

No. 1017857/04.09.2024

**To:** FINANCIAL SUPERVISORY AUTHORITY (FSA)  
Financial instruments and investments sector

BUCHAREST STOCK EXCHANGE

Ref: Update of Investor Presentation

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**Report date:** 04.09.2024

**Name of the issuer:** PATRIA BANK SA

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

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

**Unique Registration Code with the Trade Register:** RO 11447021

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

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

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

### Important events to be reported

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

General Manager

Valentin Vancea

Director, Capital Markets and Investor Relations

Razvan Pasol

# Continuing growth and improving profitability

Presentation of H1 2024 results

Bucharest • September 2024

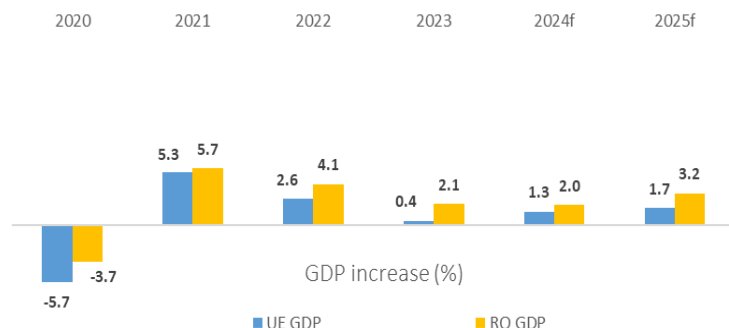
# I. Macroeconomic background in brief

Signs of slowdown and tensions in the economy

# Signs of slowdown and tensions in economy

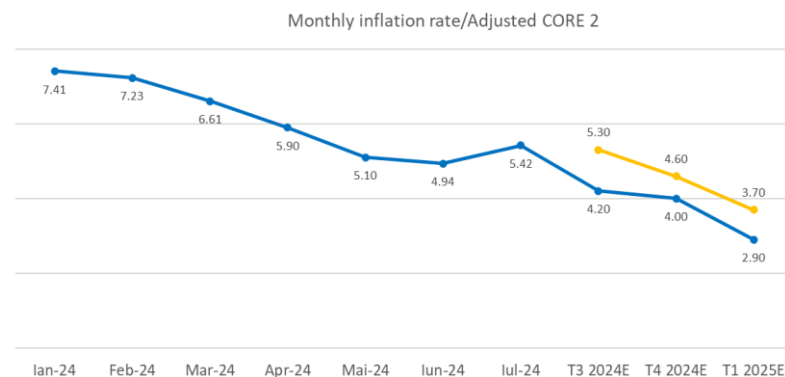
## GDP growth

- › Preliminary forecast regarding the evolution of real GDP in the second quarter of the year indicate that economic activity continued to perform poorly in this period, with an increase in real GDP of only 0.8% in Q2 2024 compared to Q2 2023, according to National Statistics Institute (NSI)
- › As a result of the poor performance in the first half of the year, analysts revised their economic growth expectations for 2024 from 2.8% to 2.0%
- › The public deficit in the first six months of 2024, of 3.6% of GDP, was the second highest since 2008, surpassed only by the deficit in the first six months of 2020.



## Inflation

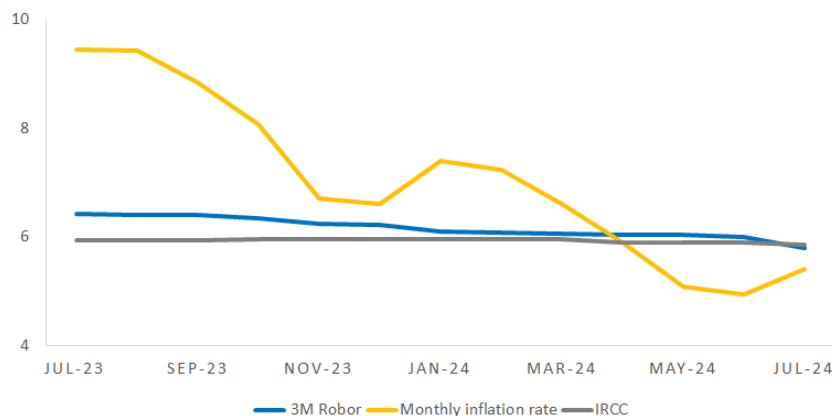
- › The Consumer Price Index (IPC) fell to 4.9% in June. Prices of consumer goods and services increased by 0.24% compared to May. Core inflationary pressures remained stable. In annual terms, Core 3 inflation fell to 5.7% in June compared to 6.3% in May
- › The NBR has revised its inflation forecast for the end of 2024 to 4.0%, estimating a decrease to 3.4% by the end of 2025. Core 3 inflation is estimated to decrease to 4.6% by the end of this year and to 3.5% by the end of 2025.



# Interest rate and banking environment developments

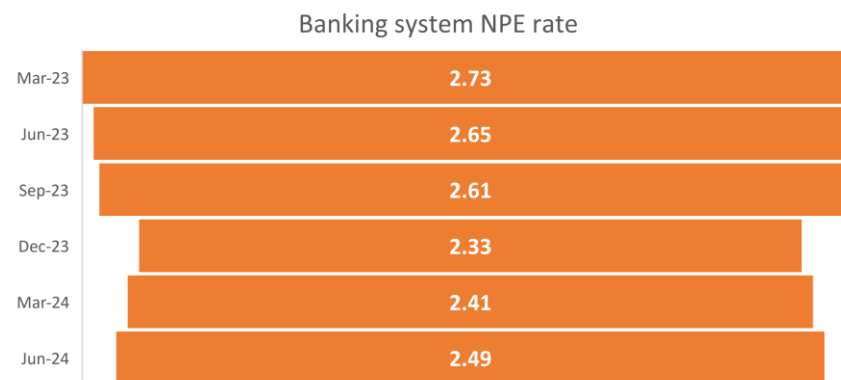
## Interest rates

- › NBR decided to reduce the monetary policy interest rate to 6.5% and at least another 25bps decrease it is expected by the end of the year
- › The annual inflation rate, of 5.4% in July, exceeded expectations, growth being caused mainly by a short-term supply shock
- › In July banks recorded an average daily liquidity surplus of RON 45.5 billion in relation to NBR, down from RON 50.4 billion in the previous month.



## Banking system

- › The rate of non-performing exposures (NPE), as per the EBA definition, was 2.49% at the end of Q2 2024, slightly over the level of 2.41% recorded in Q1 2024
- › The assets of the banking system increased in Q2 2024 to RON 834.6 billion, 13% over Q2 2023. This increase in assets took place as total private lending increased relatively slowly in H1 2024, as a result of still high interest rates, the average growth rate being only 5.6%. The profit of the banking system reached a new record in H1 2024, of over RON 7.5 billion in, increasing by 10% compared to the profit of H1 2023. The return on assets (ROA) was 1.82% and the return of equity (ROE) was 20.15% in Q2 2024
- › The solvency ratio increased from 22.83% in Q2 2023 to 24.05% in Q2 2024, increasing also compared to the end of 2023, when it was 23.60%.



## II. Patria Bank at 30.06.2024 in brief

Increased profitability

# Patria Bank 30.06.2024 at a glance

## FINANCIAL RESULTS AT 30.06.2024

### PROFITABILITY

Net profit  
**18.1 million RON**

### PROFITABILITY

Increase in net profit  
**+61%**  
vs. 30.06.2023

### EFFICIENCY

Cost/Income ratio  
**77%** vs. 72% at 31.12.23  
Significant impact from new 2% turnover tax in 2024

### LOANS

Change in net performing loans  
**+8%**  
at 30.06.24 vs. 31.12.23,  
above rate of banking system

### EXPANSION

New loans sales (RON)  
**605 million**  
granted in H1 2024  
+46% vs. H1 2023

### EXPANSION

Increase in net banking income  
**+8%**  
at 30.06.24 vs. 30.06.23

## MAIN RATIOS

### RATES OF RETURN

30.06.24 31.12.23

Return on assets (RoA) **0.9%** **0.6%**

Return on equity (RoE) **8.9%** **6.2%**

### CAPITAL & LIQUIDITY

30.06.24 31.12.23

Total Own Funds Ratio **20.3%** **22.5%**

Liquidity Coverage Ratio (LCR) **149%** **178%**

### NONPERFORMING LOANS

30.06.24 31.12.23

Nonperforming Exposures Rate **4.8%** **5.2%**

Provisioning Coverage Ratio **59%** **60%**



### III. Commercial and operational developments

The Bank continued to be an active participant in its key target segments – Corporate & SMEs, micro-enterprises and agriculture



# Strategic development pillars – H1 2024 developments

## Corporate and SME



- › Focus on digitalization and easier access to banking services
- › The *Competitiveness* loan developed together with the European Investment Fund (EIF) for the sustainable development of SMEs – extended financing periods, lack of real guarantees for working capital loans and low costs
- › Interest in financing green energy projects, especially photovoltaic parks, and in financing medical equipment.

## Microenterprises (“Micro”)



- › Focus on supporting Micro companies, especially through loans with guarantees issued by the EIF (InvestEU Program), over 1,200 loans being granted under this program
- › The implementation of the new *APIA in avans* lending product - working capital loan consisting in the pre-financing of the APIA subsidy by up to 70% of the amount of the subsidy due in the previous year. The *Creditul Fermierului* product was also implemented for the Micro and Agro segments - support program with a state aid component.

## Agriculture (“Agro”)



- › The Agro segment continued to be one of the priority segments of the Bank’s lending activity
- › Increase of the Agro loan portfolio by 36% compared to the end of 2023 and by 38% compared to H1 2023
- › The volume of loans granted in H1 2024 increased by 132% compared to the volume of loans granted in H1 2023 (increase in the volume of loans granted under the APIA subsidy was of only 31.7%).

## Individuals (“Retail”)



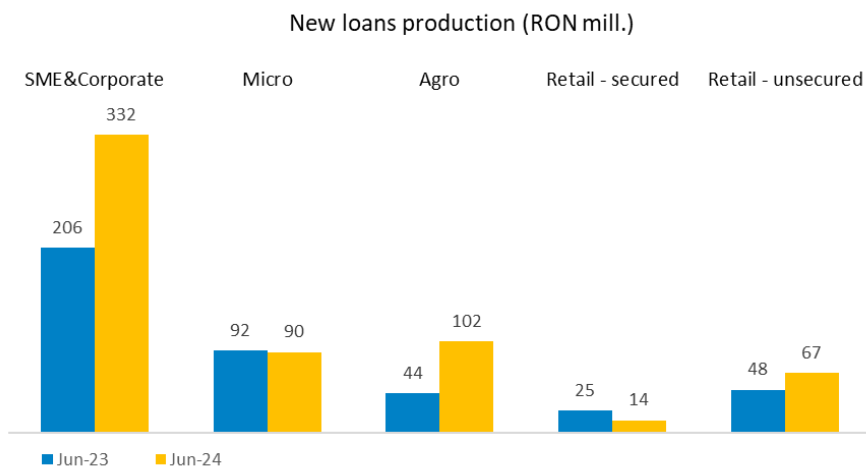
- › The volume of unsecured loans granted by the Bank increased by 40% compared to H1 2023
- › Continuation of promotion of secured lending in RON with fixed interest for 5 years, in line with the evolution of the market and with consumer preferences
- › Transaction concluded with Alior Bank SA Group to take over a portfolio of personal loans worth RON 97 million outstanding at April 30, 2024.

**Patria Academy** – online financial education program dedicated to entrepreneurs. Sessions are supported by well-known professionals and are part of the Bank’s long-term partnership with the entrepreneurial environment in Romania. The two editions held so far included topics related to the importance of the communication mix, branding and marketing, the impact of inflation and management tools and techniques.



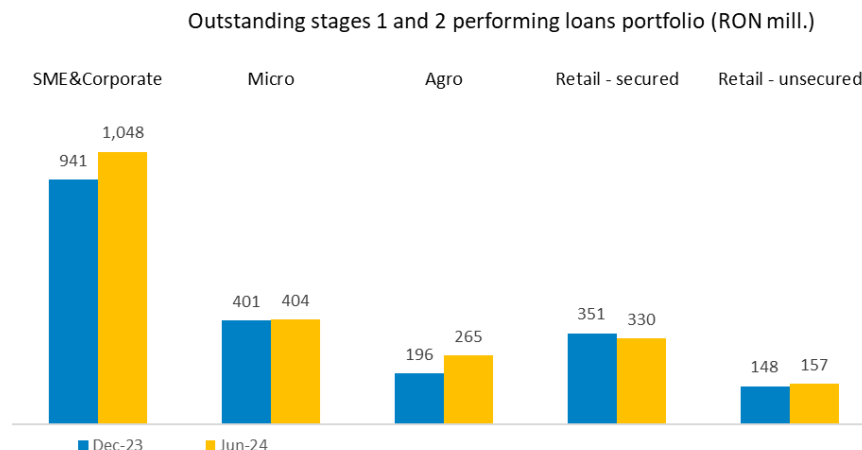
# Strategic development pillars – loans evolution

## New loans production



- › New loans granted in H1 2024 were RON 605 million, of which the largest share is represented by loans granted to the SME & Corporate segment (55%), followed by Micro and Agro segments which have a cumulative share of 32% of total financing
- › New loans granted to companies in H1 2024 recorded a significant increase, of 53%, compared to H1 2023
- › As for the retail segment, Patria Bank focused on financing consumer needs of individual customers and especially consumer loans without real estate collateral (unsecured loans). The loans granted to the retail segment increased by 11% in the first 6 months of 2024 compared to the same period of 2023.

## ST1 & ST2 outstanding performing loans portfolio



- › The value of stages 1 and 2 performing loans granted to companies at 30.06.2024 increased by 12% compared to December 2023
- › All business lines recorded positive developments in the first 6 months of the current year compared to the end of last year
- › The Bank continued to focus on increasing its loan portfolio and supporting Micro companies, especially through loans with guarantees issued by the European Investment Fund (under the InvestEU Program) but also on lending to SMEs, supporting both investments and their current activity. The agro segment continued to be one of the priority segments for the lending activity.



# Recent transactions



- › **EIB financing transaction.** Patria Bank announced in July 2024 the signing of a financing contract in amount of **EUR 25 million** granted by EIB, one of the largest multilateral financing institutions in the world and one of the largest providers of climate finance
- › This represents a first tranche of a total financing of EUR 50 million approved by EIB for Patria Bank
- › EIB financing will be used to support the investments of eligible SME and MidCap clients in Romania, with a partial allocation to climate projects
- › The transaction is another important step in the funding strategy of Patria Bank with renowned international financial institutions in the last two years: the EUR 20 million loan granted to the bank by the International Finance Corporation (IFC), the subordinated loan of EUR 7 million granted to Patria Bank by the European Fund for Southeast Europe (EFSE) and the EUR 5 million subordinated loan granted to the bank by the European Investment Fund (EIF).



- › **Portfolio takeover.** Patria Bank announced in June 2024 the signing, as assignee, of a contract for the assignment of a personal needs loan portfolio of RON 97 million (balance as at April 30, 2024) with Alior Bank SA, through its branch in Romania, Alior Bank SA Varsovia – Sucursala Bucuresti, as assignor
- › The portfolio which is subject of the transaction includes approximately 4,000 retail clients and consists of unsecured performing consumer loans, denominated in RON
- › The transaction is estimated to be implemented in September 2024 and will contribute to the increase of Patria Bank's portfolio of consumer loans and the bank's number of retail clients
- › This acquisition, together with dedicated campaigns for retail products, underline the Bank's commitment to growth and to consolidation of profitability.



# Advanced online platforms



## **Patria de oriunde – the Bank’s digital platform with two options:**

- › **online onboarding platform for individual clients** (launched in 2021) - allows remote access to banking products, including client enrollment, opening of current accounts, current account packages, setting up of deposits and contracting Internet and Mobile Banking services with the use of qualified electronic signatures
- › **digital Lending platform for individual clients** (launched in 2023) – offering new customers the option to request general-purpose loans with automated and fast approval decisions.

The platform is available at the following links:

- › <https://www.patriabank.ro/depozitonline>
- › <https://www.patriabank.ro/creditonline>.

**54.6%**

New retail deposits from new customers made via Patria de Oriunde since the launch of the Platform (July 2021) and up to 30.06.2024



- › **Patria Online – the Bank’s online & mobile banking platform** has been continuously expanded by adding new features and digital services for clients such as Beneficiary Name Display Service (SANB) for IB&MB for individual clients and IB for commercial clients, as well as security updates for the mobile banking applications for Individual clients
- › The platform is available at:  
<https://www.patriabank.ro/noua-platforma-patria-online>.

**+17%**

Increase in number of Patria Online users at 30.06.2024 vs. 30.06.2023

**+13%**

Increase in number of transactions performed via Internet Banking/Mobile Banking platforms at 30.06.2024 vs. 30.06.2023



# Digitalization of services and expansion of product range

- › Implementation of the new **APIA in Avans** credit product for Micro and Agro segments, which represents a loan to cover working capital needs and consists in pre-financing the APIA subsidy by up to 70% of the amount of the subsidy due in the previous year
  - › Implementation of a new product, **Credit Agro Gold**, for the Agro segment and its update for the Micro segment
  - › Continuation of lending under the guarantee program to support micro-enterprises and certain sectors granted by the EIF (**Competitiveness program**), dedicated to the Agro and SME/Corporate business lines
  - › The implementation of **Creditul FERMIERULUI** product, dedicated to the Micro and Agro segments, which represents a loan to cover working capital needs and consists of a state subsidy in the form of a grant that covers the interest component (3-month ROBOR)
- › Continuation of the **IMM PLUS Program** with the components IMM ROMANIA PLUS, AGRO PLUS, IMM PROD PLUS, CONSTRUCT PLUS si RURAL PLUS dedicated to legal entities for financing working capital and investment loans
  - › Replacing the ATM fleet with multifunctional machines (MFMs) as well as setting up self-service areas within branches that are included in the program
  - › Implementation of a **new digital lending channel through partners**, through the development of the Digital Lending platform for Individuals, offering customers the opportunity to access consumer loans with a specific destination
  - › Implementation of a security solution for the Mobile Banking application for remotely blocking the permissions to view the application's screens.



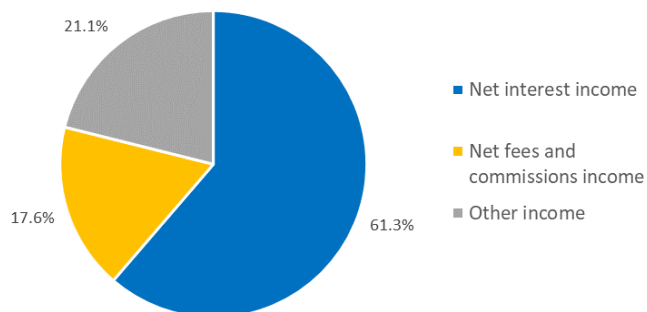
## IV. Increasing profitability trend

In the first 6 months of 2024 Patria Bank recorded a net profit of RON 18.1 million, up 62% compared to RON 11.2 million in the H1 2023

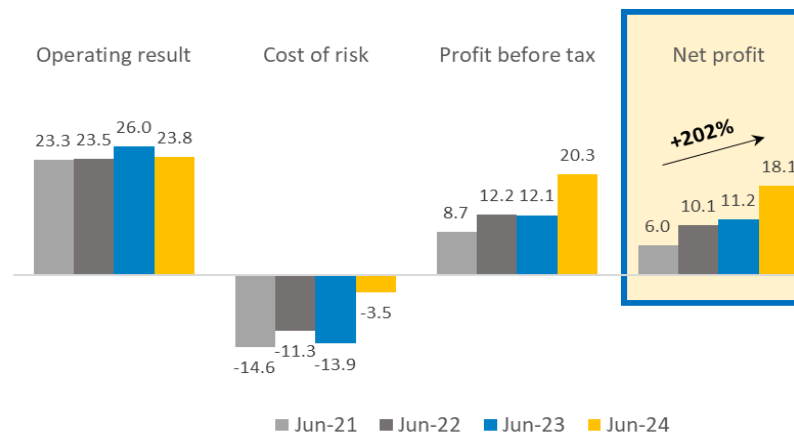
# Increasing profitability trend

## Performance in H1 2024

- › **Net banking income** increased by 8.0% over H1 2023 following increases in all types of income
- › The Bank recorded an **operating result of RON +23.8MM** and a **net result of RON 18.1MM** which incorporates the new 2% turnover tax, of RON 3.7MM, applicable to credit institutions from 2024, as well as higher income tax by RON 1.3MM due to expiry of fiscal losses in 2023. Total fiscal impact vs. H1 2023 is RON 5.0MM, incorporated in the net result of RON 18.1MM recorded in H1 2024
- › The income structure recorded in H1 2024 was as follows:



## Financial performance – trends in the past four years [RON million]



RON millions	06.22	06.23	06.24	% 24/23
› Net interest income	62.9	60.4	64.2	+6.3%
› Net fees and commissions income	14.3	16.5	18.4	+11.5%
› Financial and other income	16.0	20.0	22.1	+10.5%
› Net banking income	93.2	96.9	104.6	+7.9%
› Total operating expense	(69.7)	(71.0)	(80.9)	+13.9%
› Operating result	23.5	26.0	23.8	-8.5%
› Cost of risk	(11.3)	(13.9)	(3.5)	-74.8%
› Profit before tax	12.2	12.1	20.3	+67.8%
› Net result	10.1	11.2	18.1	+61.6%
› Cost/Income ratio	75%	73%	77%	+5.5%



# Balance sheet evolution & main ratios

## Financial position at June 30, 2024

- › Total Assets of Patria Bank increased by 2.9% at 30.06.24 compared to 31.12.23
- › Increased profitability has led to an improved **Return on Equity (RoE)**, which increased to 8.9% at 30.06.24 from 6.2% at 31.12.23. **Return on Assets (RoA)** increased from 0.6% to 0.9%
- › The new turnover tax had a direct impact on operational costs, which increased by 14% over H1 2023, as well as on the evolution of the Cost/Income ratio, from 73.2% to 77.3%

Gross loans / Deposits at June 2024

**73%**

- › The share of gross loans in total assets increased slightly to 56% at 30 June 2024 from 54% at 31 December 2023
- › The share of liquid assets in total assets decreased to 39% at the end of June 2024 vs 41% at the end of December 2023, following increased lending activity.

## Balance sheet items [RON million]

RON million	30.06.23	31.12.23	30.06.24
› Liquid assets	1,491.8	1,670.9	1,626.3
› Loans and adv. to clients (net)	2,286.5	2,058.6	2,225.2
› Total assets	4,092.9	4,033.4	4,151.1
› Deposits from customers	3,217.4	3,124.2	3,206.0
› Total liabilities	3,719.5	3,634.5	3,734.9
› Shareholders' equity	373.3	398.9	416.3

## Selected ratios [%]

%	30.06.23	31.12.23	30.06.24
› Total Own Funds Ratio	20.1	22.5	20.3
› Gross loans / Total assets	59	54	56
› Gross loans / Deposits	75	70	73
› LCR*	154	178	149
› Return on Assets (RoA)	0.5	0.6	0.9
› Return on Equity (RoE)	6.2	6.2	8.9
› Non-performing exposures ratio	5.8	5.2	4.8
› Non-performing loans coverage ratio	57	60	59





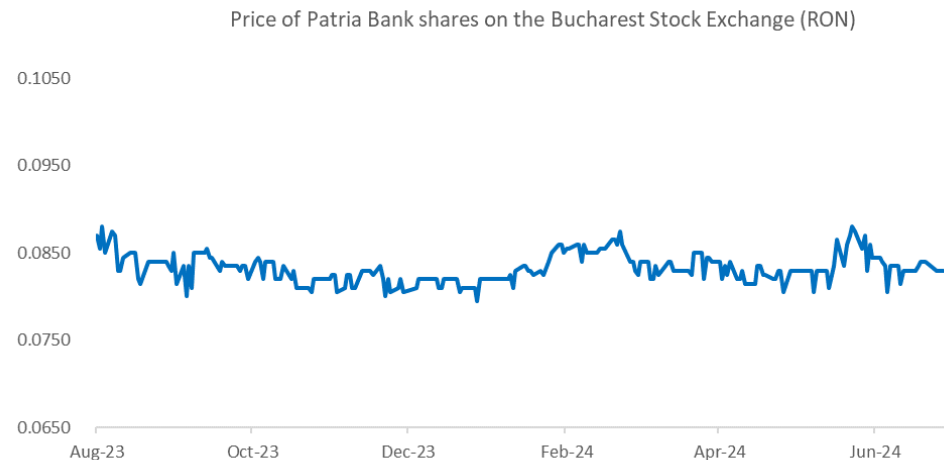
## V. Patria Bank stocks and bonds - market trends

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

# PBK shares on the Bucharest Stock Exchange

## PBK shares

- › Patria Bank shares trade on the Premium Tier of the regulated market managed by the Bucharest Stock Exchange with the PBK ticker symbol
- › ISIN code: ROBACRACNOR6
- › Total number of shares outstanding: 3,278,814,376
- › Par value: RON 0.10 per share
- › Market Capitalization at 30 June 2024: RON 272.14 million
- › Majority shareholder: EEAF Financial Services BV
- › Majority shareholder holding at 30 June 2024: 84.05%.



# PBK bonds on the Bucharest Stock Exchange

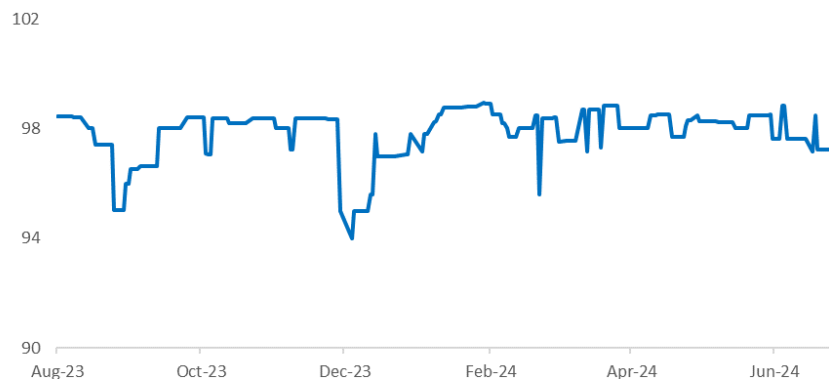
## PBK27E EUR bond issue

- › Issue Date: 20 September 2019
- › Total value: EUR 5.0 Million
- › Interest rate: 6.50% p.a. (fixed)
- › Maturity Date: 20 September 2027
- › Price at 30 June 2024: 97.23
- › % of issue traded from listing until 30 June 2024: 72.6%.

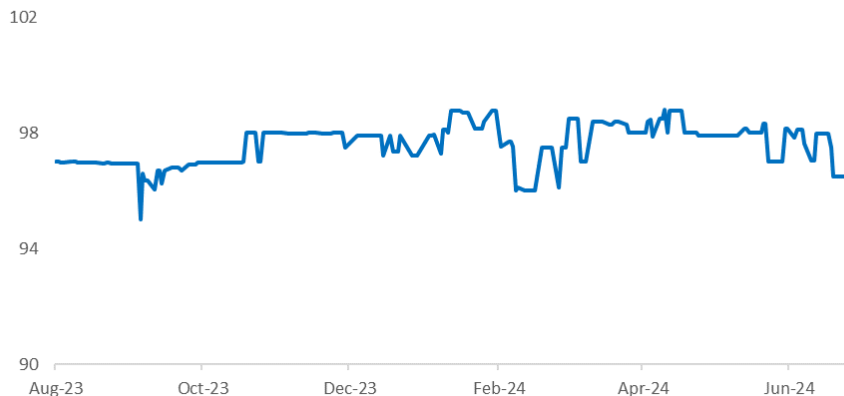
## PBK28E EUR bond issue

- › Issue Date: 5 October 2020
- › Total value: EUR 8.2 Million
- › Interest rate: 6.50% p.a. (fixed)
- › Maturity Date: 5 October 2028
- › Price at 30 June 2024: 97.85
- › % of issue traded from listing until 30 June 2024: 50.4%.

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



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



## VI. Shareholders and management











Strong shareholding structure and experienced Management and Board members

# Strong shareholding structure

## Emerging Europe Accession Fund

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



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



Investment	Buyer upon exit
 Banca Agricola	
	
	 GE Money
	 GE Money
	 GE Money

Source: Patria Bank



# Experienced management and board members

	<p><b>Horia Manda</b> BoD Chairman</p> <p>Managing Partner- Axxess Capital BoD member – various companies Selected M&amp;A experience: Banca Agricola, Banca Rom., RALFI, Motoractive, Romexterra, Patria, BCC, Jet Finance</p>		<p><b>Daniela Iliescu</b> BoD Member</p> <p>CFO-Axxess Capital BoD member-BCC</p> <p>Ex-Senior Manager-PwC</p> <p>Selected M&amp;A experience: Patria, Jet Finance, BCC</p>		<p><b>Bogdan Merfea</b> BoD member</p> <p>CEO-Raiffeisen Bank Kosovo</p> <p>Ex-ED-Raiffeisen Bank Romania</p> <p>Selected M&amp;A experience: Patria, BCC</p>
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	<p><b>Vasile Iuga</b> BoD member (independent)</p> <p>Ex-Managing Partner-South East Europe, Romania Country Manager, PwC VP-American Chamber of Commerce in Romania EIB Audit Committee member</p>		<p><b>Nicolae Surdu</b> BoD member (independent)</p> <p>Ex CEO and President BCC Ex-CEO Fortis Bank Romania Ex-VP Credit Europe Bank Ex-Director Operations-Tiriac Bank Ex-BoD member: Piraeus Bank RO</p>
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	<p><b>Valentin Vancea</b> General Manager</p> <p>COO-BCC, Nextebank, Volksbank RO CEO – ANSSI Ex-Audit Director UniCredit Ro Selected M&amp;A experience: HVB Bank, Unicredit, BCC, KPMG</p>		<p><b>Georgiana Stanculescu</b> Deputy General Manager, Financial</p> <p>Experience in Credit Agricole, Emporiki Bank, Piraeus Bank and over 7 years in Patria Bank</p>		<p><b>Razvan Prodea</b> Deputy General Manager, Risk</p> <p>Experience in Banca Carpatia and over 7 years in Patria Bank</p> <p>Over 10 years experience in risk management</p>		<p><b>Dragos Calin</b> Deputy General Manager, Commercial</p> <p>23 years banking experience</p> <p>CCO – BRCI Head of Sales – First Bank Head of SME&amp;Micro – Raiffeisen Bank, Head of SBB – Bancpost</p>
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# Investor relations

## Patria Bank SA

- › 42 Soseaua Pipera, Sector 2 Bucharest, Romania
- › Phone: +40 747 045 464
- › Email: [capital@patriabank.ro](mailto:capital@patriabank.ro)

## Contact persons

- › Razvan Pasol  
[razvan.pasol@patriabank.ro](mailto:razvan.pasol@patriabank.ro)
- › Remus Bogdan  
[remus.bogdan@patriabank.ro](mailto:remus.bogdan@patriabank.ro)

## Information for shareholders and bondholders

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

