u>2,367,714</u>

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NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 31 MARCH 2023 (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>	Stage 1		31 March 2023 Stage 2		Stage 3		POCI	Total
	Individual	Collective	Individual	Collective	Individual	Collective		
Performing loans	69,518	1,876,562	42,203	193,214	-	-	1,726	2,183,223
Non-performing loans	-	-	-	-	98,101	53,713	38,014	189,828
Total gross exposure	<u>69,518</u>	<u>1,876,562</u>	<u>42,203</u>	<u>193,214</u>	<u>98,101</u>	<u>53,713</u>	<u>39,740</u>	<u>2,373,051</u>
Less: Provision for loan impairment	(1,493)	(21,080)	(3,286)	(12,663)	(57,224)	(22,211)	(18,933)	(136,890)
Net Exposure	<u>68,025</u>	<u>1,855,482</u>	<u>38,917</u>	<u>180,551</u>	<u>40,877</u>	<u>31,502</u>	<u>20,807</u>	<u>2,236,161</u>

<i>Thousand RON</i>	Stage 1		31 December 2022 Stage 2		Stage 3		POCI	Total
	Individual	Collective	Individual	Collective	Individual	Collective		
Performing loans	67,581	1,840,261	78,533	196,615	-	-	2,347	2,185,337
Non-performing loans	-	-	-	-	73,941	55,822	38,763	168,526
Total gross exposure	<u>67,581</u>	<u>1,840,261</u>	<u>78,533</u>	<u>196,615</u>	<u>73,941</u>	<u>55,822</u>	<u>41,110</u>	<u>2,353,863</u>
Less: Provision for loan impairment	(1,466)	(20,188)	(13,177)	(15,568)	(41,314)	(26,312)	(18,903)	(136,928)
Net Exposure	<u>66,115</u>	<u>1,820,073</u>	<u>65,356</u>	<u>181,047</u>	<u>32,627</u>	<u>29,510</u>	<u>22,207</u>	<u>2,216,935</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 2023 (All amounts are in Thousand RON)

Information about Group's collaterals is as follows:

<i>Thousand RON</i>	31 March 2023					Total
	SME loans	Consumer loans	Entrepreneurs loans	Mortgage loans	State and municipal organizations	
Unsecured loans(*)	276,290	145,695	77,908	3,507	-	503,400
Loans guaranteed by third parties, including credit insurance	377,467	273	177,874	5,667	-	561,281
Loans collateralized by:	<u>1,022,172</u>	<u>20,895</u>	<u>52,107</u>	<u>372,088</u>	<u>22,347</u>	<u>1,489,609</u>
- residential real estate	123,544	17,987	7,551	365,249	-	514,331
- other real estate	726,134	2,127	25,212	6,738	-	760,211
- cash collateral	11,771	781	297	101	-	12,950
- other assets	160,723	-	19,047	-	22,347	202,117
Total loans and advances to customers	<u>1,675,929</u>	<u>166,863</u>	<u>307,889</u>	<u>381,262</u>	<u>22,347</u>	<u>2,554,290</u>

<i>Thousand RON</i>	31 December 2022					Total
	SME loans	Consumer loans	Entrepreneurs loans	Mortgage loans	State and municipal organizations	
Unsecured loans(*)	279,844	146,373	68,022	3,750	-	497,989
Loans guaranteed by third parties, including credit insurance	377,606	312	161,717	5,983	-	545,618
Loans collateralized by:	<u>995,787</u>	<u>21,824</u>	<u>56,476</u>	<u>375,349</u>	<u>21,304</u>	<u>1,470,740</u>
- residential real estate	121,693	18,784	7,940	368,321	-	516,738
- other real estate	735,211	2,145	23,332	6,925	-	767,613
- cash collateral	16,334	895	310	103	-	17,642
- other assets	122,549	-	24,894	-	21,304	168,747
Total loans and advances to customers	<u>1,653,237</u>	<u>168,509</u>	<u>286,215</u>	<u>385,082</u>	<u>21,304</u>	<u>2,514,347</u>

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 STATEMENTS FOR THE PERIOD ENDED AT 31
MARCH 2023 (All amounts are in Thousand RON)

Information about Bank's collaterals is as follows:

	31 March 2023					
<i>Thousand RON</i>	SME loans	Consumer loans	Entrepreneurs loans	Mortgage loans	State and municipal organizations	Total
Unsecured loans(*)	275,338	145,695	26,170	3,507	-	450,710
Loans guaranteed by third parties, including credit insurance	361,176	273	79,776	5,667	-	446,892
Loans collateralized by:	<u>1,015,417</u>	<u>20,820</u>	<u>44,777</u>	<u>372,088</u>	<u>22,347</u>	<u>1,475,449</u>
- residential real estate	119,819	17,912	4,982	365,249	-	507,962
- other real estate	724,514	2,127	23,771	6,738	-	757,150
- cash collateral	11,771	781	297	101	-	12,950
- other assets	159,313	-	15,727	-	22,347	197,387
Total loans and advances to customers	<u>1,651,931</u>	<u>166,788</u>	<u>150,723</u>	<u>381,262</u>	<u>22,347</u>	<u>2,373,051</u>

	31 December 2022					
<i>Thousand RON</i>	SME loans	Consumer loans	Entrepreneurs loans	Mortgage loans	State and municipal organizations	Total
Unsecured loans(*)	278,839	146,124	22,563	3,750	-	451,276
Loans guaranteed by third parties, including credit insurance	363,170	312	75,969	5,983	-	445,434
Loans collateralized by:	<u>989,061</u>	<u>21,751</u>	<u>49,688</u>	<u>375,349</u>	<u>21,304</u>	<u>1,457,153</u>
- residential real estate	118,166	18,711	5,314	368,321	-	510,512
- other real estate	733,707	2,145	21,918	6,925	-	764,695
- cash collateral	16,334	895	310	103	-	17,642
- other assets	120,854	-	22,146	-	21,304	164,304
Total loans and advances to customers	<u>1,631,070</u>	<u>168,187</u>	<u>148,220</u>	<u>385,082</u>	<u>21,304</u>	<u>2,353,863</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.

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 2023 (All amounts are in Thousand RON)

17. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Treasury bills issued by the Ministry of Public Finance of Romania	439,843	390,450	439,843	390,450
Bonds issued by Alpha Bank	25,097	24,851	25,097	24,851
Bonds issued by LIBRA INTERNET BANK S.A.	15,087	14,927	15,087	14,927
Bonds issued by Bucharest City Hall	10,593	10,408	10,593	10,408
Total	<u>490,620</u>	<u>440,636</u>	<u>490,620</u>	<u>440,636</u>

18. INVESTMENT PROPERTY

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Balance at 1 January	94,766	118,871	94,766	118,871
(Sales)	-	(33,140)	-	(33,140)
Net gain / (loss) from revaluation of investment property	146	8,873	146	8,873
Value increases	36	162	36	162
Balance at the end of the period	<u>94,948</u>	<u>94,766</u>	<u>94,948</u>	<u>94,766</u>

19. INVESTMENTS IN SUBSIDIARIES

The structure of investments in subsidiaries is as follows:

<i>Thousand RON</i>	31 March 2023			31 December 2022		
Subsidiary name	Gross value	Impairment adjustments	Net value	Gross value	Impairment adjustments	Net value
Patria Credit IFN	34,522	-	34,522	34,522	-	34,522
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>43,103</u>	<u>(6,807)</u>	<u>36,296</u>	<u>43,103</u>	<u>(6,807)</u>	<u>36,296</u>

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 STATEMENTS FOR THE PERIOD ENDED AT 31 MARCH 2023 (All amounts are in Thousand RON)

20. OTHER FINANCIAL ASSETS

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Amounts to be recovered from banks and clients	5,634	5,367	5,634	5,367
Other financial assets	8,365	15,698	8,257	15,587
Derivative financial instruments	-	-	-	-
Other debtors	8,840	9,340	8,425	8,966
Subleasing IFRS 16	-	-	684	728
(-) Provisions for impairment losses	(9,018)	u8,721)	(9,016)	(8,718)
Total	<u>13,821</u>	<u>21,684</u>	<u>13,984</u>	<u>21,930</u>

21. OTHER ASSETS

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Sundry debtors	158	124	133	105
Other income to be received	-	-	-	-
Prepayments	8,576	4,902	8,494	4,802
Income tax to recover	4,125	4,620	5,232	5,232
Other assets	1,440	1,621	1,440	1,456
Total	<u>14,299</u>	<u>11,267</u>	<u>15,299</u>	<u>11,595</u>

22. INTANGIBLE ASSETS

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Goodwill	20,103	20,103	20,103	20,103
Other intangible assets	30,558	29,492	28,611	27,895
Total	<u>50,661</u>	<u>49,595</u>	<u>48,714</u>	<u>47,998</u>

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NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 31 MARCH 2023 (All amounts are in Thousand RON)

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

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Balance at 1 January	101,377	91,964	94,659	86,354
Acquisitions	4,685	16,628	4,238	15,509
-transfers from intangible assets in progress	1,793	6,931	1,793	6,920
Release of intangible assets in progress	(1,793)	(6,931)	(1,793)	(6,920)
Disposals	(1)	(284)	-	(284)
Balance at the end of the period	104,268	101,377	97,104	94,659
<i>Cumulative amortisation</i>				
Balance at 1 January	51,782	44,959	46,661	40,215
Amortisation and impairment expense	1,740	5,328	1,729	5,294
Expense with acquisition clients list and brand	86	1,593	-	1,250
Disposals	(1)	(98)	-	(98)
Balance at the end of the period	53,607	51,782	48,390	46,661
<i>Net carrying amount</i>				
<i>Balance at 1 January</i>	<u>49,595</u>	<u>47,005</u>	<u>47,998</u>	<u>46,139</u>
<i>Balance at the end of the period</i>	<u>50,661</u>	<u>49,595</u>	<u>48,714</u>	<u>47,998</u>

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 STATEMENTS FOR THE PERIOD ENDED AT 31 MARCH 2023 (All amounts are in Thousand RON)

23. PREMISES AND EQUIPMENT

<i>Thousand RON</i>	Group 31 March 2023				Total
	Land and buildings	Furniture and equipment	Means of transport	Assets in the course of construction	
Cost					
Balance at 1 January	114,795	63,366	6,512	451	185,124
Acquisitions and transfers from assets under construction	115	32	-	198	345
Outflows, transfer from assets under construction, write-offs	-	-	-	(168)	(168)
Right of use - new contracts	976	-	-	-	976
Right of use (early termination of lease contracts)	(1,276)	-	(238)	-	(1,514)
Balance at the end of the period	<u>114,610</u>	<u>63,398</u>	<u>6,274</u>	<u>481</u>	<u>184,763</u>
Cumulative depreciation					
Balance at 1 January	35,349	50,832	5,444	-	91,625
Amortization expense	2,381	820	83	-	3,284
Impairment expense	-	119	-	-	119
Outflows	(1,337)	-	(423)	-	(1,760)
Balance at the end of the period	<u>36,393</u>	<u>51,771</u>	<u>5,104</u>	<u>-</u>	<u>93,268</u>
Net carrying amount					
Balance at 1 January	<u>79,446</u>	<u>12,534</u>	<u>1,068</u>	<u>451</u>	<u>93,499</u>
Balance at the end of the period	<u>78,217</u>	<u>11,627</u>	<u>1,170</u>	<u>481</u>	<u>91,495</u>

<i>Thousand RON</i>	Group 31 December 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	2,478	1,190	-	1,714	5,382
Outflows, transfer from assets under construction, write-offs	-	(12,385)	-	(2,136)	(14,521)
Outflows, transfer from assets under construction, write-offs	6,134	713	18	-	6,865
Right of use - new contracts	(382)	(6,862)	-	-	(7,244)
Balance at 31 December	<u>114,795</u>	<u>63,366</u>	<u>6,512</u>	<u>451</u>	<u>185,124</u>
Cumulative depreciation					
Balance at 1 January	30,518	66,992	4,237	-	101,747
Amortization expense	9,078	3,191	1,207	-	13,476
Impairment expense	-	(168)	-	-	(168)
Outflows	(4,247)	(19,183)	-	-	(23,430)
Balance at 31 December	<u>35,349</u>	<u>50,832</u>	<u>5,444</u>	<u>-</u>	<u>91,625</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 31 December	<u>79,446</u>	<u>12,534</u>	<u>1,068</u>	<u>451</u>	<u>93,499</u>

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NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 31 MARCH 2023 (All amounts are in Thousand RON)

	Bank 31 March 2023				
<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	111,817	62,364	5,803	451	180,435
Acquisitions and transfers from assets under construction	75	22	-	97	194
Outflows, transfer from assets under construction, writte-offs	-	-	-	(97)	(97)
Right of use - new contracts	976	-	-	-	976
Right of use (early termination of lease contracts)	-	-	-	-	-
Balance at the end of the period	<u>112,868</u>	<u>62,386</u>	<u>5,803</u>	<u>451</u>	<u>181,508</u>
Cumulative depreciation					
Balance at 1 January	33,524	50,097	4,967	-	88,588
Amortization expense	2,365	780	83	-	3,228
Impairment expense	-	119	-	-	119
Outflows	-	-	-	-	-
Balance at the end of the period	<u>35,889</u>	<u>50,996</u>	<u>5,050</u>	<u>-</u>	<u>91,935</u>
Net carrying amount					
Balance at 1 January	<u>78,293</u>	<u>12,267</u>	<u>836</u>	<u>451</u>	<u>91,847</u>
Balance at the end of the period	<u>76,979</u>	<u>11,390</u>	<u>753</u>	<u>451</u>	<u>89,573</u>

Thousand RON	Bank 31 December 2022				Total
	Land and buildings	Furniture and equipment	Means of transport	Assets in the course of construction	
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
Balance at 31 December	104,067	79,668	5,803	873	190,411
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	29,157	66,305	3,914	-	99,376
Net carrying amount					
Balance at 1 January	72,194	11,142	2,977	1,448	87,761
Balance at 31 December	74,910	13,363	1,889	873	91,035

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 2023 (All amounts are in Thousand RON)

24. DUE TO OTHER BANKS

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Sight deposits	100,917	64,483	100,917	64,483
Term deposits	29,704	-	29,704	-
Collateral deposits	495	495	495	495
Transitory amounts	9,551	9,988	9,551	9,988
Total	<u>140,667</u>	<u>74,966</u>	<u>140,667</u>	<u>74,966</u>

25. CUSTOMER DEPOSITS

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Retail customers				
Current accounts	271,854	304,817	271,854	304,817
Term deposits	1,697,288	1,718,364	1,697,288	1,718,364
Collateral deposits	3,092	3,698	3,092	3,698
Corporate customers				
Current accounts	304,456	352,177	306,440	353,490
Sight deposits	26,610	64,794	26,610	64,794
Term deposits	955,161	952,098	957,768	956,921
Collateral deposits	34,715	41,939	34,715	41,939
Amounts in transit	2,679	3,704	2,679	3,705
Total	<u>3,295,855</u>	<u>3,441,591</u>	<u>3,300,446</u>	<u>3,447,728</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 deposits from customers portfolio were as follows:

<i>Thousands RON</i>	Bank			
	31 March 2023	31 December 2022		
	Amount	Percentage of total deposits(%)	Amount	Percentage of total deposits(%)
Retail customers	<u>1,972,234</u>	<u>59.76</u>	<u>2,026,879</u>	<u>58.79</u>
Corporate customers	<u>1,205,042</u>	<u>36.51</u>	<u>1,290,487</u>	<u>37.43</u>
Financial and real estate activities	415,777	12.60	485,086	14.07
Industry	109,865	3.33	88,366	2.56
Others	128,321	3.89	127,664	3.70
Constructions	77,269	2.34	106,047	3.08
IT, research and development	101,080	3.06	104,223	3.02
Trade	114,571	3.47	120,022	3.48
Transport	31,883	0.97	52,325	1.52
Professional Services	83,452	2.53	34,607	1.00
Services	64,560	1.96	72,937	2.12
Agriculture	60,792	1.84	83,273	2.42
Hotels and restaurants	17,472	0.53	15,937	0.46
Public Administration and Defense	<u>123,170</u>	<u>3.73</u>	<u>130,362</u>	<u>3.78</u>
Total	<u>3,300,446</u>	<u>100.00</u>	<u>3,447,728</u>	<u>100.00</u>

26. LOANS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

<i>Thousands RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Financing name				
EFSE - European Fund for Southeast Europe (i)	32,133	27,219	-	-
First Bank S.A.(ii)	12,210	14,548	-	-
Raiffeisen Bank S.A. (iii)	11,481	13,070	-	-
Symbiotics Sicav (Lux.) (iv)	33,488	28,678	-	-
Casa de Economii si Consenatiuni (v)	29,621	29,576	-	-
Garanti Bank International N.V. (vi)	14,787	1,992	-	-
Credit Europe Bank S.A. (vii)	-	4,873	-	-
International Finance Corporation(IFC) (viii)	99,433	97,914	99,433	97,914
Redi Economic Development S.A. (ix)	4,927	-	-	-
Total	<u>238,080</u>	<u>217,870</u>	<u>99,433</u>	<u>97,914</u>

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

(*) Unaudited / unrevised by the financial auditor.

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(i) European Fund for Southeast Europe (EFSE)

In December 2020, the Group obtained a financing agreement from EFSE, amounting RON 17,000 thousand and final maturity on 15 December 2023. In June 2022, the Group repaid the amount of RON 3,400 thousand and in December 2022 the Group repaid another installment of RON 3,400 thousand.

In December 2021, the Group obtained a financing contract from EFSE, amounting to RON 19,600 thousand and final maturity on December 15, 2024. In June 2022, the Group drew the amount of RON 4,900 thousand from the credit facility, with the last draw taking place in October 2022. In December 2022 the Group reimbursed the amount of RON 3,920 thousand.

In December 2022, the Group obtained a new financing contract from EFSE, in the amount of RON 9,750 thousand, the first drawing in the amount of RON 4,875 thousand in December 2022, and the last one in the amount of RON 4,875 thousand in February 2023. The loan has the final maturity on December 15, 2025.

The total outstanding loan from EFSE as at 31 March 2023 is RON 32,133 thousand.

(ii) First Bank S.A.

In August 2021, the Group also obtained a loan facility from First Bank S.A. amounting RON 2,100 thousand for 2 years and 3 months period and final maturity on 24 November 2023. The Group reimbursed the first tranche of RON 700 thousand in September 2021 and the second tranche of RON 700 thousand in September 2022.

In February 2022 the Group obtained the increase of the credit facility (Overdraft) with the amount of RON 9,900 thousand up to the maximum ceiling of RON 22,800 thousand, and the extension of the facility until 10 February 2023 in accordance with additional act no. 1 of 10 February 2022.

In February 2023 the maturity of the credit facility (Overdraft) was extended until 10 February 2024 in accordance with additional act no. 2 of 10 February 2023 .

In the first quarter of 2023, the Group returned RON 21,900 million, and also drew RON 19,622 million.

In March 2023, the Group obtained a new loan facility amounting RON 6,400 thousand due in June 2027.

The total outstanding loan from First Bank at 31 March 2023 is RON 12,210 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 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. In February 2022, the Group used the amount of RON 729.5 thousand from the revolving facility from Raiffeisen Bank.

In April 2022, the Group obtained the increase of the credit facility with the amount of RON 5,000 thousand up to the maximum ceiling of RON 17,000 thousand, and the extension of the facility until 20 March 2025 in accordance with additional act no. 4 of 07 April 2022.

In February 2023, the group returned the sum of RON 1,596 thousand.

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

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The total outstanding loan from Raiffeisen Bank at 31 March 2023 is RON 11,481 thousand.

(iv) Symbiotics Sicav (Lux.)

In February 2020 the Group obtained a loan facility from Symbiotics in total amount of RON 4,750 thousand 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 and final maturity on 12 March 2023.

In February 2021 the Group obtained two loan facilities from Symbiotics in total amount of RON 6,250 thousand for 2 years: the first loan amounting RON 2,500 thousand has a final maturity on 25 May 2023 and the second loan amounting RON 3,750 thousand has a final maturity on 25 February 2023.

In March 2021 the Group obtained a loan facility from Symbiotics in total amount of RON 3,750 thousand and final maturity on 12 March 2024.

In June 2022, the Group obtained 4 new loan facilities from Symbiotics in the total amount of RON 14,950 thousand: RON 2,300 thousand, RON 2,300 thousand, RON 3,450 thousand, RON 6,900 thousand with final maturity in June 2025.

In March 2023, the Group obtained 3 new loan facilities from Symbiotics in the total amount of RON 14,000 thousand: RON 3,500 thousand due in May 2025, RON 3,500 thousand due in March 2026 and RON 7,000 thousand due in July 2024.

In February and March 2023, the group returned the sum of RON 9,000 thousand.

The total outstanding loan from Symbiotics at 31 March 2023 is RON 33,488 thousand.

(v) CEC Bank S.A.

In November 2020, the Group obtained a loan facility from CEC Bank S.A. in the total amount of RON 9,700 thousand for a period of 2 years. In April 2021, the value of the loan is modified to RON 19,700 thousand by the additional act no. 1 from 19 April 2021. The loan has the final maturity on October 28, 2022.

In February 2022, the Group obtained the increase of the credit facility with the amount of RON 10,000 thousand up to the maximum ceiling of RON 29,700 thousand, and the extension of the facility until 27.10.2023 in accordance with additional act no. 2 of 23 February 2022.

All other clauses in the contract remain in force.

The total outstanding loan from CEC Bank at 31 March 2023 is RON 29,621 thousand.

(vi) Garanti BBVA România S.A.

In September 2021, the Group obtained a new loan facility from Garanti BBVA Romania S.A. in amount of RON 9,800 thousand and final maturity on 1 July 2023. In June 2022, the amount of RON 8,800 thousand was repaid.

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

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In December 2022, the Group drew the amount of RON 1,000 thousand and at the same time the credit facility was increased by the amount of RON 5,000 thousand and the maturity was extended until 01 July 2024 in accordance with additional act no. 1 of 29 December 2022.

In the first quarter of 2023, the Group returned RON 7,000 thousand, and also drew RON 19,800 thousand.

The total outstanding loan from Garanti BBVA Romania S.A. at 31 March 2023 is RON 14,787 thousand.

(vii) Credit Europe Bank S.A.

In May 2022, the Group obtained a credit line from Credit Europe Bank S.A. in the amount of RON 5,000 thousand with maturity in March 2023.

In March 2023, the Group returned RON 4,955 thousand and the maturity of the credit facility (Overdraft) was extended until 29 March 2024 in accordance with additional act no. 1 of 29 March 2023

The total outstanding loan from Credit Europe Bank S.A. at 31 March 2023 is nil.

(viii) International Finance Corporation

In December 2022, the Bank obtained from the International Finance Corporation (IFC), a loan worth EUR 20 million for a period of 5 years with repayment in 8 equal semi-annual installments.

The total outstanding loan from International Finance Corporation at 31 March 2023 is RON 99,433 thousand.

(ix) Redi Economic Development S.A.

In February 2023, the Group obtained a new loan facility from Redi Economic Development SA in amount EUR 1,000 thousand and final maturity on 28 February 2028.

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 at 31 March 2023, the Group is in compliance with all financial covenants contained in the loan agreements.

NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 31 MARCH 2023 (All amounts are in Thousand RON)

27. OTHER FINANCIAL LIABILITIES

<i>Thousand RON</i>	Group 31 March 2023	31 December 2022	Bank 31 March 2023	31 December 2022
Financial liabilities to owners of fund units	104,771	98,201	-	-
Derivative financial instruments	10	7,310	10	7,310
Other financial liabilities	43,426	35,256	39,545	31,702
Lease liabilities IFRS 16	30,625	31,690	29,700	30,967
Total	<u>178,832</u>	<u>172,457</u>	<u>69,255</u>	<u>69,979</u>

28. PROVISIONS

<i>Thousand RON</i>	Group 31 March 2023	31 December 2022	Bank 31 March 2023	31 December 2022
Provisions for loan commitments and financial guarantees	1,498	1,392	1,498	1,392
Provisions for personnel expenses	6,128	5,126	5,318	4,404
Provisions for litigations	2,667	3,113	2,650	3,097
Other provisions	127	123	-	-
Total	<u>10,420</u>	<u>9,754</u>	<u>9,466</u>	<u>8,893</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 2023	31 December 2022	Bank 31 March 2023	31 December 2022
Other liabilities	4,208	189	3,674	114
State budget debts	3,861	3,550	3,641	3,384
Other income to be received	337	362	337	362
Total	<u>8,406</u>	<u>4,101</u>	<u>7,652</u>	<u>3,860</u>

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

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30. SUBORDINATED DEBTS

<i>Thousand RON</i>	Group 31 March 2023	31 December 2022	Bank 31 March 2023	31 December 2022
Balance at 1 January	54,558	34,896	44,311	24,797
New subordinated liabilities	-	34,632	-	34,632
Repayments & FX differences	(13)	(14,970)	265	(15,118)
Balance at the end of the period	<u>54,545</u>	<u>54,558</u>	<u>44,576</u>	<u>44,311</u>

The Group has the following outstanding subordinated loans as 31 March 2023:

- EUR 2,000 thousand 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, 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 2023;
- 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, loan converted in share capital in 2018. No changes during 2023;
- EUR 7,000 thousand representing subordinated loan granted by The European Fund for Southeast Europe S.A., SICAV-SIF ("EFSE") with maturity of 7 years (12.11.2029). The loan contract was signed on 4.11.2022 and the disbursement date was 11.11.2022. According to NBR approval letter No VI/3/19274/14.12.2022 this loan is included in Tier 2 capital. No changes during 2023;
- RON 10,000 thousand loan granted to Patria Credit IFN by EIF in 2019 No changes during 2023;

On 27.01.2022, the subordinated loan of EUR 3,000 thousand granted to the Bank by EEAF Financial Services BV was early repaid by conversion into shares within the share capital increase operation completed on 15.02.2022 (share conversion performed on the basis of the Amendment dated 12.10.2021 to the loan contract).

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 STATEMENTS FOR THE PERIOD ENDED AT 31 MARCH 2023 (All amounts are in Thousand RON)

31. DEBT SECURITIES IN ISSUE

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Debt securities in issue	63,540	64,501	63,540	64,501
Total	<u>63,540</u>	<u>64,501</u>	<u>63,540</u>	<u>64,501</u>

As of 31 March 2023 and 31 December 2022, 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) .

32. SHARE CAPITAL AND EQUITY PREMIUMS

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Share Capital according to Trade Register	327,881	327,881	327,881	327,881
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>332,181</u>	<u>332,181</u>	<u>332,181</u>

The main shareholders are presented below:

Name of the shareholder	31 March 2023		31 December 2022	
	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	2,755,927,215	84.05
Individuals	458,453,550	13.98	457,356,702	13.95
Legal entities	64,433,611	1.97	65,530,459	2.00
Total	<u>3,278,814,376</u>	<u>100.00</u>	<u>3,278,814,376</u>	<u>100.00</u>

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

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 STATEMENTS FOR THE PERIOD ENDED AT 31 MARCH 2023 (All amounts are in Thousand RON)

33. EARNINGS PER SHARE

	31 March 2023	31 December 2022
Number of shares at the beginning of the period	3,278,814,376	3,278,814,376
Number of shares at the end of the period	<u>3,278,814,376</u>	<u>3,278,814,376</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 2023	No. of shares in movement	No. days
No. of shares 01.01.2023-31.03.2023	3,278,814,376	90
Average no. of shares	3,278,814,376	90
Result of the period at 31.03.2023	<u>5,407,336</u>	
Profit per share (RON/share)	0.0016	

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	<u>2,147,299</u>	
Profit per share (RON/share)	0.0007	

Bank

31 March 2023	No. of shares in movement	No. days
No. of shares 01.01.2023-31.03.2023	3,278,814,376	90
Average no. of shares	3,278,814,376	90
Result of the period at 31.03.2023	<u>3,005,189</u>	
Profit per share (RON/share)	0.0009	

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	<u>881,594</u>	
Profit per share (RON/share)	0.0003	

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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 2023	31 December 2022	31 March 2023	31 December 2022
Reserves from revaluation of financial assets at fair value through other items of comprehensive income	(29,886)	(38,343)	(29,886)	(38,343)
Revaluation reserve for premises	30,662	30,727	28,953	29,019
Statutory legal reserve	15,197	15,198	14,681	14,681
Other Reserves	14,678	14,678	14,678	14,678
Total	<u>30,651</u>	<u>22,260</u>	<u>28,426</u>	<u>20,035</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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NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 31 MARCH 2023 (All amounts are in Thousand RON)

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 2023	31 December 2022	31 March 2023	31 December 2022
Letters of guarantees	55,663	56,172	55,663	56,172
Commitments of granted credits	289,563	237,755	289,182	237,495
Total	<u>345,226</u>	<u>293,927</u>	<u>344,845</u>	<u>293,667</u>

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

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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 2023, the provision for litigation, in which the Group is involved as defendant is in amount of RON 1,688 thousand (31 December 2022: RON 2,030 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.

Carpatica Invest SA (undergoing dissolution)

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 together with former employees of the Company, accused of committing offences against the law on the capital market (Law no. 297/2004), has been registered with the Bucharest Court, and measures have been ordered to secure the assets of the defendants, including the assets of Carapatica Invest.

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). The next deadline is 08.06.2023 (granted for the continuation of the insolvency proceedings with a view to the final settlement of the criminal case no. 19883/3/2017* which has an effect on the assets that can be recovered in the insolvency proceedings).

In the criminal case no.19883/3/2017* of the Bucharest Court, the following decision was pronounced on the merits (Decision no. 79/2022 of 28.01.2022): conviction of the defendants, as well as the maintenance of the security measures instituted by the orders in the course of the criminal prosecution (seizure), which concern the assets of the defendants, including those of Carpatica Invest. Appeals were lodged against the decision by several

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parties. The Court of Appeal (Bucharest Court of Appeal) ruled on 04/06/2023 the termination of the criminal action against the defendants (Carpatica Invest and its former employees) as a result of the fulfillment of the prescription (prescriptie) of the criminal liability.

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 2023 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.

NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 31
MARCH 2023 (All amounts are in Thousand RON)

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

<i>Thousand RON</i>	31 March 2023				31 March 2022			
	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	-	-	2	932	-	583	2	-
Interest and similar expense	-	-	(10)	(7)	-	(28)	(1)	-
Fee and commission income	-	-	-	20	-	3	-	-
Net charge with impairment of financial assets	-	-	-	-2,373	-	(153)	-	-
Other operating and administrative expenses	-	-	(7)	-	-	-	(7)	-
Dividends income	-	-	-	-	-	5	-	-

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

<i>Thousand RON</i>	31 March 2023				31 December 2022			
	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	-	2,179	-	-	-	2,179	-	-
Loans and advances to customers	-	-	300	20,247	-	-	315	24,605
Other financial assets	-	-	-	-	-	-	-	-
Liabilities								
Deposits from customers	70	-	1,777	12,175	70	-	3,053	12,054
Subordinated liabilities	58	-	10,110	-	57	-	9,895	-
Provisions	-	-	-	71	-	-	1	85
Other financial liabilities	-	-	-	-	-	-	-	23
Commitments to customers	-	-	79	772	-	-	89	742

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 2023 (All amounts are in Thousand RON)

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

<i>Thousand RON</i>	31 March 2023					31 March 2022				
	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	-	-	2	147	932	-	583	2	25	-
Interest and similar expense	-	-	(10)	(26)	(7)	-	(28)	(1)	(21)	-
Fee and commission income	-	-	-	3	20	-	3	-	1	-
Net gain/(loss) from financial assets measured at fair value through profit or loss	-	-	-	161	-	-	-	-	(156)	-
Net charge with impairment of financial assets	-	-	-	-	(2,373)	-	(153)	-	-	-
Other operating and administrative expenses	-	-	(7)	(5)	-	-	-	(7)	-	-
Dividends income	-	-	-	-	-	-	5	-	-	-

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

<i>Thousand RON</i>	31 March 2023					31 December 2022				
	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	-	2,179	-	-	-	-	2,179	-	-	-
Financial assets at fair value through profit or loss	-	-	-	14,148	-	-	-	-	13,970	-
Loans and advances to customers	-	-	300	5,797	20,247	-	-	315	5,422	24,605
Investment in subsidiaries	-	-	-	36,296	-	-	-	-	36,296	-
Other financial assets	-	-	-	684	-	-	-	-	728	-
Liabilities										
Deposits from customers	70	-	1,777	5,007	12,175	70	-	3,053	6,579	12,054
Subordinated liabilities	58	-	10,110	-	-	57	-	9,895	-	-
Provisions	-	-	-	-	71	-	-	1	-	85
Commitments to customers	-	-	79	-	772	-	-	89	-	742

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 2023 (All amounts are in Thousand RON)

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 2023				Group 31 December 2022			
	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>	43,493	8,636	5,367	57,496	37,741	14,785	5,349	57,875
New contracts during the period	976	-	-	976	6,134	713	18	6,865
Contracts closed during the period	(1,276)	-	(238)	(1,514)	(382)	(6,862)	-	(7,244)
Balance at the end of the period	<u>43,193</u>	<u>8,636</u>	<u>5,129</u>	<u>56,958</u>	<u>43,493</u>	<u>8,636</u>	<u>5,367</u>	<u>57,496</u>
<i>Depreciation at 1 January</i>	21,926	1,419	4,187	27,532	15,230	7,659	3,070	25,959
Expenses with depreciation during the period	1,784	293	235	2,312	6,965	622	1,117	8,704
Depreciation for contrats closed during the period	(1,338)	-	(424)	(1,762)	(269)	(6,862)	-	(7,131)
Balance at the end of the period	<u>22,372</u>	<u>1,712</u>	<u>3,998</u>	<u>28,081</u>	<u>21,926</u>	<u>1,419</u>	<u>4,187</u>	<u>27,531</u>
Balance at 1 January	<u>21,567</u>	<u>7,217</u>	<u>1,180</u>	<u>29,964</u>	<u>22,511</u>	<u>7,126</u>	<u>2,279</u>	<u>31,916</u>
Balance at the end of the period	<u>20,821</u>	<u>6,924</u>	<u>1,131</u>	<u>28,877</u>	<u>21,567</u>	<u>7,217</u>	<u>1,180</u>	<u>29,965</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 2023 (All amounts are in Thousand RON)

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

<i>Thousand RON</i>	Bank 31 March 2023				Bank 31 December 2022			
	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>	40,874	8,415	4,658	53,947	35,575	14,564	4,658	54,797
New contracts during the period	976	-	-	976	5,681	713	-	6,394
Contracts closed during the period	-	-	-	-	(382)	(6,862)	-	(7,244)
Balance at the end of the period	<u>41,850</u>	<u>8,415</u>	<u>4,658</u>	<u>54,923</u>	<u>40,874</u>	<u>8,415</u>	<u>4,658</u>	<u>53,947</u>
<i>Depreciation at 1 January</i>	20,382	1,242	3,709	25,333	14,138	7,526	2,747	24,411
Expenses with depreciation during the period	1,772	282	235	2,289	6,513	578	962	8,053
Depreciation for contracts closed during the period	-	-	-	-	(269)	(6,862)	-	(7,131)
Balance at the end of the period	<u>22,154</u>	<u>1,524</u>	<u>3,944</u>	<u>27,622</u>	<u>20,382</u>	<u>1,242</u>	<u>3,709</u>	<u>25,333</u>
Balance at 1 January	<u>20,492</u>	<u>7,173</u>	<u>949</u>	<u>28,614</u>	<u>21,437</u>	<u>7,038</u>	<u>1,911</u>	<u>30,386</u>
Balance at the end of the period	<u>19,696</u>	<u>6,891</u>	<u>714</u>	<u>27,301</u>	<u>20,492</u>	<u>7,173</u>	<u>949</u>	<u>28,613</u>

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

<i>Thousand RON</i>	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Not later than 1 year	9,758	10,151	8,833	9,428
Later than 1 year and not later than 5 years	20,867	21,420	20,867	21,420
More than 5 years	-	119	-	119
Total	<u>30,625</u>	<u>31,690</u>	<u>29,700</u>	<u>30,967</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.

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 2023 (All amounts are in Thousand RON)

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 2023	31 December 2022	31 March 2023	31 December 2022
Not later than 1 year	-	-	155	171
Later than 1 year and not later than 5 years	-	-	529	557
Total	-	-	<u>684</u>	<u>728</u>

39. SUBSEQUENT EVENTS

The European Investment Fund (EIF), Luxembourg, part of the European Investment Bank Group, that supports Europe's small business by improving their access to finance through a wide range of selected financial intermediaries, such as banks, guarantee and leasing companies, micro-credit providers and private equity funds has granted a EUR 5 Million subordinated loan to Patria Bank.

The Tier II subordinated loan transaction, backed by Invest EU Programme, will contribute to the strengthening of Patria Bank's capital position, thus facilitating further growth and development, with the ultimate goal of improving access to finance for microentrepreneurs located in rural and small urban areas in Romania. This is the first EIF transaction signed under the InvestEU Capacity Building Investment product.

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

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Statement

We, the undersigned, Burak Yildiran, General Manager and Georgiana Stanciulescu, 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 30.09.2022 and certify that, to our knowledge:

A) The accounting policies used to prepare the financial statements as at 31.03.2023 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 31.03.2023 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

GEORGIANA STANCIULESCU