



# **PATRIA BANK SA Quarterly Report**

**For the period ended at**

**September 30, 2023**

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

Report date: **30.09.2023**

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

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

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 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, licensed 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. 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 and others.

### *Patria Bank Group*

As at 30.09.2023 the Patria Bank Group includes:

- Patria Bank SA, a credit institution licensed to perform banking activities in Romania
- Patria Credit IFN SA, a non-banking financial institution licensed 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 licensed 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 30.09.2023, 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.

## Shareholder Structure

As at 30.09.2023 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 30.09.2023 the Bank was 84.0526% owned by EEF FINANCIAL SERVICES BV ("EEAF"), a limited liability company registered in accordance with Dutch law, registered 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, registered 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 shareholders owning at least 10% of its share capital at 30.09.2023 is as follows:

Shareholder	No. of shares	Percent (%)
EEAF FINANCIAL SERVICES BV, Amsterdam	2,755,927,215	84,0526
Other shareholders – individuals	458,804,533	13,9930
Other shareholders - legal entities	64,082,628	1,9544
<b>Total</b>	<b>3,278,814,376</b>	<b>100,00</b>

## 3. Key Figures

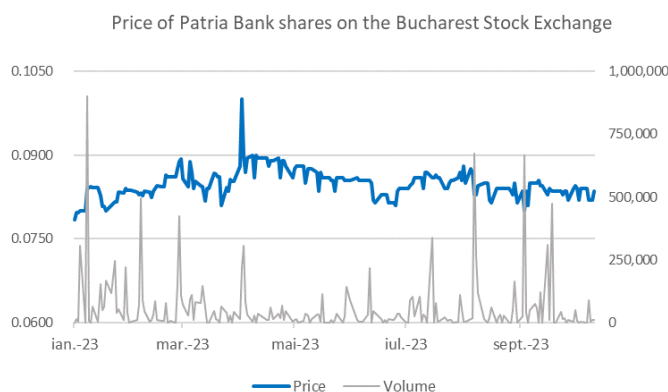
	Bank	9M up to 30.sept.23	9m up to 30.sept.22	Variation
<b>Financial results</b>	Net banking income (Ths. RON)	140,734	138,606	1.5%
	Operational expenses (Ths. RON)	(104,662)	(103,768)	0.9%
	Net cost of risk (Ths. RON)	(19,474)	(19,129)	1.8%
	Net result (Ths. RON)	15,045	14,868	1.2%
	Cost / income ratio	74.4%	74.9%	-0.5 p.p.
	ROE	5.5%	6.0%	-0.5 p.p.
<b>Loans and deposits</b>	Total net loans (Ths. RON)	2,235,898	2,185,407	2.3%
	Total deposits (Ths. RON)	3,277,799	3,447,728	-4.9%
	Loans (gross value) / deposits ratio	72.5%	68.3%	4.2 p.p.
<b>Capital adequacy</b>	Own Funds (Ths. RON)	435,399	405,644	7.3%
	Risk weighted assets (Ths. RON)	2,149,455	2,086,977	3.0%
	Total own funds ratio	20.26%	20.08%	0.18 p.p.
<b>Network</b>	Number of branches	45	45	-

#### 4. Shares and Bonds

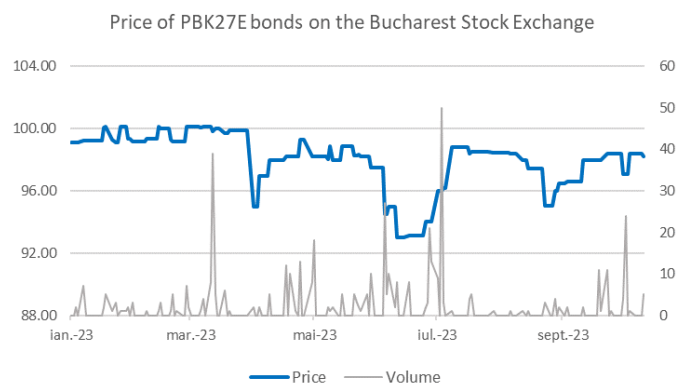
Patria Bank has three issues of financial instruments listed on the regulated market of the Bucharest Stock Exchange: the Bank's shares and two issues of subordinated bonds.

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 of PBK shares on 30.09.2023 was RON 0.0820/share, a 4.6% increase compared to the price at the end of 2022, of RON 0.0784/share. The price evolution of Patria Bank's shares was relatively stable during the first nine months of 2023.

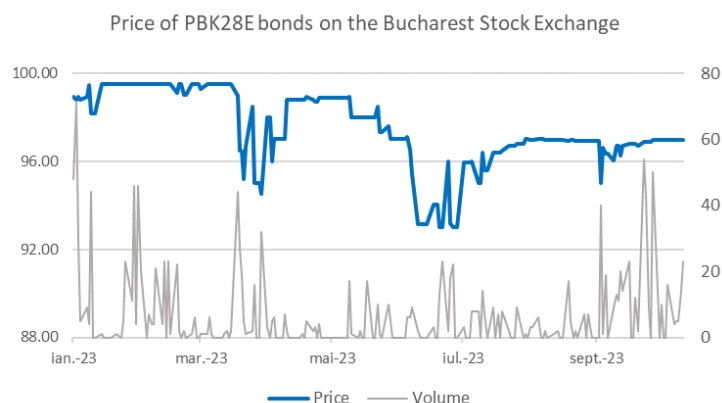


Patria Bank's subordinated bond issue issued in Euro on 20.09.2019, with a total value of EUR 5.0 million, a fixed interest rate of 6.50%/year and maturity on 20.09.2027, trades on the regulated market managed by the Bucharest Stock Exchange with the ticker symbol PBK27E. The ISIN code of the issue is ROZN0PQQARR5. The closing price of PBK27E bonds on 30.09.2023, as a percentage of the 500 Euro par value, was 98.40, 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 ticker symbol PBK28E. The ISIN code of the issue is

ROWRHZRZD4L3. The closing price of PBK28E bonds on 30.09.2023, as a percentage of the 500 Euro par value, was 96.99 compared to 98.80 at the end of 2022.

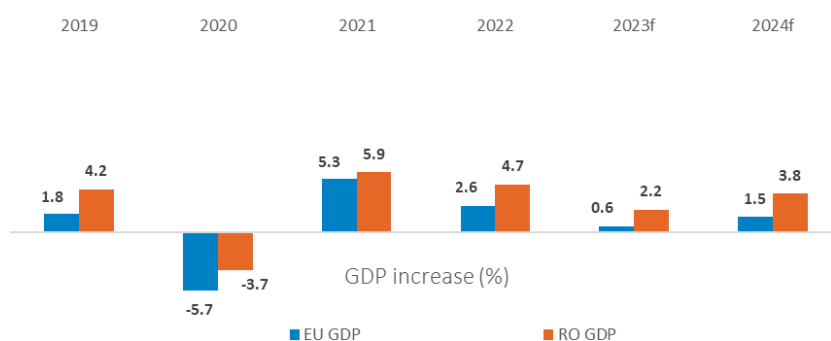


## 5. Macroeconomic and banking environment

**Economic growth.** The GDP level in Q2 2023 was 0.9% higher than in Q1 2023, an increase of 1.1% on gross series and by 2.7% on seasonally adjusted series compared to Q2 2022. In Q1 2023, the GDP grew by 2.8% seasonally adjusted series, and by 1.7% in real terms, compared to Q1 2022. As for the gross series, the estimated GDP for Q1 2023 was RON 690.02 billion, while, for the seasonally adjusted series, the estimated GDP was RON 790.41 billion at current prices.

The following industries contributed particularly to GDP growth in Q2 2023 compared to Q2 2022: wholesale and retail trade, repair of motor vehicles and motorcycles, transport and storage, hotels and restaurants (+0.5%), with a share of 21.3% in GDP formation and which recorded an increase in the volume of activity by 2.2%. A negative contribution to GDP growth was recorded by the industry sector (-0.7%), with a share of 21.6% in GDP formation and which recorded a decrease in the volume of activity by -3.3%.

The IMF predicts economic growth for Romania of 2.2% this year and of 3.8% in 2024. The IMF forecast of economic growth for Romania in 2024 (3.8%) is much higher than the forecast for the region: 3.1% in Hungary, respectively 2.3% in the Czech Republic and Poland.



**Public budget deficit.** After the first eight months of 2023, the budget deficit increased slightly up to 2.65% of GDP, i.e. RON 42.19 billion, compared to RON 32.98 billion, representing 2.34% of GDP for the first eight months of 2022, as per the most recent data published by the Ministry of Finance.

Total revenues in the first eight months of the year were RON 330.47 billion, with an annual increase of 12.5%, and expenses reached RON 372.66 billion, up by 14% compared to the previous year. The increase in revenues was supported by higher income from payroll tax, social security contributions, corporate income tax, European funds and additional revenues from the energy sector. Expressed as a percentage of the GDP, budget expenditures for the first eight months of 2023 registered an increase of 0.2% compared to the same period of 2022, from 23.2% of GDP to 23.4% of GDP.

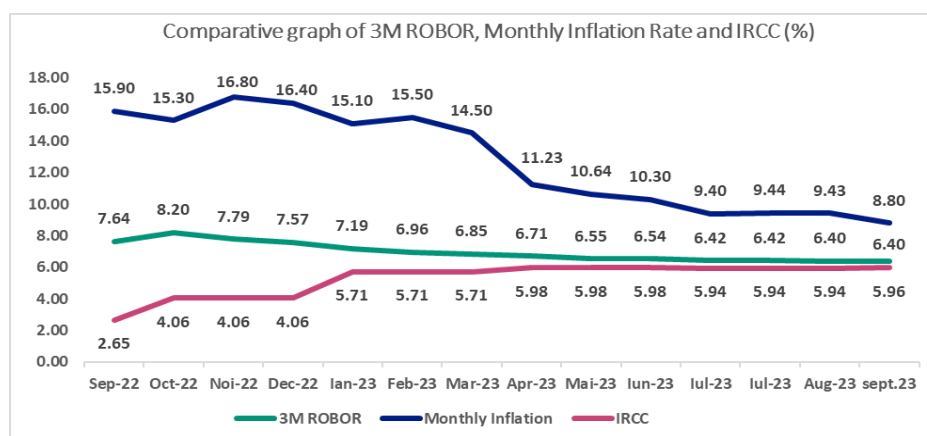
We note that the package of measures proposed by the Romanian Government mainly aims at an increase in the public revenues, its impact on the reduction of budget expenses being a small one. Additionally, almost all measures will enter into force at the beginning of 2024, so a noticeable impact on the reduction of the public deficit will materialize starting next year.

According to the new forecasts of the IMF, regarding Romania's current account deficit, the IMF expects only a slight reduction, from 9.3% of GDP in 2022, to 7.3% of GDP in 2023 and 7, 1% of GDP in 2024. In April, the IMF estimated a current account deficit of 7.9% in 2023 and 7.7% in 2024.

The **Consumer Price Index (CPI)** in Romania registered a slow decrease from 9.4% to 8.8% in August 2023 compared to August 2022. Consumer goods prices increased by 0.8% in September 2023 from the previous month and by 5.7% compared to the end of last year. The highest price increases (1.1% vs. August 2023), were registered by non-food goods and services.

The National Bank of Romania (NBR) estimates the annual inflation rate will decrease until the end of the current year, in line with the medium-term forecast. This is due to the base effect, the downward corrections of prices of some goods, the rich domestic agricultural harvest and temporary caps on the mark-up for basic food products.

The NBR forecasts for inflation were adjusted upwards in August 2023. Thus, the annual inflation rate is estimated at 7.5% at the end of the current year and at 4.4% at the end of 2024.



**Non-performing loans (NPL).** In June 2023, the non-performing loans rate was 2.65%, the same as at the end of 2022. In the first six months of 2023, the non-performing loans rate fluctuated between 2.64% and 2.73%, the highest level being recorded in March 2023.

The NPL rate fell in the first semester of 2023 to the lowest levels in the last 14 years. In 2014, the NPL rate exceeded 20% of total loans.

The total assets of credit institutions in Romania amounted to RON 737.8 billion in June 2023, RON 36.8 billion lei higher compared to the end of last year. The assets of institutions with private capital represented 87.2% of total assets while the assets of institutions with foreign capital represented 67%.

The solvency ratio was 22.83% in June 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. No change is expected to occur for this instrument.

## 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	30.09.2023
Secured	405,817	401,117	396,818	381,683
Unsecured	145,668	145,271	149,199	152,866
<b>Total</b>	<b>551,484</b>	<b>546,388</b>	<b>546,017</b>	<b>534,549</b>

New loans sales (RON Th. equiv.)	Q1 2022	Q2 2022	Q3 2022	Q1 2023	Q2 2023	Q3 2023
Secured	22,856	21,389	42,403	11,601	13,727	8,422
Unsecured	29,642	20,761	17,161	21,686	25,929	26,120
<b>Total</b>	<b>52,498</b>	<b>42,150</b>	<b>59,564</b>	<b>33,287</b>	<b>39,656</b>	<b>34,542</b>

New sales of unsecured loans recorded a total volume of approximately RON 26.1 million equivalent in Q3 2023, representing 76% of the total retail loans sales in Q3 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 52% in the area of unsecured loans, as a result of campaigns and promotion of fixed interest consumer loans without mortgage.



Outstanding loans recorded a downward evolution in Q3 2023, correlated with the decrease in new sales but also with the large number of secured loans refinancing transactions, registering a decrease of RON 16.9 million equivalent compared to the end of the year (i.e. a decrease of approximately 3%).

The Bank continued the intensive promotion of the new *Patria de Oriunde* distribution channel by launching campaigns for deposits. Approximately 25% of new deposits from new customers are made through this channel.

In Q3 2023 the volume of new amounts attracted in term deposits from new customers was RON 40.3 million equivalent.

Liabilities outstanding (Th. RON equiv.)	31.12.2022	31.03.2023	30.06.2023	30.09.2023
Term deposits	1,722,063	1,700,380	1,746,834	1,791,002
Current accounts	304,817	271,854	272,489	255,342
<b>Total</b>	<b>2,026,879</b>	<b>1,972,234</b>	<b>2,019,324</b>	<b>2,046,344</b>

Digital Onboarding	Q4 2021 – Q3 2023	
	No. of clients	Total volume (Th RON eq.)
New term deposits through Digital Onboarding	1.004	150,720

### Commercial Banking activity

#### Outstanding loans

The level of outstanding loans granted to companies had a positive evolution compared both to December 2022 as well as to September 2022, representing an increase of 4% vs December 2022 and of 2% vs September 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), and also on financing the investment as well as the current activity of 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.)	30.09.2022	31.12.2022	30.09.2023
Agro	208,124	174,560	193,378
Micro	476,247	430,587	439,078
SME&Corporate	1,001,746	1,041,367	1,080,716
<b>Total</b>	<b>1,686,117</b>	<b>1,646,514</b>	<b>1,713,172</b>

#### New loans sales

In Q3 2023, new loans sales in the segment of legal entities had an improved performance by 14% compared to Q2 2023, representing an increase from RON 175,129 thousand to RON 199,119 thousand.

The largest impact in this result comes from the Agro and SME&Corporate segments, these being the segments on which the Bank has focused on historically.

New loans sales (Th. RON equivalent)	Q1 2022	Q2 2022	Q3 2022	Q1 2023	Q2 2023	Q3 2023
Agro	14,596	35,667	26,250	18,230	25,545	34,499
Micro	66,135	71,947	53,303	41,333	50,531	48,674
SME&Corporate	59,613	141,549	140,389	107,162	99,053	115,946
<b>Total</b>	<b>140,345</b>	<b>249,163</b>	<b>219,942</b>	<b>166,724</b>	<b>175,129</b>	<b>199,119</b>

### Outstanding debt

The level of outstanding debt recorded a decrease, both compared to September last year as well as to December 2022. Compared to December 2022, the difference comes from the collection of APIA subsidies as well as from the deposits of Corporate/Financial Institutions customers.

Outstanding Debt (Th. RON equiv.)	30.09.2022	31.12.2022	30.09.2023
Total	1,391,519	1,417,144	1,229,091

### 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 also due to the increasing value of average loan granted.

Active clients	30.09.2022	31.12.2022	30.09.2023
Total number	13,021	12,526	11,550

**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 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 by only signing an electronic contract without coming into physical contact with the Bank, starting with Q3 2023 based on the ADR certification. Thus, the **Digital Lending Platform for individuals was officially launched at the end of September 2023, after the successful completion of the Operational Pilot**
- The development of the **Digital Lending Platform for Individuals based on partnerships/collaborations with various partners**, by offering in the platform a consumer loan

with a specific destination for the purpose of financing the purchase of products/services from Patria Bank Partners

- **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 operational pilot program started in 5 branches on 31.07.2023
- **Implementation of a new functionality for Credit Cards for individuals:** up to 12 interest-free installments for refinancing of existing credit facilities contracted with the Bank/other banks, in order to increase the penetration of the Credit Card product among existing customer base and to attract new customers from other banks; the display of useful information about the credit card and the possibility of generating the monthly statement, directly within the Internet & Mobile Banking platforms
- **General stability upgrade and functional improvements of Internet & Mobile Banking platforms (iOS and Android) for Individuals and Internet Banking for Legal Entities,** and of API/PSD2 related platforms in accordance with API/PSD2 - Payment Services Directive
- **Diversification of lending products for individuals** by including a new loan destination, i.e. refinancing of certain loans granted for the purpose of home renovation/modernization/construction / extension /rehabilitation /consolidation with completed installments, with a maximum financing period of 20 years
- **Continuing the strategy of optimizing and digitalizing processes** in order to streamline activities, both in relation with clients and between internal structures: **starting the project to automate the query of external and internal databases** called within lending processes for all segments of legal entities, by implementing robots with the ultimate goal of optimizing flow and reducing request processing time.

## 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.

As at September 30, 2023, the loan portfolio of Patria Credit IFN increased with 16% compared to September 2022 and the sales of new loans increased by 3% compared to September 2022.

The institution continued to offer personalized loans to the main customer segment (small farmers). Therefore, the structure of the portfolio has been preserved, a share of 82% being represented by

farmers. Also, 85% of the loan portfolio represents investment loans and 82% of the portfolio is secured with guarantees through guarantee programs offered by the European Investment Fund (Invest EU, Easi).

For the first nine months of 2023, **the company recorded a net profit of RON 5.1 million**, declining compared to the same period last year (RON 5.5 million as at September 30, 2022), in particular due to the impact of the application of International Accounting Standards (IFRS9).

As for the strategy proposed for the current year, *Agritech* projects were continued, in partnership with agricultural technology providers. The project of digitalization and modernization of the entire IT architecture was continued as well. In the first half of 2023 Patria Credit IFN 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 168.72 million on 30.09.2023, representing an increase of 46.8% compared to 31.12.2022 and of 56.2% compared to 30.09.2022.**

During the first nine months of the current year, the assets of all open-end funds managed by fund managers registered in Romania increased by 9.0%, compared with the increase of the assets of open-end funds managed by SAI Patria Asset Management of 46.8%, recorded during the same period.

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 128.78 million on 30.09.2023, up from RON 61.64 million on 30.09.2022 (+108.9%).**

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 the current year and had net assets of RON 8.61 million as at 30.09.2023.

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 30.09.2023 compared with 30.09.2022 and 31.12.2022 is as follows:

FINANCIAL POSITION								
-thousands RON-								
ASSETS	30.sept.23	31.dec.22	sep.23/ sep.22 (abs.)	sep.23/ dec.22 (%)	30.sept.22	sep-23/ sep-22 (abs.)	sep 23/ sep-22 (%)	
	Cash and cash equivalents	341,219	596,801	(255,582)	(43%)	372,785	(31,566)	(8%)
Loans and advances to banks	18,979	17,695	1,284	7%	11,392	7,587	67%	
Securities	1,152,368	1,005,364	147,004	15%	966,316	186,052	19%	
Investments in subsidiaries	40,296	36,296	4,000	11%	36,296	4,000	11%	
Loans and advances to customers, net	2,255,217	2,216,935	38,282	2%	2,260,114	(4,897)	(0%)	
Other assets	273,930	284,121	(10,191)	(4%)	280,178	(6,248)	(2%)	
<b>Total ASSETS</b>	<b>4,082,009</b>	<b>4,157,212</b>	<b>(75,203)</b>	<b>(2%)</b>	<b>3,927,081</b>	<b>154,928</b>	<b>4%</b>	
LIABILITIES	30.sept.23	31.dec.22	sep.23/ sep.22 (abs.)	sep.23/ dec.22 (%)	30.sept.22	sep-23/ sep-22 (abs.)	sep 23/ sep-22 (%)	
	Due to banks & REPO	193,230	172,880	20,350	12%	118,418	74,812	63%
Due to customers	3,277,799	3,447,728	(169,929)	(5%)	3,346,166	(68,367)	(2%)	
Other liabilities	98,563	82,732	15,831	19%	65,220	33,343	51%	
Subordinated debt	69,993	44,311	25,682	58%	10,111	59,882	592%	
Debt securities in issue	64,034	64,501	(467)	(1%)	63,373	661	1%	
<b>Total Liabilities</b>	<b>3,703,619</b>	<b>3,812,152</b>	<b>(108,533)</b>	<b>(3%)</b>	<b>3,603,288</b>	<b>100,331</b>	<b>3%</b>	
<b>Total Equity</b>	<b>378,390</b>	<b>345,060</b>	<b>33,330</b>	<b>10%</b>	<b>323,793</b>	<b>54,597</b>	<b>17%</b>	
<b>Total LIABILITIES AND EQUITY</b>	<b>4,082,009</b>	<b>4,157,212</b>	<b>(75,203)</b>	<b>(2%)</b>	<b>3,927,081</b>	<b>154,928</b>	<b>4%</b>	

- **Total assets, in amount of RON 4.1 billion**, show a slight decrease compared to the end of 2022 the excess liquidity being invested in Government Bonds and loans granted to customers. The Bank's liabilities show a contraction of deposits from customers, the Bank aiming to optimize financing cost and manage liquidity at optimal costs, choosing to be more selective in the case of several high-value deposits with high financing cost
- **The loan portfolio (net value)** registered an increase of 2% compared to the end of 2022. In the first 9 months of 2023 the market showed a decrease in lending demand, especially in the Retail segment, in the area of mortgage loans, but also in the Micro segment. The reasons for this evolution are the high level of interest rates in the market as well as a level of uncertainty over future macroeconomic developments
- **Own funds** show an increase of 10% compared to 31 December 2022 arising from the profit obtained in the first 9 months of 2023, as well as from the positive evolution of the revaluation reserves related to the debt securities portfolio (RON +15 million in first 9 months of 2023).

**At individual level, the capital adequacy ratio (Total Own Funds Ratio) is 20.26%**, exceeding the regulatory limit and above the level recorded at the end of 2022 when the ratio was 20.08%.

**At consolidated level, the capital adequacy ratio (Total Own Funds Ratio) is 19.90%**, exceeding the regulatory limit.

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

FINANCIAL PERFORMANCE STATEMENT -thousands RON-	9M up to 30.sept.23	9M up to 30.sept.22	Δ 2023/ 2022 (abs.)	Δ 2023/ 2022 (%)
Net interest income	89,182	95,227	(6,045)	(6%)
Net fees and commission income	24,909	22,732	2,177	10%
Net gains from financial activity & other income	26,643	20,647	5,996	29%
<b>Net banking Income</b>	<b>140,734</b>	<b>138,606</b>	<b>2,128</b>	<b>2%</b>
Staff costs	(53,302)	(52,156)	(1,146)	2%
Depreciation and amortization	(14,884)	(14,453)	(431)	3%
Other operating and administrative expenses	(36,476)	(37,159)	683	(2%)
<b>Total operating expense</b>	<b>(104,662)</b>	<b>(103,768)</b>	<b>(894)</b>	<b>1%</b>
<b>Operating Result</b>	<b>36,072</b>	<b>34,838</b>	<b>1,234</b>	<b>4%</b>
<b>Net impairment of financial assets</b>	<b>(19,474)</b>	<b>(19,129)</b>	<b>(345)</b>	<b>2%</b>
<b>Gain before tax</b>	<b>16,598</b>	<b>15,709</b>	<b>889</b>	<b>6%</b>
Expense from deferred tax	(1,553)	(841)	(712)	85%
<b>Gain for the year</b>	<b>15,045</b>	<b>14,868</b>	<b>177</b>	<b>1%</b>

	9M up to 30.sept.23	9M up to 30.sept.22	Δ 2023/ 2022 (abs.)	Δ 2023/ 2022 (%)
<b>Interest income</b>	<b>207,160</b>	<b>152,548</b>	<b>54,611</b>	<b>36%</b>
Loans	169,204	132,053	37,151	28%
Debt instruments	33,673	19,539	14,134	72%
Other interest bearing assets	4,282	956	3,326	348%
<b>Interest expenses</b>	<b>(117,978)</b>	<b>(57,321)</b>	<b>(60,657)</b>	<b>106%</b>
Due to customers	(101,994)	(50,640)	(51,355)	101%
Other interest bearing liabilities	(15,983)	(6,681)	(9,302)	139%
<b>Net interest income</b>	<b>89,182</b>	<b>95,227</b>	<b>(6,045)</b>	<b>(6%)</b>

- **Net banking income registered a small increase of 2%** 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 29% was recorded in the first 9 months of 2023 compared to the same period of 2022
- As for **interest income**, the Bank recorded an increase of 36% 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 60.7 million** compared to the same period of 2022. The increase is determined by the evolution of interest rates paid for deposits attracted from non-banking clients, in line with the increase of the monetary policy rate in the last 12 months as well as with the evolution of the ROBOR and EURIBOR indexes. Thus, for the national currency, the market showed a stabilization of interest rates, and even a decrease in the last 2 months in case of Euro, the financing cost being 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 is carried out generally every 3 months (3 month index). The Bank's loan portfolio is composed mainly of loans with variable interest rate.

- **Net commissions income** shows a positive evolution of 10% generated mainly by the increase in customer transaction activity and trade finance and bancassurance activities
- **Operational expenses recorded an increase of 1% (+RON 0.9 million)** at a lower pace than the evolution of net banking income of +2%, wage costs being influenced by inflationary pressure
- **The net cost of risk recorded a prudent evolution**, recording a small increase of only 2% (RON 0.3 million), the bank continuously monitoring the loan portfolio for an adequate management of credit risk taking into account the uncertainties that manifest in the market
- The Bank recorded a **positive operational result for the first 9 months of 2023 in amount of RON 36 million and a net result of RON 15 million**, both being at similar levels with the ones recorded in the same period of 2022.

### c) Economic-financial ratios

Ratios	30.sept.23	31.dec.22	30.sept.22
1 Total Own Funds Ratio	20.26%	20.08%	16.85%
2 The potential change of the economic value (EVI/ Own Funds)	11.3%	8.0%	10.8%
3 Loans (gross value) / Customer deposits	73%	68%	72%
4 Loans (gross value) / Total assets	58%	57%	61%
5 Liquidity Coverage Ratio (LCR)	173%	392%	193%
6 Liquid assets / Total assets	37%	39%	34%
7 Debt securities and equity instruments / Total assets	28%	24%	25%
8 Return on Assets ratio (RoA)	0.5%	0.5%	0.5%
9 Return on Equity ratio (RoE)	5.5%	5.9%	6.0%
10 Expense/income ratio	74%	71%	75%
11 Non Performing Loans (NPL)*	6.20%	7.36%	8.22%
12 Non Performing Exposures (NPE)*	5.54%	6.02%	7.29%
13 Coverage NPL	56%	53%	56%
14 Coverage NPL**	58%	57%	61%

(\*) As per individual FINREP

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

## 8. Conclusions

**Financial results recorded by Patria Bank at September 30, 2023 show a net profit of RON 15 million for the first 9 months of the current year, at a level similar to that recorded in the same period of the previous year (RON 14.9 million).** The Bank continued the process of developing operating income correlated with a prudent evolution of the cost of risk. Improving profitability in a volatile and uncertain macroeconomic environment shows a sustainable evolution as well as the Bank's adaptation to current market conditions.

The main financial figures recorded at September 30, 2023 are presented below:

- **Increase of net banking income by 2% in the first 9 months of 2023 compared to the same period of 2022**, an evolution supported mainly by the net commission income and by the financial activity



- **Optimal management of operational costs in an inflationary environment**, these costs registering an increase of only 1% compared to the level recorded in September 2022
- **Operating result of RON 36 million, up by 4%** compared to the same period of the previous year
- **The bank's equity shows an increase by RON 33 million in the first 9 months of the year, +10% compared to December 2022**
- **Improving the balance sheet structure of the bank** by increasing the loans to deposits ratio from 68% at the end of 2022 to 73% in September 2023
- **Increasing investments in debt securities by 15% vs. 2022** through temporarily placing excess liquidity at competitive yields in line with the evolution of interest rates
- **The strategy to reduce non-performing exposures continued in 2023 with very good results.** The Non-Performing Exposure Ratio (NPE) decreased from the level of 6.02% in December 2022 to 5.54% in September 2023, while the coverage rate of non-performing loans with impairment adjustments increased slightly to 58%
- **Maintaining a solid capital base** highlighted by the level of the Total Own Funds Rate of 20.26%, level recorded as a result of the cessation of applicability of the transitional provisions established by EU Regulation 575/2013.

**NOTE: The financial statements for the first 9 months of 2023 have not been audited/reviewed by the independent financial auditor.**

**General Manager**  
**Burak Yildiran**

**Deputy General Manager**  
**Georgiana Stanciulescu**





**PATRIA BANK GROUP**

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

<i>Thousand RON</i>	<i>Note</i>	<b>Group</b>		<b>Bank</b>	
		<b>Unaudited(*) 30 September 2023</b>	<b>Unaudited(*) 30 September 2022</b>	<b>Unaudited(*) 30 September 2023</b>	<b>Unaudited(*) 30 September 2022</b>
Interest and similar income calculated using the effective interest rate		236,368	175,937	206,873	152,548
Interest and similar expense		(128,848)	(64,516)	(117,691)	(57,321)
<b>Net interest income</b>	4	<b><u>107,520</u></b>	<b><u>111,421</u></b>	<b><u>89,182</u></b>	<b><u>95,227</u></b>
Fee and commission income		30,360	27,268	29,106	26,046
Fee and commission expense		(6,635)	(5,298)	(4,197)	(3,314)
<b>Net fee and commission income</b>	5	<b><u>23,725</u></b>	<b><u>21,970</u></b>	<b><u>24,909</u></b>	<b><u>22,732</u></b>
Net gain/(loss) from financial assets measured at fair value through profit or loss	6	10,516	(11,389)	5,655	3,545
Net gain/(loss) from disposal of investment securities at fair value through other comprehensive income	7	4,712	-	4,712	-
Net gain/(loss) on derecognition of financial asstes measured at amortised cost		(1,409)	(258)	(1,409)	(258)
Net gains/(losses) on investment properties		446	474	446	474
Net gains/(losses) on non-current assets held for sale		461	(149)	461	(149)
Other operating income	8	33,081	17,119	16,778	17,035
<b>Net Operating income</b>		<b><u>179,052</u></b>	<b><u>139,188</u></b>	<b><u>140,734</u></b>	<b><u>138,606</u></b>
Personnel expenses	10	(59,624)	(57,942)	(53,302)	(52,156)
Administrative and other operating expenses	11	(63,212)	(31,192)	(36,476)	(37,159)
Depreciation and amortization		(15,566)	(15,311)	(14,884)	(14,453)
<b>Operational result before impairment</b>		<b><u>40,650</u></b>	<b><u>34,743</u></b>	<b><u>36,072</u></b>	<b><u>34,838</u></b>
Net charge with impairment of financial assets	9	(21,988)	(21,007)	(19,474)	(19,129)
<b>Operational profit</b>		<b><u>18,662</u></b>	<b><u>13,736</u></b>	<b><u>16,598</u></b>	<b><u>15,709</u></b>
<b>Profit before tax</b>		<b><u>18,662</u></b>	<b><u>13,736</u></b>	<b><u>16,598</u></b>	<b><u>15,709</u></b>
Income tax charge for the year		(2,495)	(1,564)	(1,553)	(841)
<b>Net profit for the period</b>		<b><u>16,167</u></b>	<b><u>12,172</u></b>	<b><u>15,045</u></b>	<b><u>14,868</u></b>

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 SEPTEMBER 2023 (All amounts are in thousand RON)**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>Unaudited(*) 30 September 2023</b>	<b>Unaudited(*) 30 September 2022</b>	<b>Unaudited(*) 30 September 2023</b>	<b>Unaudited(*) 30 September 2022</b>
<b>Net profit for the period</b>	<b>16,167</b>	<b>12,172</b>	<b>15,045</b>	<b>14,868</b>
<b>Other elements of the comprehensive income</b>				
<b>Items that may be reclassified to profit or loss:</b>				
Net gain on debt instruments measured at FVOCI, transferred to profit or loss	(4,712)	-	(4,712)	-
Gain/(loss) from fair value measurement of debt instruments measured at FVOCI	25,160	(53,342)	25,160	(53,343)
Variation of expected credit loss related to debt instruments measured at FVOCI	358	(112)	358	(112)
Income tax recorded directly in other comprehensive income	(3,329)	8,311	(3,329)	8,343
<b>Items that may not be reclassified to profit or loss:</b>				
Income tax recorded directly in other comprehensive income, related to the changes of revaluation reserve	4	-	4	-
Gain on equity investments measured at FVOCI	957	1,313	957	1,313
Income tax recorded directly in other comprehensive income, related to investments measured at FVOCI	(153)	-	(153)	-
<b>Other elements of the comprehensive income, net of tax</b>	<b>18,285</b>	<b>(43,830)</b>	<b>18,285</b>	<b>(43,799)</b>
<b>Comprehensive income</b>	<b>34,452</b>	<b>(31,658)</b>	<b>33,330</b>	<b>(28,931)</b>
Profit attributable to:				
-Equity holders of the parent entity	16,167	12,172	15,045	14,868
-Non-controlling interests	-	-	-	-
<b>Profit for the period</b>	<b>16,167</b>	<b>12,172</b>	<b>15,045</b>	<b>14,868</b>
Comprehensive income attributable to:				
-Equity holders of the parent entity	34,452	(31,658)	33,330	(28,931)
-Non-controlling interests	-	-	-	-
<b>Comprehensive income</b>	<b>34,452</b>	<b>(31,658)</b>	<b>33,330</b>	<b>(28,931)</b>
<b>Earnings per share (basic and diluted)</b>	<b>0.0049</b>	<b>0.0037</b>	<b>0.0046</b>	<b>0.0046</b>

The financial statements were approved by the Board of Directors on the 14<sup>th</sup> of November 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 SEPTEMBER 2023 (All amounts are in thousand RON)**

<i>Thousand RON</i>	<i>Note</i>	<b>Group</b>		<b>Bank</b>	
		<b>Unaudited(*) 30 September 2023</b>	<b>31 December 2022</b>	<b>Unaudited(*) 30 September 2023</b>	<b>31 December 2022</b>
<b>Assets</b>					
Cash and cash equivalents	12	359,051	599,137	341,219	596,803
Financial assets at fair value through profit or loss	13	203,807	111,629	59,062	19,008
Financial asset measured at fair value through other items of comprehensive income	14	669,240	545,720	669,240	545,720
Due from banks	15	18,979	17,693	18,979	17,693
Loans and advances to customers	16	2,430,500	2,367,714	2,255,217	2,216,935
Investments in debt instruments at amortized cost	17	424,066	440,636	424,066	440,636
Investment property	18	90,235	94,766	90,235	94,766
Non-current assets held for sale		2,404	2,150	2,239	2,150
Investment in subsidiaries	19	-	-	40,296	36,296
Other financial assets	20	20,611	21,684	22,706	21,930
Other assets	21	14,365	11,267	14,122	11,595
Deferred tax assets		8,594	14,738	8,804	13,835
Intangible assets	22	52,902	49,595	50,145	47,998
Property and equipment	23	87,253	93,499	85,679	91,847
<b>Total assets</b>		<b><u>4,382,007</u></b>	<b><u>4,370,228</u></b>	<b><u>4,082,009</u></b>	<b><u>4,157,212</u></b>
<b>Liabilities</b>					
Due to banks	24	92,737	74,966	92,737	74,966
Customer deposits	25	3,271,773	3,441,591	3,277,799	3,447,728
Loans from banks and other financial institutions	26	220,310	217,870	100,493	97,914
Other financial liabilities	27	255,791	172,457	83,813	69,979
Provisions	28	8,033	9,754	7,184	8,893
Other liabilities	29	9,159	4,101	7,566	3,860
Subordinated liabilities	30	95,222	54,558	69,993	44,311
Debt securities in issue	31	64,034	64,501	64,034	64,501
<b>Total liabilities</b>		<b><u>4,017,059</u></b>	<b><u>4,039,798</u></b>	<b><u>3,703,619</u></b>	<b><u>3,812,152</u></b>
<b>Equity</b>					
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)		63,744	44,698	78,276	60,418
Revaluation reserve	35	7,857	(7,615)	6,148	(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
<b>Total equity</b>		<b><u>364,948</u></b>	<b><u>330,430</u></b>	<b><u>378,390</u></b>	<b><u>345,060</u></b>
<b>Total liabilities and equity</b>		<b><u>4,382,007</u></b>	<b><u>4,370,228</u></b>	<b><u>4,082,009</u></b>	<b><u>4,157,212</u></b>

The financial statements were approved by the Board of Directors on the 14<sup>th</sup> of November 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 SEPTEMBER 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
<b>Balance at 1 January 2023</b>	<b>332,181</b>	<b>(67,569)</b>	<b>(1,140)</b>	<b>(38,344)</b>	<b>30,729</b>	<b>15,197</b>	<b>14,678</b>	<b>44,698</b>	<b>330,430</b>	-	<b>330,430</b>
<b>Comprehensive income</b>	-	-	-	-	-	-	-	<b>16,167</b>	<b>16,167</b>	-	<b>16,167</b>
Profit for the period	-	-	-	-	-	-	-	16,167	16,167	-	16,167
<b>Other comprehensive income</b>	-	-	-	-	-	-	-	-	-	-	-
Expected net credit loss related to FVOCI debt instruments	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from the measurement at fair value of debt instruments FVOCI	-	-	-	17,177	-	-	-	-	17,177	-	17,177
Net gain from the fair value measurement of FVOCI equity instruments	-	-	-	804	-	-	-	-	804	-	804
Changes in the revaluation reserve for property and equipment	-	-	-	-	4	-	-	-	4	-	4
<b>Total other comprehensive income</b>	-	-	-	<b>18,282</b>	<b>4</b>	-	-	-	<b>18,286</b>	-	<b>18,286</b>
<b>Total comprehensive income</b>	-	-	-	<b>18,282</b>	<b>4</b>	-	-	<b>16,167</b>	<b>34,453</b>	-	<b>34,453</b>
Revaluation reserve realized	-	-	-	-	(2,814)	-	-	2,814	-	-	-
Other adjustments	-	-	-	-	-	-	-	65	<b>65</b>	-	65
<b>Balance at 30 September 2023</b>	<b>332,181</b>	<b>(67,569)</b>	<b>(1,140)</b>	<b>(20,062)</b>	<b>27,919</b>	<b>15,197</b>	<b>14,678</b>	<b>63,744</b>	<b>364,948</b>	-	<b>364,948</b>

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 SEPTEMBER 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
<b>Balance at 1 January 2022</b>	<b>315,833</b>	<b>(67,569)</b>	<b>(1,140)</b>	<b>(5,841)</b>	<b>39,660</b>	<b>13,641</b>	<b>14,678</b>	<b>13,539</b>	<b>322,801</b>	-	<b>322,801</b>
<b>Comprehensive income</b>	-	-	-	-	-	-	-	<b>19,234</b>	<b>19,234</b>	-	<b>19,234</b>
Profit for the period	-	-	-	-	-	-	-	19,234	19,234	-	19,234
<b>Other comprehensive income</b>	-	-	-	-	-	-	-	-	-	-	-
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
<b>Total other comprehensive income</b>	-	-	-	<b>(32,503)</b>	<b>4,583</b>	-	-	-	<b>(27,920)</b>	-	<b>(27,920)</b>
<b>Total comprehensive income</b>	-	-	-	<b>(32,503)</b>	<b>4,583</b>	-	-	<b>19,234</b>	<b>(8,686)</b>	-	<b>(8,686)</b>
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	-	-	-	-	-	-	-	<b>16,348</b>	-	<b>16,348</b>
<b>Balance at 31 December 2022</b>	<b><u>332,181</u></b>	<b><u>(67,569)</u></b>	<b><u>(1,140)</u></b>	<b><u>(38,344)</u></b>	<b><u>30,729</u></b>	<b><u>15,197</u></b>	<b><u>14,678</u></b>	<b><u>44,698</u></b>	<b><u>330,430</u></b>	-	<b><u>330,430</u></b>

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 SEPTEMBER 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
<b>Balance at 1 January 2023</b>	<b>332,181</b>	<b>(67,569)</b>	<b>(5)</b>	<b>(38,343)</b>	<b>29,019</b>	<b>14,681</b>	<b>14,678</b>	<b>60,418</b>	<b>345,060</b>
<b>Comprehensive income</b>	-	-	-	-	-	-	-	<b>15,045</b>	<b>15,045</b>
Profit for the period	-	-	-	-	-	-	-	15,045	15,045
<b>Other comprehensive income</b>									
Expected net credit loss related to FVOCI debt instruments	-	-	-	301	-	-	-	-	301
Gains/(losses) from the measurement at fair value of debt instruments FVOCI	-	-	-	17,177	-	-	-	-	17,177
Net gain from the fair value measurement of FVOCI equity instruments	-	-	-	804	-	-	-	-	804
Changes in the revaluation reserve for property and equipment	-	-	-	-	4	-	-	-	4
<b>Total other comprehensive income</b>	-	-	-	<b>18,282</b>	<b>4</b>	-	-	-	<b>18,286</b>
<b>Total comprehensive income</b>	-	-	-	<b>18,281</b>	<b>4</b>	-	-	<b>15,045</b>	<b>33,330</b>
Revaluation reserve_realized	-	-	-	-	(2,813)	-	-	2,813	-
<b>Balance at 30 September 2023</b>	<b>332,181</b>	<b>(67,569)</b>	<b>(5)</b>	<b>(20,062)</b>	<b>26,210</b>	<b>14,681</b>	<b>14,678</b>	<b>78,276</b>	<b>378,390</b>

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 SEPTEMBER 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
<b>Balance at 1 January 2022</b>	<b>315,833</b>	<b>(67,569)</b>	<b>(6)</b>	<b>(5,840)</b>	<b>37,949</b>	<b>13,524</b>	<b>14,678</b>	<b>27,816</b>	<b>336,385</b>
<b>Comprehensive income</b>	-	-	-	-	-	-	-	<b>20,247</b>	<b>20,247</b>
Profit for the period	-	-	-	-	-	-	-	20,247	20,247
<b>Other comprehensive income</b>	-	-	-	-	-	-	-	-	-
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
<b>Total other comprehensive income</b>	-	-	-	<b>(32,503)</b>	<b>4,583</b>	-	-	-	<b>(27,920)</b>
<b>Total comprehensive income</b>	-	-	-	<b>(32,503)</b>	<b>4,583</b>	-	-	<b>20,247</b>	<b>(7,673)</b>
Allocation to legal reserve	-	-	-	-	-	1,157	-	(1,157)	-
Revaluation reserve realized	-	-	-	-	(13,513)	-	-	13,513	-
Share capital increase	16,348	-	1	-	-	-	-	-	<b>16,348</b>
<b>Balance at 31 December 2022</b>	<b>332,181</b>	<b>(67,569)</b>	<b>(5)</b>	<b>(38,343)</b>	<b>29,019</b>	<b>14,681</b>	<b>14,678</b>	<b>60,418</b>	<b>345,060</b>

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 SEPTEMBER 2023 (All amounts are in thousand RON)**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>Unaudited(*) 30 September 2023</b>	<b>Unaudited(*) 30 September 2022</b>	<b>Unaudited(*) 30 September 2023</b>	<b>Unaudited(*) 30 September 2022</b>
<b>Cash flows from operating activities</b>				
Interest received	229,047	164,500	187,160	146,794
Interest paid	(108,401)	(51,175)	(97,485)	(43,942)
Fees and commissions received	30,360	27,268	29,106	26,046
Fees and commissions paid	(6,635)	(5,298)	(4,197)	(3,314)
Gain / (Loss) from financial derivatives	(5,315)	3,441	(5,315)	3,441
Net gain from financial instruments and other operating income	20,715	(9,276)	19,251	11,580
Recoveries from off balance sheet items	5,791	4,344	5,716	4,331
Cash payments to employees	(60,667)	(55,775)	(54,434)	(49,952)
Cash payments to suppliers	(79,257)	(30,818)	(51,829)	(36,792)
Income taxes paid	(3,481)	(2,649)	(1,795)	(1,618)
<b>Net cash-flow from operating activities before changes in operating assets and liabilities</b>	<b><u>22,157</u></b>	<b><u>44,562</u></b>	<b><u>26,178</u></b>	<b><u>56,574</u></b>
<b>Changes of operating assets</b>				
<i>(Increase)/Decrease of:</i>				
- loans and advances to banks	(1,222)	(4,652)	(1,223)	(4,653)
- financial assets at fair value through profit or loss	(90,099)	(10,111)	(37,975)	(150)
- loans and advances to customers	(83,031)	(271,024)	(43,513)	(251,472)
- other financial assets	(19,489)	40,124	(22,626)	32,934
<b>Total changes of operating assets</b>	<b><u>(193,841)</u></b>	<b><u>(245,663)</u></b>	<b><u>(105,337)</u></b>	<b><u>(223,341)</u></b>
<b>Changes of operating liabilities</b>				
<i>Increase/(Decrease) of:</i>				
- due to banks	17,300	100,037	17,300	100,037
- deposits from customers	(194,428)	9,252	(194,536)	4,388
- other financial liabilities	86,777	10,067	14,475	3,409
<b>Total changes of operating liabilities</b>	<b><u>(90,351)</u></b>	<b><u>119,356</u></b>	<b><u>(162,761)</u></b>	<b><u>107,834</u></b>
<b>Net cash flow used in operating activities</b>	<b><u>(262,035)</u></b>	<b><u>(81,745)</u></b>	<b><u>(241,920)</u></b>	<b><u>(58,933)</u></b>
<b>Cash flows from investing activities</b>				
Acquisition of investment securities at FVOCI	(365,811)	(108,695)	(365,811)	(108,695)
Maturities and proceeds from investment securities at FVOCI	299,685	126,055	299,685	127,368
Acquisition of equity instruments	-	-	(4,000)	(2,000)
Maturities of investments at amortized cost	15,895	(121,189)	15,895	(121,189)
Proceeds from dividend	22,624	8,514	2,924	2,509
Sale of investment property and non-current assets held for sale and premises	5,256	40,823	5,421	40,823
Acquisition of tangible and intangible assets	4,318	(6,964)	6,843	(6,792)
<b>Net cash used in investing activities</b>	<b><u>(18,033)</u></b>	<b><u>(61,456)</u></b>	<b><u>(39,043)</u></b>	<b><u>(67,976)</u></b>
<b>Cash flows from financing activities</b>				
Withdrawals from loans from other financial institutions	14,978	23,183	-	-
Repayments of loans from other financial institutions	(15,374)	(11,197)	-	-
Subordinated liabilities	39,737	(14,943)	24,737	(14,847)
Issue of share capital	-	16,348	-	16,348
<b>Net cash generated from financing activities</b>	<b><u>39,341</u></b>	<b><u>13,391</u></b>	<b><u>24,737</u></b>	<b><u>1,501</u></b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b><u>641</u></b>	<b><u>875</u></b>	<b><u>642</u></b>	<b><u>877</u></b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(240,086)</b>	<b>(128,935)</b>	<b>(255,584)</b>	<b>(124,531)</b>
Cash and cash equivalents at 1 January	599,137	502,974	596,803	497,316
<b>Cash and cash equivalents at the end of the period</b>	<b><u>359,051</u></b>	<b><u>374,039</u></b>	<b><u>341,219</u></b>	<b><u>372,785</u></b>

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

**1. REPORTING ENTITY**

As at 30 September 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 1<sup>st</sup> 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 September 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 SEPTEMBER 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.

**NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 30 SEPTEMBER 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 September 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 September 2023 and the comparative financial statements of the Patria Bank SA and all its subsidiaries for the period ended 30 September 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 SEPTEMBER 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 SEPTEMBER 2023 (All amounts are in Thousand RON)**

**4. NET INTEREST INCOME**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>30 September 2022</b>	<b>30 September 2023</b>	<b>30 September 2022</b>
<b>Interest and similar income</b>				
Loans and advances to customers (*)	197,528	154,141	168,917	132,053
Debt instruments at amortised cost	16,161	5,530	16,161	5,530
Financial assets at fair value through other comprehensive income	18,270	15,261	17,512	14,009
Due from banks	4,409	1,003	4,282	956
Interest income on lease receivables	-	2	-	-
<b>Total interest and similar income using effective interest method</b>	<b><u>236,368</u></b>	<b><u>175,937</u></b>	<b><u>206,872</u></b>	<b><u>152,548</u></b>
<b>Interest and similar expense</b>				
Customer deposits	101,916	50,572	101,994	50,640
Loans from banks and other financial institutions	18,466	9,609	8,415	2,602
Subordinated liabilities	4,794	717	3,622	475
Other interest expense	252	198	239	184
Subordinated bonds	3,420	3,420	3,420	3,420
<b>Total interest and similar expense</b>	<b><u>128,848</u></b>	<b><u>64,516</u></b>	<b><u>117,690</u></b>	<b><u>57,321</u></b>
<b>Net interest income</b>	<b><u>107,520</u></b>	<b><u>111,421</u></b>	<b><u>89,182</u></b>	<b><u>95,227</u></b>

(\*) Interest income at Group level includes RON (891) thousand interest expenses recognized on impaired loans to customers (30 September 2022: RON 1,587 thousand interest income recognized on impaired loans to customers).

(\*) Interest income at Bank level includes RON (876) thousand interest expenses recognized on impaired loans to customers (30 September 2022: RON 1,186 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.

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

**5. NET FEE AND COMMISSION INCOME**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>30 September 2022</b>	<b>30 September 2023</b>	<b>30 September 2022</b>
<b>Fee and commission income</b>				
Cards activity (VISA & MC)	8,018	6,582	8,018	6,582
Non-cash transactions	11,879	10,345	11,907	10,360
Non-deferrable commissions related to loans	1,913	1,406	1,913	1,301
Cash transactions	3,769	4,357	3,769	4,357
Income from other financial services	3,967	3,543	2,685	2,411
Interbank settlements	142	187	142	187
<i>Total fee and commission income from contracts with customers</i>	<u>29,688</u>	<u>26,420</u>	<u>28,434</u>	<u>25,198</u>
Issuing financial guarantees	672	848	672	848
<b>Total fee and commission income</b>	<b><u>30,360</u></b>	<b><u>27,268</u></b>	<b><u>29,106</u></b>	<b><u>26,046</u></b>
<b>Fee and commission expense</b>				
Cards activity (VISA & MC)	1,959	1,164	1,959	1,164
Interbank settlements	1,672	1,577	1,671	1,576
Expenses from other financial services	2,558	2,122	132	152
Other	446	435	435	422
<b>Total fee and commission expense</b>	<b><u>6,635</u></b>	<b><u>5,298</u></b>	<b><u>4,197</u></b>	<b><u>3,314</u></b>
<b>Net fee and commission income</b>	<b><u>23,725</u></b>	<b><u>21,970</u></b>	<b><u>24,909</u></b>	<b><u>22,732</u></b>

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 SEPTEMBER 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>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>30 September 2022</b>	<b>30 September 2023</b>	<b>30 September 2022</b>
Net gain/(loss) from financial assets at fair value through profit or loss	8,205	(16,507)	3,344	(1,573)
Net gain/(loss) from derivatives	2,311	5,118	2,311	5,118
<b>Total</b>	<b><u>10,516</u></b>	<b><u>(11,389)</u></b>	<b><u>5,655</u></b>	<b><u>3,545</u></b>

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

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>30 September 2022</b>	<b>30 September 2023</b>	<b>30 September 2022</b>
Gains from disposals of investment securities at fair value through other comprehensive income	4,965	-	4,965	-
Losses from disposals of investment securities at fair value through other comprehensive income	(253)	-	(253)	-
<b>Total</b>	<b><u>4,712</u></b>	<b><u>-</u></b>	<b><u>4,712</u></b>	<b><u>-</u></b>

**8. OTHER OPERATING INCOME**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>30 September 2022</b>	<b>30 September 2023</b>	<b>30 September 2022</b>
Net gain/ (loss) from foreign exchange transactions	5,639	1,981	5,686	1,987
Dividend income	22,640	8,931	6,426	8,926
Other operating income	192	913	55	842
Gain / (Loss) from disposal of premises and equipment sales	(125)	88	(125)	88
Gain / (Loss) from disposal of intangible assets	-	(173)	-	(187)
Income from rental of real estate	4,735	5,379	4,736	5,379
<b>Total</b>	<b><u>33,081</u></b>	<b><u>17,119</u></b>	<b><u>16,778</u></b>	<b><u>17,035</u></b>

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

For the Bank, dividend income of RON 6,426 thousand (30 September 2022: RON 8,926 thousand) represents share of profits paid proportionally to the Bank, as follows:

- RON 4,000 thousand, dividends received from Patria Credit IFN (30 September 2022: RON 6,000 thousand);
- RON 2,404 thousand, dividends received from Transfond S.A. (30 September 2022: RON 2,020 thousand); included in consolidated amounts;
- RON 22 thousand, received from other investments (30 September 2022: RON 906 thousand); included in consolidated amounts;.

**9. NET CHARGE WITH IMPAIRMENT OF FINANCIAL ASSETS**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>30 September 2022</b>	<b>30 September 2023</b>	<b>30 September 2022</b>
Charge with adjustments for impairment of cash and cash equivalents	11	(5)	11	(5)
Charge/(Release) with adjustments for impairment of loans and advances to customers	25,873	24,810	23,253	22,821
Loss from written off loans	477	1,594	475	1,533
Recoveries from loans previously written off	(5,377)	(4,451)	(5,369)	(4,438)
Charge/(Release) with the adjustments for impairment of financial asset measured at fair value through other items of comprehensive income	356	(116)	356	(116)
Charge/(Release) with the adjustments for impairment of debt instruments at amortised cost	184	71	184	71
Charge/(Release) with the adjustments for impairment of credit commitments and financial guarantees	(215)	(921)	(118)	(921)
Charge/(Release) with adjustments for impairment of other financial assets	679	25	682	184
<b>Net charge with adjustments for impairment of financial assets</b>	<b><u>21,988</u></b>	<b><u>21,007</u></b>	<b><u>19,474</u></b>	<b><u>19,129</u></b>

**10. PERSONNEL EXPENSES**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>30 September 2022</b>	<b>30 September 2023</b>	<b>30 September 2022</b>
Wages and salaries	58,017	53,640	52,321	48,130
Social security contributions	2,142	1,787	1,605	1,474
Net expense/(income) with provisions related to wage costs	(1,043)	2,167	(1,132)	2,204
Other personnel expense	508	348	508	348
<b>Total</b>	<b><u>59,624</u></b>	<b><u>57,942</u></b>	<b><u>53,302</u></b>	<b><u>52,156</u></b>

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

The average number of employees of the Group as at 30 September 2023 is 655 employees (30 September 2022: 667 employees).

**11. ADMINISTRATIVE AND OTHER OPERATING EXPENSES**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>30 September 2022</b>	<b>30 September 2023</b>	<b>30 September 2022</b>
Third parties services	31,614	29,800	29,894	28,131
Rent	312	215	220	184
Materials and small inventories	1,431	1,453	1,139	1,189
Annual contribution to Guarantee Fund	1,712	3,175	1,712	3,175
Other taxes	2,408	2,643	2,025	2,255
Advertising and publicity	876	927	610	744
Net charge/(release) of litigation provisions	(479)	(2,431)	(469)	(2,439)
Other operating expenses	1,406	4,139	1,345	3,920
The expense related to the financial debt for the fund unit holders	23,932	(8,729)	-	-
<b>Total</b>	<b><u>63,212</u></b>	<b><u>31,192</u></b>	<b><u>36,476</u></b>	<b><u>37,159</u></b>

**12. CASH AND CASH EQUIVALENTS**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Cash on hand	20,399	18,309	20,399	18,309
Cash in ATMs	48,602	54,867	48,602	54,867
Mandatory minimum reserve	244,915	244,385	244,915	244,385
Correspondent accounts and sight deposits with other banks	27,827	279,944	27,303	279,242
Placements with other banks with original maturities of less than three months	17,308	1,632	-	-
<b>Total</b>	<b><u>359,051</u></b>	<b><u>599,137</u></b>	<b><u>341,219</u></b>	<b><u>596,803</u></b>

(\*Cash and cash equivalents are not guaranteed.

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

(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.

As of 30 September 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 September 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>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Equity instruments(i)	22,209	19,008	22,209	19,008
Debt instruments (ii)	181,598	92,621	36,853	-
<b>Total</b>	<b><u>203,807</u></b>	<b><u>111,629</u></b>	<b><u>59,062</u></b>	<b><u>19,008</u></b>

(i) In this category the Group included shares held at Visa Inc. in amount of RON 4,871 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 SEPTEMBER 2023 (All amounts are in Thousand RON)**

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

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Debt securities at fair value through other items of comprehensive income				
-Treasury bills issued by the Ministry of Public (i)	584,096	498,817	584,096	498,817
-Debt securities issued by MAS SECURITIES BV	29,802	27,563	29,802	27,563
-Debt securities issued by AGRICOVER HOLDING S.A.	7,893	7,682	7,893	7,682
-Debt securities issued by Bucharest City Hall	19,011	-	19,011	-
-Debt securities issued by CEC Bank S.A.	15,824	-	15,824	-
Equity investments at fair value through other comprehensive income				
-Equity investments	12,614	11,658	12,614	11,658
<b>Total</b>	<b><u>669,240</u></b>	<b><u>545,720</u></b>	<b><u>669,240</u></b>	<b><u>545,720</u></b>

- 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 September 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 SEPTEMBER 2023 (All amounts are in Thousand RON)**

The Group held the following equity investments FVOCI :

*Thousand RON*

	Nature of business	Group				Bank			
		30 September 2023		31 December 2022		30 September 2023		31 December 2022	
		Carring amount	Effective Holding (%)	Carring amount	Effective Holding (%)	Carring amount	Effective Holding (%)	Carring amount	Effective Holding (%)
Transfond SA	Clearing House	10,084	5.69	8,996	5.69	10,084	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	454	0.01	419	0.01	454	0.01	419	0.01
<b>Total equity investments</b>		<b><u>12,614</u></b>		<b><u>11,658</u></b>		<b><u>12,614</u></b>		<b><u>11,658</u></b>	

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 SEPTEMBER 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>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Collateral deposit Banca Transilvania S.A.	469	463	469	463
Collateral deposit U.S. Bank N.A.	5,865	5,734	5,865	5,734
Collateral deposit CITIBANK EUROPE PLC	11,670	10,549	11,670	10,549
Mastercard	975	947	975	947
<b>Total</b>	<b><u>18,979</u></b>	<b><u>17,693</u></b>	<b><u>18,979</u></b>	<b><u>17,693</u></b>

**16. LOANS AND ADVANCES TO CUSTOMERS**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Gross carrying amount of loans and advances to customers	2,565,825	2,514,347	2,377,940	2,353,863
Credit loss allowance	(135,325)	(146,633)	(122,723)	(136,928)
<b>Total net loans and advances to customers</b>	<b><u>2,430,500</u></b>	<b><u>2,367,714</u></b>	<b><u>2,255,217</u></b>	<b><u>2,216,935</u></b>

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

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Consumer loans	172,383	168,509	172,383	168,187
Mortgage loans	363,639	385,082	363,639	385,082
Loans to entrepreneurs	318,669	286,215	161,072	148,220
SME loans	1,692,128	1,653,237	1,661,840	1,631,070
State and municipal organizations	19,006	21,304	19,006	21,304
<b>Total gross loans and advances to customers</b>	<b><u>2,565,825</u></b>	<b><u>2,514,347</u></b>	<b><u>2,377,940</u></b>	<b><u>2,353,863</u></b>
Less: Provision for loan impairment	(135,325)	(146,633)	(122,723)	(136,928)
<b>Total net loans and advances to customers</b>	<b><u>2,430,500</u></b>	<b><u>2,367,714</u></b>	<b><u>2,255,217</u></b>	<b><u>2,216,935</u></b>

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

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

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Loans to individuals	<u>536.022</u>	<u>553.591</u>	<u>536.022</u>	<u>553.269</u>
Loans to corporate customers:	<u>2,029,803</u>	<u>1,960,756</u>	<u>1,841,918</u>	<u>1,800,594</u>
Agriculture	530,799	492,999	371,591	355,143
Trade	338,347	354,432	324,703	343,769
Industry	366,197	282,993	362,773	280,835
Hotels and restaurants	88,992	72,838	85,685	69,922
Constructions	290,820	291,127	286,092	287,290
Transport	73,174	83,586	68,380	79,465
Professional Services	30,034	36,856	28,829	35,564
Services	45,437	51,907	43,217	50,236
Financial and real estate activities	223,266	244,941	228,419	249,645
Others	15,627	20,316	15,324	20,180
IT, research and development	9,870	9,474	9,665	9,258
Public Administration and Defence	17,240	19,287	17,240	19,287
<b>Total loans and advances to customers before provisions</b>	<b><u>2,565,825</u></b>	<b><u>2,514,347</u></b>	<b><u>2,377,940</u></b>	<b><u>2,353,863</u></b>
<b>Less provision for impairment losses on loans</b>	<b><u>(135,325)</u></b>	<b><u>(146,633)</u></b>	<b><u>(122,723)</u></b>	<b><u>(136,928)</u></b>
<b>Total</b>	<b><u>2,430,500</u></b>	<b><u>2,367,714</u></b>	<b><u>2,255,217</u></b>	<b><u>2,216,935</u></b>

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**NOTES TO THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT 30 SEPTEMBER 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>	<b>30 September 2023</b>							
	<b>Stage 1</b>		<b>Stage 2</b>		<b>Stage 3</b>		<b>POCI</b>	<b>Total</b>
	<b>Individual</b>	<b>Collective</b>	<b>Individual</b>	<b>Collective</b>	<b>Individual</b>	<b>Collective</b>		
Performing loans	22,943	2,089,474	28,854	257,155	-	-	14,465	2,412,891
Non-performing loans	-	-	-	-	76,415	63,461	13,058	152,934
<b>Total gross exposure</b>	<u>22,943</u>	<u>2,089,474</u>	<u>28,854</u>	<u>257,155</u>	<u>76,415</u>	<u>63,461</u>	<u>27,523</u>	<u>2,565,825</u>
Less: Provision for loan impairment	(556)	(26,768)	(2,144)	(22,419)	(44,664)	(27,776)	(10,998)	(135,325)
<b>Net Exposure</b>	<u><b>22,387</b></u>	<u><b>2,062,706</b></u>	<u><b>26,710</b></u>	<u><b>234,736</b></u>	<u><b>31,751</b></u>	<u><b>35,685</b></u>	<u><b>16,525</b></u>	<u><b>2,430,500</b></u>

<i>Thousand RON</i>	<b>31 December 2022</b>							
	<b>Stage 1</b>		<b>Stage 2</b>		<b>Stage 3</b>		<b>POCI</b>	<b>Total</b>
	<b>Individual</b>	<b>Collective</b>	<b>Individual</b>	<b>Collective</b>	<b>Individual</b>	<b>Collective</b>		
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
<b>Total gross exposure</b>	<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)
<b>Net Exposure</b>	<u><b>60,693</b></u>	<u><b>1,959,237</b></u>	<u><b>65,356</b></u>	<u><b>194,477</b></u>	<u><b>32,627</b></u>	<u><b>33,117</b></u>	<u><b>22,207</b></u>	<u><b>2,367,714</b></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 SEPTEMBER 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>	<b>30 September 2023</b>							
	<b>Stage 1</b>		<b>Stage 2</b>		<b>Stage 3</b>		<b>POCI</b>	<b>Total</b>
	<b>Individual</b>	<b>Collective</b>	<b>Individual</b>	<b>Collective</b>	<b>Individual</b>	<b>Collective</b>		
Performing loans	28,743	1,928,583	28,854	235,168	-	-	14,465	2,235,813
Non-performing loans	-	-	-	-	76,415	52,654	13,058	142,127
<b>Total gross exposure</b>	<u>28,743</u>	<u>1,928,583</u>	<u>28,854</u>	<u>235,168</u>	<u>76,415</u>	<u>52,654</u>	<u>27,523</u>	<u>2,377,940</u>
Less: Provision for loan impairment	(556)	(24,020)	(2,144)	(18,493)	(44,664)	(21,848)	(10,998)	(122,723)
<b>Net Exposure</b>	<u>28,187</u>	<u>1,904,563</u>	<u>26,710</u>	<u>216,675</u>	<u>31,751</u>	<u>30,806</u>	<u>16,525</u>	<u>2,255,217</u>

<i>Thousand RON</i>	<b>31 December 2022</b>							
	<b>Stage 1</b>		<b>Stage 2</b>		<b>Stage 3</b>		<b>POCI</b>	<b>Total</b>
	<b>Individual</b>	<b>Collective</b>	<b>Individual</b>	<b>Collective</b>	<b>Individual</b>	<b>Collective</b>		
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
<b>Total gross exposure</b>	<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)
<b>Net Exposure</b>	<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 SEPTEMBER 2023 (All amounts are in Thousand RON)**

Information about Group's collaterals is as follows:

<i>Thousand RON</i>	<b>30 September 2023</b>					<b>Total</b>
	<b>SME loans</b>	<b>Consumer loans</b>	<b>Entrepreneurs loans</b>	<b>Mortgage loans</b>	<b>State and municipal organizations</b>	
Unsecured loans(*)	208,894	153,066	71,672	1,853	-	435,485
Loans guaranteed by third parties, including credit insurance	352,631	224	180,151	5,401	-	538,407
Loans collateralized by:	<u>1,130,603</u>	<u>19,093</u>	<u>66,846</u>	<u>356,385</u>	<u>19,006</u>	<u>1,591,933</u>
- residential real estate	151,701	16,321	6,478	350,042	-	524,542
- other real estate	779,677	2,055	27,359	6,242	-	815,333
- cash collateral	9,301	717	286	101	-	10,405
- other assets	189,924	-	32,723	-	19,006	241,653
<b>Total loans and advances to customers</b>	<b><u>1,692,128</u></b>	<b><u>172,383</u></b>	<b><u>318,669</u></b>	<b><u>363,639</u></b>	<b><u>19,006</u></b>	<b><u>2,565,825</u></b>

<i>Thousand RON</i>	<b>31 December 2022</b>					<b>Total</b>
	<b>SME loans</b>	<b>Consumer loans</b>	<b>Entrepreneurs loans</b>	<b>Mortgage loans</b>	<b>State and municipal organizations</b>	
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
<b>Total loans and advances to customers</b>	<b><u>1,653,237</u></b>	<b><u>168,509</u></b>	<b><u>286,215</u></b>	<b><u>385,082</u></b>	<b><u>21,304</u></b>	<b><u>2,514,347</u></b>

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

Information about Bank's collaterals is as follows:

<i>Thousand RON</i>	<b>30 September 2023</b>					<b>State and municipal organizations</b>	<b>Total</b>
	<b>SME loans</b>	<b>Consumer loans</b>	<b>Entrepreneurs loans</b>	<b>Mortgage loans</b>			
Unsecured loans(*)	206,801	153,066	26,037	1,853	-	387,757	
Loans guaranteed by third parties, including credit insurance	331,781	224	75,195	5,401	-	412,601	
Loans collateralized by:	<u>1,123,258</u>	<u>19,093</u>	<u>59,840</u>	<u>356,385</u>	<u>19,006</u>	<u>1,577,582</u>	
- residential real estate	148,360	16,321	4,173	350,042	-	518,896	
- other real estate	776,916	2,055	26,034	6,242	-	811,247	
- cash collateral	9,284	717	286	101	-	10,388	
- other assets	188,698	-	29,347	-	19,006	237,051	
<b>Total loans and advances to customers</b>	<b><u>1,661,840</u></b>	<b><u>172,383</u></b>	<b><u>161,072</u></b>	<b><u>363,639</u></b>	<b><u>19,006</u></b>	<b><u>2,377,940</u></b>	

<i>Thousand RON</i>	<b>31 December 2022</b>					<b>State and municipal organizations</b>	<b>Total</b>
	<b>SME loans</b>	<b>Consumer loans</b>	<b>Entrepreneurs loans</b>	<b>Mortgage loans</b>			
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	
<b>Total loans and advances to customers</b>	<b><u>1,631,070</u></b>	<b><u>168,187</u></b>	<b><u>148,220</u></b>	<b><u>385,082</u></b>	<b><u>21,304</u></b>	<b><u>2,353,863</u></b>	

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

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

(\*) Unaudited / unrevised by the financial auditor.

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

**17. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Treasury bills issued by the Ministry of Public Finance of Romania	373,626	390,450	373,626	390,450
Bonds issued by Alpha Bank	25,359	24,851	25,359	24,851
Bonds issued by LIBRA INTERNET BANK S.A.	14,855	14,927	14,855	14,927
Bonds issued by Bucharest City Hall	10,226	10,408	10,226	10,408
<b>Total</b>	<b><u>424,066</u></b>	<b><u>440,636</u></b>	<b><u>424,066</u></b>	<b><u>440,636</u></b>

**18. INVESTMENT PROPERTY**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
<b>Balance at 1 January</b>	94,766	118,871	94,766	118,871
(Sales)	(5,386)	(33,140)	(5,386)	(33,140)
Net gain / (loss) from revaluation of investment property	146	8,873	146	8,873
Value increases	409	162	409	162
(-) Provisions for impairment losses	300	-	300	-
<b>Balance at the end of the period</b>	<b><u>90,235</u></b>	<b><u>94,766</u></b>	<b><u>90,235</u></b>	<b><u>94,766</u></b>

**19. INVESTMENTS IN SUBSIDIARIES**

The structure of investments in subsidiaries is as follows:

<i>Thousand RON</i>	<b>30 September 2023</b>			<b>31 December 2022</b>		
	<b>Gross value</b>	<b>Impairment adjustments</b>	<b>Net value</b>	<b>Gross value</b>	<b>Impairment adjustments</b>	<b>Net value</b>
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)	-
<b>Total</b>	<b><u>47,103</u></b>	<b><u>(6,807)</u></b>	<b><u>40,296</u></b>	<b><u>43,103</u></b>	<b><u>(6,807)</u></b>	<b><u>36,296</u></b>

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

**20. OTHER FINANCIAL ASSETS**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Amounts to be recovered from banks and clients	5,494	5,367	5,494	5,367
Other financial assets	11,950	15,698	11,834	15,587
Derivative financial instruments	317	-	317	-
Other debtors	11,235	9,340	12,804	8,966
Subleasing IFRS 16	-	-	641	728
(-) Provisions for impairment losses	(8,385)	(8,721)	(8,384)	(8,718)
<b>Total</b>	<b><u>20,611</u></b>	<b><u>21,684</u></b>	<b><u>22,706</u></b>	<b><u>21,930</u></b>

**21. OTHER ASSETS**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Sundry debtors	164	124	144	105
Other income to be received	-	-	-	-
Prepayments	5,596	4,902	5,515	4,802
Income tax to recover	7,168	4,620	7,026	5,232
Other assets	1,437	1,621	1,437	1,456
<b>Total</b>	<b><u>14,365</u></b>	<b><u>11,267</u></b>	<b><u>14,122</u></b>	<b><u>11,595</u></b>

**22. INTANGIBLE ASSETS**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Goodwill	20,103	20,103	20,103	20,103
Other intangible assets	32,799	29,492	30,042	27,895
<b>Total</b>	<b><u>52,902</u></b>	<b><u>49,595</u></b>	<b><u>50,145</u></b>	<b><u>47,998</u></b>

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

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

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Balance at 1 January	101,377	91,964	94,659	86,354
Acquisitions	14,010	16,628	12,824	15,509
-transfers from intangible assets in progress	6,428	6,931	5,505	6,920
Release of intangible assets in progress	(5,505)	(6,931)	(5,505)	(6,920)
Disposals	(1)	(284)	-	(284)
<b>Balance at the end of the period</b>	<b>109,881</b>	<b>101,377</b>	<b>101,978</b>	<b>94,659</b>
<b>Cumulative amortisation</b>				
Balance at 1 January	51,782	44,959	46,661	40,215
Amortisation and impairment expense	5,213	5,328	5,172	5,294
Expense with acquisition clients list and brand	(15)	1,593	-	1,250
Disposals	(1)	(98)	-	(98)
<b>Balance at the end of the period</b>	<b>56,979</b>	<b>51,782</b>	<b>51,833</b>	<b>46,661</b>
<b>Net carrying amount</b>				
<b>Balance at 1 January</b>	<b>49,595</b>	<b>47,005</b>	<b>47,998</b>	<b>46,139</b>
<b>Balance at the end of the period</b>	<b>52,902</b>	<b>49,595</b>	<b>50,145</b>	<b>47,998</b>

**23. PREMISES AND EQUIPMENT**

<i>Thousand RON</i>	<b>Group</b>					<b>Total</b>
	<b>Land and buildings</b>	<b>Furniture and equipment</b>	<b>Means of transport</b>	<b>Assets in the course of construction</b>	<b>30 September 2023</b>	
<b>Cost</b>						
<b>Balance at 1 January</b>	114,795	63,366	6,512	451		185,124
Acquisitions and transfers from assets under construction	357	470	-	827		1,654
Outflows, transfer from assets under construction, write-offs	-	(6)	-	(827)		(833)
Right of use - new contracts	2,842	-	-	-		2,842
Right of use (early termination of lease contracts)	(1,225)	-	(238)	-		(1,463)
<b>Balance at the end of the period</b>	<b>116,769</b>	<b>63,830</b>	<b>6,274</b>	<b>451</b>		<b>187,323</b>
<b>Cumulative depreciation</b>						
<b>Balance at 1 January</b>	35,349	50,832	5,444	-		91,625
Amortization expense	7,163	2,614	568	-		10,345
Impairment expense	-	(453)	-	-		(453)
Outflows	(1,124)	(6)	(317)	-		(1,447)
<b>Balance at the end of the period</b>	<b>41,388</b>	<b>52,987</b>	<b>5,695</b>	<b>-</b>		<b>100,070</b>
<b>Net carrying amount</b>						
<b>Balance at 1 January</b>	<b>79,446</b>	<b>12,534</b>	<b>1,068</b>	<b>451</b>		<b>93,499</b>
<b>Balance at the end of the period</b>	<b>75,381</b>	<b>10,843</b>	<b>579</b>	<b>451</b>		<b>87,253</b>

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

<i>Thousand RON</i>	<b>Group 31 December 2022</b>				<b>Total</b>
	<b>Land and buildings</b>	<b>Furniture and equipment</b>	<b>Means of transport</b>	<b>Assets in the course of construction</b>	
<b>Cost</b>					
<b>Balance at 1 January</b>	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)
<b>Balance at 31 December</b>	<b><u>114,795</u></b>	<b><u>63,366</u></b>	<b><u>6,512</u></b>	<b><u>451</u></b>	<b><u>185,124</u></b>
<b>Cumulative depreciation</b>					
<b>Balance at 1 January</b>	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)
<b>Balance at 31 December</b>	<b><u>35,349</u></b>	<b><u>50,832</u></b>	<b><u>5,444</u></b>	<b><u>-</u></b>	<b><u>91,625</u></b>
<b>Net carrying amount</b>					
<b>Balance at 1 January</b>	<b><u>76,047</u></b>	<b><u>13,718</u></b>	<b><u>2,257</u></b>	<b><u>873</u></b>	<b><u>92,895</u></b>
<b>Balance at 31 December</b>	<b><u>79,446</u></b>	<b><u>12,534</u></b>	<b><u>1,068</u></b>	<b><u>451</u></b>	<b><u>93,499</u></b>

<i>Thousand RON</i>	<b>Bank 30 September 2023</b>				<b>Total</b>
	<b>Land and buildings</b>	<b>Furniture and equipment</b>	<b>Means of transport</b>	<b>Assets in the course of construction</b>	
<b>Cost</b>					
<b>Balance at 1 January</b>	111,817	62,364	5,803	451	180,435
Acquisitions and transfers from assets under construction	317	405	-	722	1,444
Outflows, transfer from assets under construction, write-offs	-	-	-	(722)	(722)
Right of use - new contracts	2,822	-	-	-	2,822
Right of use (early termination of lease contracts)	-	-	-	-	-
<b>Balance at the end of the period</b>	<b><u>114,956</u></b>	<b><u>62,769</u></b>	<b><u>5,803</u></b>	<b><u>451</u></b>	<b><u>183,979</u></b>
<b>Cumulative depreciation</b>					
<b>Balance at 1 January</b>	33,524	50,097	4,967	-	88,588
Amortization expense	7,106	2,491	568	-	10,165
Impairment expense	-	(453)	-	-	(453)
Outflows	-	-	-	-	-
<b>Balance at the end of the period</b>	<b><u>40,630</u></b>	<b><u>52,135</u></b>	<b><u>5,535</u></b>	<b><u>-</u></b>	<b><u>98,300</u></b>
<b>Net carrying amount</b>					
<b>Balance at 1 January</b>	<b><u>78,293</u></b>	<b><u>12,267</u></b>	<b><u>836</u></b>	<b><u>451</u></b>	<b><u>91,847</u></b>
<b>Balance at the end of the period</b>	<b><u>74,326</u></b>	<b><u>10,634</u></b>	<b><u>268</u></b>	<b><u>451</u></b>	<b><u>85,679</u></b>

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

<i>Thousand RON</i>	<b>Bank 31 December 2022</b>				<b>Total</b>
	<b>Land and buildings</b>	<b>Furniture and equipment</b>	<b>Means of transport</b>	<b>Assets in the course of construction</b>	
<b>Cost</b>					
<b>Balance at 1 January</b>	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, write-offs	5,680	713	-	-	6,393
Right of use - new contracts	(382)	(6,862)	-	-	(7,244)
<b>Balance at 31 December</b>	<b><u>111,817</u></b>	<b><u>62,364</u></b>	<b><u>5,803</u></b>	<b><u>451</u></b>	<b><u>180,435</u></b>
<b>Cumulative depreciation</b>					
<b>Balance at 1 January</b>	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)
<b>Balance at 31 December</b>	<b><u>33,524</u></b>	<b><u>50,097</u></b>	<b><u>4,967</u></b>	<b><u>-</u></b>	<b><u>88,588</u></b>
<b>Net carrying amount</b>					
<b>Balance at 1 January</b>	<b><u>74,910</u></b>	<b><u>13,363</u></b>	<b><u>1,889</u></b>	<b><u>873</u></b>	<b><u>91,035</u></b>
<b>Balance at 31 December</b>	<b><u>78,293</u></b>	<b><u>12,267</u></b>	<b><u>836</u></b>	<b><u>451</u></b>	<b><u>91,847</u></b>

**24. DUE TO OTHER BANKS**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Sight deposits	39,805	64,483	39,805	64,483
Term deposits	34,219	-	34,219	-
Collateral deposits	497	495	497	495
Transitory amounts	18,216	9,988	18,216	9,988
<b>Total</b>	<b><u>92,737</u></b>	<b><u>74,966</u></b>	<b><u>92,737</u></b>	<b><u>74,966</u></b>

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

**25. CUSTOMER DEPOSITS**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
<b>Retail customers</b>				
Current accounts	255,342	304,817	255,342	304,817
Term deposits	1,788,589	1,718,364	1,788,589	1,718,364
Collateral deposits	2,413	3,698	2,413	3,698
<b>Corporate customers</b>				
Current accounts	270,918	352,177	274,085	353,490
Sight deposits	82,861	64,794	82,861	64,794
Term deposits	837,886	952,098	840,745	956,921
Collateral deposits	31,400	41,939	31,400	41,939
Amounts in transit	2,364	3,704	2,364	3,705
<b>Total</b>	<b>3,271,773</b>	<b>3,441,591</b>	<b>3,277,799</b>	<b>3,447,728</b>

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

<i>Thousands RON</i>	<b>Bank</b>			
	<b>30 September 2023</b>		<b>31 December 2022</b>	
	<b>Amount</b>	<b>Percentage of total deposits(%)</b>	<b>Amount</b>	<b>Percentage of total deposits(%)</b>
<b>Retail customers</b>	<u>2,046,344</u>	<u>62.43</u>	<u>2,026,879</u>	<u>58.79</u>
<b>Corporate customers</b>	<u>1,108,100</u>	<u>33.81</u>	<u>1,290,487</u>	<u>37.43</u>
Financial and real estate activities	401,308	12.24	485,086	14.07
Industry	128,113	3.91	88,366	2.56
Others	123,426	3.77	127,664	3.70
Constructions	73,773	2.25	106,047	3.08
IT, research and development	4,662	0.14	104,223	3.02
Trade	100,847	3.08	120,022	3.48
Transport	42,020	1.28	52,325	1.52
Professional Services	50,907	1.55	34,607	1.00
Services	102,493	3.13	72,937	2.12
Agriculture	63,658	1.94	83,273	2.42
Hotels and restaurants	16,893	0.52	15,937	0.46
Public Administration and Defense	<u>123,355</u>	<u>3.76</u>	<u>130,362</u>	<u>3.78</u>
<b>Total</b>	<b>3,277,799</b>	<b>100.00</b>	<b>3,447,728</b>	<b>100.00</b>

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

**26. LOANS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
<b>Financing name</b>				
EFSE - European Fund for Southeast Europe (i)	24,867	27,219	-	-
First Bank S.A.(ii)	7,967	14,548	-	-
Raiffeisen Bank S.A. (iii)	11,502	13,070	-	-
Symbiotics Sicav (Lux.) (iv)	31,056	28,678	-	-
Casa de Economii si Consemnatiuni (v)	29,675	29,576	-	-
Garanti Bank International N.V. (vi)	9,790	1,992	-	-
Credit Europe Bank S.A. (vii)	-	4,873	-	-
International Finance Corporation(IFC) (viii)	100,493	97,914	100,493	97,914
Redi Economic Development S.A. (ix)	4,960	-	-	-
<b>Total</b>	<b><u>220,310</u></b>	<b><u>217,870</u></b>	<b><u>100,493</u></b>	<b><u>97,914</u></b>

(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 September 2023 is RON 24,867 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

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

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 September 2023 is RON 7,967 thousand.

*(iii) Raiffeisen Bank S.A.*

In May 2018, the Group obtained a loan facility from Raiffeisen Bank in amount of RON 7,032 thousand for 3 years period and final maturity on 20 May 2021. In July 2021, the value of the loan has been increased to RON 12,000 thousand with a maturity on 20 July 2024. In February 2022, the Group used the amount of RON 729.5 thousand from the revolving facility from Raiffeisen Bank.

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

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

The total outstanding loan from Raiffeisen Bank at 30 September 2023 is RON 11,502 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.

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

In the first semester of 2023, the group returned the sum of RON 9,000 thousand.

The total outstanding loan from Symbiotics at 30 September 2023 is RON 31,056 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 September 2023 is RON 29,675 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.

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.

In the 3rd quarter of 2023, the group returned 5,000 thousand Ron

The total outstanding loan from Garanti BBVA Romania S.A. at 30 September 2023 is RON 9,790 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 September 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.

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

The total outstanding loan from International Finance Corporation at 30 September 2023 is RON 100,493 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 September 2023 is RON 4,960 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 September 2023, the Group is in compliance with all financial covenants contained in the loan agreements.

**27. OTHER FINANCIAL LIABILITIES**

<i>Thousand RON</i>	Group		Bank	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Financial liabilities to owners of fund units	150,357	98,201	-	-
Derivative financial instruments	-	7,310	-	7,310
Other financial liabilities	78,026	35,256	57,080	31,702
Lease liabilities IFRS 16	27,408	31,690	26,733	30,967
<b>Total</b>	<b>255,791</b>	<b>172,457</b>	<b>83,813</b>	<b>69,979</b>

**28. PROVISIONS**

<i>Thousand RON</i>	Group		Bank	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Provisions for loan commitments and financial guarantees	1,281	1,392	1,281	1,392
Provisions for personnel expenses	3,971	5,126	3,273	4,404
Provisions for litigations	2,637	3,113	2,630	3,097
Other provisions	144	123	-	-
<b>Total</b>	<b>8,033</b>	<b>9,754</b>	<b>7,184</b>	<b>8,893</b>

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

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>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Other liabilities	4,771	189	3,607	114
State budget debts	4,036	3,550	3,607	3,384
Other income to be received	352	362	352	362
<b>Total</b>	<b><u>9,159</u></b>	<b><u>4,101</u></b>	<b><u>7,566</u></b>	<b><u>3,860</u></b>

**30. SUBORDINATED DEBTS**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
<b>Balance at 1 January</b>	54,558	34,896	44,311	24,797
New subordinated liabilities	40,373	34,632	24,873	34,632
Repayments & FX differences	291	(14,970)	809	(15,118)
<b>Balance at the end of the period</b>	<b><u>95,222</u></b>	<b><u>54,558</u></b>	<b><u>69,993</u></b>	<b><u>44,311</u></b>

The Group has the following outstanding subordinated loans as 30 September 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;

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

- 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 EAAF 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).

**31. DEBT SECURITIES IN ISSUE**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Debt securities in issue	64,034	64,501	64,034	64,501
<b>Total</b>	<b><u>64,034</u></b>	<b><u>64,501</u></b>	<b><u>64,034</u></b>	<b><u>64,501</u></b>

As of 30 September 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) .

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

**32. SHARE CAPITAL AND EQUITY PREMIUMS**

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
<b>Share Capital according to Trade Register</b>	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
<b>Share capital under IFRS</b>	<b><u>332,181</u></b>	<b><u>332,181</u></b>	<b><u>332,181</u></b>	<b><u>332,181</u></b>

The main shareholders are presented below:

<b>Name of the shareholder</b>	<b>30 September 2023</b>		<b>31 December 2022</b>	
	<b>Number of shares Patria Bank</b>	<b>Percentage of ownership (%)</b>	<b>Number of shares Patria Bank</b>	<b>Percentage of ownership (%)</b>
EEAF Financial Services B.V.	2,755,927,215	84.05	2,755,927,215	84.05
Individuals	458,804,533	14.00	457,356,702	13.95
Legal entities	64,082,628	1.95	65,530,459	2.00
<b>Total</b>	<b><u>3,278,814,376</u></b>	<b><u>100.01</u></b>	<b><u>3,278,814,376</u></b>	<b><u>100.00</u></b>

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

**33. EARNINGS PER SHARE**

	<b>30 September 2023</b>	<b>31 December 2022</b>
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	<b><u>3,278,814,376</u></b>	<b><u>3,278,814,376</u></b>

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

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

<b>Group</b>		
<b>30 September 2023</b>	<b>No. of shares in movement</b>	<b>No. days</b>
No. of shares 01.01.2023-30.09.2023	3,278,814,376	273
Average no. of shares	3,278,814,376	273
Result of the period at 30.09.2023	<b>16,167,279</b>	
<b>Profit per share (RON/share)</b>	<b>0.0049</b>	
<b>30 September 2022</b>	<b>No. of shares in movement</b>	<b>No. days</b>
No. of shares 01.01.2022-26.01.2022	3,115,330,575	26
No. of shares 27.01.2022-30.09.2022(Share capital increase)	3,278,814,376	247
<b>Average no. of shares</b>	<b>3,263,244,490</b>	<b>273</b>
Result of the period at 30.09.2022	<b>12,171,758</b>	
<b>Profit per share (RON/share)</b>	<b>0.0037</b>	
<b>Bank</b>		
<b>30 September 2023</b>	<b>No. of shares in movement</b>	<b>No. days</b>
No. of shares 01.01.2023-30.09.2023	3,278,814,376	273
Average no. of shares	3,278,814,376	273
Result of the period at 30.09.2023	<b>15,044,973</b>	
<b>Profit per share (RON/share)</b>	<b>0.0046</b>	
<b>30 September 2022</b>	<b>No. of shares in movement</b>	<b>No. days</b>
No. of shares 01.01.2022-26.01.2022	3,115,330,575	26
No. of shares 27.01.2022-30.09.2022(Share capital increase)	3,278,814,376	247
<b>Average no. of shares</b>	<b>3,263,244,490</b>	<b>273</b>
Result of the period at 30.09.2022	<b>14,868,177</b>	
<b>Profit per share (RON/share)</b>	<b>0.0046</b>	

### 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 ;

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

- 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>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Reserves from revaluation of financial assets at fair value through other items of comprehensive income	(20,062)	(38,343)	(20,062)	(38,343)
Revaluation reserve for premises	27,919	30,727	26,210	29,019
Statutory legal reserve	15,197	15,198	14,681	14,681
Other Reserves	14,678	14,678	14,678	14,678
<b>Total</b>	<b><u>37,732</u></b>	<b><u>22,260</u></b>	<b><u>35,507</u></b>	<b><u>20,035</u></b>

**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.

**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.

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

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>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Letters of guarantees	58,051	56,172	58,051	56,172
Commitments of granted credits	209,473	237,755	208,142	237,495
<b>Total</b>	<b><u>267,524</u></b>	<b><u>293,927</u></b>	<b><u>266,193</u></b>	<b><u>293,667</u></b>

**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

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

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 September 2023, the provision for litigation, in which the Group is involved as defendant is in amount of RON 1,634 thousand (31 December 2022: RON 2,030 thousand).

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

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

**Carpatica Invest SA (undergoing dissolution)**

Considering the dissolving decision and the insignificant impact of consolidating SSIF Carpatica Invest SA, the Group has decided to modify the scope of the consolidation by excluding Carpatica Invest SA.

The criminal case no. 19883/3/2017 \* a1, in which Carpatica Invest S.A. has the quality of defendant together with former employees of the Company, accused of committing offences against the law on the capital market (Law no. 297/2004), has been registered with the Bucharest Court, and measures have been ordered to secure the assets of the defendants, including the assets of Carapatica Invest.

The insolvency case 2127/85/2016 pending before the Sibiu Tribunal has a deadline of 19.05.2022 (deadline granted for the continuation of the insolvency procedure in order to definitively solve the criminal case and to clarify the situation of the assets). The next deadline is 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 SEPTEMBER 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**
**SEPTEMBER 2023 (All amounts are in Thousand RON)**

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

<i>Thousand RON</i>	<b>30 September 2023</b>				<b>30 September 2022</b>			
	<b>Immediate parent company</b>	<b>Other affiliated entities</b>	<b>Key personnel</b>	<b>Other affiliated parties</b>	<b>Immediate parent company</b>	<b>Other affiliated entities</b>	<b>Key personnel</b>	<b>Other affiliated parties</b>
Interest and similar income calculated using the effective interest rate	-	-	5	1,908	-	-	7	2,326
Interest and similar expense	(4)	-	(704)	(29)	-	-	(5)	(32)
Fee and commission income	-	-	-	38	-	-	-	27
Net charge with impairment of financial assets	-	-	-	(4,616)	-	-	1	(1,349)
Other operating and administrative expenses	-	-	(13)	-	-	-	(12)	-
Dividends income	-	2,426	-	-	-	2,926	-	-

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

<i>Thousand RON</i>	<b>30 September 2023</b>				<b>31 December 2022</b>			
	<b>Immediate parent company</b>	<b>Other affiliated entities</b>	<b>Key personnel</b>	<b>Other affiliated parties</b>	<b>Immediate parent company</b>	<b>Other affiliated entities</b>	<b>Key personnel</b>	<b>Other affiliated parties</b>
<b>Financial Assets</b>								
Financial asset evaluated at fair value through other comprehensive income	-	2,005	-	-	-	2,179	-	-
Loans and advances to customers	-	-	324	16,828	-	-	315	24,605
Other financial assets	-	-	-	1	-	-	-	-
<b>Liabilities</b>								
Deposits from customers	70	-	1,957	7,575	70	-	3,053	12,054
Subordinated liabilities	59	-	10,197	-	57	-	9,895	-
Provisions	-	-	-	1	-	-	1	85
Other financial liabilities	-	-	-	2	-	-	-	23
Commitments to customers	-	-	82	7,315	-	-	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**
**SEPTEMBER 2023 (All amounts are in Thousand RON)**

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

<i>Thousand RON</i>	<b>30 September 2023</b>					<b>30 September 2022</b>				
	<b>Immediate parent company</b>	<b>Other affiliated entities</b>	<b>Key personnel</b>	<b>Subsidiaries</b>	<b>Other affiliated parties</b>	<b>Immediate parent company</b>	<b>Other affiliated entities</b>	<b>Key personnel</b>	<b>Subsidiaries</b>	<b>Other affiliated parties</b>
Interest and similar income calculated using the effective interest rate	-	-	5	460	1,908	-	-	7	264	2,326
Interest and similar expense	(4)	-	(704)	(539)	(29)	-	-	(5)	(69)	(32)
Fee and commission income	-	-	-	16	38	-	-	-	5	27
Net gain/(loss) from financial assets measured at fair value through profit or loss	-	-	-	1,015	-	-	-	-	(555)	-
Net charge with impairment of financial assets	-	-	-	-	(4,616)	-	-	1	-	(1,349)
Other operating and administrative expenses	-	-	(13)	(14)	-	-	-	(12)	-	-
Dividends income	-	2,426	-	4,000	-	-	2,926	-	6,000	-

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

<i>Thousand RON</i>	<b>30 September 2023</b>					<b>31 December 2022</b>				
	<b>Immediate parent company</b>	<b>Other affiliated entities</b>	<b>Key personnel</b>	<b>Subsidiaries</b>	<b>Other affiliated parties</b>	<b>Immediate parent company</b>	<b>Other affiliated entities</b>	<b>Key personnel</b>	<b>Subsidiaries</b>	<b>Other affiliated parties</b>
<b>Financial Assets</b>										
Financial asset evaluated at fair value through other comprehensive income	-	2,005	-	-	-	-	2,179	-	-	-
Financial assets at fair value through profit or loss	-	-	-	16,543	-	-	-	-	13,970	-
Loans and advances to customers	-	-	324	5,801	16,828	-	-	315	5,422	24,605
Investment in subsidiaries	-	-	-	40,296	-	-	-	-	36,296	-
Other financial assets	-	-	-	642	1	-	-	-	728	-
<b>Liabilities</b>										
Deposits from customers	70	-	1,957	6,432	7,575	70	-	3,053	6,579	12,054
Subordinated liabilities	59	-	10,197	-	-	57	-	9,895	-	-
Provisions	-	-	-	-	1	-	-	1	-	85
Commitments to customers	-	-	82	-	7,315	-	-	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 SEPTEMBER 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>	<b>Group 30 September 2023</b>				<b>Group 31 December 2022</b>			
	<b>Land and buildings</b>	<b>Furniture and equipment</b>	<b>Means of transport</b>	<b>Total</b>	<b>Land and buildings</b>	<b>Furniture and equipment</b>	<b>Means of transport</b>	<b>Total</b>
<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	2,842	-	-	2,842	6,134	713	18	6,865
Contracts closed during the period	(1,225)	-	(238)	(1,463)	(382)	(6,862)	-	(7,244)
<b>Balance at the end of the period</b>	<b><u>45,110</u></b>	<b><u>8,636</u></b>	<b><u>5,129</u></b>	<b><u>58,875</u></b>	<b><u>43,493</u></b>	<b><u>8,636</u></b>	<b><u>5,367</u></b>	<b><u>57,496</u></b>
<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	5,352	1,108	703	7,163	6,965	622	1,117	8,704
Depreciation for contracts closed during the period	(1,124)	-	(317)	(1,441)	(269)	(6,862)	-	(7,131)
<b>Balance at the end of the period</b>	<b><u>26,154</u></b>	<b><u>2,527</u></b>	<b><u>4,573</u></b>	<b><u>33,254</u></b>	<b><u>21,926</u></b>	<b><u>1,419</u></b>	<b><u>4,187</u></b>	<b><u>27,531</u></b>
<b>Balance at 1 January</b>	<b><u>21,567</u></b>	<b><u>7,217</u></b>	<b><u>1,180</u></b>	<b><u>29,964</u></b>	<b><u>22,511</u></b>	<b><u>7,126</u></b>	<b><u>2,279</u></b>	<b><u>31,916</u></b>
<b>Balance at the end of the period</b>	<b><u>18,956</u></b>	<b><u>6,109</u></b>	<b><u>556</u></b>	<b><u>25,620</u></b>	<b><u>21,567</u></b>	<b><u>7,217</u></b>	<b><u>1,180</u></b>	<b><u>29,965</u></b>

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

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

<i>Thousand RON</i>	<b>Bank 30 September 2023</b>				<b>Bank 31 December 2022</b>			
	<b>Land and buildings</b>	<b>Furniture and equipment</b>	<b>Means of transport</b>	<b>Total</b>	<b>Land and buildings</b>	<b>Furniture and equipment</b>	<b>Means of transport</b>	<b>Total</b>
<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	2,822	-	-	2,822	5,681	713	-	6,394
Contracts closed during the period	-	-	-	-	(382)	(6,862)	-	(7,244)
<b>Balance at the end of the period</b>	<b><u>43,696</u></b>	<b><u>8,415</u></b>	<b><u>4,658</u></b>	<b><u>56,768</u></b>	<b><u>40,874</u></b>	<b><u>8,415</u></b>	<b><u>4,658</u></b>	<b><u>53,947</u></b>
<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	5,312	1,074	703	7,089	6,513	578	962	8,053
Depreciation for contracts closed during the period	-	-	-	-	(269)	(6,862)	-	(7,131)
<b>Balance at the end of the period</b>	<b><u>25,694</u></b>	<b><u>2,316</u></b>	<b><u>4,412</u></b>	<b><u>32,423</u></b>	<b><u>20,382</u></b>	<b><u>1,242</u></b>	<b><u>3,709</u></b>	<b><u>25,333</u></b>
<b>Balance at 1 January</b>	<b><u>20,492</u></b>	<b><u>7,173</u></b>	<b><u>949</u></b>	<b><u>28,614</u></b>	<b><u>21,437</u></b>	<b><u>7,038</u></b>	<b><u>1,911</u></b>	<b><u>30,386</u></b>
<b>Balance at the end of the period</b>	<b><u>18,002</u></b>	<b><u>6,099</u></b>	<b><u>246</u></b>	<b><u>24,345</u></b>	<b><u>20,492</u></b>	<b><u>7,173</u></b>	<b><u>949</u></b>	<b><u>28,613</u></b>

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

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Not later than 1 year	19,077	10,151	18,402	9,428
Later than 1 year and not later than 5 years	8,331	21,420	8,331	21,420
More than 5 years	-	119	-	119
<b>Total</b>	<b><u>27,408</u></b>	<b><u>31,690</u></b>	<b><u>26,733</u></b>	<b><u>30,967</u></b>

**B. Leases as lessor**

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

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

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

(\*) Unaudited / unrevised by the financial auditor.

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

**Operating lease commitments - Group as lessor**

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

<i>Thousand RON</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Not later than 1 year	-	-	388	171
Later than 1 year and not later than 5 years	-	-	254	557
<b>Total</b>	<b>-</b>	<b>-</b>	<b><u>642</u></b>	<b><u>728</u></b>

**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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