



PATRIA BANK SA Half Year Report

For period ended

June 30, 2023

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

Report date: **31.08.2023**

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 30.06.2023 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 National Bank of Romania (NBR) to perform lending activities in Romania, registered in the General Register of Non-Banking Financial Institutions held by the NBR 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 the company - 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 30.06.2023, 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 30.06.2023 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 30.06.2023 the Bank was 84.0526% owned by EEF FINANCIAL SERVICES BV ("EEAF"), 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 institutions 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 30.06.2023 is as follows:

Shareholder	No. of shares	Percent (%)
EEAF FINANCIAL SERVICES BV, Amsterdam	2,755,927,215	84,0526
Other shareholders – individuals	458,908,738	13,9962
Other shareholders - legal entities	63,978,423	1,9513
Total	3,278,814,376	100,00

3. Key Figures

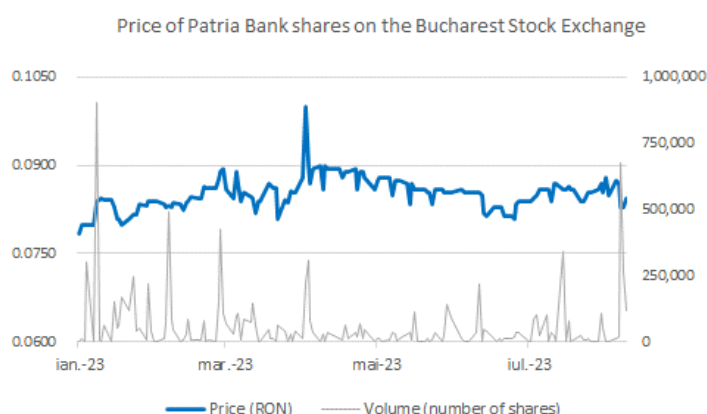
	6M up to 30.iun.23	6M up to 30.iun.22	Variation
Bank			
Financial results			
Net banking income (Ths. RON)	96,910	93,167	4.0%
Operational expenses (Ths. RON)	(70,958)	(69,666)	1.9%
Net cost of risk (Ths. RON)	(13,893)	(11,254)	23.4%
Net result (Ths. RON)	11,218	10,114	10.9%
Cost / income ratio	73.2%	74.8%	-1.6 p.p.
ROE	6.2%	6.2%	0.0 p.p.
Loans and deposits			
Total net loans (Ths. RON)	2,259,108	2,185,407	3.4%
Total deposits (Ths. RON)	3,217,447	3,447,728	-6.7%
Loans (gross value) / deposits ratio	75.0%	68.3%	6.7 p.p.
Capital adequacy			
Own Funds (Ths. RON)	435,506	405,644	7.4%
Risk weighted assets (Ths. RON)	2,166,559	2,086,977	3.8%
Total own funds ratio	20.10%	20.08%	0.02 p.p.
Network			
Number of branches	45	45	-

4. Shares and Bonds

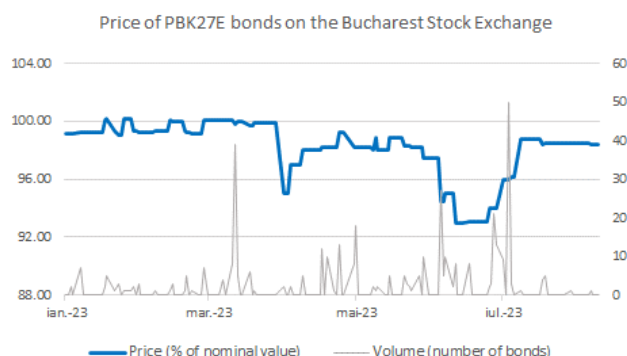
Patria Bank has three issues of financial instruments listed on the regulated market of the Bucharest Stock Exchange: the Bank's shares and two issues of subordinated bonds.

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 30.06.2023 was RON 0.0840/share, increasing by 7.14% compared with the price at the end of 2022, of RON 0.0784/share. The price evolution of Patria Bank's share price was relatively stable during the first half of 2023.

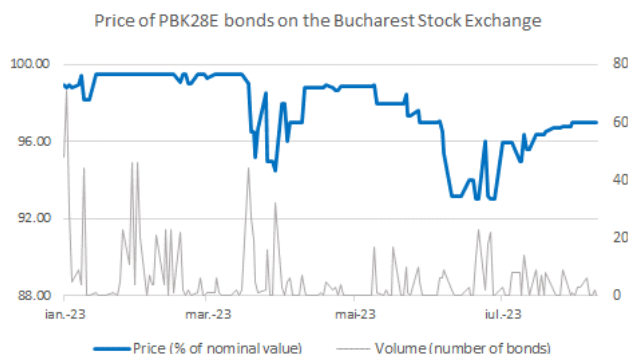


Patria Bank's subordinated bond issue issued in Euro on 20.09.2019, with a total value of EUR 5.0 million, a fixed interest rate of 6.50%/year and maturity on 20.09.2027, trades on the regulated market managed by the Bucharest Stock Exchange with the symbol PBK27E. The ISIN code of the issue is ROZNOPQQARR5. The closing price of PBK27E bonds on 30.06.2023, expressed as a percentage of the 500 Euro par value, was 94.00, compared to 99.14 at the end of 2022.



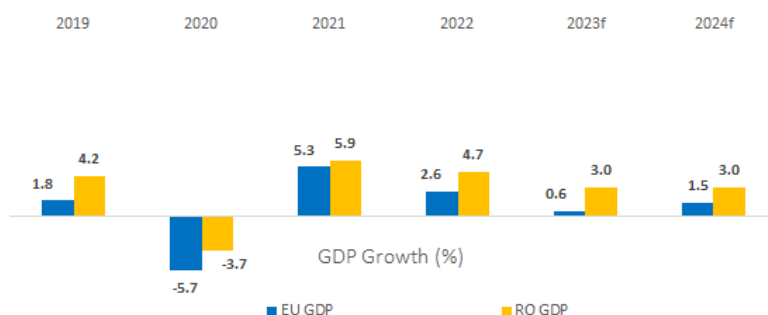
Patria Bank's subordinated bond issue issued in Euro on 05.10.2020, with a total value of EUR 8.2 million, a fixed interest rate of 6.50%/year and maturity on 05.10.2028, trades on the regulated market managed by the Bucharest Stock Exchange with the symbol PBK28E. The ISIN code of the issue is ROWRHZRZD4L3.

The closing price of PBK28E bonds on 30.06.2023, expressed as a percentage of the 500 Euro par value, was 93.00 compared to 98.80 at the end of 2022.



5. Macroeconomic and banking environment

Economic growth. The GDP level in Q1 2023 was 1.0% higher than in Q4 2022, an increase of 2.3% on gross series and by 2.8% on seasonally adjusted series compared to Q1 2022. The following industries contributed particularly to GDP growth in Q1 2023 compared to Q1 2022: wholesale and retail trade, repair of motor vehicles and motorcycles, transport and storage, hotels and restaurants (+0.9%), with a share of 22% in GDP formation and which recorded an increase in the volume of activity by 4.5%. A negative contribution to GDP growth was recorded by the industry sector (-0.5%), with a share of 23.6% in GDP formation and which recorded a decrease in the volume of activity by 2.3%.



Public budget deficit. After the first six months of 2023, the budget deficit increased slightly to 2.34% of GDP, i.e. RON 37.21 billion, compared to 2.32% of GDP at the end of May 2023. The execution of the general consolidated budget registered a deficit of RON 37.21 billion (2.34% of GDP), compared to the deficit of RON 23.51 billion (1.67% of GDP) in the same period of 2022.

Total revenues in the first half of the year were RON 242.74 billion, with an annual increase of 12%, and expenses reached RON 279.96 billion, up with 16.5% compared to the previous year. The increase in revenues was supported by higher income from payroll tax, insurance contributions, corporate income tax, European funds and VAT. Budget expenditures accounted for 17.6% of GDP, up 0.6 percentage points compared to the same period in 2022.

The Romanian Government proposed a budget for 2023 that provides for a reduction of the budget deficit to 4.4% of GDP, from 5.7% of GDP in 2022. Deficit reduction will be achieved by increasing revenues by 14% and decreasing spending by 10%.

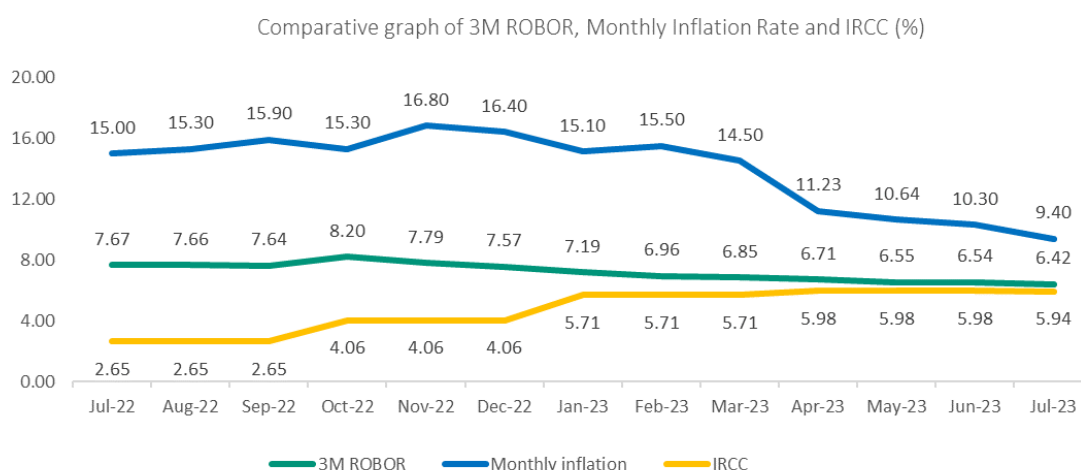
The International Monetary Fund published an economic forecast for Romania in which it estimates that the current account balance will continue to adjust to -7.9% in 2023 and -7.7% in 2024, from -9.3% in 2022. The International Monetary Fund also estimates that the unemployment rate will remain constant in 2023, at 5.6%, before falling slightly to 5.4% in 2024.

The **Consumer Price Index (CPI)** in Romania increased by 9.4% between July 2022 and July 2023. Consumer goods prices increased by 0.15% in July 2023 from the previous month and by 4.4% compared to the end of last year. The highest price increases were for food goods (16.24%), followed by services (11.65%) and non-food goods (4.25%).

The National Bank of Romania's (NBR) inflation forecast was adjusted. Thus, the annual inflation rate is estimated at 7.5% at the end of the current year, up from the previous forecast of 7.1%. For December 2024, inflation is forecast at 4.4%, compared to the previous projection of 4.2% and, in June 2025, inflation is expected to reach 3.8%.

As for CORE 3 base inflation, the NBR revised the forecast upwards. This is forecasted to be 9.9% at the end of 2023, up from the previous projection of 9.3%. For December 2024, core inflation is expected to be 5.0%, up from the previous projection of 4.8%, and, in June 2025, a level of 4.3% is expected.

The NBR governor highlighted that the monetary policy rate will not be reduced this year and that its reduction from the current level of 7% will occur when the outlook suggests that annual inflation will fall below this threshold.



The rate of non-performing loans increased slightly to 2.73% in March 2023, from 2.65% at the end of last year. However, the rate decreased from 3.31% in March 2022.

The total assets of credit institutions in Romania amounted to RON 712.6 billion in March 2023, RON 11.6 billion higher compared to the end of last year. The assets of private capital institutions represented 87.8% of total assets while the assets of foreign capital institutions represented 67.5%.

The solvency ratio stood at 21.65% in March 2023, compared to 23.4% at the end of December 2022.

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, especially for refinancing.

Outstanding loans (RON Th. Equiv.)	31.12.2022	31.03.2023	30.06.2023
Secured	405,817	401,117	396,818
Unsecured	145,668	145,271	149,199
Total	551,484	546,388	546,017

New loans sales (RON Th. equiv.)	Q1 2022	Q2 2022	Q1 2023	Q2 2023
Secured	22,856	21,389	11,601	13,727
Unsecured	29,642	20,761	21,686	25,929
Total	52,498	42,150	33,287	39,656

New sales of unsecured loans recorded a total volume of approximately RON 26 million equivalent in Q2 2023, representing 65% of the total retail loans sales in Q2 2023. Taking into account the economic context, the sales of new loans suffered a decrease compared to the same period of last year in the area of guaranteed loans and an increase of 25% in the area of unsecured loans, as a result of the campaigns and promotion of fixed interest consumer loans without mortgage.

Outstanding loans recorded a downward evolution in Q2 2023, correlated with the decrease in new sales but also with the large number of secured loans refinancing transactions, recording a decrease of RON 5.5 million equivalent compared to the end of the year, representing a decrease of approximately 1%.

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 Q2 2023 the volume of new amounts attracted in term deposits from new customers was RON 73.2 million equivalent.

Liabilities outstanding (Th. RON equiv.)	31.12.2022	31.03.2023	30.06.2023
Term deposits	1,722,063	1,700,380	1,746,834
Current accounts	304,817	271,854	272,489
Total	2,026,879	1,972,234	2,019,324

Digital Onboarding	Q4 2021 – Q2 2023	
New term deposits through Digital Onboarding	No. of clients	Total volume (Th RON)
	969	127,878

Commercial Banking activity

Outstanding loans

The level of loans outstanding granted to companies had a positive evolution compared both to December 2022 as well as to June 2022, representing an increase of 5% vs December 2022 and of 2% vs June 2022, respectively. All business lines (Agro, Micro, SME & Corporate) recorded positive evolutions compared to December 2022.

In Q2 2023 the Bank continued to focus on growing its loan portfolio and supporting Micro companies specifically through loans with EIF guarantees (the InvestEU Program) but also on financing the investment as well as the current activity of the SMEs. The Agro segment continued to be one of the main priorities of the lending activity.

Outstanding loans in 1&2 stages (Th. RON equiv.)	30.06.2022	31.12.2022	30.06.2023
Agro	206,044	174,560	192,845
Micro	477,034	430,587	446,445
SME&Corporate	1,010,437	1,041,367	1,084,217
Total	1,693,516	1,646,514	1,723,507

New loans sales

In Q2 2023, the new loans sales in the segment of legal entities had an improved performance by 5% compared to Q1 2023, representing an increase from RON 166,724 thousand to 175,129 thousand. The largest impact in this result comes from the Agro and Micro segments, these being the segments on which the Bank has focused historically; the performance was complemented by the continued support for Mid-Market transactions in the SME segment.

New loans sales (Th. RON equivalent)	Q1 2022	Q2 2022	Q1 2023	Q2 2023
Agro	14,596	35,667	18,230	25,545

Micro	66,135	71,947	41,333	50,531
SME&Corporate	59,613	141,549	107,162	99,053
Total	140,345	249,163	166,724	175,129

Outstanding debt

The level of outstanding debts recorded a decrease both compared to June last year as well as to December 2022. Compared to December 2022, most of the difference comes from the amounts related to the Agro sector, especially from the collection of APIA subsidies.

Outstanding Debt (Th. RON equiv.)	30.06.2022	31.12.2022	30.06.2023
Total	1,246,252	1,417,144	1,196,295

New active clients

On the general segment of companies, the Bank recorded a decrease of the number of active clients by 6% compared to December 2022. The decrease was generated by clients in the Micro segment within the context of reduced financing appetite and of increasing the value of average loans granted.

Active clients	30.06.2022	31.12.2022	30.06.2023
Total number	12,879	12,526	11,767

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. 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 Q3 2023 based on the ADR certification. Thus, starting with the end of June 2023, the Operational Pilot related to the online platform **Digital Lending Individuals** has began - a pilot program that is scheduled to take place over a period of 3 months (Q3 2023)
- Starting discussions for the development and use of the **Digital Lending Platform for Individuals based on partnerships/collaborations with various partners**, by offering within the platform of a consumer loan with a specific destination for the purpose of financing the purchase of products/services from Patria Bank Partners
- Changing the **validity period** of debit/credit cards for individuals and legal entities, from 3 years to 5 years, in order to reduce the operational activities generated by renewing the cards, both at the headquarters and at the branch level
- **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 has started the project of replacing the Bank's ATM fleet with multi-functional machines in all banking units. The implementation will take place in stages starting with Q2 2023

- **Launching of a new Credit Card lending product for individuals** through which the Bank will offer benefits to customers (up to 12 installments without interest, 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 software 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 activities, both in relationship with clients and between internal structures; the significant reduction in 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 bank counters, in the banking units, and reevaluation of the business relationship with the Bank in case of individuals within WebDesk platform
- **Extension of the partnership with Allianz-Tiriac Asigurari SA** for distribution of mandatory and optional insurance for buildings belonging to individuals and used for housing, and which constitute guarantees for loans with real estate mortgage, in order to provide complete financial services to mortgage loan customers.

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 European 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 June 30, 2023, the loan portfolio of Patria Credit IFN continued to grow, **the growth rate being 16% compared to June 2022**. Sales of new loans were maintained at the same level compared to the same period of the previous year.

The institution continued offering personalized loans to the main client segment (small farmers). For the first six months of 2023, **the company recorded a net profit of RON 4.2 million**, up by 11% compared to the same period last year.

As for the structure of financed activities for the financed portfolio, the high share of agriculture (i.e. 83%) was maintained. In line with the strategy proposed for this year, the *Agritech* projects were continued, in partnership with agricultural technology providers. The project of digitization and modernization of the entire IT architecture also continued. In the first half of 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

SAI Patria Asset Management SA, an Asset Management Company licensed by the FSA, continued to increase its assets under management up to RON 135.61 million on 30.06.2023, up 19.7% from 30.06.2022. For comparison, the assets of all open-end funds managed by fund managers registered in Romania decreased by 7.30% in the same period, according to the data provided by the Association of Fund Managers (AAF).

Patria Asset Management manages the only two ETFs (Exchange Traded Funds) in Romania. Fund ETF BET Patria - Tradeville replicates the structure and performance of the main index of the Bucharest Stock Exchange (BSE), BET, and it is traded with the TVBETETF ticker symbol. The Fund had net assets of RON 97.12 million on 30.06.2023, up from RON 63.86 million on 30.06.2022 (+52.1%).

Fund ETF Energie Patria - Tradeville is a sector ETF dedicated to the energy and related utilities sector, replicating the structure and performance of the BET NG sector index of the BSE, and is traded on the BSE with the PTENGETF ticker symbol. The Fund was launched at the beginning of last year and had net assets of RON 6.65 million as at 30.06.2023.

Besides the two ETF funds, Patria Asset Management also manages Patria Global and Patria Stock – diversified funds in RON, Patria Obligatiuni – fixed income fund in RON and Patria Euro Obligatiuni – fixed income fund in EUR. The four funds are distributed through Patria Bank and through Patria Asset Management’s own online platform for investment funds. Available at online.patriafonduri.ro, the platform offers easy access to the value of holdings and to online transactions for investing or withdrawing money in/from the four funds.

7. Financial Results and ratios

a) The Bank’s financial position as at 30.06.2023 compared with 30.06.2022 and 31.12.2022 is as follows:

FINANCIAL POSITION							
<i>Thousand RON</i>							
ASSETS	30.iun.23	31.dec.22	jun.23/ dec.22 (abs.)	jun.23/ dec.22 (%)	30.iun.22	jun-23/ jun- 22 (abs.)	jun 23/ jun- 22 (%)
Cash and cash equivalents	358,853	596,801	(237,948)	(40%)	329,528	29,325	9%
Loans and advances to banks	18,729	17,695	1,034	6%	9,987	8,742	88%
Securities	1,114,214	1,005,364	108,850	11%	959,917	154,297	16%
Investments in subsidiaries	40,296	36,296	4,000	11%	36,296	4,000	11%
Loans and advances to customers, net	2,286,474	2,216,935	69,539	3%	2,245,460	41,014	2%
Other assets	274,295	284,121	(9,826)	(3%)	307,049	(32,754)	(11%)
Total ASSETS	4,092,861	4,157,212	(64,351)	(2%)	3,888,237	204,624	5%
LIABILITIES	30.iun.23	31.dec.22	jun.23/ dec.22 (abs.)	jun.23/ dec.22 (%)	30.iun.22	jun-23/ jun- 22 (abs.)	jun 23/ jun- 22 (%)
Due to banks & REPO	286,431	172,880	113,551	66%	262,396	24,035	9%
Due to customers	3,217,447	3,447,728	(230,281)	(7%)	3,177,010	40,437	1%
Other liabilities	81,449	82,732	(1,283)	(2%)	56,525	24,924	44%
Subordinated debt	69,321	44,311	25,010	56%	9,948	59,373	597%
Debt securities in issue	64,868	64,501	367	1%	64,309	559	1%
Total Liabilities	3,719,516	3,812,152	(92,636)	(2%)	3,570,188	149,328	4%
Total Equity	373,345	345,060	28,285	8%	318,049	55,296	17%
Total LIABILITIES AND EQUITY	4,092,861	4,157,212	(64,351)	(2%)	3,888,237	204,624	5%

- **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 to optimize the financing cost and to manage liquidity at optimal costs
- **The loan portfolio (net value)** registered an increase of 3% compared to the end of 2022. In the first 6 months of 2023, the market showed a decrease in lending demand, especially in the Retail segment, in the area of secured loans, but also in the Micro Segment. The reasons for this are the high level of interest rates in the market as well as a level of uncertainty over future developments
- **Own funds** show an increase of 8% compared to 31 December 2022 arising from the profit obtained in the first half of 2023, as well as from the positive evolution of the revaluation reserves related to the debt securities portfolio (RON +15 million in H1 2023).

At individual level, the capital adequacy ratio (Total Own Funds Ratio) is 20.10%, exceeding the regulatory limit, registering a level similar with the one recorded at the end of 2022, when the capital adequacy ratio was of 20.08%.

At consolidated level, the capital adequacy ratio (Total Own Funds Ratio) is 19.70%, 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-	6M up to 30.iun.23	6M up to 30.iun.22	Δ 2023/ 2022 (abs.)	Δ 2023/ 2022 (%)	Budget 6M 30.iun.23	Actual / Budget (abs.)	Actual / Budget (%)
Net interest income	60,421	62,912	(2,491)	(4%)	64,129	(3,708)	(5.8%)
Net fees and commission income	16,501	14,331	2,170	15%	16,628	(127)	(0.8%)
Net gains from financial activity & other income	19,988	15,924	4,064	26%	15,583	4,405	28.3%
Net banking income	96,910	93,167	3,743	4%	96,340	570	0.6%
Staff costs	(36,191)	(34,954)	(1,237)	4%	(37,578)	1,387	(3.7%)
Depreciation and amortization	(10,368)	(9,562)	(806)	8%	(5,666)	(4,702)	83.0%
Other operating and administrative expenses	(24,399)	(25,150)	751	(3%)	(29,877)	5,478	(18.3%)
Total operating expense	(70,958)	(69,666)	(1,292)	2%	(73,121)	2,163	(3.0%)
Operating Result	25,952	23,501	2,451	10%	23,218	2,734	11.8%
Net impairment of financial assets	(13,893)	(11,254)	(2,639)	23%	(14,990)	1,097	(7.3%)
Gain/ (Loss) before tax	12,059	12,247	(188)	(2%)	8,229	3,830	46.5%
Expense from deferred tax	(841)	(2,133)	1,292	(61%)	(407)	(434)	106.7%
Gain/ (Loss) for the year	11,218	10,114	1,104	11%	7,822	3,396	43.4%

	6M up to 30.iun.23	6M up to 30.iun.22	Δ 2023/ 2022 (abs.)	Δ 2023/ 2022 (%)
Interest income	137,671	93,658	44,013	47%
Loans	112,736	80,614	32,122	40%
Debt instruments	21,807	12,592	9,215	73%
Other interest bearing assets	3,129	452	2,677	592%
Interest expenses	(77,250)	(30,746)	(46,504)	151%
Due to customers	(67,741)	(26,399)	(41,342)	157%
Other interest bearing liabilities	(9,509)	(4,347)	(5,162)	119%
Net interest income	60,421	62,912	(2,491)	(4%)

- **Net banking income registered a positive evolution of 4%** compared to the same period of 2022 with a positive dynamic in the fees and commissions income segment due to the increase of client transaction activity, the number of POS, as well as from the financial activity where an increase in revenues by 26% in the first half of 2023 compared to the first half of 2022 was recorded
- As for **interest income**, the Bank recorded an increase of 47% 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 income related to the portfolio of debt securities in which the bank has temporarily invested excess liquidity
- **Interest expense** recorded an increase of **RON 47 million** compared to the same period of 2022. The evolution is determined by the evolution of interest rates paid for deposits attracted from non-banking clientele, in line with the increase of the monetary policy rate in the last 12 months and of the ROBOR and EURIBOR index. Thus, for the national currency, the market showed a stabilization of interest rates, whereas, for the EURO, the cost of financing is on an upward trend.

The cost of financing for deposits attracted from clients is updated gradually at the maturity of the deposits, the process being slower and lasting up to 12 months, compared to the updating of the interest rates on loans which are carried out mainly every 3 months (3 month index), the structure of the loan portfolio being predominantly with variable interest.

- **Net commissions income** shows a positive evolution of 15% generated mainly by the increase in customer transaction activity, trade finance activity and bancassurance

- **Operational expenses recorded an increase of 2% (+RON 1.3 million)** at a lower pace than the evolution of net banking income of +4%, wage costs being influenced by inflationary pressure
- **The net cost of risk recorded a prudent evolution.** The bank monitors the loan portfolio continuously for an adequate management of the credit risk, taking into account the uncertainties that manifest in the market
- The Bank recorded a **positive operational result for the first six months of 2023 in amount of RON 26 million and a net result of RON 11.2 million**, in a positive dynamic of 11% compared to the same period of 2022.

c) Economic-financial ratios

Ratios		30.iun.23	31.dec.22	30.iun.22
1	Total Own Funds Ratio	20.10%	20.08%	16.94%
2	The potential change of the economic value (EVI/ Own Funds)	10.3%	8.0%	9.5%
3	Loans (gross value) / Customer deposits	75%	68%	75%
4	Loans (gross value) / Total assets	59%	57%	61%
5	Liquidity Coverage Ratio (LCR)	154%	392%	143%
6	Liquid assets / Total assets	36%	39%	33%
7	Debt securities and equity instruments / Total assets	27%	24%	25%
8	Return on Assets ratio (RoA)	0.5%	0.5%	0.5%
9	Return on Equity ratio (RoE)	6.2%	5.9%	6.2%
10	Expense/income ratio	73%	71%	75%
11	Non Performing Loans (NPL)*	6.57%	7.36%	8.24%
12	Non Performing Exposures (NPE)*	5.84%	6.02%	7.44%
13	Coverage NPL	55%	53%	55%
14	Coverage NPL**	57%	57%	60%

(*) As per individual FINREP

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

8. Other information and statements

During the first six months of 2023, the Bank's activity was carried out under the conditions of the previously described economic environment; there have been events (the evolution of interest rates) that positively impacted the evolution of the Bank's income level, but which generated additional pressure on the cost of financing.

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

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

The data presented on June 30, 2023 are based on the organization and management of accounting in accordance with Law no. 82/1991 republished with the subsequent modifications and completions, in accordance with the NBR Order no. 27/2010 for the approval of the accounting regulations compliant with the International Financial Reporting Standards adopted by the European Union, with the subsequent modifications and completions.

The bank has not been unable to meet its financial obligations in any situation during 2023.

Description of any change in the rights of holders of securities issued by the company

During the reporting period there weren't any changes in the rights of holders of securities.

As at June 30, 2023, shareholders whose voting rights are suspended under NBR's Orders held a total of 245,490,909 shares representing 7.49% of the total number of shares and the total number of voting rights.

Management of the company

As at 30.06.2023 the management of the Bank is provided by:

a) The Board of Directors:

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

b) The Executive Committee:

- Mr. Suleyman Burak Yildiran – General Manager
- Mr. Grigore Valentin Vancea - Deputy General Manager, Operations and IT Division
- Mrs. Georgiana Mihaela Stanciulescu – Deputy General Manager, Financial Division
- Mrs. Razvan Vasile Prodea – Deputy General Manager, Risk Division

9. Significant transactions

During H1 2023, there weren't any significant contracts concluded by Patria Bank on acquisitions, mergers, divisions etc. or significant transactions with persons with whom they would act in concert or in which such persons were involved.

10. Significant litigation

Patria Bank received on June 27, 2023, as a defendant, the summons issued by the Bucharest Court, Civil Section VI, regarding file no. 8937/3/2023, within the trial with shareholder Mr. Carabulea Ilie, having the deadline of 25.10.2023. The object of the litigation is the request of the shareholder Mr. Carabulea Ilie to compel the defendant to obtain the approval of the National Bank of Romania for carrying out the redemption operation of the shares held by Mr. Carabulea, at the value established within the merger by absorption approved during the General Meeting of the Shareholders of Banca Comerciala Carpatica of 05.10.2016.

11. Events subsequent to 30.06.2023

Not applicable.

12. Conclusions

The financial results for H1 2023 show a net profit of RON 11.2 million for the first 6 months of the current year, up by 11% 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 June 30, 2023 are presented below:

- **Increase of net banking income by 4% in H1 2023 compared to H1 2022**, evolution mainly supported by the net commission income and by the financial activity
- **The bank's equity shows an increase in H1 by RON 28 million, +8% compared to the previous year**
- **Improving the balance sheet structure of the bank** by increasing the loans to deposits ratio from 68% at the end of 2022 to 75% in June 2023
- **Increasing investments in debt securities** by temporarily placing excess liquidity at competitive yields in line with the evolution of interest rates (+RON 109 million vs. December 2022)
- **Positive dynamics in case of Return on Equity ratio (RoE)** which reached the level of 6.2% in June 2023 vs. 5.9% in December 2022
- **The strategy to reduce non-performing exposures continued in H1 2023 with very good results**, the Non-performing Loan Ratio (NPL) decreased from the level of 7.36% in December 2022 to 6.57% in June 2023, while the coverage rate of non-performing loans with impairment adjustments remained at the level of 57% compared to the previous year
- **Maintaining a solid capital base** highlighted by the level of the Total Own Funds Rate of 20.10%, a level recorded as a result of the cessation of applicability of the transitional provisions established by the EU Regulation 575/2013.

13. Annexes

- Primary Individual and Consolidated Financial Statements as at 30.06.2023:
 - Consolidated and Separate Statement of Profit or Loss
 - Consolidated and Separate Statement of Other Comprehensive Income
 - Consolidated and Separate Statement of Financial Position
 - Consolidated and Separate Statement of Changes in Equity
 - Consolidated and Separate Statement of Cash Flows
 - Explanatory notes to the consolidated and individual financial statements

- Management's Statement regarding the assumption of responsibility for the preparation of the financial statements for H1 2023.

NOTE: The financial statements for the first 6 months of 2023 have not been audited/reviewed by the independent financial auditor.

General Manager
Burak Yildiran

Deputy General Manager
Georgiana Stanciulescu

Statement

We, the undersigned, Suleyman Burak Yildiran, General Manager and Georgiana Mihaela 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 primary financial statements as at 30.06.2023 and certify that, to our knowledge:

A) The accounting policies used to prepare the financial statements as at 30.06.2023 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 30.06.2023 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 Half Year 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



PATRIA BANK GROUP

**INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 30 JUNE 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 30 JUNE 2023 (All amounts are in thousand RON)**

<i>Thousand RON</i>	<i>Note</i>	Group		Bank	
		Unaudited(*) 30 June 2023	Unaudited(*) 30 June 2022	Unaudited(*) 30 June 2023	Unaudited(*) 30 June 2022
Interest and similar income calculated using the effective interest rate		156,567	108,619	137,671	93,658
Interest and similar expense		(84,712)	(35,329)	(77,250)	(30,746)
Net interest income	4	<u>71,855</u>	<u>73,290</u>	<u>60,421</u>	<u>62,912</u>
Fee and commission income		20,065	17,346	19,284	16,546
Fee and commission expense		(4,194)	(3,499)	(2,783)	(2,215)
Net fee and commission income	5	<u>15,871</u>	<u>13,847</u>	<u>16,501</u>	<u>14,331</u>
Net gain/(loss) from financial assets measured at fair value through profit or loss	6	9,774	(4,336)	4,055	1,069
Net gain/(loss) from disposal of investment securities at fair value through other comprehensive income	7	3,849	-	3,849	-
Net gain/(loss) on derecognition of financial asstes measured at amortised cost		(1,372)	(111)	(1,372)	(111)
Net gains/(losses) on investment properties		146	474	146	474
Net gains/(losses) on non-current assets held for sale		302	(38)	302	(38)
Other operating income	8	11,851	12,753	13,008	14,530
Net Operating income		<u>112,276</u>	<u>95,879</u>	<u>96,910</u>	<u>93,167</u>
Personnel expenses	10	(40,191)	(38,797)	(36,191)	(34,954)
Administrative and other operating expenses	11	(34,281)	(25,770)	(24,399)	(25,150)
Depreciation and amortization		(11,006)	(10,130)	(10,368)	(9,562)
Operational result before impairment		<u>26,798</u>	<u>21,182</u>	<u>25,952</u>	<u>23,501</u>
Net charge with impairment of financial assets	9	(13,995)	(12,123)	(13,893)	(11,254)
Operational profit		<u>12,803</u>	<u>9,059</u>	<u>12,059</u>	<u>12,247</u>
Profit before tax		<u>12,803</u>	<u>9,059</u>	<u>12,059</u>	<u>12,247</u>
Income tax charge for the year		(1,613)	(2,705)	(841)	(2,133)
Net profit for the period		<u>11,190</u>	<u>6,354</u>	<u>11,218</u>	<u>10,114</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 30 JUNE 2023 (All amounts are in thousand RON)**

<i>Thousand RON</i>	Group		Bank	
	Unaudited(*) 30 June 2023	Unaudited(*) 30 June 2022	Unaudited(*) 30 June 2023	Unaudited(*) 30 June 2022
Net profit for the period	11,190	6,354	11,218	10,114
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	(3,849)	-	(3,849)	-
Gain/(loss) from fair value measurement of debt instruments measured at FVOCI	23,146	(54,562)	23,146	(54,563)
Variation of expected credit loss related to debt instruments measured at FVOCI	65	(81)	65	(81)
Income tax recorded directly in other comprehensive income	(3,098)	8,501	(3,098)	8,533
Items that may not be reclassified to profit or loss:				
Gain on equity investments measured at FVOCI	956	1,313	956	1,313
Income tax recorded directly in other comprehensive income, related to investments measured at FVOCI	(153)	-	(153)	-
Other elements of the comprehensive income, net of tax	17,067	(44,829)	17,067	(44,798)
Comprehensive income	<u>28,257</u>	<u>(38,475)</u>	<u>28,285</u>	<u>(34,684)</u>
Profit attributable to:				
-Equity holders of the parent entity	11,190	6,354	11,218	10,114
-Non-controlling interests	-	-	-	-
Profit for the period	<u>11,190</u>	<u>6,354</u>	<u>11,218</u>	<u>10,114</u>
Comprehensive income attributable to:				
-Equity holders of the parent entity	28,257	(38,475)	28,285	(34,684)
-Non-controlling interests	-	-	-	-
Comprehensive income	<u>28,257</u>	<u>(38,475)</u>	<u>28,285</u>	<u>(34,684)</u>
Earnings per share (basic and diluted)	<u>0.0034</u>	<u>0.0020</u>	<u>0.0034</u>	<u>0.0031</u>

The financial statements were approved by the Board of Directors on the 29th of August 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 30 JUNE 2023 (All amounts are in thousand RON)**

<i>Thousand RON</i>	<i>Note</i>	Group		Bank	
		Unaudited(*)	Unaudited(*)	Unaudited(*)	Unaudited(*)
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
Assets					
Cash and cash equivalents	12	368,399	599,137	358,853	596,803
Financial assets at fair value through profit or loss	13	162,198	111,629	57,459	19,008
Financial asset measured at fair value through other items of comprehensive income	14	632,571	545,720	632,571	545,720
Due from banks	15	18,729	17,693	18,729	17,693
Loans and advances to customers	16	2,470,816	2,367,714	2,286,474	2,216,935
Investments in debt instruments at amortized cost	17	424,184	440,636	424,184	440,636
Investment property	18	92,544	94,766	92,544	94,766
Non-current assets held for sale		2,846	2,150	2,681	2,150
Investment in subsidiaries	19	-	-	40,296	36,296
Other financial assets	20	14,778	21,684	18,815	21,930
Other assets	21	14,978	11,267	14,550	11,595
Deferred tax assets		9,509	14,738	9,744	13,835
Intangible assets	22	51,574	49,595	49,381	47,998
Property and equipment	23	88,355	93,499	86,580	91,847
Total assets		<u>4,351,481</u>	<u>4,370,228</u>	<u>4,092,861</u>	<u>4,157,212</u>
Liabilities					
Due to banks	24	187,911	74,966	187,911	74,966
Customer deposits	25	3,200,692	3,441,591	3,217,447	3,447,728
Loans from banks and other financial institutions	26	238,512	217,870	98,520	97,914
Other financial liabilities	27	188,911	172,457	65,837	69,979
Provisions	28	8,910	9,754	8,221	8,893
Other liabilities	29	8,491	4,101	7,391	3,860
Subordinated liabilities	30	94,434	54,558	69,321	44,311
Debt securities in issue	31	64,868	64,501	64,868	64,501
Total liabilities		<u>3,992,729</u>	<u>4,039,798</u>	<u>3,719,516</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)		57,741	44,698	73,424	60,418
Revaluation reserve	35	7,664	(7,615)	5,955	(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>358,752</u>	<u>330,430</u>	<u>373,345</u>	<u>345,060</u>
Total liabilities and equity		<u>4,351,481</u>	<u>4,370,228</u>	<u>4,092,861</u>	<u>4,157,212</u>

The financial statements were approved by the Board of Directors on the 29th of August 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 CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 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	-	-	-	-	-	-	-	11,190	11,190	-	11,190
Profit for the period	-	-	-	-	-	-	-	11,190	11,190	-	11,190
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Expected net credit loss related to FVOCI debt instruments	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from the measurement at fair value of debt instruments FVOCI	-	-	-	16,210	-	-	-	-	16,210	-	16,210
Net gain from the fair value measurement of FVOCI equity instruments	-	-	-	803	-	-	-	-	803	-	803
Total other comprehensive income	-	-	-	17,068	-	-	-	-	17,068	-	17,068
Total comprehensive income	-	-	-	17,068	-	-	-	11,190	28,258	-	28,258
Revaluation reserve realized	-	-	-	-	(1,789)	-	-	1,789	-	-	-
Other adjustments	-	-	-	-	-	-	-	64	64	-	64
Balance at 30 June 2023	332,181	(67,569)	(1,140)	(21,276)	28,940	15,197	14,678	57,741	358,752	-	358,752

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 CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 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.

**INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 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	-	-	-	-	-	-	-	11,218	11,218
Profit for the period	-	-	-	-	-	-	-	11,218	11,218
Other comprehensive income									
Expected net credit loss related to FVOCI debt instruments	-	-	-	55	-	-	-	-	55
Gains/(losses) from the measurement at fair value of debt instruments FVOCI	-	-	-	16,210	-	-	-	-	16,210
Net gain from the fair value measurement of FVOCI equity instruments	-	-	-	803	-	-	-	-	803
Total other comprehensive income	-	-	-	17,068	-	-	-	-	17,068
Total comprehensive income	-	-	-	17,067	-	-	-	11,218	28,285
Revaluation reserve realized	-	-	-	-	(1,788)	-	-	1,788	-
Balance at 30 June 2023	332,181	(67,569)	(5)	(21,276)	27,231	14,681	14,678	73,424	373,345

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 CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 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.

INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023 (All amounts are in thousand RON)

<i>Thousand RON</i>	Group		Bank	
	Unaudited(*) 30 June 2023	Unaudited(*) 30 June 2022	Unaudited(*) 30 June 2023	Unaudited(*) 30 June 2022
Cash flows from operating activities				
Interest received	148,630	92,031	121,119	87,445
Interest paid	(65,706)	(30,852)	(57,981)	(26,455)
Fees and commissions received	20,065	17,346	19,284	16,546
Fees and commissions paid	(4,194)	(3,499)	(2,783)	(2,215)
Gain / (Loss) from financial derivatives	(5,731)	1,516	(5,731)	1,516
Net gain from financial instruments and other operating income	15,480	1,837	13,717	9,019
Recoveries from off balance sheet items	3,314	2,814	3,240	2,803
Cash payments to employees	(40,203)	(36,579)	(36,074)	(32,878)
Cash payments to suppliers	(45,930)	(25,875)	(35,400)	(25,263)
Income taxes paid	(2,167)	(736)	(481)	(141)
Net cash-flow from operating activities before changes in operating assets and liabilities	<u>23,558</u>	<u>18,003</u>	<u>18,910</u>	<u>30,377</u>
Changes of operating assets				
<i>(Increase)/Decrease of:</i>				
- loans and advances to banks	(1,359)	(3,668)	(1,358)	(3,669)
- financial assets at fair value through profit or loss	(49,331)	(14,268)	(37,213)	(61)
- loans and advances to customers	(101,182)	(246,543)	(58,855)	(226,193)
- other financial assets	(12,614)	38,061	(17,702)	32,717
Total changes of operating assets	<u>(164,486)</u>	<u>(226,418)</u>	<u>(115,128)</u>	<u>(197,206)</u>
Changes of operating liabilities				
<i>Increase/(Decrease) of:</i>				
- due to banks	110,101	244,121	110,101	244,121
- deposits from customers	(268,969)	(143,660)	(258,351)	(148,475)
- other financial liabilities	20,515	5,983	(2,390)	(6,119)
Total changes of operating liabilities	<u>(138,353)</u>	<u>106,444</u>	<u>(150,640)</u>	<u>89,527</u>
Net cash flow used in operating activities	<u>(279,281)</u>	<u>(101,971)</u>	<u>(246,858)</u>	<u>(77,302)</u>
Cash flows from investing activities				
Acquisition of investment securities at FVOCI	(249,663)	(110,921)	(249,663)	(110,921)
Maturities and proceeds from investment securities at FVOCI	211,277	27,154	211,278	27,153
Acquisition of equity instruments	-	-	(4,000)	(2,000)
Maturities of investments at amortized cost	18,004	(17,620)	18,005	(17,620)
Proceeds from dividend	4,690	2,506	1,891	2,506
Sale of investment property and non-current assets held for sale and premises	1,969	12,807	2,134	12,807
Acquisition of tangible and intangible assets	3,019	(4,476)	5,181	(4,327)
Net cash used in investing activities	<u>(10,704)</u>	<u>(90,550)</u>	<u>(15,174)</u>	<u>(92,402)</u>
Cash flows from financing activities				
Withdrawals from loans from other financial institutions	27,770	28,428	(1,268)	-
Repayments of loans from other financial institutions	(8,874)	(9,577)	-	-
Subordinated liabilities	38,849	(14,943)	23,848	(14,844)
Issuance of debt securities	(836)	-	(836)	-
Issue of share capital	-	16,348	-	16,348
Net cash generated from financing activities	<u>56,909</u>	<u>20,256</u>	<u>21,744</u>	<u>1,504</u>
Effect of exchange rate changes on cash and cash equivalents	<u>2,338</u>	<u>410</u>	<u>2,338</u>	<u>412</u>
Net (decrease)/increase in cash and cash equivalents	(230,738)	(171,855)	(237,950)	(167,788)
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>368,399</u>	<u>331,119</u>	<u>358,853</u>	<u>329,528</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 30 JUNE 2023 (All amounts are in Thousand RON)

1. REPORTING ENTITY

As at 30 June 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 30 June 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.

NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 30 JUNE 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 30 JUNE 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 30 June 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 2022 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 30 June 2023 and the comparative financial statements of the Patria Bank SA and all its subsidiaries for the period ended 30 June 2022 or 31 December 2022.

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 30 JUNE 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 30 JUNE 2023 (All amounts are in Thousand RON)

4. NET INTEREST INCOME

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Interest and similar income				
Loans and advances to customers (*)	131,034	94,643	112,735	80,615
Debt instruments at amortised cost	10,851	2,934	10,851	2,934
Financial assets at fair value through other comprehensive income	11,483	10,505	10,956	9,657
Due from banks	3,199	532	3,129	452
Interest income on lease receivables	-	5	-	-
Total interest and similar income using effective interest method	<u>156,567</u>	<u>108,619</u>	<u>137,671</u>	<u>93,658</u>
Interest and similar expense				
Customer deposits	67,692	26,393	67,741	26,399
Loans from banks and other financial institutions	11,944	5,829	4,984	1,620
Subordinated liabilities	2,638	692	2,096	320
Other interest expense	170	130	161	122
Subordinated bonds	2,268	2,285	2,268	2,285
Total interest and similar expense	<u>84,712</u>	<u>35,329</u>	<u>77,250</u>	<u>30,746</u>
Net interest income	<u>71,855</u>	<u>73,290</u>	<u>60,421</u>	<u>62,912</u>

(*) Interest income at Group level includes RON (590) thousand interest expenses recognized on impaired loans to customers (30 June 2022: RON 1,052 thousand interest income recognized on impaired loans to customers).

(*) Interest income at Bank level includes RON (429) thousand interest expenses recognized on impaired loans to customers (30 June 2022: RON 872 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 30 JUNE 2023 (All amounts are in Thousand RON)

5. NET FEE AND COMMISSION INCOME

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Fee and commission income				
Cards activity (VISA & MC)	5,151	4,153	5,152	4,153
Non-cash transactions	7,964	7,025	7,980	7,036
Non-deferrable commissions related to loans	1,314	911	1,314	856
Cash transactions	2,465	2,813	2,465	2,813
Income from other financial services	2,382	2,210	1,584	1,454
Interbank settlements	92	123	92	123
<i>Total fee and commission income from contracts with customers</i>	<u>19,368</u>	<u>17,235</u>	<u>18,587</u>	<u>16,435</u>
Issuing financial guarantees	697	111	697	111
Total fee and commission income	<u>20,065</u>	<u>17,346</u>	<u>19,284</u>	<u>16,546</u>
Fee and commission expense				
Cards activity (VISA & MC)	1,212	688	1,212	689
Interbank settlements	1,073	1,001	1,072	1,000
Expenses from other financial services	1,483	1,389	81	113
Other	426	421	418	413
Total fee and commission expense	<u>4,194</u>	<u>3,499</u>	<u>2,783</u>	<u>2,215</u>
Net fee and commission income	<u>15,871</u>	<u>13,847</u>	<u>16,501</u>	<u>14,331</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.

NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 30 JUNE 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	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Net gain/(loss) from financial assets at fair value through profit or loss	8,262	(6,230)	2,543	(824)
Net gain/(loss) from derivatives	1,512	1,894	1,512	1,893
Total	<u>9,774</u>	<u>(4,336)</u>	<u>4,055</u>	<u>1,069</u>

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

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Gains from disposals of investment securities at fair value through other comprehensive income	4,023	-	4,023	-
Losses from disposals of investment securities at fair value through other comprehensive income	(174)	-	(174)	-
Total	<u>3,849</u>	<u>-</u>	<u>3,849</u>	<u>-</u>

8. OTHER OPERATING INCOME

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Net gain/ (loss) from foreign exchange transactions	3,718	2,134	3,769	2,146
Dividend income	5,226	6,678	6,426	8,506
Other operating income	(100)	328	(194)	264
Gain / (Loss) from disposal of premises and equipment sales	(65)	88	(65)	88
Gain / (Loss) from disposal of intangible assets	-	(186)	-	(185)
Income from rental of real estate	3,072	3,711	3,072	3,711
Total	<u>11,851</u>	<u>12,753</u>	<u>13,008</u>	<u>14,530</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 30 JUNE 2023 (All amounts are in Thousand RON)

For the Bank, dividend income of RON 6,426 thousand (30 June 2022: RON 8,506 thousand) represents share of profits paid proportionally to the Bank, as follows:

- RON 4,000 thousand, dividends received from Patria Credit IFN (30 June 2022: RON 6,000 thousand);
- RON 2,404 thousand, dividends received from Transfond S.A. (30 June 2022: RON 2,020 thousand); included in consolidated amounts;
- RON 22 thousand, received from other investments (30 June 2022: RON 486 thousand); included in consolidated amounts;

9. NET CHARGE WITH IMPAIRMENT OF FINANCIAL ASSETS

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Charge with adjustments for impairment of cash and cash equivalents	(1)	(7)	(1)	(7)
Charge/(Release) with adjustments for impairment of loans and advances to customers	16,387	15,437	16,242	14,598
Loss from written off loans	255	64	254	21
Recoveries from loans previously written off	(3,178)	(2,887)	(3,174)	(2,877)
Charge/(Release) with the adjustments for impairment of financial asset measured at fair value through other items of comprehensive income	64	(83)	64	(83)
Charge/(Release) with the adjustments for impairment of debt instruments at amortised cost	12	8	12	8
Charge/(Release) with the adjustments for impairment of credit commitments and financial guarantees	(199)	(777)	(160)	(777)
Charge/(Release) with adjustments for impairment of other financial assets	655	368	656	371
Net charge with adjustments for impairment of financial assets	<u>13,995</u>	<u>12,123</u>	<u>13,893</u>	<u>11,254</u>

10. PERSONNEL EXPENSES

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Wages and salaries	38,485	35,194	34,708	31,697
Social security contributions	1,422	1,171	1,070	968
Net expense/(income) with provisions related to wage costs	(12)	2,218	117	2,076
Other personnel expense	296	214	296	213
Total	<u>40,191</u>	<u>38,797</u>	<u>36,191</u>	<u>34,954</u>

The average number of employees of the Group as at 30 June 2023 is 647 employees (30 June 2022: 661 employees).

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 30 JUNE 2023 (All amounts are in Thousand RON)

11. ADMINISTRATIVE AND OTHER OPERATING EXPENSES

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Third parties services	20,724	19,380	19,546	18,376
Rent	178	176	114	152
Materials and small inventories	978	971	796	797
Annual contribution to Guarantee Fund	1,650	3,156	1,650	3,156
Other taxes	1,609	1,756	1,318	1,500
Advertising and publicity	595	728	385	595
Net charge/(release) of litigation provisions	(643)	(2,911)	(633)	(2,919)
Other operating expenses	1,272	3,502	1,223	3,493
The expense related to the financial debt for the fund unit holders	7,918	(988)	-	-
Total	<u>34,281</u>	<u>25,770</u>	<u>24,399</u>	<u>25,150</u>

12. CASH AND CASH EQUIVALENTS

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Cash on hand	21,997	18,309	21,997	18,309
Cash in ATMs	44,454	54,867	44,454	54,867
Mandatory minimum reserve	258,032	244,385	258,032	244,385
Correspondent accounts and sight deposits with other banks	34,791	279,944	34,370	279,242
Placements with other banks with original maturities of less than three months	9,125	1,632	-	-
Total	<u>368,399</u>	<u>599,137</u>	<u>358,853</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 30 JUNE 2023 (All amounts are in Thousand RON)

As of 30 June 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 30 June 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	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Equity instruments(i)	21,605	19,008	21,605	19,008
Debt instruments (ii)	140,593	92,621	35,854	-
Total	<u>162,198</u>	<u>111,629</u>	<u>57,459</u>	<u>19,008</u>

(i) In this category the Group included shares held at Visa Inc. in amount of RON 4,910 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.

NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 30 JUNE 2023 (All amounts are in Thousand RON)

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

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Debt securities at fair value through other items of comprehensive income				
- <i>Treasury bills issued by the Ministry of Public (i)</i>	549,303	498,817	549,303	498,817
- <i>Debt securities issued by MAS SECURITIES BV</i>	28,679	27,563	28,679	27,563
- <i>Debt securities issued by AGRICOVER HOLDING S.A.</i>	7,760	7,682	7,760	7,682
- <i>Debt securities issued by Bucharest City Hall</i>	18,717	-	18,717	-
- <i>Debt securities issued by CEC Bank S.A.</i>	15,498	-	15,498	-
Equity investments at fair value through other comprehensive income				
- <i>Equity investments</i>	12,614	11,658	12,614	11,658
Total	<u>632,571</u>	<u>545,720</u>	<u>632,571</u>	<u>545,720</u>

- i) Treasury bills are issued by the Ministry of Public Finance of Romania and includes listed discounted treasury bills and bonds denominated in RON, EUR and USD. As of 30 July 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.

NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 30 JUNE 2023 (All amounts are in Thousand RON)

The Group held the following equity investments FVOCI:

<i>Thousand RON</i>	Nature of business	Group				Bank			
		30 June 2023		31 December 2022		30 June 2023		31 December 2022	
		Carring amount	Effective Holding (%)	Carring amount	Effective Holding (%)	Carring amount	Effective Holding (%)	Carring amount	Effective Holding (%)
Transfond SA	Clearing House	10,085	5.69	8,996	5.69	10,085	5.69	8,996	5.69
Globinvest	Investments fund administrator	2,005	19.99	2,179	19.99	2,005	19.99	2,179	19.99
Biroul de credit S.A.	Collection and processing of customer data	71	0.32	64	0.32	71	0.32	64	0.32
SWIFT	Payment activities	453	0.01	419	0.01	453	0.01	419	0.01
Total equity investments		<u>12,614</u>		<u>11,658</u>		<u>12,614</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 30 JUNE 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	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Collateral deposit Banca Transilvania S.A.	458	463	458	463
Collateral deposit U.S. Bank N.A.	5,682	5,734	5,682	5,734
Collateral deposit CITIBANK EUROPE PLC	11,643	10,549	11,643	10,549
Mastercard	946	947	946	947
Total	<u>18,729</u>	<u>17,693</u>	<u>18,729</u>	<u>17,693</u>

16. LOANS AND ADVANCES TO CUSTOMERS

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Gross carrying amount of loans and advances to customers	2,606,269	2,514,347	2,412,008	2,353,863
Credit loss allowance	(135,453)	(146,633)	(125,534)	(136,928)
Total net loans and advances to customers	<u>2,470,816</u>	<u>2,367,714</u>	<u>2,286,474</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	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Consumer loans	169,702	168,509	169,702	168,187
Mortgage loans	377,870	385,082	377,870	385,082
Loans to entrepreneurs	329,415	286,215	163,366	148,220
SME loans	1,707,785	1,653,237	1,679,573	1,631,070
State and municipal organizations	21,497	21,304	21,497	21,304
Total gross loans and advances to customers	2,606,269	2,514,347	2,412,008	2,353,863
Less: Provision for loan impairment	(135,453)	(146,633)	(125,534)	(136,928)
Total net loans and advances to customers	<u>2,470,816</u>	<u>2,367,714</u>	<u>2,286,474</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 30 JUNE 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	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Loans to individuals	<u>547,572</u>	<u>553,591</u>	<u>547,572</u>	<u>553,269</u>
Loans to corporate customers:	<u>2,058,697</u>	<u>1,960,756</u>	<u>1,864,436</u>	<u>1,800,594</u>
Agriculture	536,516	492,999	369,072	355,143
Trade	344,776	354,432	332,524	343,769
Industry	356,968	282,993	353,975	280,835
Hotels and restaurants	73,189	72,838	69,967	69,922
Constructions	279,162	291,127	274,360	287,290
Transport	75,638	83,586	70,935	79,465
Professional Services	33,954	36,856	32,737	35,564
Services	47,912	51,907	45,729	50,236
Financial and real estate activities	265,810	244,941	270,791	249,645
Others	16,526	20,316	16,330	20,180
IT, research and development	8,598	9,474	8,368	9,258
Public Administration and				
Defence	19,648	19,287	19,648	19,287
Total loans and advances to customers before provisions	<u>2,606,269</u>	<u>2,514,347</u>	<u>2,412,008</u>	<u>2,353,863</u>
Less provision for impairment losses on loans	<u>(135,453)</u>	<u>(146,633)</u>	<u>(125,534)</u>	<u>(136,928)</u>
Total	<u>2,470,816</u>	<u>2,367,714</u>	<u>2,286,474</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 30 JUNE 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>	30 June 2023							
	Stage 1		Stage 2		Stage 3		POCI	Total
	Individual	Collective	Individual	Collective	Individual	Collective		
Performing loans	63,806	2,094,913	39,067	231,499	-	-	14,553	2,443,838
Non-performing loans	-	-	-	-	86,216	60,574	15,641	162,431
Total gross exposure	<u>63,806</u>	<u>2,094,913</u>	<u>39,067</u>	<u>231,499</u>	<u>86,216</u>	<u>60,574</u>	<u>30,194</u>	<u>2,606,269</u>
Less: Provision for loan impairment	(1,548)	(27,040)	(2,869)	(16,552)	(49,324)	(25,885)	(12,235)	(135,453)
Net Exposure	<u>62,258</u>	<u>2,067,873</u>	<u>36,198</u>	<u>214,947</u>	<u>36,892</u>	<u>34,689</u>	<u>17,959</u>	<u>2,470,816</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>

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 30 JUNE 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>	30 June 2023							
	Stage 1		Stage 2		Stage 3		POCI	Total
	Individual	Collective	Individual	Collective	Individual	Collective		
Performing loans	69,459	1,918,702	39,067	217,227	-	-	14,553	2,259,008
Non-performing loans	-	-	-	-	86,216	51,143	15,641	153,000
Total gross exposure	<u>69,459</u>	<u>1,918,702</u>	<u>39,067</u>	<u>217,227</u>	<u>86,216</u>	<u>51,143</u>	<u>30,194</u>	<u>2,412,008</u>
Less: Provision for loan impairment	(1,547)	(24,258)	(2,869)	(14,673)	(49,324)	(20,628)	(12,235)	(125,534)
Net Exposure	<u>67,912</u>	<u>1,894,444</u>	<u>36,198</u>	<u>202,554</u>	<u>36,892</u>	<u>30,515</u>	<u>17,959</u>	<u>2,286,474</u>

<i>Thousand RON</i>	31 December 2022							
	Stage 1		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 30
JUNE 2023 (All amounts are in Thousand RON)

Information about Group's collaterals is as follows:

<i>Thousand RON</i>	30 June 2023					Total
	SME loans	Consumer loans	Entrepreneurs loans	Mortgage loans	State and municipal organizations	
Unsecured loans(*)	262,398	149,594	81,890	1,878	-	495,760
Loans guaranteed by third parties, including credit insurance	372,498	249	183,986	5,507	-	562,240
Loans collateralized by:	<u>1,072,889</u>	<u>19,859</u>	<u>63,539</u>	<u>370,485</u>	<u>21,497</u>	<u>1,548,269</u>
- residential real estate	128,373	17,161	7,127	364,020	-	516,681
- other real estate	744,938	1,998	26,435	6,364	-	779,735
- cash collateral	9,852	700	296	101	-	10,949
- other assets	189,726	-	29,681	-	21,497	240,904
Total loans and advances to customers	<u>1,707,785</u>	<u>169,702</u>	<u>329,415</u>	<u>377,870</u>	<u>21,497</u>	<u>2,606,269</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.

(*) Unaudited / unrevised by the financial auditor.

NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 30
JUNE 2023 (All amounts are in Thousand RON)

Information about Bank's collaterals is as follows:

<i>Thousand RON</i>	30 June 2023					Total
	SME loans	Consumer loans	Entrepreneurs loans	Mortgage loans	State and municipal organizations	
Unsecured loans(*)	260,238	149,594	27,923	1,878	-	439,633
Loans guaranteed by third parties, including credit insurance	352,993	249	79,540	5,507	-	438,289
Loans collateralized by:	<u>1,066,342</u>	<u>19,859</u>	<u>55,903</u>	<u>370,485</u>	<u>21,497</u>	<u>1,534,086</u>
- residential real estate	124,603	17,161	4,499	364,020	-	510,283
- other real estate	743,229	1,998	25,014	6,364	-	776,605
- cash collateral	9,852	700	296	101	-	10,949
- other assets	188,658	-	26,094	-	21,497	236,249
Total loans and advances to customers	<u>1,679,573</u>	<u>169,702</u>	<u>163,366</u>	<u>377,870</u>	<u>21,497</u>	<u>2,412,008</u>

<i>Thousand RON</i>	31 December 2022					Total
	SME loans	Consumer loans	Entrepreneurs loans	Mortgage loans	State and municipal organizations	
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.

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NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 30 JUNE 2023 (All amounts are in Thousand RON)

17. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Treasury bills issued by the Ministry of Public Finance of Romania	373,881	390,450	373,881	390,450
Bonds issued by Alpha Bank	24,974	24,851	24,974	24,851
Bonds issued by LIBRA INTERNET BANK S.A.	15,287	14,927	15,287	14,927
Bonds issued by Bucharest City Hall	10,042	10,408	10,042	10,408
Total	<u>424,184</u>	<u>440,636</u>	<u>424,184</u>	<u>440,636</u>

18. INVESTMENT PROPERTY

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Balance at 1 January	94,766	118,871	94,766	118,871
(Sales)	(2,457)	(33,140)	(2,457)	(33,140)
Net gain / (loss) from revaluation of investment property	146	8,873	146	8,873
Value increases	89	162	89	162
Balance at the end of the period	<u>92,544</u>	<u>94,766</u>	<u>92,544</u>	<u>94,766</u>

19. INVESTMENTS IN SUBSIDIARIES

The structure of investments in subsidiaries is as follows:

<i>Thousand RON</i>	30 June 2023			31 December 2022		
	Gross value	Impairment adjustments	Net value	Gross value	Impairment adjustments	Net value
Patria Credit IFN	38,522	-	38,522	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>47,103</u>	<u>(6,807)</u>	<u>40,296</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.

(*) Unaudited / unrevised by the financial auditor.

NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 30 JUNE 2023 (All amounts are in Thousand RON)

20. OTHER FINANCIAL ASSETS

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Amounts to be recovered from banks and clients	5,729	5,367	5,729	5,367
Other financial assets	8,751	15,698	8,642	15,587
Derivative financial instruments	-	-	-	-
Other debtors	8,574	9,340	12,031	8,966
Subleasing IFRS 16	-	-	687	728
(-) Provisions for impairment losses	(8,276)	(8,721)	(8,274)	(8,718)
Total	<u>14,778</u>	<u>21,684</u>	<u>18,815</u>	<u>21,930</u>

21. OTHER ASSETS

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Sundry debtors	157	124	136	105
Other income to be received	-	-	-	-
Prepayments	7,329	4,902	7,258	4,802
Income tax to recover	6,047	4,620	5,712	5,232
Other assets	1,445	1,621	1,444	1,456
Total	<u>14,978</u>	<u>11,267</u>	<u>14,550</u>	<u>11,595</u>

22. INTANGIBLE ASSETS

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Goodwill	20,103	20,103	20,103	20,103
Other intangible assets	31,471	29,492	29,278	27,895
Total	<u>51,574</u>	<u>49,595</u>	<u>49,381</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 30 JUNE 2023 (All amounts are in Thousand RON)

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

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Balance at 1 January	101,377	91,964	94,659	86,354
Acquisitions	9,639	16,628	8,849	15,509
-transfers from intangible assets in progress	4,054	6,931	4,054	6,920
Release of intangible assets in progress	(4,054)	(6,931)	(4,054)	(6,920)
Disposals	(1)	(284)	-	(284)
Balance at the end of the period	106,961	101,377	99,454	94,659
<i>Cumulative amortisation</i>				
Balance at 1 January	51,782	44,959	46,661	40,215
Amortisation and impairment expense	3,434	5,328	3,412	5,294
Expense with acquisition clients list and brand	172	1,593	-	1,250
Disposals	(1)	(98)	-	(98)
Balance at the end of the period	55,387	51,782	50,073	46,661
<i>Net carrying amount</i>				
Balance at 1 January	<u>49,595</u>	<u>47,005</u>	<u>47,998</u>	<u>46,139</u>
Balance at the end of the period	<u>51,574</u>	<u>49,595</u>	<u>49,381</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 30 JUNE 2023 (All amounts are in Thousand RON)

23. PREMISES AND EQUIPMENT

<i>Thousand RON</i>	Group 30 June 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	192	123	-	483	798
Outflows, transfer from assets under construction, write-offs	-	(6)	-	(321)	(327)
Right of use - new contracts	1,317	-	-	-	1,317
Right of use (early termination of lease contracts)	(1,225)	-	(238)	-	(1,463)
Balance at the end of the period	<u>115,079</u>	<u>63,483</u>	<u>6,274</u>	<u>613</u>	<u>185,449</u>
Cumulative depreciation					
Balance at 1 January	35,349	50,832	5,444	-	91,625
Amortization expense	4,786	1,718	335	-	6,839
Impairment expense	-	238	-	-	238
Outflows	(1,232)	(376)	-	-	(1,608)
Balance at the end of the period	<u>38,903</u>	<u>52,412</u>	<u>5,779</u>	<u>-</u>	<u>97,094</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>76,176</u>	<u>11,071</u>	<u>495</u>	<u>613</u>	<u>88,355</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>

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 30 JUNE 2023 (All amounts are in Thousand RON)

<i>Thousand RON</i>	Bank 30 June 2023				Total
	Land and buildings	Furniture and equipment	Means of transport	Assets in the course of construction	
Cost					
Balance at 1 January	111,817	62,364	5,803	451	180,435
Acquisitions and transfers from assets under construction	152	78	-	392	622
Outflows, transfer from assets under construction, writte-offs	-	-	-	(230)	(230)
Right of use - new contracts	1,297	-	-	-	1,297
Right of use (early termination of lease contracts)	-	-	-	-	-
Balance at the end of the period	<u>113,266</u>	<u>62,442</u>	<u>5,803</u>	<u>613</u>	<u>182,124</u>
Cumulative depreciation					
Balance at 1 January	33,524	50,097	4,967	-	88,588
Amortization expense	4,748	1,635	335	-	6,718
Impairment expense	-	238	-	-	238
Outflows	-	-	-	-	-
Balance at the end of the period	<u>38,272</u>	<u>51,970</u>	<u>5,302</u>	<u>-</u>	<u>95,544</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>74,994</u>	<u>10,472</u>	<u>501</u>	<u>613</u>	<u>86,580</u>

<i>Thousand RON</i>	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	104,067	79,668	5,803	873	190,411
Acquisitions and transfers from assets under construction	2,452	1,120	-	1,714	5,286
Transfer from IFRS 5	-	(12,275)	-	(2,136)	(14,411)
Outflows, transfer from assets under construction, writte-offs	5,680	713	-	-	6,393
Right of use - new contracts	(382)	(6,862)	-	-	(7,244)
Balance at 31 December	<u>111,817</u>	<u>62,364</u>	<u>5,803</u>	<u>451</u>	<u>180,435</u>
Cumulative depreciation					
Balance at 1 January	29,157	66,305	3,914	-	99,376
Amortization expense	8,614	3,033	1,053	-	12,700
Impairment expense	-	(168)	-	-	(168)
Outflows	(4,247)	(19,073)	-	-	(23,320)
Balance at 31 December	<u>33,524</u>	<u>50,097</u>	<u>4,967</u>	<u>-</u>	<u>88,588</u>
Net carrying amount					
Balance at 1 January	<u>74,910</u>	<u>13,363</u>	<u>1,889</u>	<u>873</u>	<u>91,035</u>
Balance at 31 December	<u>78,293</u>	<u>12,267</u>	<u>836</u>	<u>451</u>	<u>91,847</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 30 JUNE 2023 (All amounts are in Thousand RON)

24. DUE TO OTHER BANKS

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Sight deposits	49,639	64,483	49,639	64,483
Term deposits	124,135	-	124,135	-
Collateral deposits	496	495	496	495
Transitory amounts	13,641	9,988	13,641	9,988
Total	<u>187,911</u>	<u>74,966</u>	<u>187,911</u>	<u>74,966</u>

25. CUSTOMER DEPOSITS

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Retail customers				
Current accounts	272,489	304,817	272,489	304,817
Term deposits	1,743,794	1,718,364	1,743,794	1,718,364
Collateral deposits	3,040	3,698	3,040	3,698
Corporate customers				
Current accounts	274,566	352,177	288,322	353,490
Sight deposits	50,853	64,794	50,853	64,794
Term deposits	824,593	952,098	827,592	956,921
Collateral deposits	29,527	41,939	29,527	41,939
Amounts in transit	1,830	3,704	1,830	3,705
Total	<u>3,200,692</u>	<u>3,441,591</u>	<u>3,217,447</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.

NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 30 JUNE 2023 (All amounts are in Thousand RON)

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

<i>Thousands RON</i>	Bank			
	30 June 2023		31 December 2022	
	Amount	Percentage of total deposits(%)	Amount	Percentage of total deposits(%)
Retail customers	<u>2,019,323</u>	<u>62.76</u>	<u>2,026,879</u>	<u>58.79</u>
Corporate customers	<u>1,067,926</u>	<u>33.19</u>	<u>1,290,487</u>	<u>37.43</u>
Financial and real estate activities	390,757	12.14	485,086	14.07
Industry	113,692	3.53	88,366	2.56
Others	124,515	3.87	127,664	3.70
Constructions	78,692	2.45	106,047	3.08
IT, research and development	7,094	0.22	104,223	3.02
Trade	104,412	3.25	120,022	3.48
Transport	31,443	0.98	52,325	1.52
Professional Services	42,234	1.31	34,607	1.00
Services	83,576	2.60	72,937	2.12
Agriculture	73,447	2.28	83,273	2.42
Hotels and restaurants	18,064	0.56	15,937	0.46
Public Administration and Defense	<u>130,198</u>	<u>4.05</u>	<u>130,362</u>	<u>3.78</u>
Total	<u>3,217,447</u>	<u>100.00</u>	<u>3,447,728</u>	<u>100.00</u>

26. LOANS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Financing name				
EFSE - European Fund for Southeast Europe (i)	24,830	27,219	-	-
First Bank S.A.(ii)	23,559	14,548	-	-
Raiffeisen Bank S.A. (iii)	11,458	13,070	-	-
Symbiotics Sicav (Lux.) (iv)	30,758	28,678	-	-
Casa de Economii si Consemnatiuni (v)	29,657	29,576	-	-
Garanti Bank International N.V. (vi)	14,790	1,992	-	-
Credit Europe Bank S.A. (vii)	-	4,873	-	-
International Finance Corporation(IFC) (viii)	98,520	97,914	98,520	97,914
Redi Economic Development S.A. (ix)	4,940	-	-	-
Total	<u>238,512</u>	<u>217,870</u>	<u>98,520</u>	<u>97,914</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 30 JUNE 2023 (All amounts are in Thousand RON)

(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 June 2023, the Group repaid an instalment 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 June 2023, the Group repaid an instalment 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 30 June 2023 is RON 24,830 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 30 June 2023 is RON 23,559 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.

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 30 JUNE 2023 (All amounts are in Thousand RON)

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

The total outstanding loan from Raiffeisen Bank at 30 June 2023 is RON 11,458 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 the first semester of 2023, the group returned the sum of RON 9,000 thousand.

The total outstanding loan from Symbiotics at 30 June 2023 is RON 30,758 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 30 June 2023 is RON 29,657 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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NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 30 JUNE 2023 (All amounts are in Thousand RON)

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 30 June 2023 is RON 14,790 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 30 June 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 30 June 2023 is RON 98,520 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 total outstanding loan from Redi Economic Development S.A at 30 June 2023 is RON 4,940 thousand.

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

As at 30 June 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 30 JUNE 2023 (All amounts are in Thousand RON)

27. OTHER FINANCIAL LIABILITIES

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Financial liabilities to owners of fund units	117,801	98,201	-	-
Derivative financial instruments	67	7,310	67	7,310
Other financial liabilities	42,579	35,256	38,128	31,702
Lease liabilities IFRS 16	28,464	31,690	27,642	30,967
Total	<u>188,911</u>	<u>172,457</u>	<u>65,837</u>	<u>69,979</u>

28. PROVISIONS

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Provisions for loan commitments and financial guarantees	1,234	1,392	1,234	1,392
Provisions for personnel expenses	5,077	5,126	4,522	4,404
Provisions for litigations	2,472	3,113	2,465	3,097
Other provisions	127	123	-	-
Total	<u>8,910</u>	<u>9,754</u>	<u>8,221</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		Bank	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Other liabilities	4,020	189	3,372	114
State budget debts	4,101	3,550	3,650	3,384
Other income to be received	370	362	369	362
Total	<u>8,491</u>	<u>4,101</u>	<u>7,391</u>	<u>3,860</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 30 JUNE 2023 (All amounts are in Thousand RON)

30. SUBORDINATED DEBTS

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Balance at 1 January	54,558	34,896	44,311	24,797
New subordinated liabilities	40,317	34,632	24,817	34,632
Repayments & FX differences	(441)	(14,970)	193	(15,118)
Balance at the end of the period	<u>94,434</u>	<u>54,558</u>	<u>69,321</u>	<u>44,311</u>

The Group has the following outstanding subordinated loans as 30 June 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;
- EUR 5,000 thousand representing subordinated loan granted by the European Investment Fund (EIF) Luxemburg, part of the European Investment Bank Group with maturity of 10 years (26.05.2033). The loan contract was signed on 27.04.2023 and the disbursement date was 26.05.2023. According to NBR approval letter No. VI/3/10260/22.06.2023 this loan is included in Tier 2 capital.
- RON 10,000 thousand subordinated loan granted to Patria Credit IFN by EIF in 2019 No changes during 2023;
- RON 15,000 thousand subordinated loan granted to Patria Credit IFN by EIF in June 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).

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NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 30 JUNE 2023 (All amounts are in Thousand RON)

31. DEBT SECURITIES IN ISSUE

<i>Thousand RON</i>	Group		Bank	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Debt securities in issue	64,868	64,501	64,868	64,501
Total	<u>64,868</u>	<u>64,501</u>	<u>64,868</u>	<u>64,501</u>

As of 30 June 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	
	30 June 2023	31 December 2022	30 June 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	30 June 2023		31 December 2022	
	Number of shares Patria Bank	Percentage of ownership (%)	Number of shares Patria Bank	Percentage of ownership (%)
EAAF Financial Services B.V.	2,755,927,215	84.05	2,755,927,215	84.05
Individuals	458,908,738	14.00	457,356,702	13.95
Legal entities	63,978,423	1.95	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.

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NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 30 JUNE 2023 (All amounts are in Thousand RON)

33. EARNINGS PER SHARE

	30 June 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		
30 June 2023	No. of shares in movement	No. days
No. of shares 01.01.2023-30.06.2023	3,278,814,376	181
Average no. of shares	3,278,814,376	181
Result of the period at 30.06.2023	11,190,175	
Profit per share (RON/share)	0.0034	

30 June 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 27.01.2022-30.06.2022(Share capital increase)	3,278,814,376	155
Average no. of shares	3,255,330,515	181
Result of the period at 30.06.2022	6,353,677	
Profit per share (RON/share)	0.0020	

Bank		
30 June 2023	No. of shares in movement	No. days
No. of shares 01.01.2023-30.06.2023	3,278,814,376	181
Average no. of shares	3,278,814,376	181
Result of the period at 30.06.2023	11,218,325	
Profit per share (RON/share)	0.0034	

30 June 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 27.01.2022-30.06.2022(Share capital increase)	3,278,814,376	155
Average no. of shares	3,255,330,515	181
Result of the period at 30.06.2022	10,114,098	
Profit per share (RON/share)	0.0031	

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NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 30 JUNE 2023 (All amounts are in Thousand RON)

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	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Reserves from revaluation of financial assets at fair value through other items of comprehensive income	(21,277)	(38,343)	(21,277)	(38,343)
Revaluation reserve for premises	28,941	30,727	27,232	29,019
Statutory legal reserve	15,197	15,198	14,681	14,681
Other Reserves	14,678	14,678	14,678	14,678
Total	37,539	22,260	35,314	20,035

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.

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 30 JUNE 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	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Letters of guarantees	54,257	56,172	54,257	56,172
Commitments of granted credits	184,066	237,755	183,748	237,495
Total	<u>238,323</u>	<u>293,927</u>	<u>238,005</u>	<u>293,667</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 30 JUNE 2023 (All amounts are in Thousand RON)

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 30 June 2023, the provision for litigation, in which the Group is involved as defendant is in amount of RON 1,570 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 Carpatica 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 09.11.2023 (granted for the continuation of 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 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.

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 30 JUNE 2023 (All amounts are in Thousand RON)

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 30 June 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 30
JUNE 2023 (All amounts are in Thousand RON)

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

<i>Thousand RON</i>	30 June 2023				30 June 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	-	-	3	1,446	-	-	5	1,370
Interest and similar expense	(2)	-	(449)	(18)	-	-	(266)	(26)
Fee and commission income	-	-	-	29	-	-	-	7
Net charge with impairment of financial assets	-	-	-	(4,194)	-	-	-	(204)
Other operating and administrative expenses	-	-	(11)	-	-	-	(11)	-
Dividends income	-	2,426	-	-	-	2,506	-	-

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

<i>Thousand RON</i>	30 June 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	-	2,005	-	-	-	2,179	-	-
Loans and advances to customers	-	-	763	16,578	-	-	315	24,605
Other financial assets	-	-	-	-	-	-	-	-
Liabilities								
Deposits from customers	70	-	2,167	8,871	70	-	3,053	12,054
Subordinated liabilities	57	-	9,927	-	57	-	9,895	-
Provisions	-	-	1	2	-	-	1	85
Other financial liabilities	-	-	-	3	-	-	-	23
Commitments to customers	-	-	136	4,667	-	-	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 30
JUNE 2023 (All amounts are in Thousand RON)

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

<i>Thousand RON</i>	30 June 2023					30 June 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	-	-	3	313	1,446	-	-	5	57	1,370
Interest and similar expense	(2)	-	(449)	(360)	(18)	-	-	(266)	(50)	(26)
Fee and commission income	-	-	-	8	29	-	-	-	2	7
Net gain/(loss) from financial assets measured at fair value through profit or loss	-	-	-	434	-	-	-	-	(290)	-
Net charge with impairment of financial assets	-	-	-	-	(4,194)	-	-	-	-	(204)
Other operating and administrative expenses	-	-	(11)	(9)	-	-	-	(11)	-	-
Dividends income	-	2,426	-	4,000	-	-	2,506	-	6,000	-

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

<i>Thousand RON</i>	30 June 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	-	2,005	-	-	-	-	2,179	-	-	-
Financial assets at fair value through profit or loss	-	-	-	15,932	-	-	-	-	13,970	-
Loans and advances to customers	-	-	763	5,654	16,578	-	-	315	5,422	24,605
Investment in subsidiaries	-	-	-	40,296	-	-	-	-	36,296	-
Other financial assets	-	-	-	687	-	-	-	-	728	-
Liabilities										
Deposits from customers	70	-	2,167	17,170	8,871	70	-	3,053	6,579	12,054
Subordinated liabilities	57	-	9,927	-	-	57	-	9,895	-	-
Provisions	-	-	1	-	2	-	-	1	-	85
Commitments to customers	-	-	136	-	4,667	-	-	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 30 JUNE 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:

<i>Thousand RON</i>	Group 30 June 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	1,317	-	-	1,317	6,134	713	18	6,865
Contracts closed during the period	(1,225)	-	(238)	(1,463)	(382)	(6,862)	-	(7,244)
Balance at the end of the period	<u>43,585</u>	<u>8,636</u>	<u>5,129</u>	<u>57,350</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	3,572	701	469	4,742	6,965	622	1,117	8,704
Depreciation for contracts closed during the period	(1,231)	-	(371)	(1,602)	(269)	(6,862)	-	(7,131)
Balance at the end of the period	<u>24,267</u>	<u>2,120</u>	<u>4,285</u>	<u>30,671</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>19,318</u>	<u>6,516</u>	<u>844</u>	<u>26,678</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.

NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 30 JUNE 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 30 June 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	1,297	-	-	1,297	5,681	713	-	6,394
Contracts closed during the period	-	-	-	-	(382)	(6,862)	-	(7,244)
Balance at the end of the period	<u>42,171</u>	<u>8,415</u>	<u>4,658</u>	<u>55,244</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	3,545	678	469	4,692	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>23,927</u>	<u>1,920</u>	<u>4,178</u>	<u>30,025</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>18,244</u>	<u>6,495</u>	<u>480</u>	<u>25,218</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	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Not later than 1 year	9,141	10,151	8,320	9,428
Later than 1 year and not later than 5 years	19,322	21,420	19,322	21,420
More than 5 years	-	119	-	119
Total	<u>28,463</u>	<u>31,690</u>	<u>27,642</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.

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 30 JUNE 2023 (All amounts are in Thousand RON)

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

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	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Not later than 1 year	-	-	169	171
Later than 1 year and not later than 5 years	-	-	518	557
Total	-	-	<u>687</u>	<u>728</u>

39. SUBSEQUENT EVENTS

Not the case

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

(*) Unaudited / unrevised by the financial auditor.

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