



CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

**Prepared in accordance with Order 27/2010 and with International Financial Reporting
Standards as adopted by the European Union**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

CONTENTS

INDEPENDENT AUDITOR'S REPORT

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income	4
Consolidated and Separate Statement of Financial Position	6
Consolidated and Separate Statement of Changes in Equity	7
Consolidated and Separate Statement of Cash Flows	11
Notes to the consolidated and separate Financial Statements	
1. REPORTING ENTITY	12
2. BASIS OF PREPARATION	13
3. MATERIAL ACCOUNTING POLICIES	17
4. FINANCIAL RISK MANAGEMENT	39
5. USE OF ESTIMATES AND JUDGMENTS	71
6. FAIR VALUE DISCLOSURES	79
7. PRESENTATION OF FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORY	87
8. NET INTEREST INCOME	93
9. NET FEE AND COMMISSION INCOME	94
10. NET GAIN/(LOSS) FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	95
11. NET GAIN/(LOSS) FROM DISPOSAL OF INVESTMENT SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	95
12. OTHER OPERATING INCOME	96
13. IMPAIRMENT LOSSES ON FINANCIAL ASSETS	97
14. PERSONNEL EXPENSES	97
15. ADMINISTRATIVE AND OTHER OPERATING EXPENSES	98
16. INCOME TAX	98
17. CASH AND CASH EQUIVALENTS	102
18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	105
19. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	106
20. DUE FROM BANKS	109
21. LOANS AND ADVANCES TO CUSTOMERS	110
22. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST	132
23. INVESTMENT PROPERTY	133
24. NON-CURRENT ASSETS HELD FOR SALE	134
25. INVESTMENTS IN SUBSIDIARIES	135
26. OTHER FINANCIAL ASSETS	135
27. OTHER ASSETS	139
28. INTANGIBLE ASSETS	139
29. PROPERTY AND EQUIPMENT	141
30. DUE TO BANKS	143
31. CUSTOMER DEPOSITS	143
32. LOANS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS	144
33. OTHER FINANCIAL LIABILITIES	147
34. PROVISIONS	147
35. OTHER LIABILITIES	149
36. SUBORDINATED LIABILITIES	149
37. DEBT SECURITIES IN ISSUE	150
38. SHARE CAPITAL	150
39. EARNINGS PER SHARE	151
40. SEGMENT REPORTING	152
41. RESERVES	152
42. NET DEBT RECONCILIATION	155

43.	COMMITMENTS AND CONTINGENCIES	155
44.	RELATED PARTY TRANSACTIONS	160
45.	LEASES	164
46.	SUBSEQUENT EVENTS	167

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024 (All amounts are in thousand RON)

<i>Thousand RON</i>	Note	Group		Bank	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
Interest and similar income calculated using the effective interest rate	8	332,219	315,471	289,414	275,760
Interest and similar expense	8	(158,388)	(170,885)	(144,690)	(156,159)
Net interest income	8	<u>173,831</u>	<u>144,586</u>	<u>144,724</u>	<u>119,601</u>
Fee and commission income	9	47,157	41,090	43,604	39,153
Fee and commission expense	9	(8,153)	(6,509)	(6,778)	(5,388)
Net fee and commission income	9	<u>39,004</u>	<u>34,581</u>	<u>36,826</u>	<u>33,765</u>
Net gain/(loss) from financial assets at fair value through profit or loss	10	5,575	7,138	5,915	6,701
Net gain/(loss) from disposal of investment securities at fair value through other comprehensive income	11	5,784	7,427	5,784	7,427
Net gain/(loss) on derecognition of financial assets measured at amortised cost		(150)	(1,453)	(118)	(1,453)
Net gain/(loss) from investment properties	23	262	61	262	61
Net gain/(loss) on non-current assets held for sale	24	166	262	166	262
Other operating income	12	18,990	25,786	22,336	31,023
Net operating income		<u>243,462</u>	<u>218,388</u>	<u>215,895</u>	<u>197,387</u>
Personnel expenses	14	(85,466)	(82,246)	(75,486)	(73,022)
Administrative and other operating expenses	15	(68,803)	(53,704)	(64,079)	(48,924)
Depreciation and amortization	28,29	(23,482)	(21,327)	(21,988)	(20,479)
Operational result before impairment		<u>65,711</u>	<u>61,111</u>	<u>54,342</u>	<u>54,962</u>
Impairment losses on financial assets	13	(16,390)	(27,063)	(12,084)	(24,818)
Operational profit		<u>49,321</u>	<u>34,048</u>	<u>42,258</u>	<u>30,144</u>
Profit before tax		<u>49,321</u>	<u>34,048</u>	<u>42,258</u>	<u>30,144</u>
Income tax expense for the year	16	(8,697)	(8,563)	(7,090)	(6,990)
Net profit for the period		<u>40,624</u>	<u>25,485</u>	<u>35,168</u>	<u>23,154</u>

**CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024 (All amounts are in thousand RON)**

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Net profit for the period	40,624	25,485	35,168	23,154
Other comprehensive income				
Items that may be reclassified to profit or loss:				
Net gain on debt instruments measured at FVOCI, transferred to profit or loss	(5,784)	(7,427)	(5,784)	(7,427)
Gain/(loss) from fair value measurement of debt instruments measured at FVOCI	(1,791)	42,543	(1,791)	42,543
Variation of expected credit loss related to debt instruments measured at FVOCI	233	440	233	440
Income tax recorded directly in other comprehensive income	1,175	(5,689)	1,175	(5,689)
Items that will not be reclassified to profit or loss:				
Changes in revaluation reserve of property and equipment	-	-	-	-
Income tax recorded directly in other comprehensive income, related to the changes of revaluation reserve	-	-	-	-
Gain on equity investments measured at FVOCI	1,332	957	1,332	957
Income tax recorded directly in other comprehensive income, related to investments measured at FVOCI	(213)	(153)	(213)	(153)
Other comprehensive income, net of tax	(5,048)	30,671	(5,048)	30,671
Comprehensive income	<u>35,576</u>	<u>56,156</u>	<u>30,120</u>	<u>53,825</u>
Profit attributable to:				
-Equity holders of the parent entity	40,624	25,485	35,168	23,154
-Non-controlling interests	-	-	-	-
Profit for the period	<u>40,624</u>	<u>25,485</u>	<u>35,168</u>	<u>23,154</u>
Comprehensive income attributable to:				
-Equity holders of the parent entity	35,576	56,156	30,120	53,825
-Non-controlling interests	-	-	-	-
Comprehensive income	<u>35,576</u>	<u>56,156</u>	<u>30,120</u>	<u>53,825</u>
Earnings per share (basic and diluted)	0.0124	0.0078	0.0107	0.0071

The consolidated and separate financial statements were approved by the Board of Directors on the 26 of March 2025 and were signed on its behalf by:

Valentin Vancea
General Manager

Georgiana Stanciulescu
Deputy General Manager

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024
(All amounts are in thousand RON)

Thousand RON	Note	Group		Bank	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
Assets					
Cash and cash equivalents	17	524,955	538,218	524,457	537,692
Financial assets at fair value through profit or loss	18	81,042	42,967	76,310	39,161
Financial asset measured at fair value through other comprehensive income	19	810,570	676,316	810,570	676,316
Due from banks	20	19,422	18,726	19,422	18,726
Loans and advances to customers	21	2,528,065	2,231,221	2,367,410	2,058,585
Investments in debt instruments at amortized cost	22	379,473	399,038	379,473	399,038
Investment property	23	90,210	90,358	90,210	90,358
Non-current assets held for sale	24	1,545	1,831	1,379	1,665
Investment in subsidiaries	25	-	-	40,296	40,296
Other financial assets	26	32,718	18,670	32,354	18,502
Other assets	27	6,441	12,844	6,384	13,370
Deferred tax assets	16	3,683	1,703	3,856	1,783
Intangible assets	28	56,776	54,380	51,543	50,716
Property and equipment	29	85,053	88,657	82,493	87,192
Total assets		4,619,953	4,174,929	4,486,157	4,033,400
Liabilities					
Due to banks	30	4,905	182,799	4,905	182,799
Customer deposits	31	3,654,777	3,109,675	3,702,193	3,124,154
Loans from banks and other financial institutions	32	285,365	230,488	136,548	98,918
Other financial liabilities	33	84,637	90,461	72,777	81,002
Provisions	34	12,047	10,217	10,836	8,694
Other liabilities	35	6,015	5,021	4,945	4,370
Subordinated liabilities	36	84,487	94,488	59,391	69,385
Debt securities in issue	37	65,557	65,193	65,557	65,193
Total liabilities		4,197,790	3,788,342	4,057,152	3,634,515
Equity					
Share capital and equity premiums	38	332,181	332,181	332,181	332,181
Merger premium	38	(67,569)	(67,569)	(67,569)	(67,569)
Treasury shares	38	(1,140)	(1,140)	(5)	(5)
Accumulated Profit / (Losses)	38	113,947	71,097	122,679	84,940
Revaluation reserves	41	10,449	20,180	8,740	18,472
Statutory legal reserve	41	19,617	17,160	18,301	16,188
Other reserves	41	14,678	14,678	14,678	14,678
Total equity		422,163	386,587	429,005	398,885
Total liabilities and equity		4,619,953	4,174,929	4,486,157	4,033,400

The consolidated and separate financial statements were approved by the Board of Directors on the 26 of March 2025 and were signed on its behalf by:

Valentin Vancea
General Manager

Georgiana Stanciulescu
Deputy General Manager

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

Group											
	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
<i>Thousand RON</i>											
Balance at 1 January 2024	332,181	(67,569)	(1,140)	(7,672)	27,852	17,160	14,678	71,097	386,587	-	386,587
Comprehensive income	-	-	-	-	-	-	-	40,624	40,624	-	40,624
Profit for the period	-	-	-	-	-	-	-	40,624	40,624	-	40,624
Other comprehensive income											
Net gain related to FVOCI debt instruments recycled in profit or loss account				(4,859)					(4,859)	-	(4,859)
Expected net credit loss related to FVOCI debt instruments	-	-	-	196	-	-	-	-	196	-	196
Gains/(losses) from the measurement at fair value of debt instruments FVOCI	-	-	-	(1,504)	-	-	-	-	(1,504)	-	(1,504)
Net gain from the fair value measurement of FVOCI equity instruments	-	-	-	1,119	-	-	-	-	1,119	-	1,119
Changes in the revaluation reserve for property and equipment	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	(5,048)	-	-	-	-	(5,048)	-	(5,048)
Total comprehensive income	-	-	-	(5,048)	-	-	-	40,624	35,576	-	35,576
Allocation to legal reserve	-	-	-	-	-	2,457	-	(2,457)	-	-	-
Revaluation reserve realized	-	-	-	-	(4,682)	-	-	4,682	-	-	-
Balance at 31 December 2024	332,181	(67,569)	(1,140)	(12,721)	23,170	19,617	14,678	113,947	422,163	-	422,163

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

Group											
	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
<i>Thousand RON</i>											
Balance at 1 January 2023	332,181	(67,569)	(1,140)	(38,344)	30,729	15,197	14,678	44,698	330,430	-	330,430
Comprehensive income	-	-	-	-	-	-	-	25,485	25,485	-	25,485
Profit for the period	-	-	-	-	-	-	-	25,485	25,485	-	25,485
Other comprehensive income											
Net gain related to FVOCI debt instruments recycled in profit or loss account	-	-	-	(6,239)	-	-	-	-	(6,239)	-	(6,239)
Expected net credit loss related to FVOCI debt instruments	-	-	-	370	-	-	-	-	370	-	370
Gains/(losses) from the measurement at fair value of debt instruments FVOCI	-	-	-	35,736	-	-	-	-	35,736	-	35,736
Net gain from the fair value measurement of FVOCI equity instruments	-	-	-	804	-	-	-	-	804	-	804
Changes in the revaluation reserve for property and equipment	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	30,671	-	-	-	-	30,671	-	30,671
Total comprehensive income	-	-	-	30,671	-	-	-	25,485	56,156	-	56,156
Allocation to legal reserve	-	-	-	-	-	1,963	-	(1,963)	-	-	-
Revaluation reserve realized	-	-	-	-	(2,877)	-	-	2,877	-	-	-
Balance at 31 December 2023	332,181	(67,569)	(1,140)	(7,672)	27,852	17,160	14,678	71,097	386,587	-	386,587

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)
Bank

<i>Thousand RON</i>	Share capital	Merger premium	Treasury shares	Revaluation reserves for financial assets at FVOCI	Revaluation reserve for premises	Statutory legal reserve	Other reserves	Accumulated Profits / (Losses)	Total equity
Balance at 1 January 2024	332,181	(67,569)	(5)	(7,672)	26,144	16,188	14,678	84,940	398,885
Comprehensive income	-	-	-	-	-	-	-	35,168	35,168
Profit for the period	-	-	-	-	-	-	-	35,168	35,168
Other comprehensive income	-	-	-	-	-	-	-	-	-
Net gain related to FVOCI debt instruments recycled in profit or loss account	-	-	-	(4,859)	-	-	-	-	(4,859)
Expected net credit loss related to FVOCI debt instruments	-	-	-	196	-	-	-	-	196
Gains/(losses) from the measurement at fair value of debt instruments FVOCI	-	-	-	(1,504)	-	-	-	-	(1,504)
Net gain from the fair value measurement of FVOCI equity instruments	-	-	-	1,119	-	-	-	-	1,119
Changes in the revaluation reserve for property and equipment	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	(5,048)	-	-	-	-	(5,048)
Total comprehensive income	-	-	-	(5,048)	-	-	-	35,168	30,120
Allocation to legal reserve	-	-	-	-	-	2,113	-	(2,113)	-
Revaluation reserve realized	-	-	-	-	(4,683)	-	-	4,683	-
Balance at 31 December 2024	332,181	(67,569)	(5)	(12,721)	21,461	18,301	14,678	122,679	429,005

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)
Bank

<i>Thousand RON</i>	Share capital	Merger premium	Treasury shares	Revaluation reserves for financial assets at FVOCI	Revaluation reserve for premises	Statutory legal reserve	Other reserves	Accumulated Profits / (Losses)	Total equity
Balance at 1 January 2023	332,181	(67,569)	(5)	(38,343)	29,019	14,681	14,678	60,418	345,060
Comprehensive income	-	-	-	-	-	-	-	23,154	23,154
Profit for the period	-	-	-	-	-	-	-	23,154	23,154
Other comprehensive income	-	-	-	-	-	-	-	-	-
Net gain related to FVOCI debt instruments recycled in profit or loss account	-	-	-	(6,239)	-	-	-	-	(6,239)
Expected net credit loss related to FVOCI debt instruments	-	-	-	370	-	-	-	-	370
Gains/(losses) from the measurement at fair value of debt instruments FVOCI	-	-	-	35,736	-	-	-	-	35,736
Net gain from the fair value measurement of FVOCI equity instruments	-	-	-	804	-	-	-	-	804
Changes in the revaluation reserve for property and equipment	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	30,671	-	-	-	-	30,671
Total comprehensive income	-	-	-	30,671	-	-	-	23,154	53,825
Allocation to legal reserve	-	-	-	-	-	1,507	-	(1,507)	-
Revaluation reserve realized	-	-	-	-	(2,875)	-	-	2,875	-
Balance at 31 December 2023	332,181	(67,569)	(5)	(7,672)	26,144	16,188	14,678	84,940	398,885

The consolidated and separate financial statements were approved by the Board of Directors on the 26 of March 2025 and were signed on its behalf by:

Valentin Vancea
General Manager

Georgiana Stanciulescu
Deputy General Manager

**CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)**

Thousand RON	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Cash flows from operating activities				
Interest received	328,641	295,730	275,621	263,642
Interest paid	(164,155)	(155,024)	(150,454)	(139,933)
Fees and commissions received	47,157	41,090	43,604	39,153
Fees and commissions paid	(8,153)	(6,509)	(6,778)	(5,388)
Gain / (Loss) from financial derivatives	(72)	(4,781)	(72)	(4,781)
Net gain from financial instruments and other operating income	22,807	31,599	22,916	30,236
Recoveries from off balance sheet items	11,266	7,685	11,101	7,668
Cash payments to employees	(86,486)	(81,787)	(76,209)	(73,232)
Cash payments to suppliers	(92,435)	(75,320)	(86,217)	(69,682)
Income taxes paid	(167)	(3,015)	(167)	(2,407)
Net cash-flow from operating activities before changes in operating assets and liabilities	<u>58,403</u>	<u>49,668</u>	<u>33,345</u>	<u>45,276</u>
Changes of operating assets				
<i>(Increase)/Decrease of:</i>				
- loans and advances to banks	(345)	(1,140)	(344)	(1,139)
- financial assets at fair value through profit or loss	(34,715)	(15,034)	(33,789)	(17,581)
- loans and advances to customers	(323,537)	123,409	(320,786)	139,902
- other financial assets	(14,742)	(30,560)	(12,450)	(30,343)
Total changes of operating assets	<u>(373,339)</u>	<u>76,675</u>	<u>(367,369)</u>	<u>90,839</u>
Changes of operating liabilities				
<i>Increase/(Decrease) of:</i>				
- due to banks	(177,824)	106,989	(177,824)	106,989
- deposits from customers	546,558	(351,526)	579,108	(341,007)
- other financial liabilities	(10,308)	6,897	(13,127)	8,700
Total changes of operating liabilities	<u>358,426</u>	<u>(237,640)</u>	<u>388,157</u>	<u>(225,318)</u>
Net cash flow used in operating activities	<u>43,490</u>	<u>(111,297)</u>	<u>54,133</u>	<u>(89,203)</u>
Cash flows from investing activities				
Acquisition of investment securities at FVOCI	(497,095)	(535,754)	(497,095)	(535,754)
Maturities and proceeds from investment securities at FVOCI	360,437	485,416	360,437	485,416
Acquisition of equity instruments	-	-	-	(4,000)
Maturities of investments at amortized cost	21,460	39,840	21,460	39,840
Proceeds from dividend	4,428	2,916	8,005	9,079
Sale of investment property and non-current assets held for sale and premises	1,088	5,323	1,088	5,489
Acquisition of tangible and intangible assets	8,277	1,396	10,941	4,624
Net cash used in investing activities	<u>(101,405)</u>	<u>(863)</u>	<u>(95,164)</u>	<u>4,694</u>
Cash flows from financing activities				
Withdrawals from loans from other financial institutions	90,120	34,059	61,884	-
Repayments of loans from other financial institutions	(35,955)	(22,247)	(24,574)	-
Subordinated liabilities	(10,007)	39,737	(10,007)	24,737
Issue of share capital	-	-	-	-
Net cash generated from financing activities	<u>44,158</u>	<u>51,549</u>	<u>27,303</u>	<u>24,737</u>
Effect of exchange rate changes on cash and cash equivalents	<u>494</u>	<u>660</u>	<u>492</u>	<u>661</u>
Net (decrease)/increase in cash and cash equivalents	<u>(13,263)</u>	<u>(59,951)</u>	<u>(13,235)</u>	<u>(59,111)</u>
Cash and cash equivalents at 1 January	538,218	598,169	537,692	596,803
Cash and cash equivalents at 31 December	<u>524,955</u>	<u>538,218</u>	<u>524,457</u>	<u>537,692</u>

The consolidated and separate financial statements were approved by the Board of Directors on the 26 of March 2025 and were signed on its behalf by:

Valentin Vancea
General Manager

Georgiana Stanculescu
Deputy General Manager

1. REPORTING ENTITY

As at 31 December 2024, 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 the absorbing entity) and former Patria Bank S.A. (as the absorbed entity), which took place on 1st of May 2017. According to the decision of the General Meeting of Shareholders regarding the approval of the merger, the decision to change the name of the absorbing company from Banca Comerciala Carpatica S.A. in Patria Bank S.A. was implemented at the same time with the merger date.

The Registered office: 42, Pipera Road, Globalworth Plaza Building, 8 and 10 Floors, Bucharest, Sector 2, Romania, postal code 020112.

As at 31 December 2024 and 31 December 2023 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 as at 31.12.2024	percentage as at 31.12.2023
Patria Credit IFN SA	Rural lending and microfinance	99,99%	99,99%
SAI Patria Asset Management SA	The management of open-end investment funds	99,99%	99,99%
Patria Euro Obligatiuni	Investment fund	79,22%	80.03%
Patria Stock	Investment fund	73,28%	82.14%
Patria Global	Investment fund	49,75%	53.29%
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.

- **SAI Patria Asset Management SA (former SAI Carpatica 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 (unconsolidated), Patria Euro Obligatiuni, ETF BET, Patria – Tradeville (unconsolidated) and ETF Energie Patria – Tradeville (unconsolidated). 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 is 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 2024 and 2023 excluding Carpatica Invest SA.

As at 31 December 2023 – 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 and FDI Patria Euro Obligatiuni and SSIF Carpatica Invest SA (in bankruptcy, ongoing insolvency procedure, unconsolidated). Patria Bank SA is the Parent company of the Group.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements of the Group and the Bank have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”) and with Order of the National Bank of Romania No 27/2010 on the approval of accounting regulations in accordance with IFRS, as amended (“NBR Order No 27/2010”).

The accounts of the Group are maintained in RON in accordance with Romanian accounting law and National Bank of Romania’s banking regulations and the Financial Supervisory Authority (ASF).

Patria Bank S.A. is the result of the merger by absorption between the former Banca Comerciala Carpatica SA (as the absorbing entity) and the former Patria Bank S.A. (as the absorbed entity), merger which was implemented on the 1st of May 2017.

Patria Bank is the parent company of the Group. Consequently, the consolidated financial statements prepared by Patria Bank represent the highest level of consolidation of the Group's entities.

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, and by the revaluation of properties and equipment, financial assets at fair value through other comprehensive income, and financial instruments at fair value through profit or loss and non-current assets held for sale. The main accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented.

c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Patria Bank SA and all its subsidiaries for the year ended December 2024 and December 2023.

In the separate financial statements the Bank records the participations in subsidiaries separately at cost, less investment funds that met the consolidation criteria, which are measured at fair value – the unit value of the net asset and presented in the category Assets at fair value through profit and loss.

All balances between Group companies, transactions, income and expenses, losses and gains arising from transactions between Group companies are eliminated.

Subsidiaries are entities controlled by the Bank. An investor controls an investee when it has power, 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.

Determining whether the group controls an investment fund for which the Group acts as fund manager usually focuses on assessing the group's aggregate economic interests in the fund (comprising any carried interest and expected management fees). See Note 5 Use Of Estimates And Judgments, "Control over investment funds".

The Group presents the non-controlling interest in its consolidated financial position within equity, separated from the equity of the parent company's owners.

The non-controlling interest is measured proportionally with the percentage held in the net assets of the subsidiary. Changes in a parent's ownership interest in a subsidiary, which do not result in the loss of parent control of the subsidiary, are reflected as equity transactions.

d) Going concern

The preparation of the consolidated and separate financial statements is based on the going concern assumption that involves management's assessments, estimates and assumptions of the Bank and Group's management related to the income, expenses, assets, liabilities, cash flows, liquidity and capital requirements of the Bank and

the Group. The management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

e) Use of estimates and judgments

The preparation of financial statements according to IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Current results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the Note 5.

f) Functional and presentation currency

The elements included in these financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are prepared and presented in Romanian leu ("RON"), which is the Group's functional and presentation currency, rounded to the nearest thousand.

Monetary assets and liabilities are translated into lei currency at the official exchange rate of the National Bank of Romania ("NBR") at the end of the respective reporting period.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities into RON at the official exchange rates of year-end, are recognized in profit or loss (as foreign exchange translation gains less losses). Translation at the official exchange rate does not apply to non-monetary items that are measured at historical cost.

Non-monetary items measured at fair value in a foreign currency, including equity investments, are translated using the exchange rates at the date when the fair value was determined.

Effects of exchange rate changes on non-monetary items measured at fair value in a foreign currency are recorded as part of the fair value gain or loss.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

The exchange rates of major foreign currencies were:

Currencies	31 December 2024	31 December 2023	% Increase/ (Decrease)
Euro (EUR)	1: LEI 4.9741	1: LEI 4.9746	(0,01%)
US Dollar (USD)	1: LEI 4.7768	1: LEI 4.4958	6,25%

	31 December 2024		31 December 2023		% Increase/ (Decrease)	
	EUR	USD	EUR	USD	EUR	USD
At 31 December	4.9741	4.7768	4.9746	4.4958	(0,01%)	6,25%
Average for the period	4.9746	4.5975	4.9464	4.5758	0,57%	0,47%
Maximum for the period	4.9773	4.7908	4.9783	4.7430	(0,02%)	1,01%
Minimum for the period	4.9655	4.4451	4.8858	4.3915	1,63%	1,22%

3. MATERIAL ACCOUNTING POLICIES

Patria Bank SA as the entity resulted from the merger, adopted as accounting policy applied to the merger process the method of Predecessor Accounting, according to which the financial statements of the entity resulted from the merger represent a continuation of the consolidated financial statements of the two pre-merger entities, resulting from the application of IFRS 3 which identifies the acquisition date as March 2016 and the buyer as Patria Bank SA.

Financial assets and financial liabilities

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value. In the case of a financial asset or financial liability that is not measured at fair value through profit or loss, it is adjusted for transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or liability, such as fees and commissions.

Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at Fair Value through Other Comprehensive Income (FVOCI), which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Group recognises the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss;
- In all other cases (i.e. a Level 2 and 3 input), the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Measurement methods

Amortised cost and effective interest rate

Financial assets are measured at amortised cost if they are held in a business model whose objective is to collect the contractual cash flows and the contractual cash flows are Solely Payment of Principal and Interest (SPPI).

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired financial assets ("POCI") the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial asset or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

In the statement of financial position these assets are measured at amortised cost which is the gross carrying value less impairment allowances. These assets are included within the following statement of financial position line items: "Investments in debt instruments at amortised cost", "Loans and advances to customers", "Cash and cash equivalents", "Due from banks" and "Other Financial Assets".

In Patria Bank SA the financial assets at amortised cost represent the largest financial asset category; these include: the largest majority of loans and advances to customers, interbank placements and loans (including reverse repo transactions), deposits with Central Bank, amounts in course of settlement, trade receivables and other receivables. Investments in securities measured at amortised cost may be acquired for different business purposes such as: compliance with internal/external liquidity risk requirements, efficient investment of surplus liquidity, strategic position set by the Bank's management, origination and support for client relationships, replacement of loan activity with other activities in order to improve the yield.

Fair value option for financial assets

The Group may also irrevocably designate financial assets at fair value through profit or loss if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases.

Interests income

Interests income are calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- Purchased or Originated Credit Impaired (POCI) financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset;

- Financial assets that are not POCI but subsequently become credit-impaired (or stage 3), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

Interest income for these assets are valued using the effective interest rate and are included in the line item “Interest and similar income calculated using the effective interest rate” in the statement of comprehensive income.

Gains or losses from impairment are included in the line item “Net charge with impairment of financial assets”.

Financial assets

i. Classification and subsequent measurement

According to IFRS 9 the Group classifies its financial assets in the following measurement categories:

- Fair value through profit or loss („FVPL”);
- Fair value through other comprehensive income („FVOCI”); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer’s perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

- The Group’s business model for managing the asset; and
- The cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in the (ii) *Impairment of financial instruments in accordance with IFRS 9* section below. Interest income from these financial assets is included in “Interest income using the effective interest rate method”.
- **Fair value through other comprehensive income (FVOCI):** Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets’ cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument’s amortised cost which are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in “Net investment income”. Interest income from these financial assets is included in “Interest income” using the effective interest rate method in the statement of comprehensive income;

- Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within “Net trading income ” in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not measured at fair value through profit or loss, in which case they are presented separately in “Net investment income”. Interest income from these financial assets is included in “Interest income using the effective interest rate method”.

Business model: the business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group’s objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are measured at fair value through profit or loss purposes), then the financial assets are classified as part of ‘other’ business model and measured at FVPL.

Factors considered by the Group in determining the business model for a group of assets include:

- Past experience on how the cash flows for these assets were collected
- How the asset’s performance is evaluated and reported to key management personnel
- How risks are assessed and managed
- How managers are compensated

Solely Payment of Principal and Interest (SPPI): Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments’ cash flows represent solely payments of principal and interest (the “SPPI test”). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group considers the following factors in applying the SPPI benchmark test:

- Whether payment terms are “not genuine” or “de minimis”
- Rights in bankruptcy or when non-payment happens
- Arrangements denominated in a foreign currency
- Prepayment and term extending options
- Other contingent payment features
- Non-recourse arrangements
- The time value of money element of interest

- Contractually linked instruments (tranches) and negative interest rates.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Basic ordinary shares held by the Group are such equity instruments.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Gains and losses on equity investments at FVPL are included in the "Gain / (loss) from financial assets measured at fair value through profit or loss account" line in the statement of profit or loss.

ii. Impairment of financial instruments in accordance with IFRS 9

IFRS 9 impairment model applies to financial assets measured at amortized cost or at FVOCI and to certain credit commitments and financial guarantees.

Expected credit losses on assets measured at amortized cost are recognized in the income statement and reduces the value of the asset.

For credit commitments and financial guarantees, the expected credit losses are recognized as liabilities.

Expected credit losses on assets measured at FVOCI are recognized in the income statement and reduces the value of asset.

The main assets to which the Expected Credit Loss model applies are:

- Loans to customers
- Due to banks (current accounts, deposits)
- Government securities
- Corporate bonds
- Other financial assets (other receivables, cash in transit etc.)

iii. Modification of the terms and conditions of the loans granted to the clients

If the Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan;
- Significant extension of the loan term when the borrower is not in financial difficulty;
- Significant change in the interest rate;
- Change in the currency the loan is denominated in;
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. At derecognition, the differences in the carrying amount are also recognized in profit or loss as a gain or loss.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

iv. Derecognition other than a modification

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

Control is maintained when the other party does not have the practical ability to sell the asset in its entirety to a third party, without imposing restrictions to selling the asset.

The Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all the risks

and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

- (i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
- (ii) Is prohibited from selling or pledging the assets; and
- (iii) Has an obligation to remit any cash it collects from the assets without material delay.

v. *Derecognition of non-recoverable loans*

The Group performs derecognition of non-recoverable loans by recording them off the balance sheet (and their respective impairment losses) when the Board of Directors decides that they are irrecoverable. This decision is made after analysing relevant information such as the occurrence of significant changes in the debtor / issuer's financial position so that the debtor / issuer is no longer able to pay the obligation. For lower value credits with homogeneous characteristics, decisions are made based on the number of days of late payment at the specific product level.

For loans that are 100% impaired, the Group closes the book value of the loans directly in counterparty with the impairment allowance. Subsequently, the Group records all receipts from debtors directly to the profit or loss account under Net impairment of financial assets ".

vi. *Restructured loans*

Restructured loans are considered impaired if the forbearance measure is applied to a loan already impaired or if the loan has more than 1 restructuring measure or number of days overdue is more than 30.

A loan is considered to be restructured if the Group / Bank grant a concession that, in other conditions it would not have made, to a debtor due to a deterioration in the debtor's financial position. Once the loan is restructured, it remains in this category independent of the subsequent satisfactory performance, for a minimum of 2 years, the period called the probation period.

Financial liabilities

i. *Classification and subsequent measurement*

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in the trading booking) and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in

which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;

- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition or when the continuing involvement approach applies;
- Financial guarantee contracts and loan commitments.

The **Net Assets Attributable to Unit Holders of Consolidated Investment Funds** are classified as liabilities based on the following assessment:

- **Redemption Rights:** Unit holders have the right to redeem their units at the net asset value (NAV) of the fund.
- **Lack of Discretionary Control:** The issuer (fund) does not have unconditional discretion to refuse redemption requests.
- **Contractual Obligation:** There is a contractual requirement to transfer cash or other financial assets upon redemption requests from unit holders.

ii. Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged), cancelled or expires.

Repurchase agreement

Sales and repurchase agreements are transactions in which the Bank sells a security and simultaneously agrees to repurchase it (or an asset that is substantially the same) at a fixed price on a future date.

These securities continue to be recognized in the statement of financial position as securities and are measured in accordance with the applicable accounting policies. The liability for amounts received under these agreements from banking book portfolio is included in customers' or interbank deposits. The difference between sale and repurchase price is treated as interest expense using the effective yield method. Assets acquired with a corresponding commitment to resell at a specified future date (reverse repos) from the banking book portfolio are recorded as loans and advances.

Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance (calculated as described by IFRS 9); and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15. The Group defers the income on a straight-line basis in profit or loss account.

The loan commitments granted by the Group are measured in terms of the possibility of impairment, for the recognition and measurement of an estimated credit loss (ECL) (estimated impairment is calculated as presented in this note - ECL model).

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and for the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. If these combined losses are greater than the gross amount of the loan, the difference between the amount of the expected loss and the gross amount of the loan is recognized as a provision.

Derivatives

Derivatives, including foreign exchange contracts, forward rate agreements, foreign exchange swaps and interest rate swaps, and options exchange rate and interest rate contracts, are accounted for at their fair values.

All derivatives are accounted for as assets when the fair value is positive and as liabilities when the fair value is negative. Changes in the fair value of financial derivatives are included in the current period result (earnings minus losses from derivatives). The Group does not apply hedge accounting for derivative financial instruments. Certain derivatives embedded in other instruments are treated as separate derivatives when their risks and characteristics are not closely related to those of the framework contract.

Subsidiaries

Subsidiaries are those investees that the Group controls because the Group (i) has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Bank has power over another entity. For a right to be substantial, the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made.

In the separate financial statements, the Bank records the participations in subsidiaries separately at cost. The investments are tested for impairment whenever there are indicators that the carrying amount of an investment may not be recoverable. If the recoverable amount of an investment (the higher of its fair value less cost to sell and its value in use) is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

The carrying amount of an investment is derecognized on disposal. The difference between the fair value of the sale proceeds and the disposed share of the carrying amount of the investment is recognized in profit or loss as gain or loss on disposal. The same applies if the disposal result in a step down from subsidiary to joint venture or an associate measured at cost.

For the consolidated investments funds in the separate financial statements, the funds units are classified at fair value through profit and loss (FVTPL) and the revaluation is performed using the market cotation on related date. The carrying amount of units fund are derecognized on disposal, the difference between selling price and carrying amount is recognized in profit and loss.

Income tax expense

The profit tax was calculated and reflected in the financial statements, in accordance with the legislation in force or adopted until the end of the reporting period. Profit tax includes current tax and deferred tax and is recognized in the current year's result, except when it is recognized in other comprehensive income of the global result, or directly in equity, because it refers to transactions that are also recognized in the same period or in another period, in other comprehensive income of the global result or directly in equity.

Current tax is the amount expected to be paid to, or recovered from the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxes other than on income are recorded within administrative and other operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recognized, affects neither accounting nor taxable profit. Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill, and subsequently for goodwill which is not deductible for tax purposes. Deferred tax balances are calculated using the tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilized.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilized.

The tax rate used to calculate the current and deferred tax position at 31 December 2024 and 31 December 2023 is 16%.

Investment property

At the recognition in the balance sheet, an investment property is accounted at cost. The investment property cost includes the trading costs and any expenses directly attributable to the investment property. Subsequent to initial recognition, investment property is measured using the revaluation model (fair value model). Gains or losses from the change in the fair value of the investment property are included in the line "Net gains/(losses) on investment properties" in the consolidated and separate statement of profit or loss.

If a property held by the owner becomes an investment property, the Group will treat that property in accordance with the policy established for tangible assets, until the date when the use is changed.

In the case of assets that were originally earmarked for lease and that subsequently change their destination and are to be used for a long period or they are intended to be realized by sale, a transfer from investment property to tangible assets or inventory, as the case may be, will be accounted for accordingly. The transfer is made at the date when the destination is changed, at the asset value booked in the accounting records.

The investment property is derecognized when they were either sold or permanently withdrawn from use and no economic benefit is expected from their sale. The difference between the cash obtained from the sale and the carrying amount of the asset is recognized in the consolidated statement of profit or loss and other comprehensive income in the financial year in which the asset was derecognised.

Provisions

Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount.

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Income and expense recognition

Interest income and expense are recorded for all debt instruments on an accrual basis using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and allocating interest income or interest expense for the relevant period.

The effective interest rate is the rate that updates future payments and receipts over the estimated life of the financial instrument or, where applicable, for a shorter period of time to the net carrying amount of the financial asset or debt. When calculating the effective interest rate, the Group estimates cash flows taking into account all contractual terms of the financial instrument, without taking into account future credit losses.

This method allocates, as part of interest income or expense, all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Fees integral to the effective interest rate include origination fees received or paid by the Group relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and for processing transaction documents.

Commitment fees received by the Group to originate loans at market interest rates are integral to the effective interest rate if it is probable that will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination. The Group does not designate loan commitments as financial liabilities at fair value through profit or loss.

Interest income and expense presented in the statement of comprehensive income include:

- interest on financial assets and financial liabilities measured at amortized cost calculated on an effective interest basis;
- interest on financial assets at fair value through other comprehensive income calculated on an effective interest basis;
- interest income on impaired loans is recognized according to the provisions of IFRS 9.

Interest income and expense on all trading assets and liabilities are considered to be adjacent to the Group's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

All other fees, commissions and other income and expense items are generally recorded on an accrual basis by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Dividend income

Dividend income is recognized in profit or loss when the right to receive dividends payment is established. Dividends income are reflected as a component of other operating income.

Cash and cash equivalents

Cash and cash equivalents are elements which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents include mandatory reserve deposits with the National Bank of Romania, all interbank placements.

Funds restricted for a period of more than three months on origination are excluded from cash and cash equivalents. Cash and cash equivalents are carried at amortized cost.

Due from banks

Amounts due from banks are recorded when the Group advances money to counterparty banks with no intention of trading the resulting unquoted non-derivative receivable due on fixed or determinable dates. Due from banks are carried at amortized cost.

Loans and advances to customers

Loans and advances to customers are recorded when the Group advances money to purchase or originate an unquoted non-derivative receivable from a customer due on fixed or determinable dates, and has no intention of trading the receivable. Loans and advances to customers are carried at amortised cost.

Assets held for sale

Non-current assets held for sale represents financial and non-financial assets acquired by the Group in settlement of overdue loans. The assets are initially recognized at fair value when acquired. The Group's intention in respect of Non-current assets held for sale is to sell these properties.

Subsequently, these assets are revalued and accounted for in accordance with the accounting policies taking into account the carrying amount determined in 2016 (initial cost), so that any increase in fair value over the initial value is not recognized in the accounting.

The Group applies its accounting policy for non-current assets held for sale to repossessed collateral where the relevant conditions for such classification are met at the end of the reporting period.

Financial Guarantees and Credit Commitments

The Group issues financial guarantees and commitments to provide loans. Financial guarantees represent irrevocable commitment to make payments if a customer cannot meet its obligations to third parties and carry the same credit risk as loans. Financial guarantees and commitments to provide a loan are initially recognised at their fair value, which is normally evidenced by the amount of fees received. Fees for financial guarantees are recorded on income in the financial year in which the financial guarantee was issued, and fees for credit commitments are amortized on a straight line basis over the life of the commitment, except for commitments to originate loans if it is probable that the Group will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination; such loan commitment fees are deferred and included in the carrying value of the loan on initial recognition. At the end of each reporting period, the commitments are measured at the higher of (i) the remaining unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the commitment at the end of each reporting period.

Goodwill

Goodwill is carried at cost less accumulated impairment losses, if necessary. The Group tests goodwill for impairment at least annually and whenever there are indications that goodwill may be impaired. Depreciation is determined by evaluating the recoverable value of the cash-generating unit to which the goodwill refers. If the recoverable amount of the cash-generating unit is lower than the book value, an impairment loss is recognized. Goodwill is allocated to the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination. Such units or group of units represent the lowest level at which the Group monitors goodwill, and are not larger than an operating segment. Gains or losses on disposal of an operation within a cash generating unit to which goodwill has been allocated include the carrying amount of goodwill associated with the disposed operation, generally measured on the basis of the relative values of the disposed operation and the portion of the cash-generating unit which is retained.

Property and equipment

Buildings and lands are carried at revalued amounts, as described below, less accumulated depreciation and provision for impairment, where required. Equipment is stated and measured at cost less accumulated depreciation and provision for impairment, where required.

Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. If an item of property and equipment is revalued, the entire class of property and equipment to which that asset belongs shall be revalued.

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognized in other comprehensive income and accumulated in equity. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in profit or loss as an expenses. The decrease shall be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

The Group recognizes in the carrying value of a tangible cost of replacing it when that cost is incurred or is likely that future economic benefits embodied in the asset will be transferred to the Group and the cost of this asset can be measured reliably. All other costs are recognized as an expense in the profit or loss account as incurred.

Costs of minor repairs and day-to-day maintenance are expensed when incurred. Costs of replacing major parts or components of premises and equipment items are capitalized.

At the end of each reporting period, management assesses whether there is any indication of impairment of premises and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognized in profit or loss for the year to the extent it exceeds the previous revaluation surplus in equity. An impairment loss recognized for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's value in use or fair value less costs to sell. Gains and losses on disposals determined by comparing proceeds with carrying amount are recognized in profit or loss for the year (within other operating income or expenses).

Amortization

Depreciation is calculated using the straight-line method and charged to profit and loss of the year to allocate their cost or revalued amounts over their estimated useful lives:

	<u>Useful lives in years</u>
Buildings	48 - 60 years
Equipment's	4 years
Motor vehicles	5- 6 years
Other tangible fixed assets(*)	3 – 30 years

(*) Other tangible fixed assets includes bright lights, mobile phones, with a useful live time of 3 years, and also safes deposits with a useful live time of 30 years.

The lands and constructions in progress are not depreciated.

Leased assets are depreciated over the shorter of the lease term and their useful lives.

When premises and land are revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Depreciation methods, useful lives and residual values are reassessed at each financial year and adjusted if appropriate.

Intangible assets

The Group's intangible assets other than goodwill have definite useful life and primarily include capitalised computer software. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Development costs that are directly associated with identifiable and unique software controlled by the Group are recorded as intangible assets if the inflow of incremental economic benefits exceeding costs is probable. Capitalized costs include staff costs of the software development team and an appropriate portion of relevant overheads. All other costs associated with computer software, e.g. its maintenance, are expensed when incurred. Capitalized computer software is amortized on a straight line basis over expected useful lives of three to ten years.

Impairment of non-financial assets

The net carrying amounts of non-financial assets, other than investment property and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For Goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at the end of each reporting period.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment test, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit" or "CGU").

The Group's assets do not generate separate cash flows. If there is any indication that such an asset may be impaired, then the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs and then to reduce the carrying amount of the other assets in the unit (group of units) and then any other assets of the unit using pro rata method.

An impairment loss in respect of goodwill is not reversible. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Customers deposits, loans from banks and other financial institutions, subordinated liabilities and debt securities in issue

Deposits from customers, loans from banks, subordinated liabilities and debts securities in issue are initially measured at fair value plus incremental directly attributable transaction costs, and subsequently measured at amortized cost using the effective interest method.

Employee benefits

i) Short term employee benefits

Short-term employee benefits include wages, salaries, bonuses and social security contributions. Short-term employee benefits are measured on an un-discounted basis and recognized as expense when services are rendered.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Provisions for employee benefits

The Group assesses the cost of employees' benefits (performance bonuses, prizes in cash or kind, retirement benefits, severance package) based on algorithms that take into consideration historic data for such benefits. For the estimated amount, the Group sets a provision for the employees' benefits.

The Group assess the cost of the employees' untaken holiday related to the previous periods as the amount payable according to the standard pay scheme. For the estimated amount, the Group sets a provision for the untaken holiday.

iii) Post employment benefits

The Group does not operate post-employment benefit plans based on defined benefits or contributions for its employees.

The Group, in the normal course of business makes payments to the Romanian State funds on behalf of its Romanian employees for pension, health care and unemployment benefit. All employees of the Group are members and are also legally obliged to make defined contributions (included in the social security contributions) to the Romanian State pension plan (State defined contribution plan). All relevant contributions to the Romanian State pension plan are recognized as an expense in the profit or loss account of the year.

The Group has no legal or constructive obligation to make pension, post retirement or similar benefit payments beyond the payments to the statutory defined contribution scheme.

iv) Other long-term employee benefits

The Group's net defined benefit obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

Contingencies

Contingent liabilities are not recognized in the financial statements, but they are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Share capital, other equity and reserves*Other equity instruments*

The Group classifies instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Group's Other equity instruments are not redeemable by holders and bear an entitlement to coupons at the sole discretion of the board of directors. Accordingly, they are presented within equity. Distributions thereon are recognised in equity. Based on the Group's assessment of the terms of the instruments, the coupon payments meet the definition of dividends. Therefore, the related tax impacts are recognized in profit or loss in accordance with IAS 12, unless the transactions or events generated those distributable profits were recognized outside profit or loss.

Share issue costs

Incremental costs that are directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group acting as a lessee

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined by applying the USD 5,000 threshold). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the Group's incremental borrowing rate (considered at 1%).

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented in line "Other Financial Liabilities" (Note 33) in the consolidated and separate financial statements.

The lease liability is subsequently measured by:

- Increasing the carrying amount to reflect interest on the lease liability (using the effective interest method)
- Reducing the carrying amount to reflect the lease payments made
- Any increase or reduction to reflect any remeasurement or change of the leasing contract (making a corresponding adjustment to the related right-of-use asset)

The Group did not make any adjustments as such during the period ended 31 December 2024.

The right-of-use assets comprise:

- The initial measurement of the corresponding lease liability;
- Lease payments made at or before the commencement date less lease incentives received;
- Any initial direct costs supported by the lessee.

Following the initial recognition, the right of use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. These costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented in Property and equipment (Note 29) in the consolidated and separate statement of financial position.

According to IFRS 16 the rights of use will be tested annually for depreciation in compliance with the requirements of IAS 36 Impairment of assets. This process will replace the previous requirement to recognize a provision for expensive leasing contracts.

Variable rents that do not depend on an index or a rate are not included in the measurement of the lease liability and right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occur and are included in the line 'Other operating and administrative expenses' in the consolidated and separate financial statements.

Group acting as a lessor

The Group enters into lease agreements as a lessor for both contracts concluded with third parties for part of its investment property portfolio as for the sublease contracts concluded with its subsidiaries for the rent of office space.

Leases for which the Group is a lessor in contracts for renting out part of its investment property portfolio are classified as operating leases and the accounting for rental income is done on a straight-line bases during the lease term.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. For the sublease concluded by the Bank with two of its subsidiaries (Patria Credit IFN and SAI Patria Asset Management) the Group classified them as finance lease considering that the right-of-use assets are substantially transferred by the contracts to the lessees.

Amounts due from lessees under finance leases are recognised as receivables (included in the line item '*Other financial assets*') at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Other financial and non-financial liabilities

Other liabilities are accrued when the counterparty has performed its obligations under the contract and are carried at amortised cost.

Accounting for the effects of hyperinflation

Prior to 31 December 2003, the Romania met the definition of a hyperinflationary economy as defined by International Accounting Standard ("IAS") 29, "Financial Reporting in Hyperinflationary Economies". IAS 29 suggests that economies should be regarded as hyperinflationary if, among other factors, the cumulative inflation rate over a period of three years exceeds 100%. IAS 29 requires that financial statements prepared on a historical cost basis be adjusted to take into account the effects of inflation, for entities reporting in hyperinflationary economies.

The Group has utilized the general price index reported by the Statistics National Institute of Romania in the application of IAS 29 restating non-monetary items from the date of acquisition or contribution.

Effective 1 January 2004, the economy of Romania ceased to meet the criteria of hyperinflationary economy. Accordingly, beginning 1 January 2004, the Group ceased to apply IAS 29 on a prospective basis. As a result of this change, the carrying amounts of non-monetary assets expressed in the RON current at 31 December 2003 formed the basis for the respective assets from 1 January 2004 onwards.

The Group has restated its share capital in accordance with the requirements of IAS 29.

Segment reporting

An operational segment is a component of the Group and of the Bank:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses related to transactions with other components of the same entity);
- whose operating results are reviewed regularly by the entity's decision maker in order to make decisions about resources to be allocated to the segment and to assess its performance;
- for which discrete financial information is available.

The Group's and the Bank's format for segment reporting is presented in Note 40.

Earnings per share

The result per share is determined by dividing the net profit by the weighted average number of shares outstanding in that year. At December 31, 2024 and December 31, 2023, respectively, the Group and the Bank did not issue any potentially diluted equity instruments.

Standards and interpretations that are not yet effective

The following amended standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. The Group has not early adopted any of these amended standards and does not expect that they will have a significant impact on the Group's consolidated financial statements when become effective

Standards approved by the European Union

- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability** (Effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.)

Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction. In some jurisdictions, no spot rate is available because a currency cannot be exchanged into another currency.

IAS 21 was amended to clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

The amendments also include additional disclosure requirements to help users to assess the impact of using an estimated exchange rate on the financial statements

The Group plans to apply the amendments from 1 January 2025.

Standards that have not yet been approved by the European Union

- **Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments** (Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.)

Classification of financial assets with ESG-linked features

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI, which is a condition for measurement at amortised cost. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

Disclosures on investments in equity instruments

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The Group plans to apply the amendments from 1 January 2026.

- **Annual Improvements to IFRS Standards – Volume 11** (Effective for annual reporting periods on or after 1 January 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied).

In this volume of improvements, the IASB makes minor amendments to IFRS 9 Financial Instruments and to a further four accounting standards. The amendments to IFRS 9 address:

- a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables; and
- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9.

The amendments to IFRS 9 require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15. They also clarify that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

The Group plans to apply the amendments from 1 January 2026.

4. FINANCIAL RISK MANAGEMENT

a) Introduction and overview

According to the Risk Strategy for the year 2024, the Group is exposed to the following risks from the use of financial and non-financial instruments:

- Credit risk
- Liquidity risk
- Market risk – currency risk, price and interest rate risk and trading operations
- Interest rate risk from activities outside the trading portfolio from interest repricing
- Operational risks (including IT and cyber risk, model risk and conduct risk)

The group also pursues in its risk management activity the following:

- credit concentration risk
- residual risk
- risks generated by the foreign currency lending activity of debtors exposed to foreign exchange risk
- compliance risk
- strategic risk
- excessive leverage risk;
- reputational risk.
- settlement risk;
- country risk;
- conduct risk;
- macroeconomic risk;
- climate risk.

b) Risk management policies

Risk appetite is the aggregate level and the types of risk that the credit institution is willing to assume within the limits of its risk capacity, according to its business model, in order to achieve its strategic objectives, **risk capacity** is the maximum level of risk which the Group may assume, taking into account applicable capital and liquidity requirements, its own risk management and control capabilities, as well as its regulatory constraints, while **risk tolerance** represents the types of risks and the levels of those risks. to which the credit institution does not deliberately expose itself, but which it accepts / tolerates.

Based on the strategic objectives and the significant risks to which it is or may be exposed, the Group has established an absolute level of risk that it wishes to achieve (**risk appetite**), a maximum level (**threshold**) that it is willing to take accepts (**risk capacity**), the real limits of the appetite that it can assume (**risk tolerance**), for these elements establishing a methodology by which they are calculated, monitored and periodically reported to the senior management.

Significant risks are managed and controlled through dedicated policies and procedures, to which are added specific processes, tools and indicators. Some of them allocated a dedicated risk profile and a risk appetite established by the risk management strategy, while for the others risk, the Group decided in favor of a qualitative / quantitative

assessment, a dedicated monitoring and established the allocation of a risk requirement. capital under Pillar II (ICAAP), in order to adequately cover that risk exposure.

In 2024, the Bank aligned its risk policies to maintain consistency across all entities in the group. The Board of Directors has established an aggregate level of risk appetite for the Group, as well as an individual level of risk appetite for each type of risk identified by the Group and detailed in its risk strategy.

Therefore, for 2024, the Group has set the following risk appetite targets for each significant risk identified:

<u>No.</u>	<u>Risk category</u>	<u>Maximum appetite level expected</u>
1	Credit risk	Medium- High
2	FX lending risk	Medium- High
3	Credit concentration risk	Medium
4	Residual risk	Medium - Low
5	Liquidity risk	Medium
6	Market risk - foreign currency risk and trading book	Medium-Low
7	Interest rate risk from banking book	Medium-High
8	Operational risk	Medium
9	Strategic risk	Medium
10	Compliance risk	Medium
11	Reputational risk	Medium - Low
12	Leverage risk	Medium - Low
13	The risk associated with ESG factors	Medium- High
14	IT&C risk	Medium - Low

This note presents information about the Group's exposure to the most important risks, the Group's objectives, policies and processes for measuring and managing financial risks, and the Group's capital management principles and processes.

Risk management framework

The fundamental principle underlying the risk management within the Group is that is not allowed to take risks that exceed its risk-taking capacity. Therefore, the Board of Directors has established a general risk profile and individual profiles for each of the significant risks identified by the Group and detailed in its Risk Management Strategy (presented above). The main purpose of the risk profile is to define the risk appetite and tolerance in which it must be confined in the activity of the Group, in order for the Group to achieve its planned business objectives.

The Bank's Board of Directors is responsible for establishing and monitoring the risk management framework. The Board of Directors of the Bank established the Executive Committee of Directors , the Audit Committee and the Risk Management Committee that are responsible for the development and monitoring the Group's risk management policies in the areas specified by them. All committees mentioned report regularly to the Group's Board of Directors. The Executive Committee of Directors established Credit Committee, the Credit Restructuring and Recovery Committee, the Assets and Liabilities Management Committee (ALCO), The Asset Valorification Committee and the Projects Committee.

The Sustainability and Risk Management Committee is consulted by the management in the process of establishing the risk appetite to which the Group may be exposed and in establishing the general risk management strategy and sustainability policy of the credit institution. Also, the Risk Management Committee assists the executive team in overseeing the implementation of the both risk and sustainability strategy by the Executive Committee.

The Audit Committee has the responsibility to monitor the Group's compliance with the risk management policies and procedures and to review the adequacy of the risk management framework for the risks faced by the Group. The Audit Committee is assisted in these activities by the Internal Audit Department. The internal audit carries out both the regular and the ad-hoc review of the controls and procedures of risk management, the result being communicated to the Audit Committee.

The Executive Committee of Directors ensures the operational management and coordination of the Group's daily activities. The Executive Committee of the Directors shall implement the necessary measures related to the operational management of the group's activity, within the limits of the commercial purpose of the group and of the exclusive attributions of the Board of Directors and the General Meeting of Shareholders.

The Assets and Liabilities Management Committee performs efficient management of assets and liabilities for all components of the Group, analyzes the adequacy of the risk capital and the risk appetite level of the group, but also coordinates the management of assets and liabilities in a continuous way.

The Credit Restructuring and Recovery Committee ensures the correct management of the loan portfolio, including the portfolio of exposures managed by the Restructuring and Workout Department, the loan portfolio that requires forbearance operations, selling assets related to NPL clients and the asset portfolios held by the Group in order to be sold or in the process of being sold.

The Credit Committee approves the exposures related to the credits / their modifications that fall within its competence, according to the rules of the Credit Approval Regulation. Supports loan proposals that exceed its competence; it decides on the operational and methodological considerations regarding the credit risk, the importance of which does not require a decision at the level of the Executive Committee or the Board of Directors.

The Asset Valorization Committee approves transactions regarding the sale of assets owned by the Bank, capitalization of the Bank's assets through leasing, transactions regarding the sale of assets owned by the Bank, those regarding the capitalization through leasing of assets owned by the Bank, which are under the competence of approval of the Bank's Board of Directors, as well as the execution of debtors for whom there are claims arising from rental contracts.

The Group's risk management policies are established to identify, evaluate, analyze, monitor and report the risks to which the Group is exposed, to establish appropriate risk and control limits, and to monitor risks and adherence to risk limits in order to ensure permanent fitting into risk appetite. The policies and risk management system are reviewed periodically, at least annually, to reflect changes in market conditions, products and services offered.

The Group aims to develop and maintain an environment that:

- contributes to the development of professional skills oriented towards the comprehensive and appropriate management of risks at the level of the entire staff of the Bank;

- creates and maintains a general framework for sound and prudent risk management, which may affect the activity of the Group;
- lead to the development and maintenance of an integrated risk culture at the overall level of the Group from the perspective of prudential supervision, based on a full understanding and a general approach of the risks they face and how they are managed, taking into account given the risk appetite set at the Group level.

The Group promotes a culture of risk in which each person is aware of their responsibilities in terms of risk management. The operational units, under the coordination of the management body, are responsible for the daily risk management, taking into account the risk profile / tolerance / risk appetite of the credit institution and in accordance with the internal policies, procedures and regulations of the credit institution. The management of the Group is actively involved and ensures the allocation of adequate resources in order to manage all significant risks to which the Group is or may be exposed.

c) Credit risk

Credit risk is the current or future risk of adversely affecting profits and capital as a result of the debtor's failure to fulfill contractual obligations or its failure to meet its obligations.

Exposure to credit risk occurs as a result of both the Group's lending activities and other transactions with third parties that generate financial assets.

The main objective of the Group, in the short and medium term, according to the Business Strategy established by the management, is to strengthen the Group's profitability, in order to protect capital ratios, by:

- increasing the productive assets of the Group (under the conditions of keeping at reasonable levels the risks that will be generated by the development of the lending activity);
- observance of prudential parameters (OCR, TSCR, etc.) in order to ensure the necessary capital base for the bank's development;
- valorification of non-productive assets and
- permanent optimization of the business model and organizational structure, including by streamlining operational processes, both through automation and centralization, but also, if necessary, by resizing the structure / number of branches and the head office, so that the increase in efficiency determines the achievement of a sustainable COST / REVENUE ratio.

For risk management reporting, we will refer both to the actual credit risk, as well as to the risk of credit concentration, the residual risk and the risks generated by the foreign currency lending of the debtors exposed to the foreign currency risk.

The maximum exposure of the group to the credit risk is reflected in the carrying amounts of the financial assets from the statement of financial position of the group. For guarantees and credit commitments, the maximum exposure to credit risk is the sum of the commitment. Credit risk is mitigated by the use of collaterals and other risk enhancements.

Management of credit risks

The Board of Directors, through the Executive Committee of Directors, has assigned the responsibility of managing the credit risk to the Board of Directors, the Credit Committee / the Credit Restructuring and Recovery Committee and the Risk Management Committee. The Credit Risk Assessment Division and the Credit Risk Management Department are the structures responsible for monitoring the credit risk to which the Group is exposed, including:

- *Formulating credit policies* in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements;
- *Establishing the authorization structure* for the approval and renewal of credit facilities. Authorization limits are allocated on different levels to Credit Committee/ The Credit Restructuring and Recovery Committee, Directors' Committee and Board of Directors, as appropriate;
- *Reviewing and assessing credit risk*. Credit Committee/ The Credit Restructuring and Recovery Committee assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process;
- *Limiting concentrations of exposure* to counterparties, geographies and industries (for loans and advances), and by issuer, and collateralization;
- *Developing the Group's risk provisioning policy* on the main product categories according to the degree of homogeneity. The provisioning policy is subject to regular reviews function also of the statutory regulations;
- *Reviewing compliance* of business units with agreed exposure limits, including those for selected geographies areas, economic sectors and maturities;
- Regular reports are provided to Risk Management Committee, Directors' Committee and to the Board of Administration on the credit risk exposure development and risk profile level;
- *Providing advice, guidance and specialist skills* to business units to promote best practice throughout the Group in the management of credit risk;
- The bank analyzes with semi-annual frequency, together with the updating of the risk parameters, the need to register some post-model depreciation adjustments. These adjustments are used in situations where existing inputs, assumptions and modeling techniques do not capture all relevant risk factors (occurrence of new macroeconomic, microeconomic or political events, together with expected changes in parameters, models or data that are not incorporated in the parameters). Post-model adjustments are approved as part of the risk parameters at the level of the Board of Directors.

The Group is exposed to credit risk through its lending and investments activities and in cases where it acts as an intermediary on behalf of customers or other third parties or it issues guarantees. The Group's primary exposure to credit risk arises through its lending activity. The amount of credit exposure in this regard is represented by the carrying amounts of the assets on the balance sheet.

The Group is exposed to credit risk on various other financial assets, including debt securities investments (i.e. Treasury Bills issued by the Romanian Government or bonds/debt securities issued by corporate clients) or money market placements, financial assets held for trading, investments held to maturity, the current credit exposure in

respect of these instruments is equal to the carrying amount of these assets in the balance sheet. In addition, the Group is exposed to off balance sheet credit risk through commitments to extend credit and guarantees issued.

Concentrations of credit risk that arise from financial instruments exist for groups of counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The major concentrations of credit risk arise by individual counterparty and by type of customer in relation to the Group's loans and advances to customers.

I. Expected Credit Loss (ECL) measurement

IFRS 9 outlines a "three stage" model for impairment based on changes in credit quality from initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified as "Stage 1" and has its credit risk continuously monitored by the Group;
- If a significant increase in credit risk ("SICR") since initial recognition is identified the financial instrument is moved in "Stage 2" but it is not yet deemed credit-impaired. See Note "Staging" for a description of how the Group determines when a significant increase in credit risk occurred;
- If the financial instrument is credit-impaired then it is moved in "Stage 3". See Note "Default definition";
- Financial instruments in Stage 1 have their ECL measured as an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Financial instruments in Stages 2 or 3 have their ECL measured as based on expected credit losses on a lifetime basis;
- A pervasive concept in measuring ECL in accordance with IFRS 9 is the fact that the model should also consider forward-looking information;
- Financial assets classified as POCI are those assets impaired at initial recognition. Their ECL is always measured using lifetime assessment.

The following chart presents the requirements regarding impairment under IFRS 9:

Change in credit quality since initial recognition



Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition – SICR)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

II. Default definition

The Standard does not directly define default status but mentions that the definition must be aligned with internal credit risk management practices.

Under the Group's policy on asset identification and management, as well as segmentation of borrowers and credit portfolio, default applies to a financial asset when one or both of the following conditions are met:

- The Group considers it unlikely that the client will comply with its contractual payment obligations in full, without the Group taking enforcement;
- The customer records a delay of more than 90 days at the end of the month for any contractual credit obligation.

The Group applies the new way of counting the days of delay, in accordance with the regulatory requirements (the European Banking Authority's – EBA, definition of default (GL 2016-07), taking into account the number of consecutive days in which a debtor has outstanding amounts that simultaneously exceed the materiality thresholds. This new indicator is considered a new "add-on" to default definition applied by the Group and was used in the classification of Stage 3.

Restructure definition:

A measure offered to a debtor is considered a restructuring operation if:

- the debtor is facing or is likely to face temporary difficulties in meeting its financial commitments ("financial difficulties").
- the bank grants a concession regarding the terms and conditions of the contract (and this would not be done if the client did not have financial difficulties).

Write off Policy:

The Bank performs a periodical analysis regarding the exposures provisioned 100% and with overdue payments more than 180 days and transfers the exposures in off-balance sheet accounts. In some cases, the bank may decide to book a loss and stop chasing the debt if all the legal procedures have been fulfilled and no other source of payments have been identified or if the debt have been prescribed.

The following items are considered for unlikeliness to pay (default identification):

For credit obligations without restructuring measures

- The Bank ceases to account for interest on the loan obligation
- The Bank recognized a specific adjustment for credit risk, resulting from the perception of a significant deterioration in credit quality, subsequent to the time when the institution was exposed to risk, for individually forced customers for whom there is a decision of a competent committee (Credit Committee / Credit Restructuring and Recovery Committee / Board of Directors / Board of Directors)
- The Bank sells the loan obligation with a significant economic loss of more than 5%
- The client is in the procedure of general insolvency / reorganization / preventive arrangement / temporary interruption of activity

- The client is in bankruptcy proceedings or has been deregistered
- Fraud
- The client died
- The debtor notified the bank regarding the intention to transfer the ownership right over the real estate in order to settle the debt related to the credit contract according to Law no. 77/2016 regarding the payment of real estate in order to settle the obligations assumed through loans.
- The Bank has initiated enforcement proceedings in order to recover the exposure.
- The Bank declared the early maturity of the loan, without starting the execution procedures
- Recording significant delays in payments to other creditors in the relevant credit register
- Violation of contractual clauses
- Sale of the guarantee by the bank or by the client, in order to cover the outstanding debts
- The Bank requested an additional guarantee due to the deterioration of the credit risk.
- Other macro indices of payment improbability
- Existence of justified concerns about the debtor's future ability to generate stable and sufficient cash flows
- Acquisition or origination of an impaired credit (POCI)
- Belonging to a group in which at least one member is in default subject to analysis
- For off-balance-sheet exposures: Payment commitment which, if drawn down or otherwise used, would probably not be repaid in full without enforcement of collateral; Exposure in the form of financial collateral that is likely to be exercised by the collateral taker, including where the underlying secured exposure meets the criteria to be considered non-performing.
- The debtor's sources of recurring income are no longer available for instalment payments
- The overall leverage of the borrower has increased significantly

For credit obligations with restructuring measures:

- All non-repayment criteria applicable to unrestructured credit exposures;
- Registration of arrears of more than 30 days ;
- Carrying out a new restructuring operation for a credit exposure classified at the time of carrying out the operation as a restructured credit exposure;
- Carrying out the first restructuring operation for a credit exposure classified prior to the moment of carrying out the operation as a default credit exposure, will lead to the further classification of the default exposure;
- Restructuring in an emergency regime likely to lead to a reduced financial obligation by more than 1%;
- Restructuring by granting charts that may suggest the improbability of payment: payment of a large lump sum expected at the end of the repayment schedule, irregular repayment schedule, which stipulates much lower payments at the beginning of the repayment schedule, significant grace period at the beginning repayment schedule.

III. Risk parameters

Probability of default (PD)

In order to determine the loss from collective assessment and completing the segmentation of the exposure in the 3 stages, it is important to group the credit exposure according to the common risk characteristics. The main step for estimating PDs is the selection of relevant risk factors (drivers).

PD is a key component when calculating the ECL and assessing whether there has been a significant increase in credit risk.

For ECL calculation, two different PDs are required:

- PD calculated for a 12-month period: the probability that default will occur within the next 12 months (or over the remaining life of the financial instrument if it is less than 12 months and the facility type is not revolving);
- Life expectancy PD (LT PD): the probability of default occurring over the entire life of the financial instrument.

Loss given default (LGD)

In terms of LGD calculation, the Bank uses a haircut approach for secured portfolios (mortgages, corporate) and a structural approach for the unsecured portfolio.

LGD sums up all cash flows that are collected from the client after the default date (default status). This includes the costs of recovering and enforcing collateral and collections during the recovery cycle, including those generated by collateral valuation. It also includes the time value of money, reflected in the present value of recoveries net of additional costs and losses.

Exposure at default (EAD)

IFRS 9 does not explicitly require an entity to model the EAD, but it is important to create a model that highlights how exposures are expected to change over time to achieve adequate ECL result.

On the one hand, for "Stage 2" exposures, when credit loss is estimated over the entire lifetime of the asset, it is essential to model lifetime exposure, corresponding to the amortization of the contractual maturity schedule. On the other hand, an increase in estimated EAD (withdrawals of funding commitments under agreed credit limits) is required to be considered. Otherwise, the ECL could be overestimated.

Staging

According to IFRS 9, the expected credit losses are based on the expected total loss for the entire lifetime of the credit or expected credit losses over a 12-month period, depending on whether the credit risk of that financial instrument has increased significantly or not since the initial recognition.

The Group assesses the impairment loss for a financial instrument at an amount equal to the lifetime expected loss of credit, if the credit risk of that financial instrument has increased significantly since the initial recognition.

If at the reporting date the credit risk of a financial instrument has not increased significantly since the initial recognition, the Group will measure the expected loss for that financial instrument at an amount equal to the expected credit loss of over a 12-month period.

As such, the Group will measure and assess a significant increase in credit risk by comparing the default risk at "initial recognition date" with the default risk at the reporting date.

The following approach is implemented at financial asset level:

- If at the "reporting date," the asset is considered "default" (see definition above), it will be included in "Stage 3" and an impairment loss will be assessed at an amount equal to the credit loss expected for the entire life of the financial asset.
- If the credit risk of the financial asset at the "reporting date" is greater than the credit risk at "initial recognition date", it will be included in "Stage 2" and an expected loss of credit will be calculated for the entire duration life of the asset.
- If the financial asset is POCI and is not in default at the reporting date, it will be included in Stage 2 and an expected loss of life will be calculated for the entire lifetime of the asset
- All other financial assets will be included in "Stage 1" and will be calculated a credit loss estimated at an amount equal to the expected credit losses over a 12-month period.

The Group will classify assets in the POCI category if any of the following criteria apply:

- The financial assets acquired were in the state of default at the acquisition date
- Financial assets are in default at the date of derecognition

Modification of the terms and conditions of the credit agreement may be considered to be meeting the requirements of derecognition in IFRS, if any of the following applies:

- Change of debtor: the debtor of the new financial asset is different from that of the changed asset;
- Change in currency denomination: the currency of the new financial asset is different from that of the changed asset;
- Strengthening or dividing the existing financial assets: several credit facilities of the same customer are consolidated into a new credit agreement or a client's contract is split into several credit agreements
- At least annually, the bank will check for all restructurings processed in the year, if the present value of the future cash flows of the modified maturity is lower by 10% than the present value of the future cash flows of the previous maturity, in case which, the bank should derecognize the initial credit. If the amounts will be material and the percentage of loss from future cashflows will be over 10%, the bank will proceed to derecognize it

In the case of restructured assets, the Group will not derecognise assets if the derecognition requirements are not met. If the asset is in default at the date of the restructuring, it will be reflected as "Stage 3," and when the default will be cured, it will be reflected as "Stage 2" or "Stage 1" if the criteria is met.

The staging model of the Group is based on combination of quantitative and qualitative criteria, as follows:

Quantitative criteria

Although IFRS 9 does not require the use of an explicit non-payment probability of default to perform this assessment, the quantitative analysis of the Group is based on the comparison between the current estimate of the life time PD and the life time PD estimates at initial recognition adjusted so that both values correspond to a significant comparison.

A loan will be transferred to "Stage 2" when:

1. there is an increase in the value of PDs over its entire lifetime as follows: (i) the relative increase is higher than 200%; and (ii) the increase in absolute value is higher than 1%, by comparing the values of the current PDs with the values of estimated PDs at initial recognition date.
2. the loan was overdue, at least once, more than 30 days in the last 6 months

Qualitative criteria

The group opted for the following indicators to be used in the qualitative approach to Stages classification.:

- More than 30 days of delay recorded at reporting date
- Restructuring measures recorded at reporting date
- Significant increase of credit risk for companies, based on early warning signals, resulting from monitoring reports
- Other criteria such as: breach of the contract clauses, changes in the market / industry, significant change in price, as result of increase of the credit risk, significant changes in the value of the collateral

IV. Forward-looking information incorporated in ECL models

The assessment of SICR and the calculation of ECL must both incorporate past, current and also forward-looking information that is available without undue cost and effort. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each defined portfolio.

These economic variables and their associated impact on risk parameters vary by portfolio type and the selection process has been determined by statistical regressions between historic default rates and macroeconomic variables. Expert judgement has also been applied in this process.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of uncertainty and therefore the actual outcomes may be significantly different to those projected.

The Group incorporates forward-looking information as follows: for collective portfolio within the process of updating the PD curves (semiannual), for individual assessed portfolio within scenarios applied at the client level. Forward Looking PD curves – the Group uses macro economic factors which proved to be relevant from statistical point of view: GDP, unemployment rate (UR), 3 months robust evolution, inflation.

There are used three scenarios: base scenario (55%), optimistic scenario (15%) crisis scenario (30%), the same weights as in 2023.

The source in setting up the Unemployment Rate ("UR"), GDP, 3 months robust evolution, Inflation values used in the scenarios are public information (from Statistical National Institute / National Forecast Commission / National Bank of Romania/ European Commission).

V. Low default portfolio

Low default portfolio are typically represented by exposures to sovereigns or to banks. The bank includes in this category securities issued by the Ministry of Public Finance and bonds as well as certain exposures to other banks with investment grade as well as to the National Bank of Romania, in the form of deposits, current accounts, nostro accounts.

For quantitative disclosure regarding credit risk, please see Note 21.

d) Market risk

Market risk is the risk of losses on balance sheet and off-balance sheet positions due to unfavorable market fluctuations in prices (such as, for example, stock prices, interest rates, exchange rates).

The Group is inherently exposed to market risks. Market risks arise from open positions in (a) currency, (b) interest rates, (c) equity products (still the main exposure being towards the foreign currency risk) and (d) changing the price of other products (mainly debt securities) purchased from counterparties, all of which are exposed to general and specific market movements. Management sets limits on the value of risk and trading book portfolio level that may be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Price risk and interest rate risk

Price risk (including equity exposure) arises as a result of market fluctuations in the price of equity securities in the Bank's trading/own book or as a result of market fluctuations in the interest rate on instruments in the Bank's trading/own book.

Interest rate risk is a component of the market risk that arises as a result of market fluctuations in the interest rate related to the instruments in the bank's trading/own portfolio.

The objective of the Group for this risk is to engage in simple transactions exclusively to cover certain positions / to assume low risks, avoiding the development of complex or high-risk operations, which could lead to difficult risk management. may derive from those transactions. The Group does not wish to be exposed at any time to the risk of goods coming from open positions related to acquisitions / holdings in shares, metals and precious stones, raw materials or other such elements.

When analyzing the price risk, before carrying out the actual transaction, the Group takes into account the factors that may determine the manifestation of this risk and which are at least the following, without being limiting:

- The position to be assumed, the type and size of the position: open - long / short;
- The volatility of the prices at which the Bank agrees to carry out transactions, where it matters: the frequency, the amplitude and the meaning of the price changes;
- Market demand and supply for a particular instrument, where it matters: the value of market demand / supply for a particular instrument; the number of active participants that give the structure of the demand / supply;

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)**

- The economic situation perceived in the issuers' market, where it matters: the economic-financial situations; positive / negative information regarding the issuer; the issuer's dividend award policy; the manner and frequency of capital increases.

The Group is exposed to price risk, which includes equity and commodity exposures, mainly arising from the following categories of exposures: government securities, bonds issued by eligible counterparties, foreign exchange swaps or fund units held in collective investment schemes. The Bank limits its exposure to interest rate risk within the trading book and at the end of 2023, the Bank had no such exposures on its balance sheet.

Sensitivity of Collect or sale government securities to changes in the value of yields

On a monthly basis, the bank runs a simulation regarding the impact on the change in the value of government securities from the positive variation in yields, taking into account various degrees of severity +10bps/+25 bps/+100bps/+200 bps/+300 bps, for all related currencies titles from the Collect and Sale portfolio. Following the simulation carried out for the reference date 31.12.2024, the sensitivity in changing the value by marking to the market is as follows:

Currency - Thousand	Reserve balance MtM @ December 2024	Yield growth +10 bps	Yield growth +25 bps	Yield growth +100 bps	Yield growth +200 bps	Yield growth +300 bps
EUR	(2,366)	(2,876)	(3,376)	(4,348)	(6,183)	(7,884)
RON	(14,396)	(17,264)	(20,098)	(25,670)	(36,440)	(46,736)
USD	(77)	(93)	(108)	(139)	(198)	(253)
Total	(26,530)	(32,010)	(37,408)	(47,960)	(68,137)	(87,162)
Difference on mark to market at 31.12.2024		(2,202)	(5,481)	(10,878)	(21,430)	(41,607)

Currency risk

The Group's main goal is to close its currency positions and ensure that open foreign exchange positions remain within conservative limits all the time.

The foreign currency risk is the risk to record losses or not to achieve the estimated profits due to the fluctuations on the market of the foreign exchange rate. The object of the identification, assessment, monitoring and management of the foreign currency risk is represented, according to the Group's policies and procedures, by the elements denominated in foreign currency from the banking book portfolio of the Group.

The Group is exposed to currency risk through transactions in foreign currencies against RON. The Group manages its exposure to movements in exchanges rates by modifying its assets and liabilities mix. On the Romanian market, exchange rates have a moderate volatility; therefore open foreign exchange positions represent a source of currency risk. In order to limit losses arising from adverse movements in exchange rates, the Group is currently pursuing the policy of maintaining an overall balanced foreign exchange position.

Capital requirements for currency risk is calculated using Standard Approach, and group's policy is to monitor and maintain a level lower than 2% in own funds for overall FX risk exposure. For internal risk management purposes the Group employs a VaR model for all currencies with a confidence level of 99% and a holding period of one year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

FX VaR is calculated using a daily database for a one year period exchange rate differences compared with the same date of the previous year (currency position is considered in absolute value without compensations between currencies according to the sign of the currency position for the respective month) and using an increased level of the exchange rate for the main currencies to which the group is exposed (exchange rate increased by 10% to Eur; 20% CHF and 20% USD - representing the double of the maximum increase / decrease margin from the last 2 years (2023 and 2024), rounded).

As VaR is an integral part of the Group's market risk management policy, VaR limits have been set individually, and exposures can be compared by management on a daily basis with limits set.

In order to anticipate how capital adequacy can be affected in crisis conditions, the Group uses a currency risk simulation that evaluates a potential loss given by the variation in exchange rate by increase / decrease for the major currencies (using a +/- 20% increase / decrease for Eur/Ron; a +/- 30% increase / decrease for CHF/Ron and +/- 30% increase / decrease for 30% USD/Ron – this stress was chosen taking in consideration the level of the maximum between lowest and highest level in the last 5 years (2020-2024) for these currencies: 4.4% for Euro; 21% for Chf and 27% for USD, rounded to higher level) by calculating the potential loss from this increase/decrease using the VaR model with 99% confidence level over a 1-year observation period).

From the perspective of capital, the differences in the exchange rate on an annual basis are considered to be relevant for the capital coverage of losses that may be generated by underestimating the requirement for this risk.

The following table shows dominant (for EUR) foreign currency VaR model as 31 December 2024 at different confidence level:

Confidence level:	95.0%	99.0%	99.9%
FX EUR	3,201,042	4,321,407	5,121,667
Impact estimate for confidence level	78,488	112,397	140,250
FX VaR for EUR/ Own funds	0,016%	0,023%	0,029%
	Low Risk	Low Risk	Low Risk
	<=1%	<=1%	<=1%

The following table shows dominant (for EUR) foreign currency VaR as 31 December 2023 at different confidence level:

Confidence level:	95.0%	99.0%	99.9%
FX EUR	3,201,602	4,322,163	5,122,563
Impact estimate for confidence level	94,807	146,730	194,213
FX VaR for EUR/ Own funds	0.021%	0.032%	0.042%
	Low Risk	Low Risk	Low Risk
	<=1%	<=1%	<=1%

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

The table below summarises the Group's exposure to foreign exchange risk as of 31 December 2024:

<i>Thousand RON</i>	RON	EUR	Other	Total
Financial Assets				
Cash and cash equivalents	323,036	182,845	19,074	524,955
Financial assets at fair value through profit or loss	63,049	11,219	6,774	81,042
Financial assets evaluated at fair value through other comprehensive income	506,108	296,940	7,522	810,570
Due from banks	-	11,669	7,753	19,422
Loans and advances to customers	1,789,958	731,326	6,781	2,528,065
Investments in debt instruments at amortised cost	162,098	181,935	35,440	379,473
Other financial assets	31,908	800	10	32,718
Total financial assets	<u>2,876,157</u>	<u>1,416,734</u>	<u>83,354</u>	<u>4,376,245</u>
Financial liabilities				
Due to banks	4,387	471	47	4,905
Customer deposits	2,538,402	1,020,123	96,252	3,654,777
Loans from banks and other financial institutions	118,775	166,590	-	285,365
Other financial liabilities	37,672	45,012	1,953	84,637
Subordinated liabilities	25,096	59,391	-	84,487
Debt securities in issue	-	65,557	-	65,557
Total financial liabilities	<u>2,724,332</u>	<u>1,357,144</u>	<u>98,252</u>	<u>4,179,728</u>
Net financial assets/(liabilities)	<u>151,825</u>	<u>59,590</u>	<u>(14,898)</u>	<u>196,517</u>
Off Balance sheet items				
Loans commitments to customers	304,752	86,460	-	391,212
Guarantees issued	84,259	3,630	-	87,889

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

The table below summarises the Group's exposure to currency risks at the end of the 31 December 2023:

<i>Thousand RON</i>	RON	EUR	Other	Total
Financial Assets				
Cash and cash equivalents	406,118	121,776	10,324	538,218
Financial assets at fair value through profit or loss	27,108	10,575	5,284	42,967
Financial assets evaluated at fair value through other comprehensive income	424,664	237,888	13,764	676,316
Due from banks	-	11,669	7,057	18,726
Loans and advances to customers	1,461,520	762,123	7,578	2,231,221
Investments in debt instruments at amortised cost	159,439	206,254	33,345	399,038
Other financial assets	17,718	923	29	18,670
Total financial assets	<u>2,496,567</u>	<u>1,351,208</u>	<u>77,381</u>	<u>3,925,156</u>
Financial liabilities				
Due to banks	39,929	142,870	-	182,799
Customer deposits	2,132,325	875,930	101,420	3,109,675
Loans from banks and other financial institutions	131,570	98,918	-	230,488
Other financial liabilities	48,477	39,317	2,667	90,461
Subordinated liabilities	25,103	69,385	-	94,488
Debt securities issued	-	65,193	-	65,193
Total financial liabilities	<u>2,377,404</u>	<u>1,291,613</u>	<u>104,087</u>	<u>3,773,104</u>
Net financial assets/(liabilities)	<u>119,163</u>	<u>59,595</u>	<u>(26,706)</u>	<u>152,052</u>
Off Balance sheet items				
Loans commitments to customers	187,573	102,355	-	289,928
Guarantees issued	58,050	3,544	-	61,594

In respect of derivative financial instruments, the amounts reported represent the market value at the end of the reporting period of the respective currency that the Group has agreed to buy (positive amounts) or sell (negative amounts) before netting positions and payments with the respective counterparty. The total value of the notional as at 31 December 2024 being 81,158 thousand Lei with maximum maturity 26 February 2025 of which 24,241 thousand USD, 1,751 thousand GDP and 55,166 thousand LEI respectively (31 December 2023: 60,453 thousand Lei with maximum maturity 14 February 2024 of which 8,275 thousand USD, 500 thousand GDP and 20,388 thousand LEI).

Investments in equities and non-monetary assets are not considered to give rise to any currency risk.

The Group close the open position with currency swaps.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

The table below summarises the Bank's exposure to foreign exchange risk as of 31 December 2024:

<i>Thousand RON</i>	RON	EUR	Other	Total
Financial Assets				
Cash and cash equivalents	322,538	182,845	19,074	524,457
Financial assets at fair value through profit or loss	58,317	11,219	6,774	76,310
Financial assets evaluated at fair value through other comprehensive income	506,108	296,940	7,522	810,570
Due from banks	-	11,669	7,753	19,422
Loans and advances to customers	1,629,303	731,326	6,781	2,367,410
Investments in debt instruments at amortised cost	162,098	181,935	35,440	379,473
Investment in subsidiaries	40,296	-	-	40,296
Other financial assets	31,544	800	10	32,354
Total financial assets	<u>2,750,204</u>	<u>1,416,734</u>	<u>83,354</u>	<u>4,250,292</u>
Financial liabilities				
Due to banks	4,387	471	47	4,905
Customer deposits	2,559,560	1,046,381	96,252	3,702,193
Loans from banks and other financial institutions	-	136,548	-	136,548
Other financial liabilities	35,174	35,650	1,953	72,777
Subordinated liabilities	-	59,391	-	59,391
Debt securities issued	-	65,557	-	65,557
Total financial liabilities	<u>2,599,121</u>	<u>1,343,998</u>	<u>98,252</u>	<u>4,041,371</u>
Net financial assets/(liabilities)	<u>151,083</u>	<u>72,736</u>	<u>(14,898)</u>	<u>208,921</u>
Off Balance sheet items				
Loans commitments to customers	304,472	86,460	-	390,932
Guarantees issued	84,259	3,630	-	87,889

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

The table below summarises the Bank's exposure to foreign exchange risk as of 31 December 2023:

<i>Thousand RON</i>	RON	EUR	Other	Total
Financial Assets				
Cash and cash equivalents	405,592	121,776	10,324	537,692
Financial assets at fair value through profit or loss	23,302	10,575	5,284	39,161
Financial assets evaluated at fair value through other comprehensive income	424,664	237,888	13,764	676,316
Due from banks	-	11,669	7,057	18,726
Loans and advances to customers	1,288,884	762,123	7,578	2,058,585
Investments in debt instruments at amortised cost	159,439	206,254	33,345	399,038
Investment in subsidiaries	40,296	-	-	40,296
Other financial assets	17,550	923	29	18,502
Total financial assets	<u>2,359,727</u>	<u>1,351,208</u>	<u>77,381</u>	<u>3,788,316</u>
Financial liabilities				
Due to banks	39,929	142,870	-	182,799
Customer deposits	2,145,581	877,153	101,420	3,124,154
Loans from banks and other financial institutions	-	98,918	-	98,918
Other financial liabilities	39,018	39,317	2,667	81,002
Subordinated liabilities	-	69,385	-	69,385
Debt securities issued	-	65,193	-	65,193
Total financial liabilities	<u>2,224,528</u>	<u>1,292,836</u>	<u>104,087</u>	<u>3,621,451</u>
Net financial assets/(liabilities)	<u>135,199</u>	<u>58,372</u>	<u>(26,706)</u>	<u>166,865</u>
Off Balance sheet items				
Loans commitments to customers	187,116	102,355	-	289,471
Guarantees issued	58,050	3,544	-	61,594

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

The following table presents the sensitivity of impact in profit or loss before tax to reasonably possible changes in exchange rates applied at the end of the reporting period, with all other variables held constant:

	Impact on profit or loss before tax		Impact on profit or loss before tax	
	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Impact 10%	Impact 10%	Impact 10%	Impact 10%
Euro strengthening	3,539	3,524	3,622	3,365
Euro weakening	(3,539)	(3,524)	(3,622)	(3,365)
Other strengthening	1,321	1,025	356	1,020
Other weakening	(1,321)	(1,025)	(356)	(1,020)

The following table presents the sensitivity of the Impact on equity to reasonably possible changes in exchange rates applied at the end of the reporting period, with all other variables held constant:

	Impact on equity before tax		Impact on equity before tax	
	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Impact 10%	Impact 10%	Impact 10%	Impact 10%
Euro strengthening	3,539	3,524	3,622	3,365
Euro weakening	(3,539)	(3,524)	(3,622)	(3,365)
Other strengthening	1,321	1,025	356	1,020
Other weakening	(1,321)	(1,025)	(356)	(1,020)

For the sensitivity calculation, the change in exchange rate impacted the increase/(decrease) of 10% for 2024 and 2023 respectively for the foreign currencies. Taking into account the current conjuncture given by the conflict in Ukraine and inflationary pressures, for 2024 and 2023 the Group considered a 10% exchange rate change, even though the maximum exchange rate change for EUR (as the difference between the maximum and minimum rate) is around 3.25% in the last 3 years (2024, 2023 and 2022).

e) Interest rate risk from activities outside the trading portfolio from interest repricing

The Group is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes, but may reduce or create losses in the event that unexpected movements arise.

The main sources of interest rate risk are imperfect correlation between the maturity (for fixed interest rates) or repricing date (for floating interest rates) of the interest-bearing assets and liabilities, adverse evolution of the slope and shape of the yield curve (the nonparallel shift of the interest rate yields of the interest-earning assets and interest-earning liabilities), correlation in the adjustments of the rates earned and paid on different instruments

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

with otherwise similar re-pricing characteristics. Asset-liability risk management activities are conducted in the context of the Group's sensitivity to interest rate changes.

The Group generally grants loans with floating interest rates, according to the Group's policy, with re-pricing based on reference interest rates like ROBOR, EURIBOR and IRCC. On the deposits side, the Group offers fixed interest rates only on short periods with maturity lower than 1 year. For longer maturities, deposits have variable interest rates (according to Group's policy or indexed interest rates reference.) In terms of debt securities, the Bank aims to hold a portfolio with an average maturity of maximum 5 years to maturity. Thus, when acquiring new securities, the Bank is guided by the portfolio held and its distribution over the remaining periods to maturity so that the maximum average maturity expected is not exceeded.

In order to measure the impact of non-trading book interest rate risk, the Group uses the analysis of the potential change in the economic value as a result of the change in interest rates, this instrument is based on the standardized methodology described in Annex 1 to the NBR Regulation 5/2013 regarding prudential requirements for credit institutions, with subsequent amendments.

During 2024, the Group was within the limits of prudence and did not record exceedances of the maximum level stipulated by Regulation 5/2013 - and according to risk appetite/profile established for this risk (respectively the 20% limit of the economic value).

The interest rates related to the local currency and the major foreign currencies as at 31 December 2024 and 2023 were as follows:

Currency	Interest rate	31 December 2024	31 December 2023
Leu (RON)	Robor 3 months	5.92%	6.22%
Leu (RON)	IRCC 3 months	5.99%	5.97%
Euro (EUR)	Euribor 3 months	2.74%	3.91%
Euro (EUR)	Euribor 6 months	2.56%	3.86%
American Dollar (USD)	SOFR	4.49%	5.38%

The following table shows the average interest rates obtained or offered by the Group's and Bank's as at 31 December 2024 and 31 December 2023 for its interest-bearing assets and liabilities:

	31 December 2024			31 December 2023		
	RON	EUR	USD	RON	EUR	USD
Group Assets						
Cash and cash equivalents	0.00%	2.90%	3.80%	6.01%	0.00%	0.00%
Due from banks	0.00%	2.43%	0.00%	0.00%	2.45%	0.00%
Loans and advances to customers	9.37%	6.78%	0.00%	10.35%	7.52%	10.63%
Financial assets at fair value through profit or loss	5.90%	3.63%	6.30%	5.82%	3.25%	4.88%
Investments in debt instruments at amortised cost	6.28%	3.01%	5.28%	6.28%	3.32%	5.28%
Financial assets at fair value through profit or loss	0.00%	0.00%	n/a	0.00%	0.00%	n/a
Liabilities						
Due to banks	n/a	n/a	n/a	6.00%	3.88%	n/a
Current accounts from customers	0.00%	0.00%	0.00%	0.08%	0.00%	0.00%
Term deposits from customers	5.35%	2.71%	3.14%	6.35%	2.69%	3.12%
Loans from banks and other financial institutions	3.39%	5.64%	n/a	3.39%	5.64%	n/a
Subordinated liabilities	3.15%	4.84%	n/a	3.15%	4.98%	n/a
Debt securities issued	n/a	6.50%	n/a	n/a	6.50%	n/a

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

Bank	31 decembrie 2024			31 decembrie 2023		
	RON	EUR	USD	RON	EUR	USD
Assets						
Cash and cash equivalents	0.00%	2.90%	3.80%	6.01%	0.00%	0.00%
Due from other banks	0.00%	2.43%	0.00%	0.00%	2.45%	0.00%
Loans and advances to customers	9.37%	6.78%	0.00%	9.85%	7.52%	10.63%
Financial assets measured at fair value through other comprehensive income	5.90%	3.63%	6.30%	5.82%	3.25%	4.88%
Investments in debt instruments at amortised cost	6.28%	3.01%	5.28%	6.28%	3.32%	5.28%
Financial assets measured at fair value through profit or loss	0.00%	0.00%	n/a	0.00%	0.00%	n/a
Liabilities						
Due to other banks	n/a	n/a	n/a	6.00%	3.88%	n/a
Current accounts from customers	0.00%	0.00%	0.00%	0.08%	0.00%	0.00%
Term deposits from customers	5.35%	2.71%	3.14%	6.35%	2.69%	3.12%
Loans from banks and other financial institutions	n/a	5.64%	n/a	n/a	5.64%	n/a
Subordinated Debt	n/a	4.84%	n/a	n/a	4.98%	n/a
Debt securities issued	n/a	6.50%	n/a	n/a	6.50%	n/a

The table below summarizes the Group's exposure to interest rate risk. The table presents the financial assets and liabilities of the Group as of December 31, 2024 at the accounting value recognized in the balance sheet, classified according to the date of the reevaluation of the contractual interest for balance sheet items with variable interest or according to the residual maturity for balance sheet items with fixed interest.

Group Thousand RON	31 December 2024					
	Carrying value	Less 3 months	3-12 month	1-5 years	More 5 year	Non-interest bearing
Financial assets						
Cash and cash equivalents	524,955	112,484	7,755	-	-	404,716
Financial assets at fair value through profit or loss	81,042	-	-	28,915	22,078	30,049
Financial asset measured at fair value through other items of comprehensive income	810,570	71,416	32,942	544,385	147,880	13,947
Due from banks	19,422	-	19,422	-	-	-
Loans and advances to customers	2,528,065	13,800	1,800,652	349,719	353,989	9,905
Investments in debt instruments at amortized cost	379,473	15,629	20,170	251,786	91,888	-
Other financial assets	32,718	31	141	237	-	32,309
Total financial assets	4,376,245	213,360	1,881,082	1,175,042	615,835	490,926
Financial liabilities						
Due to banks	4,905	-	-	-	-	4,905
Customer deposits	3,654,777	1,703,660	1,244,861	55,770	7,675	642,811
Loans from banks and other financial institutions	285,365	10,600	138,238	74,591	61,936	-
Other financial liabilities	84,637	2,118	7,854	16,651	-	58,014
Subordinated liabilities	84,487	-	59,391	25,096	-	-
Debt securities in issue	65,557	-	-	65,557	-	-
Total financial liabilities	4,179,728	1,716,378	1,450,344	237,665	69,611	705,730
Net Interest rate risk position	196,517	(1,503,018)	430,738	937,377	546,224	(214,804)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

The Group closely assesses the net interest rate risk position in order to reduce the risk and optimize the net interest margin. As of 31st of December 2024 the Group records a negative interest rate risk position only on the second bucket, higher financial liabilities compared to the financial assets, mainly due to the deposits from customers with fixed interest rate. The customers deposits at the maturing date are roll-overed at the standard/negotiated interest rate communicated by the Group and the interest rate is not automatically updated at a market benchmark.

The table below summarizes the Group's exposure to interest rate risk. The table presents the financial assets and liabilities of the Group as of December 31, 2023 at the accounting value recognized in the balance sheet, classified according to the date of the reevaluation of the contractual interest for balance sheet items with variable interest or according to the residual maturity for balance sheet items with fixed interest.

Group Thousand RON	31 December 2023					
	Carrying value	Less 3 months	3-12 month	1-5 years	More 5 year	Non-interest bearing
Financial assets						
Cash and cash equivalents	538,218	180,167	-	-	-	358,051
Financial assets at fair value through profit or loss	42,967	-	-	10,686	5,387	26,894
Financial asset measured at fair value through other items of comprehensive income	676,316	13,764	70,342	449,612	129,983	12,615
Due from banks	18,726	12,606	6,120	-	-	-
Loans and advances to customers	2,231,221	12,592	1,733,387	315,023	165,927	4,292
Investments in debt instruments at amortized cost	399,038	-	25,051	184,348	189,639	-
Other financial assets	18,670	31	139	425	-	18,075
Total financial assets	3,925,156	219,160	1,835,039	960,094	490,936	419,927
Financial liabilities						
Due to banks	182,799	182,302	-	-	497	-
Customer deposits	3,109,675	1,119,283	1,353,711	57,032	4,129	575,520
Loans from banks and other financial institutions	230,488	27,069	89,551	113,868	-	-
Other financial liabilities	90,461	1,836	6,881	18,308	-	63,436
Subordinated liabilities	94,488	-	94,488	-	-	-
Debt securities in issue	65,193	-	-	65,193	-	-
Total financial liabilities	3,773,104	1,330,490	1,544,631	254,401	4,626	638,956
Net Interest rate risk position	152,052	(1,111,330)	290,408	705,693	486,310	(219,029)

The Group presented as non-interest bearing assets the following: customer loans that no longer accrue interest, accrued interest on loans and T-bills, unit funds administrated by SAI Patria Asset Management SA and equity investments.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

The table below summarizes the Bank's exposure to interest rate risk. The table presents the financial assets and liabilities of the Bank as of December 31, 2024 at the accounting value recognized in the balance sheet, classified according to the date of the reevaluation of the contractual interest for balance sheet items with variable interest or according to the residual maturity for balance sheet items with fixed interest.

Bank	31 December 2024					
Thousand RON	Carrying value	Less 3 months	3-12 month	1-5 years	More 5 year	Non-interest bearing
Financial assets						
Cash and cash equivalents	524,457	115,753	7,755	-	-	400,949
Financial assets at fair value through profit or loss	76,310	-	-	28,915	22,078	25,317
Financial asset measured at fair value through other items of comprehensive income	810,570	71,416	32,942	544,385	147,880	13,947
Due from banks	19,422	-	19,422	-	-	-
Loans and advances to customers	2,367,410	13,394	1,795,036	199,024	350,051	9,905
Investments in debt instruments at amortized cost	379,473	15,629	20,170	251,786	91,888	-
Other financial assets	32,354	31	141	237	-	31,945
Total financial assets	<u>4,209,996</u>	<u>216,223</u>	<u>1,875,466</u>	<u>1,024,347</u>	<u>611,897</u>	<u>482,063</u>
Financial liabilities						
Due to banks	4,905	-	-	-	-	4,905
Customer deposits	3,702,193	1,731,930	1,264,007	55,770	7,675	642,811
Loans from banks and other financial institutions	136,548	-	-	74,612	61,936	-
Other financial liabilities	72,777	2,118	7,854	16,651	-	46,154
Subordinated liabilities	59,391	-	59,391	-	-	-
Debt securities in issue	65,557	-	-	65,557	-	-
Total financial liabilities	<u>4,041,371</u>	<u>1,734,048</u>	<u>1,331,252</u>	<u>212,590</u>	<u>69,611</u>	<u>693,870</u>
Net Interest rate risk position	<u>168,625</u>	<u>(1,517,825)</u>	<u>544,214</u>	<u>811,757</u>	<u>542,286</u>	<u>(211,807)</u>

The Bank closely assesses the net interest rate risk position in order to reduce the risk and optimize the net interest margin. As of 31st of December 2024 the Bank records a negative interest rate risk position only on the second bucket, higher financial liabilities compared to the financial assets, mainly due to the deposits from customers with fixed interest rate. The customers deposits at the maturing date are roll-overed at the standard/negotiated interest rate communicated by the Bank and the interest rate is not automatically updated at a market benchmark.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

The table below summarizes the Bank's exposure to interest rate risk. The table presents the financial assets and liabilities of the Bank as of December 31, 2023 at the accounting value recognized in the balance sheet, classified according to the date of the reevaluation of the contractual interest for balance sheet items with variable interest or according to the residual maturity for balance sheet items with fixed interest.

Bank	31 December 2023					
Thousand RON	Carrying value	Less 3 months	3-12 month	1-5 years	More 5 year	Non-interest bearing
Financial assets						
Cash and cash equivalents	537,692	180,000	-	-	-	357,692
Financial assets at fair value through profit or loss	39,161	-	-	10,686	5,387	23,088
Financial assets evaluated at fair value through other comprehensive income	676,316	13,764	70,342	449,612	129,983	12,615
Due from banks	18,726	12,606	6,120	-	-	-
Loans and advances to customers	2,058,585	12,345	1,727,845	151,725	162,378	4,292
Investments in debt instruments at amortized cost	399,038	-	25,051	184,348	189,639	-
Other financial assets	18,502	31	139	425	-	17,907
Total financial assets	3,748,020	218,746	1,829,497	796,796	487,387	415,594
Financial liabilities						
Due to banks	182,799	182,302	-	-	497	-
Customer deposits	3,124,154	1,133,762	1,353,711	57,032	4,129	575,520
Loans from banks and other financial institutions	98,918	-	-	98,918	-	-
Other financial liabilities	81,002	1,836	6,881	18,308	-	53,977
Subordinated liabilities	69,385	-	69,385	-	-	-
Debt securities in issue	65,193	-	-	65,193	-	-
Total financial liabilities	3,621,451	1,317,900	1,429,977	239,451	4,626	629,497
Net Interest rate risk position	126,569	(1,099,154)	399,520	557,345	482,761	(213,903)

The management of interest rate risk through limits is enhanced by monitoring the sensitivity of the Group's financial assets and liabilities to various interest rate scenarios.

The interest rate risk management uses monthly GAP model of interest rate risk and sensitivity analyzes of the Group's financial asset and liability to various interest rates scenarios, as exemplified below:

The impact on the Group's financial results at 31 December 2024 by applying a possible change in interest rate of +/- 200 bps (as a percentage of the Group's own funds) for items with a maturity of up to 12 months could lead to positive impact of 6,534 thousands LEI, respectively an impact of 1.33% on own funds and profit or loss account assuring a low risk profile in accordance with internal rules regarding interest rate risk (as of 31 December 2023: 14,522 thousand LEI positive impact and respectively an impact of 3.17% on own funds and profit or loss account).

A sensitivity of 200 bps fluctuation of interest rates is reasonable, taking into account the fact that the average evolution of the maximum levels during last 24 months of 2023-2024 (as the difference between the maximum level and the minimum level from 01.01.2023-31.12.2024 for ROBOR 3M and 6M) and as a result of the stabilization of the

Robor evolution towards the end of 2023 and in 2024 was 201/222 bps, respectively 184/141 bps for the main exchange currencies in the last 24 months of 2023-2024 (EUR, for both EURIBOR 3M and EURIBOR 6M), and also taking into account the balance sheet structure in the main currencies.

The Bank conducts quarterly simulations of changes in their economic value as a result of sudden and unexpected changes in interest rates according to six standardized shock scenarios for detecting extreme values, namely a parallel upward shock, a parallel downward shock, a shock with sudden variation (short rates down and long rates up), a constantly evolving shock (short rates up and long rates down), a shock with short rates up, a shock with short rates down, which reports them in the ICAAP process to senior management. The simulations are carried out in accordance with the provisions of the EBA Guide regarding interest rate risk, and the Bank permanently fell within the limit of 15% of the value of level 1 own funds during 2024.

f) Liquidity and financing

i) Management of liquidity and financing

Liquidity and financing risks are distinct risks which, if materialized, have a significant prudential impact on the credit institution's liquidity over different time horizons.

Liquidity risk is the risk that the Group's profits and capital will be adversely affected, as a result of the bank's inability to meet its obligations at maturity.

Financing risk is the risk that the Group will not have stable sources of financing in the medium and long term, which leads to the existing or potential risk that the credit institution will not be able to meet, or meet its unacceptable financing costs, its obligations, such as payments and the need for collateral, as they become due in the medium and long term.

Liquidity risk can arise from providing general funding of the Group's activities and in the process of management of the asset positions. It includes both the risk of being unable to fund assets at appropriate maturities or/and rates and the risk of being unable to liquidate an asset at a reasonable price (eliminating/reducing potential loss) and in an appropriate time frame.

The Group has access to a diversified funding base. Funds are raised using a broad range of instruments including deposits, borrowings and share capital. This improves funding flexibility, limits dependence on a single source of funding and generally lowers the cost of funds. The Group strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities. The Group continually assesses liquidity risk by identifying and monitoring changes in funding, diversifying the funding base, limiting the concentrations.

The liquidity position and intraday liquidity position are monitored on daily basis and periodic testing of liquidity stress is performed at least monthly in a variety of scenarios that cover both normal and the most extreme market conditions. All liquidity policies and procedures are subject to at least annual review and approved by The Executive Committee, Risk Management Committee and Board of Administration.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)**

A contingency funding plan (CFP) has been elaborated that establishes tasks and measures to be followed in the case of sudden event or/and unexpected emergencies of unusual market and operating conditions in order to maintain a proper level for liquidity in every given circumstances. This plan covers the management of special conditions caused by the “unusual” changes in markets conditions and in the general economic, political and regulatory environment, as well as the management of situations originating from the loss of trust in the Group. During 2024, there was no need to activate this contingency plan.

The bank runs monthly stress scenarios taking into account the bank's ability to cover potential cash outflows from liquid assets that it can quickly convert into cash. The scenarios cover a short time horizon of 60 days, taking into account various assumptions regarding deposits attracted from both bank and non-bank customers. As a result of these scenarios, the bank has the necessary coverage capacity to be able to cover any liquidity outflows in the event of the assumptions taken into account.

ii) Exposure to liquidity risk

One of the key measures used by the Group for managing liquidity risk is Loan to Deposits ratio.

Details of the reported ratio of loans to deposits at the reporting date and during the reporting period were as follows:

	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
At 31 December	67.55%	67.08%	67.00%	69.71%
Average for the period	69.24%	69.78%	70.40%	72.23%
Maximum for the period	72.24%	71.24%	74.20%	74.90%
Minimum for the period	67.55%	67.08%	67.00%	69.71%

The Group maximum recorded level of 72.24% of gross loans to deposits ratio was as of the end of September 2024, while the minimum recorded level of 67.55% was as of the end of December 2024.

The Bank maximum recorded level of 74.20% of gross loans to deposits ratio was as of the end of September 2024, while the minimum recorded level of 67.00% was as of the end of December 2024.

The table below shows liabilities at 31 December 2024 by their remaining contractual maturity. The amounts of liabilities disclosed in the maturity table are the contractual undiscounted cash flows, including gross finance lease obligations (before deducting future finance charges), gross loan commitments and financial guarantees. Such undiscounted cash flows differ from the amount included in the statement of financial position because the amount in the statement of financial position is based on discounted cash flows. Financial derivatives are included at the contractual amounts to be paid or received, unless the Group expects to close the derivative position before its maturity date in which case the derivatives are included based on the expected cash flows.

Also, the table below shows the maturity analysis of non-derivative financial assets at their carrying amounts and based on their contractual maturities, except for assets that are readily saleable if it should be necessary to meet cash outflows on financial liabilities. Such financial assets are included in the maturity analysis based on their expected date of disposal. Impaired loans are included at their carrying amounts net of impairment provisions and based on the expected timing of cash inflows.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

The residual maturity analysis of the monetary assets and liabilities of the Group at 31 December 2024 is presented below:

<i>Thousand RON</i>	Due on demand	Up to 3 Months	3 Months to 1 Year	31 December 2024 1 Year to 5 Years	Over 5 Years	No fixed maturity	Total
Financial Assets							
Cash and cash equivalents	404,716	112,484	7,755	-	-	-	524,955
Financial assets at fair value through profit or loss	-	-	-	28,915	22,078	30,049	81,042
Financial assets evaluated at fair value through other comprehensive income	-	71,416	32,942	544,385	147,880	13,947	810,570
Due from banks	-	-	19,422	-	-	-	19,422
Loans and advances to customers, including future interest	-	98,317	466,024	1,516,362	1,392,299	-	3,473,002
Investments in debt securities at amortised cost	-	15,629	20,170	251,786	91,888	-	379,473
Other financial assets	-	31	141	237	-	32,309	32,718
Total financial assets	<u>404,716</u>	<u>297,877</u>	<u>546,454</u>	<u>2,341,685</u>	<u>1,654,145</u>	<u>76,305</u>	<u>5,321,182</u>
Financial liabilities							
Due to banks	-	-	-	-	-	4,905	4,905
Customer deposits, including future interest	639,405	1,698,432	1,276,812	59,038	8,573	15,759	3,698,019
Loans from banks and other financial institutions , including future interest	-	1,586	5,097	239,272	65,978	-	311,933
Other financial liabilities	-	2,118	7,854	16,651	-	58,014	84,637
Subordinated liabilities and debt securities in issue, including future interest	-	-	-	128,061	28,227	-	156,288
Total financial liabilities	<u>639,405</u>	<u>1,702,136</u>	<u>1,289,763</u>	<u>443,022</u>	<u>102,778</u>	<u>78,678</u>	<u>4,255,782</u>
Liquidity excess/(deficit)	<u>(234,689)</u>	<u>(1,404,259)</u>	<u>(743,309)</u>	<u>1,898,663</u>	<u>1,551,367</u>	<u>(2,373)</u>	<u>1,065,400</u>
Off-Balance items							
Loans Commitments given to customers	391,212	-	-	-	-	-	391,212
Guarantees issued to customers	87,889	-	-	-	-	-	87,889

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

The residual maturity analysis of the monetary assets and liabilities of the Group at 31 December 2023 is presented below:

<i>Thousand RON</i>	31 December 2023					No fixed maturity	Total
	Due on demand	Up to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years		
Financial Assets							
Cash and cash equivalents	358,051	180,167	-	-	-	-	538,218
Financial assets at fair value through profit or loss	-	-	-	10,686	5,387	26,894	42,967
Financial assets evaluated at fair value through other comprehensive income	-	13,764	70,342	449,612	129,983	12,615	676,316
Due from banks	-	12,606	6,120	-	-	-	18,726
Loans and advances to customers, including future interest	-	114,579	436,007	1,385,529	1,227,663	879	3,164,657
Investments in debt securities at amortised cost	-	-	25,051	184,348	189,639	-	399,038
Other financial assets	-	31	139	425	-	18,075	18,670
Total financial assets	358,051	321,147	537,659	2,030,600	1,552,672	58,463	4,858,592
Financial liabilities							
Due to banks	-	182,302	-	-	497	-	182,799
Customer deposits, including future interest	573,784	1,124,973	1,398,322	60,523	5,072	-	3,162,674
Loans from banks and other financial institutions, including future interest	-	19,801	20,045	202,367	-	-	242,213
Other financial liabilities	-	1,836	6,881	18,308	-	63,436	90,461
Subordinated liabilities and debt securities in issue, including future interest	-	57	9,949	68,940	88,421	-	167,367
Total financial liabilities	573,784	1,328,969	1,435,197	350,138	93,990	63,436	3,845,514
Liquidity excess/(deficit)	(215,733)	(1,007,822)	(897,538)	1,680,462	1,458,682	(4,973)	1,013,078
Off-Balance items							
Loans Commitments given to customers	289,927	-	-	-	-	-	289,927
Guarantees issued to customers	61,593	-	-	-	-	-	61,593

Derivatives are presented in terms of fair value based on their contractual maturities, the value of the notional as of 31 December 2024 being 81,158 thousand Ron – with maximum maturity 26 February 2025 (31 December 2023 being 60,453 thousand Ron – with maximum maturity 14 February 2024).

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

The Group presents a shortage of liquidity on the first three buckets “due on demand”, “up to three months” and “3 months to 1 year”, as a result of a large amounts of commercial deposits in this category. Management expects this deficit to be covered through renewal of deposits.

As has already been mentioned, the liquidity deficits are eliminated by the renewal for liabilities for private individuals or companies in a significant proportion (around 90%). Generally, the renewal takes place through the extension of the existing structure of deposits, for amount and due date, too.

To manage liquidity risk, the Group holds liquid assets comprising cash and cash equivalents and investment securities (treasury bills issued by the Minister of Public Finance of Romania) for which there is an active liquid market. These assets can be readily sold to meet liquidity requirements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

The residual maturity analysis of the monetary assets and liabilities of the Bank at 31 December 2024 is presented below:

<i>Thousand RON</i>	31 December 2024					No fixed maturity	Total
	Due on demand	Up to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years		
Financial Assets							
Cash and cash equivalents	400,949	115,753	7,755	-	-	-	524,457
Financial assets at fair value through profit or loss	-	-	-	28,915	22,078	25,317	76,310
Financial assets evaluated at fair value through other comprehensive income	-	71,416	32,942	544,385	147,880	13,947	810,570
Due from banks	-	-	19,422	-	-	-	19,422
Loans and advances to customers, including future interest	-	109,932	411,214	1,303,750	1,393,621	-	3,218,517
Investments in debt securities at amortised cost	-	15,629	20,170	251,786	91,888	-	379,473
Other financial assets	-	31	141	237	-	31,945	32,354
Total financial assets	<u>400,949</u>	<u>312,761</u>	<u>491,644</u>	<u>2,129,073</u>	<u>1,655,467</u>	<u>71,209</u>	<u>5,061,103</u>
Financial liabilities							
Due to banks	-	-	-	-	-	4,905	4,905
Customer deposits, including future interest	642,811	1,723,296	1,296,105	59,038	8,573	15,759	3,745,582
Loans from banks and other financial institutions , including future interest	-	1,545	4,175	83,652	64,598	-	153,970
Other financial liabilities	-	2,118	7,854	16,651	-	46,154	72,777
Subordinated liabilities and debt securities in issue, including future interest	-	-	-	102,965	28,227	-	131,192
Total financial liabilities	<u>642,811</u>	<u>1,726,959</u>	<u>1,308,134</u>	<u>262,306</u>	<u>101,398</u>	<u>66,818</u>	<u>4,108,426</u>
Liquidity excess/(deficit)	<u>(241,862)</u>	<u>(1,414,198)</u>	<u>(816,490)</u>	<u>1,866,767</u>	<u>1,554,069</u>	<u>4,391</u>	<u>952,677</u>
Off-Balance items							
Loans Commitments given to customers	390,932	-	-	-	-	-	390,932
Guarantees issued to customers	87,889	-	-	-	-	-	87,889

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

The residual maturity analysis of the monetary assets and liabilities of the Bank at 31 December 2023 is presented below:

<i>Thousand RON</i>	31 December 2023						Total
	Due on demand	Up to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Over 5 Years	No fixed maturity	
Financial Assets							
Cash and cash equivalents	357,692	180,000	-	-	-	-	537,692
Financial assets at fair value through profit or loss	-	-	-	10,686	5,387	23,088	39,161
Financial assets evaluated at fair value through other comprehensive income	-	13,764	70,342	449,612	129,983	12,615	676,316
Due from banks	-	12,606	6,120	-	-	-	18,726
Loans and advances to customers, including future interest	-	111,530	399,083	1,166,565	1,224,010	879	2,902,067
Investments in debt securities at amortised cost	-	-	25,051	184,348	189,639	-	399,038
Other financial assets	-	31	139	425	-	17,907	18,502
Total financial assets	357,692	317,931	500,735	1,811,636	1,549,019	54,489	4,591,502
Financial liabilities							
Due to banks	-	182,302	-	-	497	-	182,799
Customer deposits, including future interest	575,520	1,137,716	1,398,322	60,523	5,072	-	3,177,153
Loans from banks and other financial institutions, including future interest	-	-	-	103,384	-	-	103,384
Other financial liabilities	-	1,836	6,881	18,308	-	53,977	81,002
Subordinated liabilities and debt securities in issue, including future interest	-	57	9,949	68,940	63,318	-	142,264
Total financial liabilities	575,520	1,321,911	1,415,152	251,155	68,887	53,977	3,686,602
Liquidity excess/(deficit)	(217,828)	(1,003,980)	(914,417)	1,560,481	1,480,132	512	904,900
Off-Balance items							
Loans Commitments given to customers	289,470	-	-	-	-	-	289,470
Guarantees issued to customers	61,593	-	-	-	-	-	61,593

g) Climate risk

In order to reduce the impact of climate risk on the Bank's assets, the Group has developed an ESG (environmental, social and governance risk) risk exposure assessment methodology, which assesses both the degree of risk for each individual client/project, and an assessment based on the portfolio-wide exposure assessment methodology, which assesses ESG risk exposure for:

(a) the Bank's loan portfolio, in which ESG risk exposure is assessed taking into account:

- the client's business segment setting;
- the economic sector of the client;
- The client's historical geographic area;
- Exposure of the client to Patria Bank.

b) the portfolio of securities (other than those issued by the Ministry of Public Finance) held by the Bank, for which an assessment is carried out according to the "green" component of the issue or impact on ESG factors;

c) the collaterals portfolio in the residential area is assessed according to energy class.

h) Capital management

The Group is active in the Romanian banking sector, which is regulated by The National Bank of Romania ("NBR"), acting as local regulator under the EU regulation for the sector, which requires banks to maintain a prescribed ratio of total capital to total risk-weighted assets.

The Group's and Bank's regulatory capital is analysed into two tiers:

- Tier 1 capital, which includes ordinary share capital, retained earnings, reserve after deductions intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities.

At 31 December 2024 and 31 December 2023 the Group's own fund calculated as per statutory regulations and capital requirement for 31 December 2024 and 31 December 2023 are within the regulatory limits and requirements of the NBR.

At 31 December 2024 and 31 December 2023 the Bank's own fund calculated as per statutory regulations and capital requirement for 31 December 2024 and 31 December 2023 are within the regulatory limits and requirements of the NBR.

5. USE OF ESTIMATES AND JUDGMENTS

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Provisions for other risks and charges

The Bank operates in a regulatory and legal environment that, by nature has a heightened element of litigation risk inherent to its operations and, as a result it is involved in various litigations or is subject to various obligations arising from legislation in force.

When the Bank can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Bank records a provision against the case, as mentioned in this note. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Generally, the first step is to establish the existence of the present obligation followed by the estimation of the amount needed to settle that obligation taking into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

In case of litigations:

- (i) For a single individual litigation the Bank assess whether there is more likely than not to have an unfavourable court decision considering the factors mentioned above; then it estimates the amount at risk; in case there are several scenarios possible with different outcomes, the amount at risk is the weighted average of the amounts at risk for each scenario using the probability distribution for all scenarios (100% is allocated to the possible scenarios) and provisions 100% of the estimated amount;
- (ii) For multiple litigations, the assessment of “more likely than not” could be substantiated for the entire population using statistics and provision computation to be made at pool level.

In case of obligations arising from various legislation, the bank assesses first if there is no realistic alternative of settling that obligation, and if not, it estimates the amount needed to settle that obligation (using similar approach as above) and books provisions representing 100% of the estimated amount.

Expected credit loss on loans and advances to customers

Measurement of expected credit losses (ECL) for financial assets at amortised cost, in accordance with the evaluation procedures in force, is an area where complex models and significant assumptions regarding the future economic conditions and loans behavior (for example, the probability of default-PD and loss given default-LGD) are used.

The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any gaps between estimated losses and actual losses, but also to assess the effects of the local financial market uncertainties on the valuation of assets and the debtors' operating environment. The loan loss estimation considers the visible effects of the current and future expected market conditions on

the individual/collective assessment of expected credit losses on loans and advances to customers. Hence, the Group and the Bank have estimated the expected credit losses for loans and advances to customers based on the internal methodology and assessed that no further expected credit losses is required except as already provided for in the consolidated and separate financial statements.

A series of significant decisions are also used in ECL measurement, such as:

- Establishing criteria for SICR;
- Choosing the models and adequate assumptions for ECL measurement;
- Establishing the number and weight of forward-looking macroeconomic scenarios;
- Establishing the homogenous groups of financial assets for the purpose of ECL measurement.

The war in Ukraine and the context of the maintaining an increase level in inflation generated mainly by spikes in prices of commodities, energy and gas and interruptions in supply chains

Global macroeconomic prospects maintained at low levels in 2024 with stagnation during the entire year, and modest growth especially towards the end of the year, this being caused by remaining a high inflation level compared with period before war, the escalation of the war in Ukraine and uncertainty regarding a possible peace, the continuation of difficulties associated with supply chains, but also the maintaining a tightening of financial conditions caused by still a high level for indices of interest rates. To limit the negative effects of inflation and the energy crisis on companies and the population, especially on the vulnerable categories, many states have implemented packages of measures, most of which involve significant fiscal costs, that were implemented starting with 2023 and continued in 2024.

At the same time, in the context of maintaining a high level of inflation compared with years before war, generated mainly by spikes in prices of commodities, energy and gas and interruptions in the supply chains, but at a decreasing level compared to 2023 values, the central banks of Europe and the United States of America reacted and started to decrease the monetary policy interest rates throughout the year 2024 in order to reduce inflationary pressure.

The NBR reacted similarly but in a more prudent approach, decreasing the monetary policy interest rate during 2024 from 7% in January 2024 to 6.5% today.

The interbank market registered in December 2023 with a record surplus of liquidity - of 44.6 billion lei, thus maintaining the trend recorded at the end of 2022, and in 2024 there were no repo operations and Lombard emergency loans, according to the data The National Bank of Romania. The interbank market resumed its liquidity in November 2024, when the surplus had been almost 18.4 billion lei, after eight consecutive months of large surplus. The liquidity surplus decreased in November compared with 26.9 billion lei in the previous month and from 39.2 billion lei in September.

In this context, starting with the year 2023, the macroeconomic scenarios applied by the Group have been modified compared to those applied previously, to reflect the reality of the macroeconomic perspectives determined by the Covid-19 pandemic and the war in Ukraine.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)**

The incorporation of prospective elements reflects the expectations of the Group and the Bank and involves the creation of scenarios, including an assessment of the probability for each scenario.

Compared to previous periods, starting with 2022, the Bank uses three scenarios: the base scenario (which is the most likely scenario of the economic environment), the optimistic scenario and the pessimistic scenario.

The weights of the used scenarios are presented below:

Year 2022	Base scenario 55%	Optimistic scenario 10%	Pessimistic scenario 35%
Year 2023	Base scenario 55%	Optimistic scenario 15%	Pessimistic scenario 30%
Year 2024	Base scenario 55%	Optimistic scenario 15%	Pessimistic scenario 30%

The most important assumptions affecting the forward-looking information used in the calculation of ECL allowance are as follows:

Values used at 31.12.2024

GDP – average annual values	2024	2025	2026	2027
Base 55%	2.45%	2.56%	2.94%	3.11%
Optimistic 15%	3.12%	3.27%	3.56%	3.72%
Pessimistic 30%	1.99%	2.01%	2.31%	2.51%
GDP -average	2.41%	2.50%	2.84%	3.02%

Inflation rate – average annual values	2024	2025	2026	2027
Base 55%	5.50%	4.22%	3.60%	3.84%
Optimistic 15%	4.90%	3.47%	2.82%	3.31%
Pessimistic 30%	6.10%	4.86%	4.52%	4.26%
Inflation rate – average	5.59%	4.30%	3.76%	3.88%

Unemployment rate – average annual values	2024	2025	2026	2027
Base 55%	5.40%	5.47%	5.38%	5.19%
Optimistic 15%	5.20%	5.33%	5.20%	5.01%
Pessimistic 30%	5.65%	5.81%	5.62%	5.44%
Unemployment rate – average	5.45%	5.55%	5.43%	5.24%

ROBOR 3M – average annual values	2024	2025	2026	2027
Base 55%	5.50%	5.18%	4.61%	4.12%
Optimistic 15%	5.40%	5.01%	4.38%	3.93%
Pessimistic 30%	5.80%	5.53%	5.06%	4.68%
ROBOR 3M -average	5.58%	5.26%	4.71%	4.26%

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)**

Values used at 31.12.2023

GDP – average annual values	2023	2024	2025	2026
Base 55%	2.01%	3.35%	4.15%	4.17%
Optimistic 15%	2.44%	3.81%	4.49%	4.56%
Pessimistic 30%	0.70%	2.49%	3.43%	3.55%
GDP -average	1.68%	3.16%	3.98%	4.04%

Inflation rate – average annual values	2023	2024	2025	2026
Base 55%	9.12%	6.25%	3.40%	2.75%
Optimistic 15%	8.60%	5.53%	2.75%	2.21%
Pessimistic 30%	10.02%	6.80%	3.89%	3.33%
Inflation rate – average	9.31%	6.31%	3.45%	2.84%

Unemployment rate – average annual values	2023	2024	2025	2026
Base 55%	5.37%	5.39%	5.14%	4.95%
Optimistic 15%	5.30%	5.26%	4.94%	4.75%
Pessimistic 30%	5.50%	5.55%	5.38%	5.15%
Unemployment rate – average	5.40%	5.42%	5.18%	4.98%

ROBOR 3M – average annual values	2023	2024	2025	2026
Base 55%	6.20%	5.07%	4.57%	4.20%
Optimistic 15%	6.05%	4.96%	4.45%	3.88%
Pessimistic 30%	6.40%	5.19%	4.70%	4.37%
ROBOR 3M -average	6,24%	5,09%	4,59%	4,20%

Considering the above scenarios, the graph of the PD curves (probability of default) moved upwards in relation to the behavioral curves graph, for all segments. In addition, since the commencement of the COVID-19 pandemic, the management applied additional judgement regarding the establishment of post-model adjustments, adjustments that are viable in the current situation and which are also calibrated in accordance to the current macroeconomic conditions.

To address the potential disadvantages of the models, which could not be corrected by means of normal ECL (Expected Credit Loss) models, post model adjustments (PMA) were used. PMAs are used in circumstances where existing inputs, assumptions and modeling techniques do not capture all relevant risk factors. Examples of such circumstances include: the emergence of new macroeconomic, microeconomic or political events, along with expected changes to parameters, models or data that are not incorporated into current parameters, or forward-looking information.

Therefore, the PMAs were represented by the following, applied to all portfolios:

- The addition of a standard deviation to the values forecasted through the models (calculated at the quarterly non-payment rates starting with 2017)
- Application of a maximum limit between:
 - Minimum predicted rate: the maximum non-payment rate observed in the last 3 years
 - Maximum forecasted rate: average default rate calculated at quarterly default rates starting with 2017 + multiplier * standard deviations.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)**

The expected additional credit losses resulting from the application of post-model adjustments (PMA) was 19.5 million RON in December 2024 compared to 12.8 million in December 2023.

In order to identify potential impact on ECL as a result of a stress test scenario, The Group also performed 2 stress test scenarios (base and crisis) on the macro factors within the ICAAP process (quarterly). For assessing a potential growth on ECL as part of macroeconomic risk, Bank has stressed GDP, Robor 3M, inflation rate and UR, using factors and scenarios, presented bellow and potential impact on ECL growth, including the PMA adjustment based on the methodology described above was the following:

<i>Thousand LEI</i>	Separate	Consolidated
Base scenario	7,747	8,148
Crisis scenario	20,437	21,688

Scenarios used for calculating potential impact on ECL as part of macroeconomic risk in ICAAP model, are presented below:

For the base scenario, the following are used:

- for GDP, the lowest value is considered between the forecasts of the EBA macro-financial scenario for the stress test of the banking sector at the EU level carried out for the reference year 2023 and the average values used by the Bank;
- for the unemployment rate, the highest value is considered between the forecasts of the EBA macro-financial scenario for the stress test of the banking sector at the EU level carried out for the reference year 2023 and the average values used by the Bank;
- for the inflation rate, the highest value is considered between the forecasts of the EBA macro-financial scenario for the stress test of the banking sector at the EU level carried out for the reference year 2023 and the average values used by the Bank;
- for the ROBOR3M rate, the highest value is considered between the projections related to the average Bloomberg quotes and the average values used by the Bank;

In the crisis scenario, these values are again subject to a stress scenario, by increasing the unemployment rate, the inflation rate and the ROBOR 3 M rate and by decreasing the GDP.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)**

Value used in ICAAP valuation are following:

Basis scenario

GDP – average annual values	2024	2025	2026	2027
GDP average value -used by Bank	2.41%	2.50%	2.84%	3.02%
GDP basis scenario- CE estimation	2.10%	3.40%	3.40%	3.40%
GDP -ICAAP -basis scenario	2.10%	2.50%	2.84%	3.02%

Inflation – average annual values

Inflation – average annual values	2024	2025	2026	2027
Inflation average value -used by Bank	5.59%	4.30%	3.76%	3.88%
Inflation basis scenario- CE estimation	7.00%	2.20%	2.20%	2.20%
Inflation -ICAAP - basis scenario	7.00%	4.30%	3.76%	3.88%

Unemployment rate – average annual values

Unemployment rate – average annual values	2024	2025	2026	2027
Unemployment rate average value -used by Bank	5.45%	5.55%	5.43%	5.24%
Unemployment rate basis scenario- CE estimation	5.90%	6.00%	6.00%	6.00%
Unemployment rate -ICAAP - basis scenario	5.90%	6.00%	6.00%	6.00%

ROBOR 3M – average annual values

ROBOR 3M – average annual values	2024	2025	2026	2027
ROBOR 3M average value -used by Bank	5.58%	5.26%	4.71%	4.26%
ROBOR 3 M basis scenario- CE estimation	5.25%	4.00%	4.00%	4.00%
ROBOR 3M -ICAAP - basis scenario	5.58%	5.26%	4.71%	4.26%

Crisis test scenario

GDP – average annual values	2024	2025	2026	2027
GDP average value -used by Bank	2.41%	2.50%	2.84%	3.02%
GDP stress test- CE estimation	-5.50%	3.60%	3.60%	3.60%
GDP -ICAAP -stress test scenario	-5.50%	2.50%	2.84%	3.02%

Inflation – average annual values

Inflation – average annual values	2024	2025	2026	2027
Inflation average value -used by Bank	5.59%	4.30%	3.76%	3.88%
Inflation stress test scenario- CE estimation	8.60%	2.30%	2.30%	2.30%
Inflation -ICAAP – stress test scenario	8.60%	4.30%	3.76%	3.88%

Unemployment rate – average annual values

Unemployment rate – average annual values	2024	2025	2026	2027
Unemployment rate average value -used by Bank	5.45%	5.55%	5.43%	5.24%
Unemployment rate stress test scenario- CE estimation	10.30%	10.80%	10.80%	10.80%
Unemployment rate -ICAAP – stress test scenario	10.30%	10.80%	10.80%	10.80%

ROBOR 3M – average annual values

ROBOR 3M – average annual values	2024	2025	2026	2027
ROBOR 3M average value -used by Bank	5.58%	5.26%	4.71%	4.26%
ROBOR 3 M stress test scenario- CE estimation	6.00%	5.00%	5.00%	5.00%
ROBOR 3M -ICAAP – stress test scenario	6.00%	5.26%	5.00%	5.00%

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)**

Taken into consideration all potential macroeconomic factors (using besides indicators mentioned above, such as GDP, Robor 3M, inflation rate and UR, the following: decrease in market value of collaterals, LGD increase, decrease in recovery from different guarantee providers and increase in negative scenarios used for individual assessment), the Bank assesses in the ICAAP model a potential increase in expected losses in 2 scenarios (base and crisis). For this scenarios the Bank's potential impact in ECL taking in consideration macroeconomic risk, on all factors mentioned above for the reference date 31 December 2024, was as follows:

<i>Thousand LEI</i>	Separate	Consolidated
Base scenario	25,139	25,898
Crisis scenario	45,827	47,575

As with any economic forecast, projections and probabilities of occurrence are subject to a high degree of inherent uncertainty and, therefore, actual results may differ significantly from those projected. The Group considers these forecasts to be the best estimate of possible outcomes and has analyzed the non-linearities and asymmetries in the Group's various portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

In the analysis process, the Bank carefully analyzes the manufacturing industry (automotive industry, production of electrical and electronic products, production of fertilizers for agriculture, cement production, aluminum production, steel industry), companies active in the field of electricity and thermal energy supply and in the field of transport, which can be affected by the effect of the increase in prices for energy, gas, or the supply crisis.

Following the outbreak of the conflict in Ukraine, the Bank did not register any exposures that would be affected by these events. The Bank analyzes within the Credit Monitoring Committee, the evolution of the exposures from the loan portfolio, and it is analyzed punctually, taking the necessary measures, if elements are identified that can affect the evolution and/or degree of credit risk of the exposures to the events following the war in Ukraine.

Deferred income tax asset recognition

Deferred income tax asset represents tax recoveries from future deductions of taxable profit and are recognized in the statement of financial position.

The deferred tax asset is recognized if future taxable profits are available so that the deferred tax assets are realized. Deferred tax assets are reduced accordingly, if it is not probable that the Group will be able to obtain such future taxable profits.

Future taxable profits and profit tax deductions, which are estimated to be generated/deducted in the future are based on:

- The expected fiscal profit for the following years;
- A medium-term strategic plan prepared by management .

Impairment testing of goodwill and other intangible assets registered under the merger

In testing for impairment of goodwill and other intangible assets registered under the merger, the Group considers forecasts regarding future profitability, interest rates and yield rates.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)**

Control over investment funds

The Group manages the assets invested in the investment funds on behalf of investors.

As of 31 December 2024 and 31 December 2023, the Group, through SAI Patria Asset Management, manages the following investment funds:

31 December 2024			Fund units held by the Bank		
Investment Fund	Total fund units		Number	Total value	
	Number	Total value (Thousand RON)		(Thousand RON)	Percentage (%)
FDI Patria Global	429,542	12,025	213,717	6,118	50%
FDI Patria Stock	219,509	5,888	160,853	4,315	73%
FDI Patria Euro Obligatiuni	126,228	6,655	100,000	5,272	79%
FDI Patria Obligatiuni	452,832	6,550	-	-	0%
FDI ETF BET Patria Tradeville	16,850,000	447,705	-	-	0%
FDI ETF Energie Patria Tradeville	3,340,000	23,304	300,000	2,093	9%
31 December 2023			Fund units held by the Bank		
Investment Fund	Total fund units		Number	Total value	
	Number	Total value (Thousand RON)		(Thousand RON)	Percentage (%)
FDI Patria Global	401,010	11,056	213,717	5,892	53%
FDI Patria Stock	195,820	4,896	160,853	4,022	82%
FDI Patria Euro Obligatiuni	124,954	6,483	100,000	5,188	80%
FDI Patria Obligatiuni	590,254	8,555	-	-	0%
FDI ETF BET Patria Tradeville	7,340,000	170,555	-	-	0%
FDI ETF Energie Patria Tradeville	1,790,000	11,099	300,000	1,860	17%

The analysis regarding the control over investment funds was carried out in accordance with IFRS 10 and took into account the following:

- the Group's aggregate economic interest in the funds (including any participation and expected fees)
- the right of investors to remove the fund manager and
- the right to liquidate the fund

The Group concluded that the right to liquidate the fund is for the protection of investors and can only be exercised in the event of significant financial difficulties of the fund. In addition, in practice the fund manager cannot be removed, so the aggregate economic interest must be analysed. If the aggregate economic interest (composed of fees, interest held and removal rights) is below 22%, the fund is not consolidated.

Therefore, on 31 december 2024 and 31 december 2023 the Bank consolidates the FDI Patria Global, FDI Patria Stock and FDI Patria Euro Obligatiuni.

6. FAIR VALUE DISCLOSURES

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data.

The management uses significant judgements to select the method of evaluating the financial instruments based on the fair value hierarchy.

If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a level three measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)
(a) Recurring fair value measurements

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period.

The level in the fair value hierarchy into which the recurring fair value measurements are categorized is as follows:

Group
Thousand RON
Assets at fair value
Financial assets

Financial assets at fair value through profit or loss

Financial asset measured at fair value through other items of comprehensive income

-Debt securities

- Equity investments

Non-financial assets

Investment Property

Fixed assets held for sale

Foreign exchange forward contracts

Total assets at fair value
Liabilities at fair value

- Foreign exchange forward contracts

Total liabilities at fair value

	31 December 2024				31 December 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	73,827	7,215	-	81,042	35,601	7,366	-	42,967
Financial asset measured at fair value through other items of comprehensive income	<u>649,502</u>	<u>147,121</u>	<u>13,947</u>	<u>810,570</u>	<u>583,022</u>	<u>80,679</u>	<u>12,615</u>	<u>676,316</u>
-Debt securities	649,502	147,121	-	796,623	583,022	80,679	-	663,701
- Equity investments	-	-	13,947	13,947	-	-	12,615	12,615
Non-financial assets								
Investment Property	-	-	90,210	90,210	-	-	90,358	90,358
Fixed assets held for sale	-	-	1,545	1,545	-	-	1,831	1,831
Foreign exchange forward contracts	-	434	-	434	-	-	-	-
Total assets at fair value	<u>723,329</u>	<u>154,770</u>	<u>105,702</u>	<u>983,801</u>	<u>618,623</u>	<u>88,045</u>	<u>104,804</u>	<u>811,472</u>
Liabilities at fair value								
- Foreign exchange forward contracts	-	-	-	-	-	1,373	-	1,373
Total liabilities at fair value	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,373</u>	<u>-</u>	<u>1,373</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)
Bank

	31 December 2024				31 December 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Thousand RON								
Assets at fair value								
Financial assets								
Financial assets at fair value through profit or loss	76,310	-	-	76,310	39,161	-	-	39,161
Financial asset measured at fair value through other items of comprehensive income	<u>649,502</u>	<u>147,121</u>	<u>13,947</u>	<u>810,570</u>	<u>583,022</u>	<u>80,679</u>	<u>12,615</u>	<u>676,316</u>
-Debt securities	649,502	147,121	-	796,623	583,022	80,679	-	663,701
- Equity investments	-	-	13,947	13,947	-	-	12,615	12,615
Non-financial assets								
Investment Property	-	-	90,210	90,210	-	-	90,358	90,358
Fixed assets held for sale	-	-	1,379	1,379	-	-	1,665	1,665
Foreign exchange forward contracts	-	434	-	434	-	-	-	-
Total assets at fair value	<u>725,812</u>	<u>147,555</u>	<u>105,536</u>	<u>978,903</u>	<u>622,183</u>	<u>80,679</u>	<u>104,638</u>	<u>807,500</u>
Liabilities at fair value								
- Foreign exchange forward contracts	-	-	-	-	-	1,373	-	1,373
Total liabilities at fair value	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,373</u>	<u>-</u>	<u>1,373</u>

Financial asset measured at fair value through other comprehensive income

Treasury bills denominated in RON, EUR, USD issued by the Ministry of Public Finance of Romania.

Investments in unit funds

These mutual funds are collective investment in transferable securities, whose units are subject to continue issuing and repurchasing. The return obtained from operations with fund units is given by the difference between the redemption price (VUAN) and subscription price (VUAN).

VUAN is determined as the ratio between net assets of the fund and the number of shares in circulation at a given time; the Fund's asset and, implicitly, the VUAN is evaluated on a daily basis and certified by the fund depository.

Equity investments

The financial asset measured at fair value through other comprehensive income include equity investments that are not traded in on an active market. Due to the nature of local capital markets, it is not possible to obtain the market value for these instruments. Shares are not listed and recent values regarding their trading prices are not publicly available.

Management does not intend to sell these shares in the near future. The Group has determined the fair value using the fair value of the net assets based on published financial statements of these entities and general valuation models.

Financial assets

The financial assets measured at fair value through profit or loss or through other items of comprehensive income are recorded in the consolidated statement of financial position at fair value. This classification may include the treasury bills issued by Ministry of Public Finance of Romania, bonds, shares and short positions in bonds and shares, including fund units, that were purchased for the purpose of sale or repurchase in the near future.

Non- financial assets**Tangible assets**

Tangible assets include land and buildings held by the Group that it uses to carry out current activities. These are reviewed regularly to reflect their fair value accounting.

Based on the analysis of the changes in the real estate market as at 31 December 2024 and based on the revaluation of the buildings and land owned by the Group, performed by a certified evaluator the Group's management considers that the value of land and buildings as at 31 December 2024 represents a correct estimation of their fair value at reporting date.

There were no changes in valuation technique for level three recurring fair value measurements during the year ended 31 December 2024 and 2023.

Investment property

The Group accounts for the investment property at fair value, the changes in fair value being recognized in the comprehensive income. The land and buildings are subject to revaluation, and the changes in fair value are recognized in other comprehensive income. The assets taken over during foreclosure proceedings are recognised in other assets and are subject to fair value revaluation; the impairment, if any, is recognized in the comprehensive statement of profit or loss. The Group appointed expert appraisers to determine the fair value on 31 December 2024. The appraisers used the direct capitalization method and the sales comparison method, in compliance with the valuation principles and techniques provided by the International Valuation Standards.

In view of the current market conditions, including the low liquidity of the actual asset transactions, the prices of the recent market transactions and the lack of actual offers for these types of assets, the future cash flows estimated to be recovered could be different from those considered by external appraisers when determining the market value of these types of assets.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)
(b) Assets and liabilities not measured at fair value but for which fair value is disclosed

Fair values analysed by level in the fair value hierarchy and carrying value of liabilities not measured at fair value are as follows:

Group	31 December 2024				31 December 2023			
Thousand RON	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	449,248	75,707	-	524,955	392,237	145,981	-	538,218
Placements with banks having short term maturity	-	19,422	-	19,422	-	18,726	-	18,726
Loans and advances to customers	-	-	2,637,015	2,528,065	-	-	2,267,818	2,231,221
Investments in debt instruments at amortized cost	363,083	14,969	-	379,473	308,432	96,858	-	399,038
Other financial assets	-	-	32,284	32,284	-	-	18,670	18,670
Tangible Assets (Land & Buildings)	-	-	68,446	68,446	-	-	73,605	73,605
Total	812,331	110,098	2,737,745	3,552,645	700,669	261,565	2,360,093	3,322,327
Financial liabilities								
Deposits from banks:	-	4,905	-	4,905	-	182,799	-	182,799
- Correspondent accounts and overnight placements of other banks	-	4,905	-	4,905	-	46,440	-	46,440
- Term deposits from banks	-	-	-	-	-	135,862	-	135,862
- Collateral deposits from banks	-	-	-	-	-	497	-	497
Customer deposits:	-	-	3,645,403	3,654,777	-	-	3,098,545	3,109,675
- Current accounts and transitory amounts of companies	-	-	325,604	325,604	-	-	287,738	287,738
- Term deposits of companies	-	-	1,229,807	1,233,675	-	-	747,364	751,118
- Current accounts and transitory amounts of individuals	-	-	329,498	329,498	-	-	287,904	287,904
- Term deposits of individuals	-	-	1,760,494	1,766,000	-	-	1,775,539	1,782,915
Loans from banks and other financial institutions:	-	-	285,365	285,365	-	-	230,488	230,488
- Loans from banks	-	-	223,267	223,267	-	-	164,348	164,348
- Loans from other financial institutions	-	-	62,098	62,098	-	-	66,140	66,140
Subordinated liabilities	-	-	84,487	84,487	-	-	94,488	94,488
Debt securities in issue	-	-	65,557	65,557	-	-	65,193	65,193
Other financial liabilities:	-	-	84,637	84,637	-	-	89,088	89,088
- Financial liabilities to owners of fund units	-	-	7,377	7,377	-	-	6,285	6,285
- Other financial liabilities	-	-	77,260	77,260	-	-	82,803	82,803
Total	-	4,905	4,165,449	4,179,728	-	182,799	3,577,802	3,771,731

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in thousand RON)

Bank	31 December 2024				31 December 2023			
Thousand RON	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	449,000	75,457	-	524,457	392,190	145,502	-	537,692
Placements with banks having short term maturity	-	19,422	-	19,422	-	18,726	-	18,726
Loans and advances to customers	-	-	2,476,360	2,367,410	-	-	2,021,988	2,058,585
Investments in debt instruments at amortized cost	363,083	14,969	-	379,473	308,432	96,858	-	399,038
Other financial assets	-	-	31,920	31,920	-	-	18,502	18,502
Tangible Assets (Land & Buildings)	-	-	67,088	67,088	-	-	72,677	72,677
Total	<u>812,083</u>	<u>109,848</u>	<u>2,575,368</u>	<u>3,389,770</u>	<u>700,622</u>	<u>261,086</u>	<u>2,113,167</u>	<u>3,074,875</u>
Financial liabilities								
Deposits from banks:	-	4,905	-	4,905	-	182,799	-	182,799
- Correspondent accounts and overnight placements of other banks	-	4,905	-	4,905	-	46,440	-	46,440
- Term deposits from banks	-	-	-	-	-	135,862	-	135,862
- Collateral deposits from banks	-	-	-	-	-	497	-	497
Customer deposits:	-	-	3,692,819	3,702,193	-	-	3,113,024	3,124,154
- Current accounts and transitory amounts of companies	-	-	328,970	328,970	-	-	289,474	289,474
- Term deposits of companies	-	-	1,273,857	1,277,725	-	-	760,107	763,861
- Current accounts and transitory amounts of individuals	-	-	329,498	329,498	-	-	287,904	287,904
- Term deposits of individuals	-	-	1,760,494	1,766,000	-	-	1,775,539	1,782,915
Loans from banks	-	-	136,548	136,548	-	-	98,918	98,918
Subordinated liabilities	-	-	59,391	59,391	-	-	69,385	69,385
Debt securities in issue	-	-	65,557	65,557	-	-	65,193	65,193
Other financial liabilities	-	-	72,777	72,777	-	-	79,629	79,629
Total	<u>-</u>	<u>4,905</u>	<u>4,027,092</u>	<u>4,041,371</u>	<u>-</u>	<u>182,799</u>	<u>3,426,149</u>	<u>3,620,078</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

Placements with banks

The Group's short-term placements with Banks include current accounts and deposits. The fair value of floating rate placements and overnight deposits is their carrying amount. Fixed interest bearing deposits mature in less than three months and it is assumed that their fair values are not significantly different from its carrying value and are convertible into cash or are settled without significant transaction costs.

Investments in debt instruments at amortized cost

The financial assets measured at amortized cost are represented by debt instruments, at initial recognition, their valuation is made at the fair value that is formed from the purchase price including the transaction costs. For the purpose of presentation, fair value is determined using market interest rates.

Loans and advances to customers

Loans and advances are net of expected credit losses. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Evolution for the principal balance (and thus staggering cash flow) was estimated considering reductions mainly generated by the following elements: principal repayments, early repayment and impairment of loans outstanding (PD - probability of default). For each category of credit was considered a discount rate specified, starting from the interest rate practiced that was later adjusted to eliminate adjustments for impairment at a level estimated by management for the new loans production and the cost of origination for loan portfolio. The fair value of the portfolio was calculated by aggregating the discounted cash flow for the forecast period.

Due to banks, deposits from customers and loans from banks and other financial institutions, debt securities issued

Deposits from banks and customers

For demand deposits and deposits with no defined maturities, fair value is considered to be the amount payable on demand at the balance sheet date. For deposits maturing within one-year, it is assumed that their fair value is not significantly different from carrying value. The estimated fair value of fixed-maturity deposits, including certificates of deposit, is based on current cash flows using current rates available for deposits with similar residual maturities.

Financial assets and liabilities

The management considered that the fair value is not significantly different from accounting value considering that these financial assets and liabilities are expected to be settled within one month or with no fixed maturity and the carrying amount is not materially different from fair value.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

7. PRESENTATION OF FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORY

For the purposes of measurement, IFRS 9 classifies financial assets into the following categories:

- (a) financial assets at amortised cost;
- (b) financial assets at fair value through profit or loss ("FVTPL");
- (c) financial assets measured at fair value through other comprehensive income ("FVOCI").

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

The following table provides a reconciliation of Group's financial assets with these measurement categories as of 31 December 2024:

Group	31 December 2024			
Thousand RON	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial assets measured at fair value through other comprehensive	Total
Financial assets				
Cash and cash equivalents	524,955	-	-	524,955
Financial assets at fair value through profit or loss	-	81,042	-	81,042
Financial assets measured at fair value through other items of comprehensive income:	-	-	810,570	810,570
- <i>Debt securities</i>	-	-	796,623	796,623
- <i>Equity investments</i>	-	-	13,947	13,947
Placements with banks having short term maturity	19,422	-	-	19,422
Loans and advances to customers:	2,528,065	-	-	2,528,065
- <i>Corporate loans</i>	1,700,630	-	-	1,700,630
- <i>loans to individuals – consumer loans</i>	222,667	-	-	222,667
- <i>loans to individuals – entrepreneurs</i>	290,438	-	-	290,438
- <i>Mortgage loans</i>	300,232	-	-	300,232
- <i>State and municipal organizations</i>	14,098	-	-	14,098
Investments in debt instruments at amortized cost	379,473	-	-	379,473
Other Financial assets	32,284	434	-	32,718
Total financial assets	3,484,199	81,476	810,570	4,376,245

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

The following table provides a reconciliation of Group's financial assets with these measurement categories as of 31 December 2023:

Group	31 December 2023			
	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial assets measured at fair value through other comprehensive	Total
<i>Thousand RON</i>				
Financial assets				
Cash and cash equivalents	538,218	-	-	538,218
Financial assets at fair value through profit or loss	-	42,967	-	42,967
Financial assets measured at fair value through other items of comprehensive income:	-	-	676,316	676,316
- <i>Debt securities</i>	-	-	663,701	663,701
- <i>Equity investments</i>	-	-	12,615	12,615
Placements with banks having short term maturity	18,726	-	-	18,726
Loans and advances to customers:	2,231,221	-	-	2,231,221
- <i>Corporate loans</i>	1,429,864	-	-	1,429,864
- <i>loans to individuals – consumer loans</i>	160,703	-	-	160,703
- <i>loans to individuals – entrepreneurs</i>	284,818	-	-	284,818
- <i>Mortgage loans</i>	337,863	-	-	337,863
- <i>State and municipal organizations</i>	17,973	-	-	17,973
Investments in debt instruments at amortized cost	399,038	-	-	399,038
Other Financial assets	18,670	-	-	18,670
Total financial assets	3,205,873	42,967	676,316	3,925,156

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

The following table provides a reconciliation of Bank's financial assets with these measurement categories as of 31 December 2024:

Bank	31 December 2024			
<i>Thousand RON</i>	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial assets measured at fair value through other comprehensive	Total
Financial assets				
Cash and cash equivalents	524,457	-	-	524,457
Financial assets at fair value through profit or loss	-	76,310	-	76,310
Financial assets measured at fair value through other items of comprehensive income:	-	-	810,570	810,570
- <i>Debt securities</i>	-	-	796,623	796,623
- <i>Equity investments</i>	-	-	13,947	13,947
Placements with banks having short term maturity	19,422	-	-	19,422
Loans and advances to customers:	2,367,410	-	-	2,367,410
- <i>Corporate loans</i>	1,689,838	-	-	1,689,838
- <i>loans to individuals – consumer loans</i>	222,667	-	-	222,667
- <i>loans to individuals – entrepreneurs</i>	140,575	-	-	140,575
- <i>Mortgage loans</i>	300,232	-	-	300,232
- <i>State and municipal organizations</i>	14,098	-	-	14,098
Investments in debt instruments at amortized cost	379,473	-	-	379,473
Other Financial assets	31,920	434	-	32,354
Total financial assets	3,322,682	76,744	810,570	4,209,996

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

The following table provides a reconciliation of Bank's financial assets with these measurement categories as of 31 December 2023:

Bank	31 December 2023			
<i>Thousand RON</i>	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial assets measured at fair value through other comprehensive	Total
Financial assets				
Cash and cash equivalents	537,692	-	-	537,692
Financial assets at fair value through profit or loss	-	39,161	-	39,161
Financial assets measured at fair value through other items of comprehensive income:	-	-	676,316	676,316
- <i>Debt securities</i>	-	-	663,701	663,701
- <i>Equity investments</i>	-	-	12,615	12,615
Placements with banks having short term maturity	18,726	-	-	18,726
Loans and advances to customers:	<u>2,058,585</u>	-	-	<u>2,058,585</u>
- <i>Corporate loans</i>	1,403,177	-	-	1,403,177
- <i>loans to individuals – consumer loans</i>	160,704	-	-	160,704
- <i>loans to individuals – entrepreneurs</i>	138,868	-	-	138,868
- <i>Mortgage loans</i>	337,863	-	-	337,863
- <i>State and municipal organizations</i>	17,973	-	-	17,973
Investments in debt instruments at amortized cost	399,038	-	-	399,038
Other Financial assets	18,502	-	-	18,502
Total financial assets	<u>3,032,543</u>	<u>39,161</u>	<u>676,316</u>	<u>3,748,020</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

Presentation of financial instruments by measurement category:

Group	31 December 2024		31 December 2023	
<i>Thousand RON</i>	Items measured at amortised cost	Financial instruments designated at fair value through profit or loss	Items measured at amortised cost	Financial instruments designated at fair value through profit or loss
Financial liabilities				
Due to banks	4,905	-	182,799	-
Customer deposits	<u>3,654,777</u>	<u>-</u>	<u>3,109,675</u>	<u>-</u>
- Current accounts and transitory amount of companies	325,604	-	287,738	-
- Deposits of companies	1,233,675	-	751,118	-
- Current accounts and transitory amount of private individuals	329,498	-	287,904	-
- Deposits of private individuals	1,766,000	-	1,782,915	-
Loans from banks and other institutions	285,365	-	230,488	-
Other financial liabilities	84,637	-	89,088	1,373
Subordinated liabilities	84,487	-	94,488	-
Debt securities in issue	65,557	-	65,193	-
Total financial liabilities	<u>4,179,728</u>	<u>-</u>	<u>3,771,731</u>	<u>1,373</u>

Bank	31 December 2024		31 December 2023	
<i>Thousand RON</i>	Items measured at amortised cost	Financial instruments designated at fair value through profit or loss	Items measured at amortised cost	Financial instruments designated at fair value through profit or loss
Financial liabilities				
Due to banks	4,905	-	182,799	-
Customer deposits	<u>3,702,193</u>	<u>-</u>	<u>3,124,154</u>	<u>-</u>
- Current accounts and transitory amount of companies	328,970	-	289,474	-
- Deposits of companies	1,277,725	-	763,861	-
- Current accounts and transitory amount of private individuals	329,498	-	287,904	-
- Deposits of private individuals	1,766,000	-	1,782,915	-
Loans from banks and other institutions	136,548	-	98,918	-
Other financial liabilities	72,777	-	79,629	1,373
Subordinated liabilities	59,391	-	69,385	-
Debt securities in issue	65,557	-	65,193	-
Total financial liabilities	<u>4,041,371</u>	<u>-</u>	<u>3,620,078</u>	<u>1,373</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

8. NET INTEREST INCOME

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Interest and similar income				
Loans and advances to customers (*)	270,702	262,427	228,441	223,326
Debt instruments at amortised cost	20,419	21,491	20,419	21,491
Financial assets at fair value through other comprehensive income	33,818	25,698	33,330	25,139
Due from banks	7,280	5,855	7,224	5,804
Total interest and similar income using effective interest method	<u>332,219</u>	<u>315,471</u>	<u>289,414</u>	<u>275,760</u>
Interest and similar expense				
Customer deposits	123,257	134,890	123,830	134,974
Loans from banks and other financial institutions	21,587	24,024	9,715	11,067
Subordinated liabilities	8,449	7,035	6,120	5,217
REPO operations	41	5	41	5
Other interest expense	395	353	349	318
Subordinated bonds	4,659	4,578	4,635	4,578
Total interest and similar expense	<u>158,388</u>	<u>170,885</u>	<u>144,690</u>	<u>156,159</u>
Net interest income	<u>173,831</u>	<u>144,586</u>	<u>144,724</u>	<u>119,601</u>

(*) Interest income at Group level includes RON 227 thousand (2023: RON 903 thousand) interest income recognized on impaired loans to customers.

(*) Interest income at Bank level includes RON 1,296 thousand (2023: RON 1,147 thousand) interest income recognized on impaired loans to customers.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

9. NET FEE AND COMMISSION INCOME

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Fee and commission income				
Cards activity (VISA & MC)	10,971	10,848	11,001	10,848
Non-cash transactions	15,415	15,827	15,319	15,829
Non-deferrable commissions related to loans	4,309	2,867	4,309	2,781
Cash transactions	4,467	5,251	4,467	5,251
Income from other financial services	7,144	5,383	3,657	3,530
Interbank settlements	165	192	165	192
<i>Total fee and commission income from contracts with customers</i>	<u>42,471</u>	<u>40,368</u>	<u>38,918</u>	<u>38,431</u>
Issuing financial guarantees	4,686	722	4,686	722
Total fee and commission income	<u>47,157</u>	<u>41,090</u>	<u>43,604</u>	<u>39,153</u>
Fee and commission expense				
Cards activity (VISA & MC)	3,457	2,758	3,456	2,758
Interbank settlements	2,124	1,952	2,065	1,950
Expenses from other financial services	1,905	1,337	588	228
Other	667	462	669	452
Total fee and commission expense	<u>8,153</u>	<u>6,509</u>	<u>6,778</u>	<u>5,388</u>
Net fee and commission income	<u>39,004</u>	<u>34,581</u>	<u>36,826</u>	<u>33,765</u>

Non amortising fees represent fees and commissions that are not subject to amortisation under the effective interest rate methodology and mainly comprise service fees (administration fees) recognised in the period in which they are incurred, fees for valuation and collateral changes where the likelihood of payment is uncertain, fees charged for early repayments, etc. The Group has internal procedures to classify and account for fees in each category.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

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

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Net gain/(loss) from financial assets at fair value through profit or loss	3,840	5,983	4,180	5,546
Net gain/(loss) from derivatives	1,735	1,155	1,735	1,155
Total	<u>5,575</u>	<u>7,138</u>	<u>5,915</u>	<u>6,701</u>

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

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Gains from disposals of investment securities at fair value through other comprehensive income	5,907	7,850	5,907	7,850
Losses from disposals of investment securities at fair value through other comprehensive income	(123)	(423)	(123)	(423)
Total	<u>5,784</u>	<u>7,427</u>	<u>5,784</u>	<u>7,427</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

12. OTHER OPERATING INCOME

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Net gain/ (loss) from foreign exchange transactions	5,822	9,402	5,831	9,436
Dividend income	4,428	2,931	8,005	9,094
Other operating income	2,778	7,044	2,538	6,084
Gain / (Loss) from disposal of intangible assets	(358)	-	(358)	-
Gain / (Loss) from disposal of premises and equipment sales	(87)	(126)	(87)	(126)
Income from rental of real estate	6,407	6,535	6,407	6,535
Total	<u>18,990</u>	<u>25,786</u>	<u>22,336</u>	<u>31,023</u>

The “Other operating income” include in 2023 the transfer to income of the amounts not claimed by the customers after 5 years from the moment the Bank notified them of, according to the applicable legal provisions.

For the Bank, dividend income of RON 8,005 thousand (2023: RON 9,094 thousand) represents share of profits paid proportionally to the Bank, as follows:

- RON 4,000 thousand, received from Patria Credit IFN (2023: RON 6,500 thousand);
- RON 3,047 thousand, received from TRANSFOND SA (2023: RON 2,404 thousand) (also included in the consolidated figures);
- RON 848 thousand, received from GLOBINVEST SA (2023: RON 168 thousand) (also included in the consolidated figures);
- RON 110 thousand, received from other investments (2023: RON 22 thousand) (also included in the consolidated figures).

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

13. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Charge with adjustments for impairment of cash and cash equivalents	9	9	9	13
Charge/(Release) with adjustments for impairment of loans and advances to customers	24,510	32,111	20,024	29,853
Loss from written off loans	398	539	398	536
Recoveries from loans previously written off	(11,042)	(7,254)	(10,876)	(7,240)
Charge/(Release) with the adjustments for impairment of financial asset measured at fair value through other items of comprehensive income	232	438	232	438
Charge/(Release) with the adjustments for impairment of debt instruments at amortised cost	(19)	178	(19)	178
Charge/(Release) with the adjustments for impairment of credit commitments and financial guarantees	1,301	283	1,315	279
Charge/(Release) with adjustments for impairment of other financial assets	1,001	759	1,001	761
Net charge with adjustments for impairment of financial assets	<u>16,390</u>	<u>27,063</u>	<u>12,084</u>	<u>24,818</u>

14. PERSONNEL EXPENSES

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Wages and salaries	83,065	78,034	73,147	70,254
Social security contributions	2,795	3,044	2,439	2,303
Net expense/(income) with provisions related to wage costs	(1,020)	459	(723)	(210)
Other personnel expense	626	709	623	675
Total	<u>85,466</u>	<u>82,246</u>	<u>75,486</u>	<u>73,022</u>

The Group number of employees at 31 December 2024 was 736 employees (31 December 2023: 781 employees).

The Bank number of employees at 31 December 2024 was 605 employees (31 December 2023: 640 employees).

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

15. ADMINISTRATIVE AND OTHER OPERATING EXPENSES

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Third parties services	44,637	42,504	42,187	40,181
Rent	465	468	266	274
Materials and small inventories	2,207	1,959	1,748	1,563
Annual contribution to Guarantee Fund	2,384	1,774	2,384	1,774
Other taxes	11,695	3,229	11,427	2,700
Advertising and publicity	2,329	1,417	1,624	994
Net charge/(release) of litigation provisions	(150)	(289)	(150)	(279)
Other operating expenses	5,074	2,023	4,593	1,717
The expense related to the financial debt for the fund unit holders	162	619	-	-
Total	<u>68,803</u>	<u>53,704</u>	<u>64,079</u>	<u>48,924</u>

*) The Group's cards related expenses for 2024 are RON 10,049 thousand (2023: RON 8,565 thousand) and IT related expenses for 2024 are RON 8,418 thousand (2023: RON 7,708 thousand).

The Group's audit expenses for 2024 were RON 2,187 thousand of which the statutory audit expenses were RON 1,045 thousand (2023: RON 2,144 thousand of which the statutory audit expenses were RON 1,035 thousand).

*) The Bank's cards related expenses for 2024 are RON 10,049 thousand (2023: RON 8,565 thousand) and IT related expenses for 2024 are RON 7,555 thousand (2023: RON 6,843 thousand).

The Bank's audit expenses for 2024 were RON 1,877 thousand of which the statutory audit expenses were RON 746 thousand (2023: RON 1,877 thousand of which the statutory audit expenses were RON 858).

The increase in expenses for Other taxes in 2024 is determined by the payment of the amount of RON 7,500 thousand representing the 2% tax on turnover.

16. INCOME TAX

(a) Components of income tax expense / (credit)

Income tax expense recorded in profit or loss for the year comprises the following:

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Deferred tax	(127)	7,194	(219)	6,210
Current tax expense	8,824	1,369	7,309	780
Income tax expense for the year	<u>8,697</u>	<u>8,563</u>	<u>7,090</u>	<u>6,990</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

(b) Reconciliation between the accounting profit and the fiscal result

A reconciliation between the expected and the actual taxation charge is provided below.

Thousand RON	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Profit before income tax	49,321	34,048	42,258	30,144
Income tax at standard rate 16%	7,891	5,448	6,761	4,823
Tax effect of items which are not deductible:				
- Non-deductible expenses	5,161	4,464	4,873	3,320
- Income which is exempt from taxation	(4,110)	(3,721)	(4,215)	(3,811)
- Elements similar with taxable income	9	573	9	573
- Elements similar with deductible expenses	(395)	(272)	(338)	(241)
Tax related to the expired fiscal loss	141	2,071	-	2,326
Income tax expense/(credit) for the year	<u>8,697</u>	<u>8,563</u>	<u>7,090</u>	<u>6,990</u>

(c) Tax loss carry forwards

At the end of 2024 and 2023, Patria Bank has no fiscal loss from previous years.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

(d) Deferred taxes analysed by type of temporary difference

Differences between IFRS and statutory taxation regulations in Romania give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below:

Group

Thousand RON

Tax effect of deductible temporary differences

	1 January 2024	Income tax recognized in profit or loss	Charged to comprehensive income	31 December 2024
Revaluation reserve for Premises	(4,738)	-	892	(3,846)
Revaluation reserve securities at fair value through other comprehensive income	1,460	-	962	2,422
Tax loss carry forwards	-	(141)	-	(141)
Other temporary differences	4,980	268	-	5,248
Net deferred tax asset/(liability)	1,703	127	1,854	3,683

Group

Thousand RON

Tax effect of deductible temporary differences

	1 January 2023	Income tax recognized in profit or loss	Charged to comprehensive income	31 December 2023
Revaluation reserve for Premises	(5,285)	-	547	(4,738)
Revaluation reserve securities at fair value through other comprehensive income	7,302	-	(5,842)	1,460
Tax loss carry forwards	6,578	(6,110)	(468)	-
Other temporary differences	6,143	(1,084)	(79)	4,980
Net deferred tax asset/(liability)	14,738	(7,194)	(5,842)	1,703

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)
Bank
Thousand RON

	1 January 2024	Income tax recognized in profit or loss	Charged to comprehensive income	31 December 2024
Tax effect of deductible temporary differences				
Revaluation reserve for Premises	(4,410)	-	892	(3,518)
Revaluation reserve securities at fair value through other comprehensive income	1,462	-	962	2,423
Tax loss carry forwards	-	-	-	-
Other temporary differences	4,731	219	-	4,951
Net deferred tax asset/(liability)	1,783	219	1,854	3,856

Bank
Thousand RON

	1 January 2023	Income tax recognized in profit or loss	Charged to comprehensive income	31 December 2023
Tax effect of deductible temporary differences				
Revaluation reserve for Premises	(4,957)	-	547	(4,410)
Revaluation reserve securities at fair value through other comprehensive income	7,304	-	(5,842)	1,462
Tax loss carry forwards	6,364	(5,816)	(547)	-
Other temporary differences	5,124	(394)	-	4,731
Net deferred tax asset/(liability)	13,835	(6,210)	(5,842)	1,783

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

17. CASH AND CASH EQUIVALENTS

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Cash on hand	21,929	19,340	21,929	19,340
Cash in ATMs	46,247	61,009	46,247	61,009
Mandatory minimum reserve	340,646	246,990	340,646	246,990
Correspondent accounts and sight deposits with other banks	54,571	190,807	54,103	190,448
Placements with banks having short term maturity	61,562	20,072	61,532	19,905
Total	<u>524,955</u>	<u>538,218</u>	<u>524,457</u>	<u>537,692</u>

(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 31 December 2024 the mandatory minimum reserve requirement was 8% (2023: 8%) for RON funds raised from customers and 5% (2023: 5%) for foreign currency denominated funds raised.

For the mandatory minimum reserve in EUR, the National Bank of Romania granted during 2024 an interest between 0.08% – 0.16% p.a. (2023: 0.02% – 0.11 p.a.). For the mandatory minimum reserve in RON, the National Bank of Romania granted during 2024 an interest between 0.74% - 0.82% p.a. (2023 between 0.69% - 0.82 p.a.).

As of 31 December 2024 the amounts presented in the statement of financial position of cash and equivalents and cash at Central Banks are neither past due no impaired.

In higher credit quality grade category of the Group's investments are included the credit institution with the following ratings: AAA, AA+, AA, AA-, A+, A-, A, BBB+, BBB, BBB-. In lower credit quality grade category of the Group's investments are included in the credit institution with the following ratings: BB+, BB, BB-, B+, B, B-, CCC.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

The credit quality analysis is performed by external institutions eligible for credit assessment (Fitch, Moody's and Standard and Poor's) and is presented below:

<i>Thousand RON</i>	Group				Total
	Cash on hand and ATMs	Mandatory minimum reserve	31 December 2024 Correspondent accounts and sight deposits with other banks	Placements with banks having short term maturity	
<i>Neither impaired nor past due</i>					
Higher credit quality grade	-	340,646	47,040	61,562	449,248
Low credit quality grade	-	-	250	-	250
Unrated	68,176	-	7,281	-	75,457
Total	<u>68,176</u>	<u>340,646</u>	<u>54,571</u>	<u>61,562</u>	<u>524,955</u>

<i>Thousand RON</i>	Group				Total
	Cash on hand and ATMs	Mandatory minimum reserve	31 December 2023 Correspondent accounts and sight deposits with other banks	Placements with banks having short term maturity	
<i>Neither impaired nor past due</i>					
Higher credit quality grade	-	246,990	145,247	-	392,237
Low credit quality grade	-	-	560	-	560
Unrated	80,349	-	45,000	20,072	145,421
Total	<u>80,349</u>	<u>246,990</u>	<u>190,807</u>	<u>20,072</u>	<u>538,218</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

<i>Thousand RON</i>	Bank				Total
	Cash on hand and ATMs	Mandatory minimum reserve	31 December 2024 Correspondent accounts and sight deposits with other banks	Placements with banks having short term maturity	
<i>Neither impaired nor past due</i>					
Higher credit quality grade	-	340,646	46,822	61,532	449,000
Low credit quality grade	-	-	-	-	-
Unrated	68,176	-	7,281	-	75,457
Total	<u>68,176</u>	<u>340,646</u>	<u>54,103</u>	<u>61,532</u>	<u>524,457</u>

<i>Thousand RON</i>	Bank				Total
	Cash on hand and ATMs	Mandatory minimum reserve	31 December 2023 Correspondent accounts and sight deposits with other banks	Placements with banks having short term maturity	
<i>Neither impaired nor past due</i>					
Higher credit quality grade	-	246,990	145,200	-	392,190
Low credit quality grade	-	-	311	-	311
Unrated	80,349	-	44,937	19,905	145,191
Total	<u>80,349</u>	<u>246,990</u>	<u>190,448</u>	<u>19,905</u>	<u>537,692</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Equity instruments(i)	25,316	23,089	25,317	23,088
Debt instruments (ii)	55,726	19,878	50,993	16,073
Total	<u>81,042</u>	<u>42,967</u>	<u>76,310</u>	<u>39,161</u>

- (i) In this category the Group included shares held at Visa Inc. in amount of RON 6,774 thousand (2023: RON 5,284 thousand), investments in consolidated investment funds units in amount of RON 15,570 thousand (2023: RON 15,103 thousand) and other funds;
- (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.

Analysis by credit quality of financial assets at fair value through profit or loss is as follows:

<i>Thousand RON</i>	Group			Group		
	31 December 2024	31 December 2024		31 December 2023	31 December 2023	
	Equity instruments	Debt instruments	Total	Equity instruments	Debt instruments	Total
Neither impaired nor past due						
-Higher credit quality grade	6,774	55,726	62,500	5,284	19,878	25,162
- Unrated	18,542	-	18,542	17,805	-	17,805
Total	<u>25,316</u>	<u>55,726</u>	<u>81,042</u>	<u>23,089</u>	<u>19,878</u>	<u>42,967</u>

<i>Thousand RON</i>	Bank			Bank		
	31 December 2024	31 December 2024		31 December 2023	31 December 2023	
	Equity instruments	Debt instruments	Total	Equity instruments	Debt instruments	Total
Neither impaired nor past due						
-Higher credit quality grade	6,774	50,994	57,768	5,284	16,073	21,357
- Unrated	18,542	-	18,542	17,804	-	17,804
Total	<u>25,316</u>	<u>50,994</u>	<u>76,310</u>	<u>23,088</u>	<u>16,073</u>	<u>39,161</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

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

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Debt securities at fair value through other items of comprehensive income				
-Treasury bills issued by the Ministry of Public Finance (i)	730,976	587,963	730,976	587,963
-Treasury bills issued by Bucharest City Hall	-	19,996	-	19,996
-Debt securities issued by MAS SECURITIES BV	33,833	31,735	33,833	31,735
-Debt securities issued by AGRICOVER HOLDING S.A.	8,223	8,106	8,223	8,106
-Debt securities issued by CEC BANK S.A.	21,564	15,901	21,564	15,901
-Debt securities issued by SNGN ROMGAZ SA	2,027	-	2,027	-
Equity investments at fair value through other comprehensive income:				
-Equity investments	13,947	12,615	13,947	12,615
Total	810,570	676,316	810,570	676,316

- i) Treasury bills are issued by the Ministry of Public Finance of Romania and includes listed discounted treasury bills and bonds denominated in RON, EUR and USD. As of 31 December 2024 the Group has no assets pledged for Repo contracts (31 December 2023: the Group has no pledged assets for Repo Contracts).

An amount of RON 42,640 thousand representing Treasury bills issued in EUR by the Ministry of Public represents collateral for the loan of EUR 12,500 thousand received by the Bank from the European Investment Bank.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

The Group holds the following equity investments FVOCI:

<i>Thousand RON</i>		Group			
<i>Name</i>	<i>Nature of business</i>	31 December 2024		31 December 2023	
		Carring amount	Effective Holding (%)	Carring amount	Effective Holding (%)
Transfond SA	Clearing House	11,188	5.69	10,085	5.69
Globinvest	Investments fund administrator	2,187	19.99	2,005	19.99
Biroul de credit S.A.	Collection and processing of customer data	80	0.32	71	0.32
SWIFT	Payment activities	492	0.01	454	0.01
Total equity investments		<u>13,947</u>	-	<u>12,615</u>	-

<i>Thousand RON</i>		Bank			
<i>Name</i>	<i>Nature of business</i>	31 December 2024		31 December 2023	
		Carring amount	Effective Holding (%)	Carring amount	Effective Holding (%)
Transfond SA	Clearing House	11,188	5.69	10,085	5.69
Globinvest	Investments fund administrator	2,187	19.99	2,005	19.99
Biroul de credit S.A.	Collection and processing of customer data	80	0.32	71	0.32
SWIFT	Payment activities	492	0.01	454	0.01
Total equity investments		<u>13,947</u>		<u>12,615</u>	

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

Analysis by credit quality of debt securities outstanding is as follows:

<i>Thousand RON</i>	Group 31 December 2024			Group 31 December 2023		
	Debt securities	Equity investments	Total	Debt securities	Equity investments	Total
<i>Neither impaired nor past due</i>						
-Higher credit quality grade	733,003	-	733,003	607,959	-	607,959
-Low credit quality grade	55,397	-	55,397	47,636	-	47,636
- Unrated	8,223	13,947	22,170	8,106	12,615	20,721
	-	-	-	-	-	-
Total	796,623	13,947	810,570	663,701	12,615	676,316

<i>Thousand RON</i>	Bank 31 December 2024			Bank 31 December 2023		
	Debt securities	Equity investments	Total	Debt securities	Equity investments	Total
<i>Neither impaired nor past due</i>						
-Higher credit quality grade	733,003	-	733,003	607,959	-	607,959
-Low credit quality grade	55,397	-	55,397	47,636	-	47,636
- Unrated	8,223	13,947	22,170	8,106	12,615	20,721
Total	796,623	13,947	810,570	663,701	12,615	676,316

Interest rate analysis of financial assets measured at fair value through other comprehensive income is disclosed in Note 4 e).

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

20. DUE FROM BANKS

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

Analysis by credit quality of amounts outstanding is as follows:

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Collateral deposit Banca Transilvania S.A.	478	450	478	450
Collateral deposit U.S. Bank N.A.	6,231	5,668	6,231	5,668
Collateral deposit CITIBANK EUROPE PLC	11,669	11,669	11,669	11,669
Mastercard	1,044	939	1,044	939
Total	<u>19,422</u>	<u>18,726</u>	<u>19,422</u>	<u>18,726</u>

Interest rate analysis of Due from banks is disclosed in Note 4.

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
<i>Neither impaired nor past due</i>				
-Higher credit quality grade	19,422	18,276	19,422	18,276
-Lower credit quality grade	-	450	-	450
Total	<u>19,422</u>	<u>18,726</u>	<u>19,422</u>	<u>18,726</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

21. LOANS AND ADVANCES TO CUSTOMERS

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Gross carrying amount of loans and advances to customers	2,655,324	2,363,164	2,480,893	2,178,023
Credit loss allowance	(127,259)	(131,943)	(113,483)	(119,438)
Total net loans and advances to customers	<u>2,528,065</u>	<u>2,231,221</u>	<u>2,367,410</u>	<u>2,058,585</u>

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

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Consumer loans	234,125	172,029	234,126	172,029
Mortgage loans	307,486	347,330	307,486	347,330
Loans to entrepreneurs	310,148	301,443	149,925	146,806
SME loans	1,789,374	1,524,268	1,775,165	1,493,764
State and municipal organizations	14,191	18,094	14,191	18,094
Total gross loans and advances to customers	2,655,324	2,363,164	2,480,893	2,178,023
Less: Allowance for expected credit losses	(127,259)	(131,943)	(113,483)	(119,438)
Total net loans and advances to customers	<u>2,528,065</u>	<u>2,231,221</u>	<u>2,367,410</u>	<u>2,058,585</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

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

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Loans to individuals	<u>541,612</u>	<u>519,359</u>	<u>541,612</u>	<u>519,359</u>
Loans to corporate customers:	<u>2,113,712</u>	<u>1,843,805</u>	<u>1,939,281</u>	<u>1,658,664</u>
Agriculture	611,976	500,933	448,725	344,861
Trade	274,213	310,516	261,558	296,530
Industry	256,628	292,219	254,009	288,869
Hotels and restaurants	139,916	89,161	137,161	85,902
Constructions	304,066	259,051	299,824	254,718
Transport	100,899	69,925	96,232	64,992
Professional Services	35,059	28,028	34,246	26,780
Services	57,935	45,399	55,654	43,068
Financial and real estate activities	276,475	206,453	295,967	211,277
Others	27,261	14,455	26,953	14,172
IT, research and development	15,093	9,571	14,761	9,401
Public Administration and Defence	14,191	18,094	14,191	18,094
Total loans and advances to customers before provisions	<u>2,655,324</u>	<u>2,363,164</u>	<u>2,480,893</u>	<u>2,178,023</u>
Less allowance for impairment losses on loans	<u>(127,259)</u>	<u>(131,943)</u>	<u>(113,483)</u>	<u>(119,438)</u>
Total	<u>2,528,065</u>	<u>2,231,221</u>	<u>2,367,410</u>	<u>2,058,585</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

The structure of the Group's loan portfolio is as follows:

Thousand RON	31 December 2024							Total
	Stage 1		Stage 2		Stage 3		POCI	
	Individual	Collective	Individual	Collective	Individual	Collective		
Performing loans	10,894	2,216,113	47,922	233,046	-	-	12,738	2,520,713
Non-performing loans	-	-	-	-	58,001	70,313	6,297	134,611
Total gross exposure	10,894	2,216,113	47,922	233,046	58,001	70,313	19,035	2,655,324
Less: Provision for loan impairment	(273)	(31,667)	(5,162)	(17,911)	(36,533)	(31,105)	(4,608)	(127,259)
Net Exposure	10,621	2,184,446	42,760	215,135	21,468	39,208	14,427	2,528,065

Thousand RON	31 December 2023							Total
	Individual	Stage 1 Collective	Individual	Stage 2 Collective	Individual	Stage 3 Collective	POCI	
Performing loans	461	1,885,393	32,193	282,473	-	-	14,302	2,214,822
Non-performing loans	-	-	-	-	70,551	69,646	8,145	148,342
Total gross exposure	<u>461</u>	<u>1,885,393</u>	<u>32,193</u>	<u>282,473</u>	<u>70,551</u>	<u>69,646</u>	<u>22,447</u>	<u>2,363,164</u>
Less: Provision for loan impairment	(19)	(22,506)	(2,357)	(22,626)	(46,447)	(30,511)	(7,477)	(131,943)
Net Exposure	<u>442</u>	<u>1,862,887</u>	<u>29,836</u>	<u>259,847</u>	<u>24,104</u>	<u>39,135</u>	<u>14,970</u>	<u>2,231,221</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

The structure of the Bank's loan portfolio is as follows:

<i>Thousand RON</i>	Stage 1		Stage 2		Stage 3		POCI	Total
	Individual	Collective	Individual	Collective	Individual	Collective		
Performing loans	16,562	2,080,801	47,922	207,328	-	-	12,738	2,365,351
Non-performing loans	-	-	-	-	58,001	51,244	6,297	115,542
Total gross exposure	<u>16,562</u>	<u>2,080,801</u>	<u>47,922</u>	<u>207,328</u>	<u>58,001</u>	<u>51,244</u>	<u>19,035</u>	<u>2,480,893</u>
Less: Provision for loan impairment	(273)	(28,938)	(5,162)	(15,136)	(36,533)	(22,833)	(4,608)	(113,483)
Net Exposure	<u>16,289</u>	<u>2,051,863</u>	<u>42,760</u>	<u>192,192</u>	<u>21,468</u>	<u>28,411</u>	<u>14,427</u>	<u>2,367,410</u>

<i>Thousand RON</i>	Stage 1		Stage 2		Stage 3		POCI	Total
	Individual	Collective	Individual	Collective	Individual	Collective		
Performing loans	6,421	1,729,912	32,193	262,054	-	-	14,302	2,044,882
Non-performing loans	-	-	-	-	70,550	54,446	8,145	133,141
Total gross exposure	<u>6,421</u>	<u>1,729,912</u>	<u>32,193</u>	<u>262,054</u>	<u>70,550</u>	<u>54,446</u>	<u>22,447</u>	<u>2,178,023</u>
Less: Provision for loan impairment	(19)	(20,249)	(2,357)	(20,060)	(46,445)	(22,831)	(7,477)	(119,438)
Net Exposure	<u>6,402</u>	<u>1,709,663</u>	<u>29,836</u>	<u>241,994</u>	<u>24,105</u>	<u>31,615</u>	<u>14,970</u>	<u>2,058,585</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts are in Thousand RON)

Structure of the Group's loans outstanding classified on stages is as follow:

<i>Thousand RON</i>	31 December 2024							
	Stage 1		Stage 2		Stage 3		POCI	Total
	Individual	Collective	Individual	Collective	Individual	Collective		
Neither past due nor impaired	10,894	2,204,534	46,922	160,046	-	-	12,147	2,434,543
Less impairment provisions	(273)	(30,885)	(5,080)	(7,205)	-	-	(306)	(43,749)
Net exposure	<u>10,621</u>	<u>2,173,649</u>	<u>41,842</u>	<u>152,841</u>	-	-	<u>11,841</u>	<u>2,390,794</u>
Past due but not impaired	-	11,579	1,000	73,000	-	-	591	86,170
- less than 30 days overdue	-	11,579	1,000	65,808	-	-	495	78,882
- 30 to 90 days overdue	-	-	-	7,192	-	-	96	7,288
- 91 to 180 days overdue	-	-	-	-	-	-	-	-
- 181 to 360 days overdue	-	-	-	-	-	-	-	-
- over 360 days overdue	-	-	-	-	-	-	-	-
Less impairment provisions	-	(782)	(82)	(10,706)	-	-	(33)	(11,603)
Net exposure	<u>-</u>	<u>10,797</u>	<u>918</u>	<u>62,294</u>	<u>-</u>	<u>-</u>	<u>558</u>	<u>74,567</u>
Loans impaired	-	-	-	-	58,001	70,313	6,297	134,611
- less than 30 days overdue	-	-	-	-	26,479	32,966	689	60,134
- 30 to 90 days overdue	-	-	-	-	1,293	17,034	4,783	23,110
- 91 to 180 days overdue	-	-	-	-	706	8,192	137	9,035
- 181 to 360 days overdue	-	-	-	-	13,151	5,587	77	18,815
- over 360 days overdue	-	-	-	-	16,372	6,534	611	23,517
Less impairment provisions	-	-	-	-	(36,533)	(31,105)	(4,269)	(71,907)
Net exposure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,468</u>	<u>39,208</u>	<u>2,028</u>	<u>62,704</u>
Total loans (gross)	<u>10,894</u>	<u>2,216,113</u>	<u>47,922</u>	<u>233,046</u>	<u>58,001</u>	<u>70,313</u>	<u>19,035</u>	<u>2,655,324</u>
Less impairment provisions	<u>(273)</u>	<u>(31,667)</u>	<u>(5,162)</u>	<u>(17,911)</u>	<u>(36,533)</u>	<u>(31,105)</u>	<u>(4,608)</u>	<u>(127,259)</u>
Total loans (net)	<u>10,621</u>	<u>2,184,446</u>	<u>42,760</u>	<u>215,135</u>	<u>21,468</u>	<u>39,208</u>	<u>14,427</u>	<u>2,528,065</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

<i>Thousand RON</i>	Stage 1		Stage 2		Stage 3		POCI	Total
	Individual	Collective	Individual	Collective	Individual	Collective		
Neither past due nor impaired	461	1,875,297	30,909	171,266	-	-	13,909	2,091,842
Less impairment provisions	(19)	(21,854)	(2,195)	(3,880)	-	-	(1,390)	(29,338)
Net exposure	<u>442</u>	<u>1,853,443</u>	<u>28,714</u>	<u>167,386</u>	-	-	<u>12,519</u>	<u>2,062,504</u>
Past due but not impaired	-	10,096	1,284	111,207	-	-	393	122,980
- less than 30 days overdue	-	10,096	1,284	97,778	-	-	393	109,551
- 30 to 90 days overdue	-	-	-	13,429	-	-	-	13,429
- 91 to 180 days overdue	-	-	-	-	-	-	-	-
- 181 to 360 days overdue	-	-	-	-	-	-	-	-
- over 360 days overdue	-	-	-	-	-	-	-	-
Less impairment provisions	-	(652)	(162)	(18,746)	-	-	(72)	(19,632)
Net exposure	<u>-</u>	<u>9,444</u>	<u>1,122</u>	<u>92,461</u>	<u>-</u>	<u>-</u>	<u>321</u>	<u>103,348</u>
Loans impaired	-	-	-	-	70,551	69,646	8,145	148,342
- less than 30 days overdue	-	-	-	-	45,357	26,644	4,724	76,725
- 30 to 90 days overdue	-	-	-	-	6,617	17,986	3	24,606
- 91 to 180 days overdue	-	-	-	-	433	11,993	597	13,023
- 181 to 360 days overdue	-	-	-	-	4,040	8,551	-	12,591
- over 360 days overdue	-	-	-	-	14,103	4,472	2,821	21,396
Less impairment provisions	-	-	-	-	(46,447)	(30,511)	(6,015)	(82,973)
Net exposure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,104</u>	<u>39,135</u>	<u>2,130</u>	<u>65,369</u>
Total loans (gross)	461	1,885,393	32,193	282,473	70,551	69,646	22,447	2,363,164
Less impairment provisions	(19)	(22,506)	(2,357)	(22,626)	(46,447)	(30,511)	(7,477)	(131,943)
Total loans (net)	<u>442</u>	<u>1,862,887</u>	<u>29,836</u>	<u>259,847</u>	<u>24,104</u>	<u>39,135</u>	<u>14,970</u>	<u>2,231,221</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

Structure of the Bank's loans outstanding classified on stages is as follows:

<i>Thousand RON</i>	31 December 2024		31 December 2024		31 December 2024		POCI	Total
	Stage 1	Stage 1	Stage 2	Stage 2	Stage 3	Stage 3		
	Individual	Collective	Individual	Collective	Individual	Collective		
Neither past due nor impaired	16,562	2,069,244	46,922	134,328	-	-	12,147	2,279,203
Less impairment provisions	(273)	(28,156)	(5,080)	(4,430)	-	-	(306)	(38,245)
Net exposure	<u>16,289</u>	<u>2,041,088</u>	<u>41,842</u>	<u>129,898</u>	-	-	<u>11,841</u>	<u>2,240,958</u>
Past due but not impaired	-	11,557	1,000	73,000	-	-	591	86,148
- less than 30 days overdue	-	11,557	1,000	65,808	-	-	495	78,860
- 30 to 90 days overdue	-	-	0	7,192	-	-	96	7,288
- 91 to 180 days overdue	-	-	-	-	-	-	-	-
- 181 to 360 days overdue	-	-	-	-	-	-	-	-
- over 360 days overdue	-	-	-	-	-	-	-	-
Less impairment provisions	-	(782)	(82)	(10,706)	-	-	(33)	(11,603)
Net exposure	-	<u>10,775</u>	<u>918</u>	<u>62,294</u>	-	-	<u>558</u>	<u>74,545</u>
Loans impaired	-	-	-	-	58,001	51,244	6,297	115,542
- less than 30 days overdue	-	-	-	-	26,479	24,505	689	51,673
- 30 to 90 days overdue	-	-	-	-	1,293	13,522	4,783	19,598
- 91 to 180 days overdue	-	-	-	-	706	5,664	137	6,507
- 181 to 360 days overdue	-	-	-	-	13,151	5,322	77	18,550
- over 360 days overdue	-	-	-	-	16,372	2,231	611	19,214
Less impairment provisions	-	-	-	-	(36,533)	(22,833)	(4,269)	(63,635)
Net exposure	-	-	-	-	<u>21,468</u>	<u>28,411</u>	<u>2,028</u>	<u>51,907</u>
Total loans (gross)	16,562	2,080,801	47,922	207,328	58,001	51,244	19,035	2,480,893
Less impairment provisions	<u>(273)</u>	<u>(28,938)</u>	<u>(5,162)</u>	<u>(15,136)</u>	<u>(36,533)</u>	<u>(22,833)</u>	<u>(4,608)</u>	<u>(113,483)</u>
Total loans (net)	<u>16,289</u>	<u>2,051,863</u>	<u>42,760</u>	<u>192,192</u>	<u>21,468</u>	<u>28,411</u>	<u>14,427</u>	<u>2,367,410</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

<i>Thousand RON</i>	31 December 2023							
	Stage 1		Stage 2		Stage 3		POCI	Total
	Individual	Collective	Individual	Collective	Individual	Collective		
Neither past due nor impaired	6,421	1,722,502	30,909	162,170	-	-	13,909	1,935,911
Less impairment provisions	(19)	(19,884)	(2,195)	(3,684)	-	-	(1,390)	(27,172)
Net exposure	<u>6,402</u>	<u>1,702,618</u>	<u>28,714</u>	<u>158,486</u>	<u>-</u>	<u>-</u>	<u>12,519</u>	<u>1,908,739</u>
Past due but not impaired	-	7,410	1,284	99,884	-	-	393	108,971
- less than 30 days overdue	-	7,410	1,284	89,537	-	-	393	98,624
- 30 to 90 days overdue	-	-	-	10,347	-	-	-	10,347
- 91 to 180 days overdue	-	-	-	-	-	-	-	-
- 181 to 360 days overdue	-	-	-	-	-	-	-	-
- over 360 days overdue	-	-	-	-	-	-	-	-
Less impairment provisions	-	(365)	(162)	(16,376)	-	-	(72)	(16,975)
Net exposure	<u>-</u>	<u>7,045</u>	<u>1,122</u>	<u>83,508</u>	<u>-</u>	<u>-</u>	<u>321</u>	<u>91,996</u>
Loans impaired	-	-	-	-	70,550	54,446	8,145	133,141
- less than 30 days overdue	-	-	-	-	45,357	21,918	4,724	71,999
- 30 to 90 days overdue	-	-	-	-	6,617	15,349	3	21,969
- 91 to 180 days overdue	-	-	-	-	433	7,832	597	8,862
- 181 to 360 days overdue	-	-	-	-	4,040	6,349	-	10,389
- over 360 days overdue	-	-	-	-	14,103	2,998	2,821	19,922
Less impairment provisions	-	-	-	-	(46,445)	(22,831)	(6,015)	(75,291)
Net exposure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,105</u>	<u>31,615</u>	<u>2,130</u>	<u>57,850</u>
Total loans (gross)	6,421	1,729,912	32,193	262,054	70,550	54,446	22,447	2,178,023
Less impairment provisions	(19)	(20,249)	(2,357)	(20,060)	(46,445)	(22,831)	(7,477)	(119,438)
Total loans (net)	<u>6,402</u>	<u>1,709,663</u>	<u>29,836</u>	<u>241,994</u>	<u>24,105</u>	<u>31,615</u>	<u>14,970</u>	<u>2,058,585</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

Analysis of Group's gross carrying amount is as follow:

Thousand RON

	Stage 1	Stage 2	Stage 3	POCI	Total
31 December 2024					
Gross carrying amount as at 1 January	<u>1,885,854</u>	<u>314,666</u>	<u>140,197</u>	<u>22,447</u>	<u>2,363,164</u>
Transfers to Stage 1	205,413	(202,031)	(3,382)	-	-
Transfers to Stage 2	(330,489)	334,058	(3,569)	-	-
Transfers to Stage 3	(10,826)	(64,020)	74,846	-	-
Other changes (normal payments, interest accruals)	(968,386)	(132,062)	(45,643)	(2,838)	(1,148,929)
New financial assets originated or purchased	1,445,568	30,394	1,470	1,669	1,479,101
Financial assets that have been derecognised (excluding write offs)	-	-	(930)	-	(930)
Write offs	-	-	(34,654)	(2,243)	(36,897)
Foreign exchange adjustments	(127)	(37)	(21)	-	(185)
Gross carrying amount as at 31 December	<u>2,227,007</u>	<u>280,968</u>	<u>128,314</u>	<u>19,035</u>	<u>2,655,324</u>

Thousand RON

	Stage 1	Stage 2	Stage 3	POCI	Total
31 December 2023					
Gross carrying amount as at 1 January	<u>2,044,089</u>	<u>290,937</u>	<u>138,211</u>	<u>41,110</u>	<u>2,514,347</u>
Transfers to Stage 1	195,672	(192,634)	(3,038)	-	-
Transfers to Stage 2	(368,646)	375,197	(6,551)	-	-
Transfers to Stage 3	(8,928)	(84,254)	93,182	-	-
Other changes (normal payments, interest accruals)	(1,075,194)	(104,678)	(40,155)	(873)	(1,220,900)
New financial assets originated or purchased	1,094,599	29,719	321	107	1,124,746
Financial assets that have been derecognised (excluding write offs)	-	-	(6,082)	(3,560)	(9,642)
Write offs	-	-	(35,936)	(14,353)	(50,289)
Foreign exchange adjustments	4,262	379	245	16	4,902
Gross carrying amount as at 31 December	<u>1,885,854</u>	<u>314,666</u>	<u>140,197</u>	<u>22,447</u>	<u>2,363,164</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

Analysis of Bank's gross carrying amount is as follow:

<i>Thousand RON</i>	31 December 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1 January	<u>1,736,333</u>	<u>294,247</u>	<u>124,996</u>	<u>22,447</u>	<u>2,178,023</u>
Transfers to Stage 1	191,042	(188,693)	(2,349)	-	-
Transfers to Stage 2	(291,546)	294,045	(2,499)	-	-
Transfers to Stage 3	(7,861)	(47,536)	55,397	-	-
Other changes (normal payments, interest accruals)	(908,909)	(126,577)	(36,448)	(2,838)	(1,074,772)
New financial assets originated or purchased	1,378,431	29,801	1,183	1,669	1,411,084
Financial assets that have been derecognised (excluding write offs)	-	-	(930)	-	(930)
Write offs	-	-	(30,084)	(2,243)	(32,327)
Foreign exchange adjustments	(127)	(37)	(21)	-	(185)
Gross carrying amount as at 31 December	<u>2,097,363</u>	<u>255,250</u>	<u>109,245</u>	<u>19,035</u>	<u>2,480,893</u>

<i>Thousand RON</i>	31 December 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1 January	<u>1,907,842</u>	<u>275,148</u>	<u>129,763</u>	<u>41,110</u>	<u>2,353,863</u>
Transfers to Stage 1	180,334	(178,302)	(2,032)	-	-
Transfers to Stage 2	(334,268)	340,267	(5,999)	-	-
Transfers to Stage 3	(6,584)	(73,885)	80,469	-	-
Other changes (normal payments, interest accruals)	(1,018,846)	(98,176)	(36,093)	(873)	(1,153,988)
New financial assets originated or purchased	1,003,593	28,816	288	107	1,032,804
Financial assets that have been derecognised (excluding write offs)	-	-	(6,082)	(3,560)	(9,642)
Write offs	-	-	(35,563)	(14,353)	(49,916)
Foreign exchange adjustments	4,262	379	245	16	4,902
Gross carrying amount as at 31 December	<u>1,736,333</u>	<u>294,247</u>	<u>124,996</u>	<u>22,447</u>	<u>2,178,023</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

Analysis of Group's loss allowance is as follow:

Thousand RON

Loss allowance as at 1 January

Transfers to Stage 1	20,313
Transfers to Stage 2	(5,644)
Transfers to Stage 3	(379)
Net remeasurement of loss allowance	(33,240)
New financial assets originated or purchased	28,368
Financial assets that have been derecognised (excluding write offs)	-
Write offs	-
Foreign exchange adjustments	(3)

Loss allowance as at 31 December

31 December 2024				
Stage 1	Stage 2	Stage 3	POCI	Total
<u>22,525</u>	<u>24,983</u>	<u>76,958</u>	<u>7,477</u>	<u>131,943</u>
20,313	(19,011)	(1,302)	-	-
(5,644)	6,834	(1,190)	-	-
(379)	(16,670)	17,049	-	-
(33,240)	25,226	8,866	(934)	(82)
28,368	1,712	970	259	31,309
-	-	(252)	-	(252)
-	-	(33,455)	(2,194)	(35,649)
(3)	(1)	(6)	-	(10)
<u>31,940</u>	<u>23,073</u>	<u>67,638</u>	<u>4,608</u>	<u>127,259</u>

Thousand RON

Loss allowance as at 1 January

Transfers to Stage 1	23,153
Transfers to Stage 2	(4,697)
Transfers to Stage 3	(235)
Net remeasurement of loss allowance	(38,943)
New financial assets originated or purchased	19,045
Financial assets that have been derecognised (excluding write offs)	-
Write offs	-
Foreign exchange adjustments	43

Loss allowance as at 31 December

31 December 2023				
Stage 1	Stage 2	Stage 3	POCI	Total
<u>24,159</u>	<u>31,104</u>	<u>72,467</u>	<u>18,903</u>	<u>146,633</u>
23,153	(22,033)	(1,120)	-	-
(4,697)	6,634	(1,937)	-	-
(235)	(23,851)	24,086	-	-
(38,943)	30,831	21,649	4,319	17,856
19,045	2,282	313	103	21,743
-	-	(3,000)	(1,816)	(4,816)
-	-	(35,620)	(14,047)	(49,667)
43	16	120	15	194
<u>22,525</u>	<u>24,983</u>	<u>76,958</u>	<u>7,477</u>	<u>131,943</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

Analysis of Bank's loss allowance is as follow:

<i>Thousand RON</i>	31 December 2024				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowance as at 1 January	<u>20,268</u>	<u>22,417</u>	<u>69,276</u>	<u>7,477</u>	<u>119,438</u>
Transfers to Stage 1	19,011	(18,150)	(861)	-	-
Transfers to Stage 2	(4,630)	5,411	(781)	-	-
Transfers to Stage 3	(152)	(12,538)	12,690	-	-
Net remeasurement of loss allowance	(32,490)	21,531	8,272	(934)	(3,621)
New financial assets originated or purchased	27,207	1,628	874	259	29,968
Financial assets that have been derecognised (excluding write offs)	-	-	(252)	-	(252)
Write offs	-	-	(29,846)	(2,194)	(32,040)
Foreign exchange adjustments	(3)	(1)	(6)	-	(10)
Loss allowance as at 31 December	<u>29,211</u>	<u>20,298</u>	<u>59,366</u>	<u>4,608</u>	<u>113,483</u>

<i>Thousand RON</i>	31 December 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowance as at 1 January	<u>21,654</u>	<u>28,745</u>	<u>67,626</u>	<u>18,903</u>	<u>136,928</u>
Transfers to Stage 1	21,447	(20,905)	(542)	-	-
Transfers to Stage 2	(3,649)	5,384	(1,735)	-	-
Transfers to Stage 3	(78)	(21,075)	21,153	-	-
Net remeasurement of loss allowance	(37,224)	28,050	20,620	4,319	15,765
New financial assets originated or purchased	18,075	2,202	281	103	20,661
Financial assets that have been derecognised (excluding write offs)	-	-	(3,000)	(1,816)	(4,816)
Write offs	-	-	(35,247)	(14,047)	(49,294)
Foreign exchange adjustments	43	16	120	15	194
Loss allowance as at 31 December	<u>20,268</u>	<u>22,417</u>	<u>69,276</u>	<u>7,477</u>	<u>119,438</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

Information about Group's collaterals is as follows:

<i>Thousand RON</i>	31 December 2024					Total
	SME loans	Consumer loans	Entrepreneurs loans	Mortgage loans	State and municipal organizations	
Unsecured loans(*)	224,457	217,389	66,352	1,425	-	509,623
Loans guaranteed by third parties, including credit insurance	385,462	82	182,424	3,852	-	571,820
Loans collateralized by:	<u>1,179,455</u>	<u>16,654</u>	<u>61,372</u>	<u>302,209</u>	<u>14,191</u>	<u>1,573,881</u>
- residential real estate	120,408	14,141	6,360	296,193	-	437,102
- other real estate	846,710	1,792	36,829	5,935	-	891,266
- cash collateral	18,150	721	418	81	-	19,370
- other assets	194,187	-	17,765	-	14,191	226,143
Total loans and advances to customers	<u>1,789,374</u>	<u>234,125</u>	<u>310,148</u>	<u>307,486</u>	<u>14,191</u>	<u>2,655,324</u>

<i>Thousand RON</i>	31 December 2023					Total
	SME loans	Consumer loans	Entrepreneurs loans	Mortgage loans	State and municipal organizations	
Unsecured loans(*)	163,193	152,893	65,479	1,935	-	383,500
Loans guaranteed by third parties, including credit insurance	340,553	196	180,663	4,991	-	526,403
Loans collateralized by:	<u>1,020,522</u>	<u>18,940</u>	<u>55,301</u>	<u>340,404</u>	<u>18,094</u>	<u>1,453,261</u>
- residential real estate	146,739	16,066	5,840	334,530	-	503,175
- other real estate	734,354	2,017	28,401	5,779	-	770,551
- cash collateral	7,707	857	295	95	-	8,954
- other assets	131,722	-	20,765	-	18,094	170,581
Total loans and advances to customers	<u>1,524,268</u>	<u>172,029</u>	<u>301,443</u>	<u>347,330</u>	<u>18,094</u>	<u>2,363,164</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

Information about Bank's collaterals is as follows:

	31 December 2024					
<i>Thousand RON</i>	SME loans	Consumer loans	Entrepreneurs loans	Mortgage loans	State and municipal organizations	Total
Unsecured loans(*)	222,511	217,390	23,510	1,425	-	464,836
Loans guaranteed by third parties, including credit insurance	366,544	82	71,721	3,852	-	442,199
Loans collateralized by:	<u>1,186,110</u>	<u>16,654</u>	<u>54,694</u>	<u>302,209</u>	<u>14,191</u>	<u>1,573,858</u>
- residential real estate	116,218	14,141	4,512	296,193	-	431,064
- other real estate	843,636	1,792	34,854	5,935	-	886,217
- cash collateral	32,853	721	418	81	-	34,073
- other assets	193,403	-	14,910	-	14,191	222,504
Total loans and advances to customers	<u>1,775,165</u>	<u>234,126</u>	<u>149,925</u>	<u>307,486</u>	<u>14,191</u>	<u>2,480,893</u>

	31 December 2023					
<i>Thousand RON</i>	SME loans	Consumer loans	Entrepreneurs loans	Mortgage loans	State and municipal organizations	Total
Unsecured loans(*)	161,570	152,893	23,248	1,935	-	339,646
Loans guaranteed by third parties, including credit insurance	319,410	196	74,263	4,991	-	398,860
Loans collateralized by:	<u>1,012,784</u>	<u>18,940</u>	<u>49,295</u>	<u>340,404</u>	<u>18,094</u>	<u>1,439,517</u>
- residential real estate	143,216	16,066	4,058	334,530	-	497,870
- other real estate	731,175	2,017	27,296	5,779	-	766,267
- cash collateral	7,689	857	295	95	-	8,936
- other assets	130,704	-	17,646	-	18,094	166,444
Total loans and advances to customers	<u>1,493,764</u>	<u>172,029</u>	<u>146,806</u>	<u>347,330</u>	<u>18,094</u>	<u>2,178,023</u>

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

The financial effect of collateral is presented by disclosing collateral values separately for (i) those assets where net present value of collateral and other credit enhancements are equal to or exceed carrying value of the asset ("over-collateralized loans") and (ii) those assets where net present value of collateral and other credit enhancements are less than the carrying value of the asset ("under-collateralized loans"). The net present value of collaterals is computed by applying (1-haircut) to the market value of the collaterals and then discounting the value obtained (by using EIR) for the expected recovery period of time.

The effect of Group's collateral is as follows:

<i>Thousand RON</i>	31 December 2024					
	Over- collateralized loans(i)			Under- collateralized loans (ii)		
	Carrying value	Net Present Value of collateral	Fair Value of the collateral	Carrying value	Net Present Value of collateral	Fair Value of the collateral
Consumer loans	11,505	26,577	61,189	211,162	3,453	10,165
Mortgage loans	98,140	161,238	359,367	202,092	150,936	329,765
Entrepreneurs loans	15,164	19,826	45,177	275,274	186,491	263,612
SME loans	251,255	401,560	1,068,710	1,449,375	894,076	1,901,574
State and municipal organizations	14,098	558,662	603,152	-	-	-
Total	<u>390,162</u>	<u>1,167,863</u>	<u>2,137,595</u>	<u>2,137,903</u>	<u>1,234,956</u>	<u>2,505,116</u>

<i>Thousand RON</i>	31 December 2023					
	Over- collateralized loans(i)			Under- collateralized loans (ii)		
	Carrying value	Net Present Value of collateral	Fair Value of the collateral	Carrying value	Net Present Value of collateral	Fair Value of the collateral
Consumer loans	13,135	28,867	66,740	147,568	3,604	10,507
Mortgage loans	90,564	146,171	330,632	247,299	179,823	398,086
Entrepreneurs loans	13,011	18,382	49,809	271,807	180,342	250,347
SME loans	223,505	351,906	928,933	1,206,359	797,738	1,724,618
State and municipal organizations	17,973	566,891	616,324	-	-	-
Total	<u>358,188</u>	<u>1,112,217</u>	<u>1,992,438</u>	<u>1,873,033</u>	<u>1,161,507</u>	<u>2,383,558</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

The effect of Bank's collateral at is as follows:

<i>Thousand RON</i>	31 December 2024					
	Over- collateralized loans(i)			Under- collateralized loans (ii)		
	Carrying value	Net Present Value of collateral	Fair Value of the collateral	Carrying value	Net Present Value of collateral	Fair Value of the collateral
Consumer loans	11,505	26,576	61,187	211,162	3,453	10,165
Mortgage loans	98,140	161,238	359,367	202,092	150,936	329,765
Entrepreneurs loans	9,256	12,965	33,697	131,319	87,342	148,063
SME loans	262,421	414,537	1,070,941	1,427,417	874,428	1,871,526
State and municipal organizations	14,098	558,662	603,152	-	-	-
Total	<u>395,420</u>	<u>1,173,978</u>	<u>2,128,344</u>	<u>1,971,990</u>	<u>1,116,159</u>	<u>2,359,519</u>

<i>Thousand RON</i>	31 December 2023					
	Over- collateralized loans(i)			Under- collateralized loans (ii)		
	Carrying value	Net Present Value of collateral	Fair Value of the collateral	Carrying value	Net Present Value of collateral	Fair Value of the collateral
Consumer loans	13,136	28,866	66,738	147,568	3,604	10,507
Mortgage loans	90,564	146,171	330,632	247,299	179,823	398,086
Entrepreneurs loans	8,682	13,255	38,803	130,186	86,605	139,155
SME loans	221,006	348,015	916,807	1,182,171	775,693	1,689,771
State and municipal organizations	17,973	566,891	616,324	-	-	-
Total	<u>351,361</u>	<u>1,103,198</u>	<u>1,969,304</u>	<u>1,707,224</u>	<u>1,045,725</u>	<u>2,237,519</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

The effect of Group's collateral at 31 December 2024 and 31 December 2023 for **credit impaired portfolio** is as follows:

Grup	31 December 2024					
	Over- collateralized loans			Under- collateralized loans		
Thousand RON	Carrying value	Net Present Value of collateral	Fair Value of the collateral	Carrying value	Net Present Value of collateral	Fair Value of the collateral
Consumer loans	322	796	1,893	914	-	3
Mortgage loans	4,635	6,704	18,794	2,051	1,963	7,331
Entrepreneurs loans	8,358	9,187	14,920	4,983	4,857	7,510
SME loans	19,834	27,239	90,718	19,577	17,879	45,525
Total	33,149	43,926	126,325	27,525	24,699	60,369

Grup	31 December 2023					
	Over- collateralized loans			Under- collateralized loans		
Thousand RON	Carrying value	Net Present Value of collateral	Fair Value of the collateral	Carrying value	Net Present Value of collateral	Fair Value of the collateral
Consumer loans	556	1,152	2,668	678	117	283
Mortgage loans	4,476	6,239	16,905	2,330	2,187	7,718
Entrepreneurs loans	5,702	6,206	11,345	3,474	3,467	5,474
SME loans	23,540	29,516	86,209	22,485	16,836	41,008
Total	34,274	43,113	117,126	28,967	22,608	54,483

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

The effect of Bank's collateral at 31 December 2024 and 31 December 2023 for **credit impaired portfolio** is as follows:

Bank	31 December 2024					
	Over- collateralized loans			Under- collateralized loans		
Thousand RON	Carrying value	Net Present Value of collateral	Fair Value of the collateral	Carrying value	Net Present Value of collateral	Fair Value of the collateral
Consumer loans	322	796	1,893	914	-	3
Mortgage loans	4,635	6,704	18,794	2,051	1,963	7,331
Entrepreneurs loans	2,847	3,349	7,123	1,934	1,916	3,095
SME loans	18,428	25,274	86,352	18,749	17,065	44,035
Total	<u>26,232</u>	<u>36,123</u>	<u>114,162</u>	<u>23,648</u>	<u>20,944</u>	<u>54,464</u>

Bank	31 December 2023					
	Over- collateralized loans			Under- collateralized loans		
Thousand RON	Carrying value	Net Present Value of collateral	Fair Value of the collateral	Carrying value	Net Present Value of collateral	Fair Value of the collateral
Consumer loans	556	1,152	2,668	678	117	283
Mortgage loans	4,476	6,239	16,905	2,330	2,187	7,718
Entrepreneurs loans	2,180	2,474	5,293	1,738	1,731	2,939
SME loans	22,347	28,128	83,293	21,416	15,767	39,379
Total	<u>29,559</u>	<u>37,993</u>	<u>108,159</u>	<u>26,162</u>	<u>19,802</u>	<u>50,319</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

The loan portfolio includes 19 exposures towards local public administrations in amount of RON 14,191 thousand as of 31 December 2024 (22 exposures with RON 18,094 thousand as of 31 December 2023). The Group presented this type of loans into not depreciated category.

Loans impaired

Impaired loans and securities are loans and securities for which the Group determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan / securities agreement(s).

Past due but not impaired loans

Past due but not impaired loans are those for which contractual interest or principal payments are past due, but the Group believes that impairment is not appropriate on the basis of the stage defined in the Group Policy.

During 2024, the Group performed write-off operations (for example: companies that do not appear anymore in the Registry of Commerce, for the companies for which juridical procedures are impossible, exposures provisioned 100% and with overdue payments more than 180 days) for loans fully impaired, in amount of RON 36,897 thousand. (2023: RON 50,289 thousand).

Refer to Note 6 for the estimated fair value of each class of loans and advances to customers. Interest rate analysis of loans and advances to customers is disclosed in Note 4. Information on related party balances is disclosed in Note 44.

Restructured loans

The Group's outstanding gross exposure as of 31 December 2024 for all the loans that underwent restructuring is RON 68,583 thousand (31 December 2023: RON 84,114 thousand) and the net exposure is RON 33,113 thousand (31 December 2023: RON 35,763 thousand).

The Bank's outstanding gross exposure as of 31 December 2024 for all the loans that underwent restructuring is RON 65,403 thousand (31 December 2023: RON 80,387 thousand) and the net exposure is RON 30,984 thousand (31 December 2023: RON 33,532 thousand).

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

Loans and advances to customers written off

The outstanding contractual amounts of loans and advances to customers written off that are still subject to enforcement activity and with low probability of recovery at 31 December 2024 and 31 December 2023 are presented below. The written off exposures were fully provisioned and with a debt service exceeding 180 days.

Group		
Thousand RON	31 December 2024	31 December 2023
<i>Loans to corporate customers</i>	432,051	415,552
Loans to entrepreneurs	17,178	15,682
Loans to SME	414,873	399,870
<i>Loans to individuals</i>	23,420	23,301
Consumer loans	18,694	18,106
Mortgage loans	4,726	5,195
Total	<u>455,471</u>	<u>438,853</u>

Bank		
Thousand RON	31 December 2024	31 December 2023
<i>Loans to corporate customers</i>	428,594	415,552
Loans to entrepreneurs	14,830	15,682
Loans to SME	413,764	399,870
<i>Loans to individuals</i>	23,420	23,301
Consumer loans	18,694	18,106
Mortgage loans	4,726	5,195
Total	<u>452,014</u>	<u>438,853</u>

Acquisition of a Retail Loan Portfolio and the Impact on the Financial Statements

Description of the transaction

On June 20, 2024, the Bank signed an agreement regarding the acquisition of a retail loan portfolio from Alior Bank S.A. Varsovia, Bucharest Branch, in accordance with its strategy to increase lending activity and diversify exposure. The portfolio includes both performing loans and a small number of non-performing loans (purchased or originated credit-impaired – POCI), with standardized loan characteristics. The date of June 20, 2024 is the transaction date and represents the reference date against which the significant increase in credit risk – SICR criteria are assessed. The transfer was finalized on September 6, 2024 (date on which the transaction was settled) by migrating the loan portfolio taken over from Alior to the Bank's balance sheet. The period of time elapsed between the transaction date and the recognition (settlement) date was due to the need to complete all regulatory stages, namely the notification of the National Bank of Romania and the obtaining of approval from the Competition Council.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

The acquisition was made at a total price of RON 47,304 thousand, reflecting the fair value of the loans at the transaction date. According to IFRS 9, the purchased loans were initially recognized at fair value and **classified at amortized cost**, given the Bank's intention to hold them to maturity in order to collect the contractual cash flows.

Accounting Treatment Applied

According to IFRS 9 – Financial Instruments, the purchased financial assets were classified and accounted for as follows:

- **Performing retail loans** – Classified at amortized cost, initially recognized at fair value adjusted for transaction costs.
- **Non-performing loans (POCI)** – Classified and recognized according to IFRS 9 requirements for credit-impaired assets, at fair value adjusted for expected losses.

At the time of acquisition, the loans were mapped as follows:

- **Stage 1** – Loans considered performing at the time of acquisition, with no significant payment delays
- **Stage 3 (POCI)** – Loans identified as impaired at the time of acquisition.

After the acquisition, the Bank implemented a process of re-assessing the stage classification loans based on their evolution and quantitative and qualitative factors, in accordance with its own credit risk assessment methodology. The stage re-assessing classification were performed periodically, based on:

- Evolution of the debtors' payment history
- Identified warning signals
- Any other indicators of deterioration in credit quality.

Loans that experienced significant increases in credit risk after acquisition were transferred to Stage 2, while loans that experienced severe deterioration were moved to Stage 3 (credit-impaired).

Impact on Expected Credit Loss (ECL)

According to **the expected credit loss (ECL)** model required by IFRS 9, the Bank assessed the credit risk of the acquired portfolio and recognized provisions for expected losses, using the three-stage model (**Stage 1, Stage 2 and Stage 3**):

Loan category (RON thousand)	Gross amount	ECL provision	Net amount
Performing Retail Loans (Stage 1 & 2)	35,157	(1,016)	34,141
Impaired Loans (POCI, Stage 3)	2,256	(897)	1,359
Total Purchased Portfolio as of 31.12.2024	37,413	(1,912)	35,500

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

Reconciliation of Provisions for Expected Losses (ECL)

RON Thousand	Stage 1	Stage 2	Stage 3	Total
Total provisions for depreciation as of September 6, 2024	-	-	-	-
Migration in Stage 1	2,550	(669)	-	1,881
Migration in Stage 2	(1,028)	1,028	-	-
Migration in Stage 3	(106)	(338)	463	19
Other net of provisions movements	(1,277)	856	434	12
Total provisions for depreciation as of December 31, 2024	139	877	897	1,912

Credit Risk Exposure and Risk Concentration

- **Portfolio distribution by risk category:** 83.1% of the portfolio is in stage 1, 10.3% in stage 2 and 6.5% in stage 3 as at 31 December 2024
- **Related guarantees:** the purchased portfolio is 100% unsecured (without collateral)
- **Exposure concentration:** The Bank does not present significant concentration risks for this portfolio, having a diversified distribution of exposures in terms of sectors and geographical locations.

Liquidity Risk

The acquired loan portfolio contributes to the Bank's exposure to liquidity risk, as cash receipts are conditional on repayments made by borrowers. The Bank manages liquidity risk by maintaining an appropriate balance between its assets and liabilities and by forecasting cash flows to ensure the availability of the necessary funds.

Loan Maturity – RON thousand	< 1 year	1-5 years	> 5 years	Total
Performing Retail Loans	16	291	33,834	34,141
Non-Performing Loans (POCI)	125	1,044	190	1,359
TOTAL	141	1,335	34,024	35,500

Interest Rate Risk

The Bank is exposed to interest rate risk, given the pricing structure of the loans purchased:

- **Fixed rate loans** – Sensitive to changes in market interest rates.
- **Variable rate loans** – Exposed to market volatility.

The interest rate risk sensitivity analysis shows that a 100 bps increase in interest rates would generate an impact of RON 700 thousand on the fair value of the portfolio.

Fair Value Information (IFRS 13)

Loan category (RON thousand)	Carrying amount	Estimated fair value	IFRS 13 level
Performing Loans	34,141	34,456	Level 3
Non-performing loans (POCI)	1,359	1,359	Level 3

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

22. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Treasury bills issued by the Ministry of Public Finance of Romania	354,044	348,562	354,044	348,562
Bonds issued by Alpha Bank	-	25,048	-	25,048
Bonds issued by LIBRA INTERNET BANK S.A.	15,009	15,014	15,009	15,014
Bonds issued by Bucharest City Hall	10,420	10,414	10,420	10,414
Total	379,473	399,038	379,473	399,038

An amount of RON 27,024 thousand representing Treasury bills issued by the Ministry of Finance of Romania represents collateral for the loan of EUR 12,500 thousand received by the Bank from the European Investment Bank.

The bonds issued by Alpha Bank, in the amount of EUR 5,000 thousand matured on May 16, 2024.

Analysis by credit quality of debt instruments at amortized cost is as follows:

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
<i>Neither impaired nor past due</i>				
-Higher credit quality grade	364,464	384,024	364,464	384,024
- Unrated	15,009	15,014	15,009	15,014
Total	379,473	399,038	379,473	399,038

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

23. INVESTMENT PROPERTY

a) Reconciliation of book value

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Balance at 1 January	90,358	94,766	90,358	94,766
(Sales)	(895)	(5,385)	(895)	(5,385)
Net gain / (loss) from revaluation of investment property	262	117	262	117
Additions	485	860	485	860
Balance at 31 December	<u>90,210</u>	<u>90,358</u>	<u>90,210</u>	<u>90,358</u>

During 2024, the rental incomes from real estate investments amounted 6,407 thousand RON (31 December 2023: 6,017 thousand RON) for the Group and for the Bank. Direct operating expenses (repair, maintenance, local taxes, etc.) from Investment property that generated rental income during 2024 were in the amount of 1,621 thousand RON (31 December 2023: 1,226 thousand RON).

b) Fair value measurement

The fair value of real estate investments is based on an assessment carried out by expert assessors, members of ANEVAR (National Association of Assessors of Romania). The fair value of the real estate investments is presented on level 3 of the hierarchy of fair value.

The Group did not acquire Investment property using the financial leasing at 31 December 2024 or at 31 December 2023.

c) The evaluation techniques for measuring the fair value of real estate investments and the dates of entry used:

Evaluation techniques

According to the 2024 ANEVAR Evaluation Standards there were used the following three approaches:

- The evaluation of land (measuring a free land or where there is a construction, the six recognized valuation methods - direct comparison, market extraction, allocation technique, residual capitalization, direct rent / lease (rent), discounted cash flow analysis).
- The income approach (by this method estimated the annual income to be generated by a property converts to value by applying an appropriate rate of income. In this case, a capitalization rate was used applied to net income from estimated operations).
- The cost approach (The purpose of the cost approach is to determine the market value of the property by estimating the cost of purchasing the land (the market value of the land) and building a new property with the same utility or adapting an old property with the same use, without considering

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

related costs during the construction / adaptation. The cost of the land is added to the total cost of construction. If necessary, usually in construction costs incentives / real estate developer's profit are added.

Entry data

- Inventory lists with investments owned by the client;
- Documents and information taken from specialized personnel from the owner regarding the history, the repairs made, the rate of exploitation, degree of impairment, etc.
- Information taken from the location by the evaluator; visits were made at more than 50% of Bank's properties considering as selection criteria the value of each property. No visits performed for residential properties.
- The evolution of the exchange rate published by BNR;
- Information regarding the local real estate market;
- Web Sites specialized in placing ads for selling/renting similar properties with the ones owned by the company;
- The book "Reconstruction costs - replacement costs of industrial buildings, commercial and agricultural, special construction" - Corneliu Schiopu, publisher IROVAL Bucharest 2010 - updated;
- Other necessary information available in the specialized literature;
- The evaluator's data base.

24. NON-CURRENT ASSETS HELD FOR SALE

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Balance at 1 January	1,831	2,150	1,665	2,150
Acquisitions	-	562	-	396
Net gain/ (loss) from revaluation of Non Current Assets Held for Sale	2	(103)	2	(103)
Sales	(288)	(778)	(288)	(778)
Balance at 31 December	<u>1,545</u>	<u>1,831</u>	<u>1,379</u>	<u>1,665</u>

The assets classified under this category represent assets in the form of residential, industrial and commercial buildings, land being repossessed through the execution of collaterals from non-performing loans. The Group is expecting to sell them in the near future.

At the time of purchase they were recognized at fair value and subsequently they are revaluated at the end of each year being measured at the lower of carrying amount and fair value.

The group analyzed the buildings and lands found in the category of assets held for sale in accordance with the provisions of IFRS 5. Following the analysis of the criteria for classification in this category, it was concluded that part of the respective objectives meet the criteria for accounting for real estate investments and were reclassified in the respective category.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

25. INVESTMENTS IN SUBSIDIARIES

The structure of investments in subsidiaries is as follows:

<i>Thousand RON</i> Subsidiary name	31 December 2024			31 December 2023		
	Gross value	Impairment adjustments	Net value	Gross value	Impairment adjustments	Net value
Patria Credit IFN	38,522	-	38,522	38,522	-	38,522
SAI Patria Asset Management S.A.	1,774	-	1,774	1,774	-	1,774
Carpatica Invest S.A.	6,807	(6,807)	-	6,807	(6,807)	-
Total	<u>47,103</u>	<u>(6,807)</u>	<u>40,296</u>	<u>47,103</u>	<u>(6,807)</u>	<u>40,296</u>

Investments in the fund units that are included in the Group's scope of consolidation are presented as financial assets at fair value through profit or loss in the individual statement of the Bank's financial position as of December 31, 2024 and 2023.

26. OTHER FINANCIAL ASSETS

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Amounts to be recovered from banks and clients	3,784	5,316	3,784	5,316
Other financial assets	26,155	12,317	26,007	12,201
Derivative financial instruments	434	-	434	-
Other debtors	9,257	9,323	8,613	8,674
Subleases	-	-	411	596
(-) Provisions for impairment losses	(6,912)	(8,286)	(6,895)	(8,285)
Total	<u>32,718</u>	<u>18,670</u>	<u>32,354</u>	<u>18,502</u>

Other financial assets contain amounts to be receive from ATM transactions that are collected in the following banking days.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

Movements in the provision for other financial assets are as follows:

<i>Thousand RON</i>	Group	
	31 December 2024	31 December 2023
Provision for impairment at 1 January	8,286	8,721
Charge of provision for impairment during the year	2,832	3,624
Resume of provision for impairment during the year	(2,092)	(2,864)
Write-off	(2,179)	(1,277)
Foreign exchange differences	65	82
Provision for impairment at 31 December	<u>6,912</u>	<u>8,286</u>

<i>Thousand RON</i>	Bank	
	31 December 2024	31 December 2023
Provision for impairment at 1 January	8,285	8,718
Charge of provision for impairment during the year	2,832	3,624
Resume of provision for impairment during the year	(2,092)	(2,862)
Write-off	(2,179)	(1,277)
Foreign exchange differences	49	82
Provision for impairment at 31 December	<u>6,895</u>	<u>8,285</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts are in Thousand RON)

Analysis by credit quality of other financial assets outstanding is as follows:

<i>Thousand RON</i>	Group 31 December 2024				
	Amounts to be recovered from banks and clients	Other financial assets	Sundry debtors	Sublease	Total
Neither past due nor impaired	-	26,155	1,367	-	27,522
Less provisions for impairment	-	-	-	-	-
Total neither past due nor impaired (net)	-	26,155	1,367	-	27,522
Impaired financial assets	3,784	-	7,891	-	11,675
Less provision for impairment	3,214	-	3,698	-	6,912
Total net impaired loans	570	-	4,193	-	4,763
Total other gross financial assets	3,784	26,155	9,258	-	39,196
Total provision for impairment	3,214	-	3,698	-	6,912
Total other net financial assets	570	26,155	5,560	-	32,284

<i>Thousand RON</i>	Group 31 December 2023				
	Amounts to be recovered from banks and clients	Other financial assets	Sundry debtors	Sublease	Total
Neither past due nor impaired	-	12,316	865	-	13,181
Less provisions for impairment	-	-	-	-	-
Total neither past due nor impaired (net)	-	12,316	865	-	13,181
Impaired financial assets	5,316	-	8,459	-	13,775
Less provision for impairment	4,588	-	3,698	-	8,286
Total net impaired loans	728	-	4,761	-	5,489
Total other gross financial assets	5,316	12,316	9,324	-	26,956
Total provision for impairment	4,588	-	3,698	-	8,286
Total other net financial assets	728	12,316	5,626	-	18,670

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

<i>Thousand RON</i>	Amounts to be recovered from banks and clients	Other financial assets	Bank 31 December 2024 Sundry debtors	Sublease	Total
Neither past due nor impaired	-	26,007	1,004	411	27,422
Less provisions for impairment	-	-	-	-	-
Total neither past due nor impaired (net)	-	26,007	1,004	411	27,422
Impaired financial assets	3,784	-	7,609	-	11,393
Less provision for impairment	3,214	-	3,681	-	6,895
Total net impaired loans	570	-	3,928	-	4,498
Total other gross financial assets	3,784	26,007	8,613	411	38,815
Total provision for impairment	3,214	-	3,681	-	6,895
Total other net financial assets	570	26,007	4,932	411	31,920

<i>Thousand RON</i>	Amounts to be recovered from banks and clients	Other financial assets	Bank 31 December 2023 Sundry debtors	Sublease	Total
Neither past due nor impaired	-	12,201	641	596	13,438
Less provisions for impairment	-	-	-	-	-
Total neither past due nor impaired (net)	-	12,201	641	596	13,438
Impaired financial assets	5,316	-	8,033	-	13,349
Less provision for impairment	4,588	-	3,697	-	8,285
Total net impaired loans	728	-	4,336	-	5,064
Total other gross financial assets	5,316	12,201	8,674	596	26,787
Total provision for impairment	4,588	-	3,697	-	8,285
Total other net financial assets	728	12,201	4,977	596	18,502

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

27. OTHER ASSETS

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Sundry debtors	194	231	193	229
Prepayments	5,012	4,752	4,959	4,696
Income tax to recover	-	6,424	-	7,008
Other assets	1,235	1,437	1,232	1,437
Total	<u>6,441</u>	<u>12,844</u>	<u>6,384</u>	<u>13,370</u>

28. INTANGIBLE ASSETS

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Goodwill	20,103	20,103	20,103	20,103
Other intangible assets	36,673	34,277	31,440	30,613
Total	<u>56,776</u>	<u>54,380</u>	<u>51,543</u>	<u>50,716</u>

Goodwill is carried at cost less accumulated impairment losses, if any. The Bank tests goodwill for impairment at least annually and whenever there are indications that goodwill may be impaired.

Goodwill arises from 2 transactions as follow:

- The goodwill in amount of RON 4,420 thousand resulted from the Business Transfer (acquisition of 2 business lines Micro and Agro) from Patria Credit IFN in May and June 2015
- The goodwill in amount of RON 15,683 thousand resulted from the merger between Banca Comerciala Carpatica and Patria Bank in May 2017

The impairment testing method used by the Bank is based on discounted future cash flows and considers the following parameters:

- The profit recorded in the last financial year and projected profits for the next five years,
- A discount factor, calculated as the three-year average of the Cost of Capital (Ke),
- Additional factors, including perpetual growth rate, required additional capital for the Bank's development, and a stabilized capital requirement.

The resulting fair value is then compared to the carrying value of the net assets. Following its assessment, the Bank concluded that there are no indicators of goodwill impairment.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

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

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Balance at 1 January	113,291	101,377	104,407	94,659
Acquisitions	19,570	23,194	17,371	20,074
-transfers from intangible assets in progress	8,902	11,280	8,743	10,326
Release of intangible assets in progress	(8,902)	(11,280)	(8,743)	(10,326)
Disposals	-	-	-	-
Balance at 31 December	<u>123,959</u>	<u>113,291</u>	<u>113,035</u>	<u>104,407</u>
<i>Cumulative amortisation</i>				
Balance at 1 January	58,911	51,782	53,691	46,661
Amortisation and impairment expense	8,122	7,107	7,801	7,030
Expense with acquisition clients list and brand	150	22	-	-
Disposals	-	-	-	-
Balance at 31 December	<u>67,183</u>	<u>58,911</u>	<u>61,492</u>	<u>53,691</u>
<i>Net carrying amount</i>				
Balance at 1 January	<u>54,380</u>	<u>49,595</u>	<u>50,716</u>	<u>47,998</u>
Balance at 31 December	<u>56,776</u>	<u>54,380</u>	<u>51,543</u>	<u>50,716</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

29. PROPERTY AND EQUIPMENT

<i>Thousand RON</i>	Group 31 December 2024				Total
	Land and buildings	Furniture and equipment	Means of transport	Assets in the course of construction	
Cost					
Balance at 1 January	117,425	64,727	5,483	465	188,100
Acquisitions and transfers from assets under construction	(4,365)	4,959	297	6,011	6,902
Outflows, transfer from assets under construction, write-offs	-	(3,931)	-	(6,206)	(10,137)
Right of use - new contracts	8,079	829	987	-	9,895
Right of use (early termination of lease contracts)	(445)	(645)	-	-	(1,090)
Balance at 31 December	<u>120,694</u>	<u>65,939</u>	<u>6,767</u>	<u>270</u>	<u>193,670</u>
Cumulative depreciation					
Balance at 1 January	43,820	54,197	1,425	-	99,442
Amortization expense	9,842	3,461	1,889	-	15,192
Impairment expense	-	(342)	-	-	(342)
Outflows	(1,414)	(4,261)	-	-	(5,675)
Balance at 31 December	<u>52,248</u>	<u>53,055</u>	<u>3,314</u>	<u>-</u>	<u>108,617</u>
Net carrying amount					
Balance at 1 January	<u>73,605</u>	<u>10,530</u>	<u>4,058</u>	<u>465</u>	<u>88,658</u>
Balance at 31 December	<u>68,446</u>	<u>12,884</u>	<u>3,453</u>	<u>270</u>	<u>85,053</u>

<i>Thousand RON</i>	Group 31 December 2023				Total
	Land and buildings	Furniture and equipment	Means of transport	Assets in the course of construction	
Cost					
Balance at 1 January	114,795	63,366	6,512	451	185,124
Acquisitions and transfers from assets under construction	357	1,273	-	1,525	3,155
Outflows, transfer from assets under construction, write-offs	-	(7)	-	(1,511)	(1,518)
Right of use - new contracts	3,497	95	3,858	-	7,450
Right of use (early termination of lease contracts)	(1,224)	-	(4,887)	-	(6,111)
Balance at 31 December	<u>117,425</u>	<u>64,727</u>	<u>5,483</u>	<u>465</u>	<u>188,100</u>
Cumulative depreciation					
Balance at 1 January	35,349	50,832	5,444	-	91,625
Amortization expense	9,488	3,486	825	-	13,799
Impairment expense	-	(114)	-	-	(114)
Outflows	(1,017)	(7)	(4,844)	-	(5,868)
Balance at 31 December	<u>43,820</u>	<u>54,197</u>	<u>1,425</u>	<u>-</u>	<u>99,442</u>
Net carrying amount					
Balance at 1 January	<u>79,446</u>	<u>12,534</u>	<u>1,068</u>	<u>451</u>	<u>93,499</u>
Balance at 31 December	<u>73,605</u>	<u>10,530</u>	<u>4,058</u>	<u>465</u>	<u>88,657</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

	Bank 31 December 2024				
<i>Thousand RON</i>	Land and buildings	Furniture and equipment	Means of transport	Assets in the course of construction	Total
Cost					
Balance at 1 January	115,612	63,558	5,012	465	184,647
Acquisitions and transfers from assets under construction	(4,365)	4,959	-	5,989	6,583
Outflows, transfer from assets under construction, writte-offs	-	(3,634)	-	(6,206)	(9,840)
Right of use - new contracts	8,079	829	(30)	-	8,878
Right of use (early termination of lease contracts)	(1,163)	(645)	-	-	(1,808)
Balance at 31 December	<u>118,163</u>	<u>65,067</u>	<u>4,982</u>	<u>248</u>	<u>188,460</u>
Cumulative depreciation					
Balance at 1 January	42,935	53,309	1,211	-	97,455
Amortization expense	9,554	3,461	1,307	-	14,322
Impairment expense	-	(135)	-	-	(135)
Outflows	(1,414)	(4,261)	-	-	(5,675)
Balance at 31 December	<u>51,075</u>	<u>52,374</u>	<u>2,518</u>	<u>-</u>	<u>105,967</u>
Net carrying amount					
Balance at 1 January	<u>72,677</u>	<u>10,249</u>	<u>3,801</u>	<u>465</u>	<u>87,192</u>
Balance at 31 December	<u>67,088</u>	<u>12,693</u>	<u>2,464</u>	<u>248</u>	<u>82,493</u>

	Bank 31 December 2023				
<i>Thousand RON</i>	Land and buildings	Furniture and equipment	Means of transport	Assets in the course of construction	Total
Cost					
Balance at 1 January	111,817	62,364	5,803	451	180,435
Acquisitions and transfers from assets under construction	317	1,194	-	1,525	3,036
Outflows, transfer from assets under construction, writte-offs	-	-	-	(1,511)	(1,511)
Right of use - new contracts	3,478	-	3,858	-	7,336
Right of use (early termination of lease contracts)	-	-	(4,649)	-	(4,649)
Balance at 31 December	<u>115,612</u>	<u>63,558</u>	<u>5,012</u>	<u>465</u>	<u>184,647</u>
Cumulative depreciation					
Balance at 1 January	33,524	50,097	4,967	-	88,588
Amortization expense	9,411	3,326	825	-	13,562
Impairment expense	-	(114)	-	-	(114)
Outflows	-	-	(4,581)	-	(4,581)
Balance at 31 December	<u>42,935</u>	<u>53,309</u>	<u>1,211</u>	<u>-</u>	<u>97,455</u>
Net carrying amount					
Balance at 1 January	<u>78,293</u>	<u>12,267</u>	<u>836</u>	<u>451</u>	<u>91,847</u>
Balance at 31 December	<u>72,677</u>	<u>10,249</u>	<u>3,801</u>	<u>465</u>	<u>87,192</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

As of December 31, 2024, the Group has concluded lease agreements amounting to 27,440 thousand RON (December 31, 2023: 29,591 thousand RON) for land, buildings, equipment and means of transport. As of December 31, 2024, the Bank has concluded lease agreements amounting to 25,135 thousand RON (December 31, 2023: 26,406 thousand RON) for land, buildings, equipment and means of transport. Leases are concluded for a period of at least 1 year and may have extension options. The right to use assets by item classes is presented in Note 45.

30. DUE TO BANKS

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Sight deposits	-	34,991	-	34,991
Term deposits	-	135,862	-	135,862
Collateral deposits	-	497	-	497
Transitory amounts	4,905	11,449	4,905	11,449
Total	<u>4,905</u>	<u>182,799</u>	<u>4,905</u>	<u>182,799</u>

The drawing on December 27, 2024 of the loan from the European Investment Bank (EIB) in the total amount of RON 69,204 thousand, as well as the increase in Customer Deposits, allowed the Bank to reduce Due to Banks as at December 31, 2024.

31. CUSTOMER DEPOSITS

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Retail customers				
Payable on demand	329,498	287,904	329,498	287,904
Term deposits	1,763,492	1,780,751	1,763,492	1,780,751
Collateral deposits	2,508	2,164	2,508	2,164
Corporate customers				
Current accounts	309,836	285,777	313,210	287,513
Sight deposits	58,915	30,198	73,915	30,198
Term deposits	1,077,451	688,246	1,087,208	700,989
Collateral deposits	97,309	32,674	116,602	32,674
Amounts in transit	15,768	1,961	15,760	1,961
Total	<u>3,654,777</u>	<u>3,109,675</u>	<u>3,702,193</u>	<u>3,124,154</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

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

<i>Thousands RON</i>	Bank			
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Amount	Percentage of total deposits(%)	Amount	Percentage of total deposits(%)
Retail customers	<u>2,095,498</u>	<u>56.60</u>	<u>2,070,819</u>	<u>66.28</u>
Corporate customers	<u>1,421,151</u>	<u>38.39</u>	<u>962,664</u>	<u>30.81</u>
Financial and real estate activities	433,388	11.71	344,363	11.02
Industry	99,660	2.69	101,473	3.25
Others	97,917	2.64	124,626	3.99
Constructions	156,603	4.23	77,630	2.48
IT, research and development	8,133	0.22	5,073	0.16
Trade	92,415	2.50	106,675	3.41
Transport	95,298	2.57	33,043	1.06
Professional Services	29,041	0.78	29,865	0.96
Services	317,176	8.57	44,353	1.42
Agriculture	67,645	1.83	71,345	2.28
Hotels and restaurants	23,875	0.64	24,218	0.78
Public Administration and Defense	<u>185,544</u>	<u>5.01</u>	<u>90,671</u>	<u>2.90</u>
Total	<u>3,702,193</u>	<u>100.00</u>	<u>3,124,154</u>	<u>100.00</u>

32. LOANS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Financing name				
EFSE - European Fund for Southeast Europe (i)	13,653	15,608	-	-
First Bank S.A.(ii)	21,459	23,751	-	-
Raiffeisen Bank S.A. (iii)	10,616	7,307	-	-
Symbiotics Sicav (Lux.) (iv)	28,485	30,823	-	-
Casa de Economii si Consemnatiuni (v)	29,576	29,576	-	-
Garanti BBVA România S.A. (vi)	-	4,796	-	-
Council of Europe Development Bank (vii)	25,068	-	-	-
Redi Economic Development S.A.(viii)	4,974	4,967	-	-
Cardano Impact Financial Inclusion Fund (ix)	14,986	14,742	-	-
International Finance Corporation (IFC) (x)	74,344	98,918	74,344	98,918
European Investment Bank (EIB) (xi)	62,204	-	62,204	-
Total	<u>285,365</u>	<u>230,488</u>	<u>136,548</u>	<u>98,918</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

(i) European Fund for Southeast Europe (EFSE)

The Group has in progress 2 financing contracts with EFSE - European Fund for Southeast Europe concluded in December 2022 and November 2024 in the amount of RON 9,750 thousand and respectively RON 9,900 thousand with the final maturity on December 15, 2025 and October 30, 2028 respectively.

In December 2024, the Group reimbursed an instalment of 1,950 thousand lei. The remaining amount of payment as of December 31st, 2024 is RON 13,653 thousand.

(ii) First Bank S.A.

The Group has in progress 2 loan facilities from First Bank concluded in February 2022 in the amount of RON 22,800 thousand with a maturity of February 2024 and in March 2023 in the amount of RON 6,400 thousand and with a maturity of September 2027. In March 2024 the due date for the loan facility of 22,800 thousand RON was extended until 10.02.2025.

The remaining amount of payment as of December 31st, 2024 is RON 21,459 thousand.

(iii) Raiffeisen Bank S.A.

Starting from May 2018, the Group has a loan facility from Raiffeisen Bank S.A. Starting with July 2023, the Group obtained an increase in the credit facility up to the value of 20,000 thousand lei, due on 31.07.2026. The remaining amount of payment as of December 31st, 2024 is RON 10,616 thousand.

(iv) Symbiotics Sicav (Lux.)

The Group has in progress 9 loan facilities concluded with Symbiotics for a total amount of RON 35,950 thousand with final maturities of June 2025, March 2026, August 2027, respectively.

The total outstanding loan from Symbiotics at 31 December 2024 is RON 28,485 thousand.

(v) CEC Bank S.A.

The Group has in progress a loan facility from CEC Bank S.A. with a maximum ceiling of RON 29,700 thousand and maturity on October 23, 2025.

The remaining amount of payment on December 31, 2024 is RON 29,576 thousand.

(vi) Garanti BBVA România S.A.

The Group had a loan facility from Garanti BBVA Romania S.A. in the amount of RON 14,800 thousand and due on July 1st, 2024 which was fully reimbursed until maturity.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

(vii) Council of Europe Development Bank

In September 2024, the Group obtained a new loan facility from Council of Europe Development Bank in amount of EUR 5,000 thousand with a grace period of 2 years and final maturity on January 2031. The remaining amount of payment as of December 31st, 2024 is RON 25,068 thousand.

(viii) 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 December 2024 is RON 4,974 thousand.

(ix) Cardano Impact Financial Inclusion Fund (I).

In December 2023, the Group obtained a new loan facility from the Cardano Impact Financial Inclusion Fund (I) worth 3,000 thousand euros and with the final maturity on 21 December 2026. The remaining amount of payment on December 31, 2024 is RON 14,986 thousand.

(x) International Finance Corporation

In December 2022, the Bank obtained from the International Finance Corporation (IFC), a loan worth EUR 20 million for a period of 5 years with repayment in 8 equal semi-annual installments. The total outstanding loan from International Finance Corporation at 31 December 2024 is RON 74,344 thousand.

(xi) European Investment Bank (EIB)

In July 2024, the Bank signed a loan contract with European Investment Bank (EIB), a loan worth EUR 50,000 thousand for a period of 10 years, with maximum of 4 tranches of disbursement and reimbursement conditions of equal instalments of EUR 600 thousand every 6 months. The Bank executed the 1st Tranche on the December 27th 2024 in the amount of EUR 12,500 thousand. The total outstanding loan from European Investment Bank at 31 December 2024 is RON 62,204 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).

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

33. OTHER FINANCIAL LIABILITIES

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Financial liabilities to owners of fund units	7,377	6,285	-	-
Derivative financial instruments	-	1,373	-	1,373
Other financial liabilities	48,635	53,468	46,137	50,931
Lease liabilities	28,625	29,335	26,640	28,698
Total	<u>84,637</u>	<u>90,461</u>	<u>72,777</u>	<u>81,002</u>

The Group classified the fund units issued by FDI Patria Stock, FDI Patria Global and Patria EURO Obligatiuni as financial liabilities. The “Financial liabilities to owners of fund units” represents the value of the holdings of other investors in the 3 funds. Please also see Note 5.

34. PROVISIONS

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Provisions for loan commitments and financial guarantees	2,997	1,677	2,992	1,677
Provisions for personnel expenses	4,669	5,577	3,472	4,195
Provisions for litigations	2,679	2,829	2,672	2,822
Other provisions	1,702	134	1,700	-
Total	<u>12,047</u>	<u>10,217</u>	<u>10,836</u>	<u>8,694</u>

Provision related to credit commitments represents specific provisions created for losses incurred on financial guarantees and commitments to extend credit to borrowers whose financial conditions deteriorated.

Personnel expenses provision relates to accruals for untaken holidays, restructuring, performance bonus and the related payroll taxes.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

Provisions for loan commitments and financial guarantees are analysed as follows:

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Balance at 1 January	1,677	1,392	1,677	1,392
Provisioning expenses during the year	6,381	3,943	6,187	3,782
Provision cancellation income	(5,080)	(3,659)	(4,872)	(3,503)
Exchange rate differences	18	-	-	6
Balance at 31 December	<u>2,997</u>	<u>1,677</u>	<u>2,992</u>	<u>1,677</u>

Movements in the personnel expenses provision is as follows:

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Balance at 1 January	5,577	5,126	4,195	4,404
Provisioning expenses during the year	3,182	4,325	2,766	3,291
Provision cancellation income	(4,090)	(3,874)	(3,489)	(3,500)
Balance at 31 December	<u>4,669</u>	<u>5,577</u>	<u>3,472</u>	<u>4,195</u>

The provision for litigations can be further analysed as follows:

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Balance at 1 January	2,829	3,113	2,822	3,097
Provisioning expenses during the year	1,176	816	1,170	816
Provision cancellation income	(1,326)	(1,104)	(1,320)	(1,095)
Exchange rate differences	-	4	-	4
Balance at 31 December	<u>2,679</u>	<u>2,829</u>	<u>2,672</u>	<u>2,822</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

35. OTHER LIABILITIES

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Other liabilities	293	266	247	228
State budget debts	4,359	4,361	3,718	3,748
Other income to be received	769	394	770	394
Income tax to recover	594	-	210	-
Total	6,015	5,021	4,945	4,370

36. SUBORDINATED LIABILITIES

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Balance at 1 January	94,488	54,558	69,385	44,311
New subordinated liabilities	-	39,873	-	24,873
Repayments & FX differences	(10,001)	57	(9,994)	201
Balance at 31 December	84,487	94,488	59,391	69,385

The Group has the following outstanding subordinated loans as 31 December 2024 and 31 December 2023:

- EUR 7,000 thousand representing subordinated loan granted by The European Fund for Southeast Europe S.A., SICAV-SIF ("EFSE") with interest rate EURIBOR 3M + 6,15% p.a. and 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.
- EUR 5,000 thousand representing subordinated loan granted by The European Investment Fund ("EIF") with interest rate EURIBOR 3M + 3% p.a. and 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 loan granted to Patria Credit IFN by EIF in 2019 with EURIBOR interest 6M + 3,00% p.a., maturity 13.06.2029;
- RON 15,000 thousand loan granted to Patria Credit IFN by EIF in 2023 with ROBOR interest 3M + 3,25% p.a., maturity 28.06.2033.

In November 2024 the Bank repaid at maturity the subordinated loan in amount of 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.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

37. DEBT SECURITIES IN ISSUE

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Debt securities in issue	65,557	65,193	65,557	65,193
Balance at 31 December	<u>65,557</u>	<u>65,193</u>	<u>65,557</u>	<u>65,193</u>

As of December 31, 2024 and December 31, 2023, 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)

38. SHARE CAPITAL

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Share Capital according to Trade Register	327,881	327,881	327,881	327,881
Other adjustments of the Share Capital	2,250	2,250	2,250	2,250
Share premium	2,050	2,050	2,050	2,050
Share capital under IFRS	<u>332,181</u>	<u>332,181</u>	<u>332,181</u>	<u>332,181</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

The main shareholders are presented below:

Name of the shareholder	31 December 2024		31 December 2023	
	Number of shares Patria Bank	Percentage of ownership (%)	Number of shares Patria Bank	Percentage of ownership (%)
EEAF Financial Services B.V.	2,755,927,215	84.05	2,755,927,215	84.05
Individuals	460,113,420	14.03	459,124,533	14.00
Legal entities	62,773,741	1.92	63,762,628	1.95
Total	3,278,814,376	100.00	3,278,814,376	100.00

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

39. EARNINGS PER SHARE

	31 December 2024	31 December 2023
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	3,278,814,376	3,278,814,376

Basic earnings/(loss) per share are calculated by dividing the net result by the weighted average of ordinary shares issued that year, as follows:

Group		
31 December 2024	No. of shares in movement	No. days
No. of shares 01.01.2024-31.12.2024	3,278,814,376	366
Average no. of shares	3,278,814,376	366
Result of the period at 31.12.2024	40,623,763	
Profit per share (RON/share)	0.0124	
31 December 2023	No. of shares in movement	No. days
No. of shares 01.01.2023-31.12.2023	3,278,814,376	365
Average no. of shares	3,278,814,376	365
Result of the period at 31.12.2023	25,485,030	
Profit per share (RON/share)	0.0078	
Bank		
31 December 2024	No. of shares in movement	No. days
No. of shares 01.01.2024-31.12.2024	3,278,814,376	366
Average no. of shares	3,278,814,376	366
Result of the period at 31.12.2024	35,167,894	
Profit per share (RON/share)	0.0107	
31 December 2023	No. of shares in movement	No. days
No. of shares 01.01.2023-31.12.2023	3,278,814,376	365
Average no. of shares	3,278,814,376	365
Result of the period at 31.12.2023	23,153,733	
Profit per share (RON/share)	0.0071	

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

40. SEGMENT REPORTING

The disclosure of 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 21);
- Customer deposits (Note 31) in line with internal reporting for decision makers.

Considering the following criteria the Bank and the Group does not exhaustively report a full disclosure for Segment Reporting:

- No internal reporting for decision makers related the profitability per segments;
- No clients that generates at individual level more 10% from Banks's total banking income ;
- No geographical segments defined (foreign jurisdictions), insignificant exposures granted to foreign customers;
- No transfer pricing allocation defined internally for profitability per segments.

41. RESERVES

At 31 December 2024 and at 31 December 2023 the reserves were as follows:

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Reserves from revaluation of financial assets at fair value through other items of comprehensive income	(12,721)	(7,672)	(12,721)	(7,672)
Revaluation reserve for premises	23,170	27,852	21,461	26,144
Statutory legal reserve	19,617	17,160	18,301	16,188
Other Reserves	14,678	14,678	14,678	14,678
Total	<u>44,744</u>	<u>52,018</u>	<u>41,719</u>	<u>49,338</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

The movements in the revaluation reserve from the financial asset measured at fair value through other comprehensive income were the following:

<i>Thousand RON</i>	Total gross	Group Deferred tax	Total net
Balance at 1 January 2024	(9,134)	1,461	(7,673)
Net profit /(loss) related to debt instruments measured at fair value through other items of comprehensive income recycled in the profit or loss account	(5,784)	925	(4,859)
Net profit /(loss) related to debt instruments measured at fair value through other items of comprehensive income	(1,558)	249	(1,309)
Net profit /(loss) from investments measured at fair value through OCI	1,332	(213)	1,119
Balance at 31 December 2024	<u>(15,144)</u>	<u>2,422</u>	<u>(12,721)</u>
Balance at 1 January 2023	(45,646)	7,303	(38,343)
Net profit /(loss) related to debt instruments measured at fair value through other items of comprehensive income recycled in the profit or loss account	(7,427)	1,188	(6,239)
Net profit /(loss) related to debt instruments measured at fair value through other items of comprehensive income	42,983	(6,877)	36,106
Net profit /(loss) from investments measured at fair value through OCI	957	(153)	804
Balance at 31 December 2023	<u>(9,133)</u>	<u>1,461</u>	<u>(7,672)</u>

<i>Thousand RON</i>	Total gross	Bank Deferred tax	Total net
Balance at 1 January 2024	(9,134)	1,461	(7,673)
Net profit /(loss) related to debt instruments measured at fair value through other items of comprehensive income recycled in the profit or loss account	(5,784)	925	(4,859)
Net profit /(loss) related to debt instruments measured at fair value through other items of comprehensive income	(1,558)	249	(1,309)
Net profit /(loss) from investments measured at fair value through OCI	1,332	(213)	1,119
Balance at 31 December 2024	<u>(15,144)</u>	<u>2,423</u>	<u>(12,721)</u>
Balance at 1 January 2023	(45,646)	7,303	(38,343)
Net profit /(loss) related to debt instruments measured at fair value through other items of comprehensive income recycled in the profit or loss account	(7,427)	1,188	(6,239)
Net profit /(loss) related to debt instruments measured at fair value through other items of comprehensive income	42,983	(6,877)	36,106
Net profit /(loss) from investments measured at fair value through OCI	957	(153)	804
Balance at 31 December 2023	<u>(9,134)</u>	<u>1,461</u>	<u>(7,672)</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

The movements in the revaluation reserves for property were the following:

<i>Thousand RON</i>	Total gross	Group Deferred tax	Total net
Balance at 1 January 2024	32,589	(4,737)	27,852
Net result from revaluation	-	-	-
Realized revaluation reserve	(5,575)	892	(4,683)
Balance at 31 December 2024	<u>27,014</u>	<u>(3,845)</u>	<u>23,170</u>
Balance at 1 January 2023	36,012	(5,285)	30,727
Net result from revaluation	-	-	-
Realized revaluation reserve	(3,423)	548	(2,875)
Balance at 31 December 2023	<u>32,589</u>	<u>(4,737)</u>	<u>27,852</u>

<i>Thousand RON</i>	Total gross	Bank Deferred tax	Total net
Balance at 1 January 2024	30,554	(4,410)	26,144
Net result from revaluation	-	-	-
Realized revaluation reserve	(5,575)	892	(4,683)
Balance at 31 December 2024	<u>24,979</u>	<u>(3,518)</u>	<u>21,461</u>
Balance at 1 January 2023	33,976	(4,957)	29,019
Net result from revaluation	-	-	-
Realized revaluation reserve	(3,423)	548	(2,875)
Balance at 31 December 2023	<u>30,554</u>	<u>(4,410)</u>	<u>26,144</u>

Statutory legal reserves

Statutory reserves represent accumulated transfers from retained earnings in accordance with relevant local regulations. These reserves are not distributable. Local legislation requires 5% of the Bank's and its subsidiaries gross statutory profit to be transferred to a non-distributable statutory reserve until such time this reserve represents 20% of the statutory share capital.

Reserves for general banking risks include amounts set aside in accordance with the Banking legislation and are separately disclosed as appropriations of statutory profit. These reserves are not distributable. According to the Romanian legislation in force the reserves for general banking risks were set aside starting with 2004 financial year until the end of the 2006 financial year.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

42. NET DEBT RECONCILIATION

The table below sets out an analysis of the Group and Bank's debt for the period ended at 31 December 2024. The debt items are those that are reported as financing in the statement of cash flows.

<i>Thousand RON</i>	Group			Bank		
	Long term borrowings from banks and other financial institutions	Subordinated liabilities	Total	Long term borrowings from banks and other financial institutions	Subordinated liabilities	Total
Net debt at 1 January 2024	230,488	159,681	390,169	98,918	134,578	233,496
Cash flows	54,165	(10,007)	44,158	37,310	(10,007)	27,303
Non-cash movement	726	382	1,108	334	389	723
Foreign exchange adjustments	(14)	(12)	(26)	(14)	(12)	(26)
Net debt at 31 December 2024	<u>285,365</u>	<u>150,044</u>	<u>435,409</u>	<u>136,548</u>	<u>124,948</u>	<u>261,496</u>
Net debt at 1 January 2023	217,870	119,059	336,929	97,914	108,812	206,726
Cash flows	11,812	39,737	51,549	-	24,737	24,737
Non-cash movement	262	146	408	460	290	750
Foreign exchange adjustments	544	739	1,283	544	739	1,283
Net debt at 31 December 2023	<u>230,488</u>	<u>159,681</u>	<u>390,169</u>	<u>98,918</u>	<u>134,578</u>	<u>233,496</u>

43. COMMITMENTS AND CONTINGENCIES

Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate or cash deposits and, therefore, carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit related commitments, because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

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 34.

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 regards to the CCF component, the Bank decided to use the regulatory CCFs.

Commitments related to loans

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Letters of guarantees	329,202	61,593	329,202	61,593
Commitments of granted credits	405,837	339,027	405,557	338,570
Total	<u>735,039</u>	<u>400,620</u>	<u>734,759</u>	<u>400,163</u>

Transfer pricing

Romanian tax legislation includes the arm's length principle according to which transactions between related parties should be carried out at market value. Local taxpayers engaged in related party transactions have to prepare and make available upon the written request of the Romanian Tax Authorities their transfer pricing documentation file.

Failure to present the transfer pricing documentation file, or presenting an incomplete file, may lead to non-compliance penalties; additionally, notwithstanding the contents of the transfer pricing documentation, the tax authorities may interpret the facts and transactions differently from management and impose additional tax liabilities resulting from transfer price adjustments. Despite the fact that the tax authorities might challenge the implementation of the transfer pricing requirements by the Group, the Group's management believes that will not suffer losses in case of a fiscal inspection on the subject of transfer prices.

However, the impact of any change of the tax authorities can't be estimated reliably. It may be significant for the financial situation and / or the overall operations of the entity.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

Litigations

At 31 December 2024, the provision for litigation, in which the Group is involved as defendant is in amount of RON 1,449 thousand (31 December 2023: RON 1,685 thousand).

The management of the Group considers that these litigations 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.

Liabilities to minority shareholders for redemption rights

As part of the merger by absorption process between the former Banca Comerciala Carpatica SA (as absorbing bank) and the former Patria Bank SA (as absorbed bank), both banks published procedures for the withdrawal of minority shareholders, as follows:

- On 04 October 2016 "The withdrawal shareholders procedure from Banca Comerciala Carpatica SA in the context of the merger with Patria Bank SA"; and
- On 08 November 2016 "The withdrawal shareholders procedure from Patria Bank S.A. in the context of the merger with Banca Comerciala Carpatica S.A. ".

Under these Withdrawal Procedures any shareholder who:

- (a) did not vote in favor of the merger during the General Shareholders Meeting (GSM) held on 5 October 2016 / 8 November 2016, namely:
 - (i) voted against the merger,
 - (ii) refrained from voting or
 - (iii) was not present, personally, by representation or by exercising the vote by correspondence, at the GSM; and
- (b) was registered as shareholder of the absorbing bank at the reference date (26 September 2016 for BCC and 1 November 2016 for Patria Bank) and on 30 December 2016 for BCC and 28 April 2017 respectively for Patria Bank, could exercise their right to withdraw from their position as shareholder during the period 5 October 2016 – 7 November 2016 (BCC) / 9 November 2016 - 9 December 2016 (Patria Bank).

The price per share established through the withdrawal procedures was determined by an independent evaluator, appointed by a judge according to the requirements of the Companies Law (Law 31/1990) at the request of the two banks as follows:

- (i) for the purchase obligation of BCC 0.0896 LEI / share; and
- (ii) for the purchase obligation of Patria Bank 0.2702 LEI / share.

According to the shareholders' withdrawal procedures above mentioned, three of the minority shareholders of Banca Comerciala Carpatica and two minority shareholders of Patria Bank exercised their right of withdrawal for a number of shares representing 18.83% of the pre-merger share capital of Banca Carpatica and 0.0003% of the pre-merger share capital of Patria Bank. Patria Bank resulting from the merger as the legal successor of both banks involved in the merger, took on the redemption obligations mentioned above, as specified in the

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

applicable withdrawal procedures applicable for the shareholders of each bank. The total withdrawal rights being 37,239,190.58 LEI.

Given that on 26 October 2017 there was a reduction in the share capital of the merged Patria Bank to cover the accumulated losses, by reducing the number of shares and, having in view that at the time of the capital reduction, the shares for which a right of withdrawal had been expressed weren't redeemed as part of the capital reduction operation, the minority shareholders' rights on the value of the shares for which the right of withdrawal was expressed were preserved. Thus, for 250,882,873 shares of the 2,271,217,313 shares remaining after the capital reduction (that is 11.04% of the bank's share capital resulting from the merger) a right of withdrawal exists at the date of these financial statements.

As this redemption operation of own shares represents in fact a distribution of the capital to the minority shareholders, its realization is conditioned by the prior approval of the National Bank of Romania (NBR) according to art. 151a corroborated with art. 3 letter j) of the NBR Regulation no. 6/2008 and according to art. 77 and 78 of EU Regulation 575/2013 and article 1262 of the Emergency Ordinance 99/2006.

Because the published withdrawal procedures of the two banks involved in the merger provide the possibility of partial redemption of the shares for which the withdrawal rights were expressed, as long as the possibility of redemption exists, even partially, under the law applicable to the Bank, on September 2, 2021, following the procedures provided by articles 77 and 78 of CRR, Patria Bank announced the partial redemption of its own shares amounting to 1,089,572 lei, proportionally from the shareholders who filed withdrawal requests during the merger process, according to those registered in the Withdrawal Procedures.

The partial redemption of the shares and the payment of the price was conditioned by the blocking in the account (unavailability) of the shares, in Section I of the Depozitarul Central S.A. starting with the date of unavailability and until the date of the transfer of ownership. Each shareholder who made a withdrawal request, in accordance with the Withdrawal Procedures, had the obligation to carry out the procedures for making the partially redeemable shares unavailable.

The bank received a single request for unavailability, until September 20, 2021, for a number of 16,190 PBK shares, for which Depozitarul Central SA confirmed that it operated the unavailability and paid the amount of 2,371 lei to the respective shareholder. The shares were transferred by the Central Depository in the ownership of Patria Bank S.A. in accordance with applicable regulations.

On 18.10.2018 Patria Bank S.A. received in the file no. 22659/3/2018 filed at the Bucharest Court, the petition for request for summons brought by the plaintiff, Ilie Carabulea, claiming payment by the Bank of a debt he calculated at the amount of lei 36,437,587.02 lei, corresponding to the counter-value of the shares in respect of which he exercised on 25.10.2016 his right of withdrawal from the former Banca Comerciala Carpatica SA, as well as the payment of the legal interest related to this amount from the date of the application for the appeal to the court and until the date when this amount will be paid, as well as the payment of the legal costs. On 11.07.2019 the Bucharest Court rejected the request for summons as premature (civil sentence no. 2096/2019). On 30.01.2020 the Bucharest Court of Appeal communicated to the Bank the request for appeal made by Ilie Carabulea against the Civil sentence no. 2096/2019 delivered by the Bucharest Court in the file no. 22659/3/2018.

On 23.07.2020 the Bucharest Court of Appeal rejected the appeal made by Ilie Carabulea as unfounded (civil decision no.904/23.07.2020). A recourse was filed against this decision by Mr. Ilie Carabulea. By the decision

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

pronounced on 21.10.2021, the High Court of Cassation and Justice rejected as unfounded the recourse filed in by Mr. Ilie Carabulea.

On June 27, 2023 Patria Bank S.A. received in the file no 8937/3/2023, the summons brought by the plaintiff, Ilie Carabulea, claiming the Bank obligation to obtain the NBR approval for carrying out the redemption operation of the shares held by Mr. Carabulea, at the value established within the merger by absorption approved by General Meeting of Shareholders of Banca Comerciala Carpatica S.A. of 05.10.2016.

In this file no. 8937/3/2023 the court of first instance (Bucharest Tribunal), ruled on 20.12.2023 (civil sentence no. 3157), in the sense of rejecting the request for summons as unfounded. Against this decision, Mr. Ilie Carabulea filed an appeal, which was rejected as unfounded by decision no. 1032/27.06.2024 pronounced by the Bucharest Court of Appeal. Mr. Carabulea filed the appeal (recurs in Romanian language) against the decision of the Bucharest Court of Appeal, pending before the High Court of Cassation and Justice. The file is in the filter procedure. The first trial hearing is to be allocated later.

On 16.12.2024 the National Bank of Romania communicated the approval of another partial share redemption procedure from shareholders that voted against the merger between the former Patria Bank and Banca Comerciala Carpatica and have exercised their right of withdrawal according to art. 134 of Companies Law No. 31/1990. The partial redemption of shares approved by the NBR had a value of RON 6,000,000 and was finalized on 18.02.2025 when the Central Depository notified the transfer of the repurchased shares to Patria Bank's account (see also note 46 Subsequent Events).

Carpatica Invest SA (undergoing dissolution)

Carpatica Invest SA was a company providing financial investment services and functioned in accordance with the Financial Supervisory Authority (ASF) regulations. Patria Bank SA owns 95,68% of its shares. The main shareholder at that moment – Banca Comerciala Carpatica SA- has taken the decision to dissolve the company (decision of EGMS from 29.09.2014). Considering the dissolving decision and the insignificant impact of consolidating SSIF Carpatica Invest SA, the Group has decided to modify the scope of the consolidation by excluding Carpatica Invest SA.

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

In the criminal case no. 19883/3/2017* of the Bucharest Court, the following first-instance 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) issued the decision no. 670/06.04.2023 stating that: The appeals of the defendants were upheld by the Court of Appeal and the first-instance decision was partly dissolved.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)**

Thus, the Court of Appeal dismissed the criminal case against SSIF Carpatica Invest regarding the criminal offences (as a consequence of the fulfillment of the time limit prescribed by the criminal law), removed its criminal liability, cancelled the applied criminal fine in the amount of 100.000 lei, removed the obligation to pay the legal fees to the state.

All the other provisions contained by the first-instance ruling were maintained:

- The defendants were jointly obliged to pay certain sums of money to the civil parts;
- The security measures instituted by the orders in the course of the criminal prosecution (seizure) were maintained. The measures regarded movable and immovable property pertaining to SSIF Carpatica INVEST SA, up to the maximal value of 4.400.000 lei.

The liquidator appointed by the Extraordinary General Meeting of Shareholders of Carpatica Invest S.A. requested the opening of the simplified insolvency procedure, this being opened by decision no. 928/03.11.2016 of the Sibiu Tribunal, in file no. 2127/85/2016.

The insolvency case 2127/85/2016 pending before the Sibiu Tribunal has a hearing due on 20.03.2025 (hearing granted for the settlement of the associated files that have as object an appeal against the activity report).

44. 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 year ended 31 December 2024 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* and during the year ended 31 December 2024.

EEAF Financial Services B.V.(EEAFSBV) is owned and fully controlled by Emerging Europe Accession Fund Cooperatief UA.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

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

<i>Thousand RON</i>	31 December 2024				31 December 2023			
	Immediate parent company	Other affiliated entities	Key personnel	Other affiliated parties	Immediate parent company	Other affiliated entities	Key personnel	Other affiliated parties
Interest and similar income calculated using the effective interest rate	-	-	18	1,637	-	-	6	2,310
Interest and similar expense	-	-	(996)	(45)	(1,355)	-	(1,081)	(46)
Fee and commission income	-	-	2	164	-	-	1	55
Fee and commission expense	-	-	(4)	-	-	-	(2)	-
Net charge with impairment of financial assets	-	-	(5)	(2,289)	-	-	-	(7,832)
Other operating and administrative expenses	-	-	(20)	-	-	-	(23)	-
Dividends income	-	848	-	-	-	168	-	-

Dividend income of RON 848 thousand (2023: RON 168 thousand) represents share of profits paid proportionally to the participation of the Group.

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

<i>Thousand RON</i>	31 December 2024				31 December 2023			
	Immediate parent company	Other affiliated entities	Key personnel	Other affiliated parties	Immediate parent company	Other affiliated entities	Key personnel	Other affiliated parties
Financial Assets								
Financial asset evaluated at fair value through other comprehensive income	-	2,187	-	-	-	2,005	-	-
Loans and advances to customers	-	-	1,032	12,139	-	-	279	11,289
Other financial assets	-	-	-	-	-	-	-	-
Liabilities								
Deposits from customers	69	-	9,631	5,138	70	-	2,299	5,837
Subordinated liabilities	-	-	179	-	62	-	10,135	-
Provisions	-	-	1	21	-	-	1	11
Other financial liabilities	-	-	-	4	-	-	-	-
Commitments to customers	-	-	180	14,994	-	-	111	5,656

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts are in Thousand RON)

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

<i>Thousand RON</i>	31 December 2024					31 December 2023				
	Immediate parent company	Other affiliated entities	Key personnel	Subsidiaries	Other affiliated parties	Immediate parent company	Other affiliated entities	Key personnel	Subsidiaries	Other affiliated parties
Interest and similar income calculated using the effective interest rate	-	-	18	1,015	1,637	-	-	6	615	2,310
Interest and similar expense	-	-	(996)	(174)	(45)	(1,355)	-	(1,081)	(145)	(46)
Fee and commission income	-	-	2	37	164	-	-	1	25	55
Fee and commission expense	-	-	(4)	-	-	-	-	(2)	-	-
Net gain/(loss) from financial assets at fair value through profit or loss	-	-	-	616	-	-	-	-	1,431	-
Net charge with impairment of financial assets	-	-	(5)	68	(2,289)	-	-	-	7	(7,832)
Other operating and administrative expenses	-	-	(20)	-	-	-	-	(23)	-	-
Depreciation and amortization	-	-	-	(168)	-	-	-	-	(170)	-
Dividends income	-	848	-	4,000	-	-	168	-	6,500	-

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

<i>Thousand RON</i>	31 December 2024					31 December 2023				
	Immediate parent company	Other affiliated entities	Key personnel	Subsidiaries	Other affiliated parties	Immediate parent company	Other affiliated entities	Key personnel	Subsidiaries	Other affiliated parties
Financial Assets										
Financial asset evaluated at fair value through other comprehensive income	-	2,187	-	-	-	-	2,005	-	-	-
Financial assets at fair value through profit or loss	-	-	-	17,663	-	-	-	-	16,963	-
Loans and advances to customers	-	-	1,032	20,378	12,139	-	-	279	5,956	11,289
Investment in subsidiaries	-	-	-	40,296	-	-	-	-	40,296	-
Other financial assets	-	-	-	411	-	-	-	-	596	-
Liabilities										
Deposits from customers	69	-	9,631	48,458	5,138	70	-	2,299	15,651	5,837
Subordinated liabilities	-	-	179	-	-	62	-	10,135	-	-
Provisions	-	-	1	1	21	-	-	1	-	11
Other liabilities	-	-	-	-	4	-	-	-	-	-
Commitments to customers	-	-	180	4,208	14,994	-	-	111	-	5,656

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Thousand RON)

The key management compensation is presented below:

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Short-term benefits:				
-Salaries of which:	12,086	12,125	10,313	10,105
<i>Social insurance contribution</i>	1,009	268	227	222
- Short-term bonuses	1,234	1,532	916	1,174
- Benefits	32	23	-	12
Post-employment benefits:				
-Amounts granted on cancellation of employment contract	785	-	734	-
Total	<u>14,137</u>	<u>13,680</u>	<u>11,963</u>	<u>11,291</u>

45. 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 29).

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

<i>Thousand RON</i>	Group 31 December 2024				Group 31 December 2023			
	Land and buildings	Equipments	Cars	Total	Land and buildings	Equipments	Cars	Total
<i>Right of use at 1 January</i>	45,766	8,731	4,338	58,835	43,493	8,636	5,367	57,496
<i>New contracts during the period</i>	8,079	829	987	9,895	3,497	95	3,858	7,450
<i>Contracts closed during the period</i>	(445)	(645)	-	(1,090)	(1,224)	-	(4,887)	(6,111)
Balance at 31 December	53,400	8,915	5,325	67,640	45,766	8,731	4,338	58,835
<i>Depreciation at 1 January</i>	28,017	2,934	293	31,244	21,926	1,419	4,187	27,531
<i>Expenses with depreciation during the period</i>	6,346	1,663	1,591	9,600	7,108	1,515	950	9,573
<i>Depreciation for contrats closed during the period</i>	-	(645)	-	(645)	(1,017)	-	(4,844)	(5,861)
Balance at 31 December	34,363	3,952	1,884	40,199	28,017	2,934	293	31,243
Balance at 1 January	17,749	5,797	4,045	27,591	21,567	7,217	1,180	29,965
Balance at 31 December	19,037	4,963	3,441	27,440	17,749	5,797	4,045	27,591

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

<i>Thousand RON</i>	Bank 31 December 2024				Bank 31 December 2023			
	Land and buildings	Furniture and equipment	Cars	Total	Land and buildings	Furniture and equipment	Cars	Total
<i>Right of use at 1 January</i>	44,351	8,415	3,867	56,634	40,874	8,415	4,658	53,947
New contracts during the period	8,079	829	(30)	8,877	3,477	-	3,858	7,336
Contracts closed during the period	(1,163)	(645)	-	(1,808)	-	-	(4,649)	(4,649)
Balance at 31 December	<u>51,267</u>	<u>8,599</u>	<u>3,837</u>	<u>63,703</u>	<u>44,351</u>	<u>8,415</u>	<u>3,867</u>	<u>56,634</u>
<i>Depreciation at 1 January</i>	27,437	2,713	78	30,228	20,382	1,242	3,709	25,333
Expenses with depreciation during the period	7,247	1,615	1,286	10,148	7,055	1,471	950	9,476
Depreciation for contracts closed during the period	(1,163)	(645)	-	(1,808)	-	-	(4,581)	(4,581)
Balance at 31 December	<u>33,521</u>	<u>3,683</u>	<u>1,364</u>	<u>38,568</u>	<u>27,437</u>	<u>2,713</u>	<u>78</u>	<u>30,228</u>
Balance at 1 January	<u>16,914</u>	<u>5,702</u>	<u>3,789</u>	<u>26,406</u>	<u>20,492</u>	<u>7,173</u>	<u>949</u>	<u>28,615</u>
Balance at 31 December	<u>17,746</u>	<u>4,916</u>	<u>2,473</u>	<u>25,135</u>	<u>16,914</u>	<u>5,702</u>	<u>3,789</u>	<u>26,406</u>

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

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Not later than 1 year	12,807	11,737	10,822	11,100
Later than 1 year and not later than 5 years	15,818	17,598	15,818	17,598
More than 5 years	-	-	-	-
Total	<u>28,625</u>	<u>29,335</u>	<u>26,640</u>	<u>28,698</u>

B. Leases as lessor

The Group leases out certain property and equipment under finance leases in its capacity as a lessor. For interest income on the Group's lease receivables, see Note 8.

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

Operating lease commitments

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

<i>Thousand RON</i>	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Not later than 1 year	-	-	190	187
Later than 1 year and not later than 5 years	-	-	221	409
More than 5 years	-	-	-	-
Total	-	-	411	596

46. SUBSEQUENT EVENTS

Own share redemption

The Bank carried out a process for a partial redemption of own shares between December 2024 and February 2025. For details regarding the redemption procedure see Note 43 Commitments And Contingencies, Liabilities to minority shareholders for redemption rights.

The partial share redemption process was carried out based on redemption procedures published by the two banks which had entered the merger process in 2017. The process, which is permitted by the redemption procedures, was announced by Patria Bank on 18 December 2024 following procedures provided by articles 77 and 78 of CRR and approval by the National Bank of Romania which was issued on 16 December 2024. The value of the transaction was RON 6,000,000 and the process was available for shareholders who had exercised their withdrawal right at the time of the merger, as per the above, and who instructed the Central Depository to lock-up their shares as per the current report published for the current partial redemption process. Two lock-up instructions, for a total number of 40,423,818 Patria Bank shares, were received from entitled shareholders by the published deadline of 14 January 2025. Payment for the locked-up shares was made by the Bank according to the current report, following which the Central Depository confirmed the shares' ownership transfer to the account of Patria Bank on 18 February 2025.

Changes in the Bank management

By Decision of the Board of Directors of Patria Bank no. 31 of 26.02.2025, the termination of the mandate of Deputy General Manager, Commercial Division, of Mr. Dragos Alexandru Calin was approved starting with 01.04.2025. Until the appointment of a new Deputy General Manager, Commercial Division, the General Manager will take over the coordination of the Commercial Division, the exercise of responsibilities being carried out after prior approval by the National Bank of Romania.

By Decision of the Board of Directors of Patria Bank no. 32 of 26.02.2025, the extension of the mandate of Ms. Georgiana Mihaela Stanciulescu as Deputy General Manager, Finance Division, until 01.01.2028, under the conditions and terms provided for in the Companies Law and in the Bank's Articles of Association and in accordance with all internal procedures and regulations of the Bank and other applicable normative acts.

Annual Report of the Board of Directors of PATRIA BANK SA for year ended 2024 (separate and consolidated)



Drawn up according to the NBR Order no. 27/2010, the NBR Order no. 7/2016, the FSA Regulation no. 5/2018, the NBR Regulation no. 5/2013 and the (EU) Regulation No. 575/2013 and includes both the Individual and the Consolidated Report of the Board of Directors, as well as the corporate governance statement and statement on sustainability.

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 the report takes precedence over this translation.

Table of contents

1.	Scope of the report	170
2.	Disclosure requirements	171
3.	About the Company and the Group	172
4.	Corporate Governance	184
4.1	Corporate Governance structures	184
4.2	Recruitment and diversity policy	204
4.3	Assessing the suitability of the members of the management body	205
4.4	Remuneration of the members of the management body	206
4.5	Participation of the members of the management body in the share capital	206
4.6	Transparency and communication with shareholders and investors	206
4.7	Other corporate governance issues	207
5.	Human Resources	211
5.1	Remuneration policy	213
6.	Patria Bank Group's activity and results in 2024	219
6.1	Macroeconomic and banking sector context in 2024	219
6.2	The Bank's main achievements in 2024	222
6.3	The Results of 2024	228
6.4	The activity of the Bank's subsidiaries in 2024	236
7	Bank and Group outlook for 2025	239
7.1	The Bank's objectives and business plan for 2025	239
8	Risk management	242
8.1	Risk management objectives and policies	242
8.2	Risk management strategies and processes	242
8.3	Risk management and internal control function's governance structure	245
8.4	Risk measurement, monitoring and reporting systems	249
8.5	Risk hedging and mitigation policies	250
8.6	Adequacy of the risk management framework and risk profile	254
8.7	Specific market risk factors	255
8.8	Bank's specific risk factors and their management process	259
8.9	Subsequent events	278
8.10	Bank's capital adequacy and other prudential rates	278
ANNEXES		283
Annex 1		284
Annex 2		290
Annex 3		294
Annex 4		296
Annex 5		297
Annex 6		300
Annex 7		302
Annex 8		152

Financial year: 2024

Report date: 31.12.2024

Company name: Patria Bank SA

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

Tax identification number: RO 11447021

Trade Register number: J40/9252/2016

Phone/fax: 0800 410 310 // +40 372 007 732

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

Regulated market on which the issued shares are traded: Bucharest Stock Exchange - Premium category

Main characteristics of the shares: ordinary, nominative shares, each having a nominal value of RON 0.10

1. Scope of the report

The purpose of this Report is to ensure compliance with the disclosure requirements, to provide an adequate level of transparency to market participants by publishing information on:

- Performance of the company's activities and its financial position
- The Corporate Governance practices, procedures and structure
- Policy of the selection and recruitment of the members of management structures, diversity policy, and remuneration policy
- Impact of the company's activity on environmental, social and human resources issues, fulfilling the human rights and the fight against corruption and bribery
- The main risks and uncertainties faced by the company, its objectives and policies on risk management, as well as the capital and risk assessment processes, in order to provide a complete picture of the risk profile.

Within this context, the Report offers a thorough overview on the current risk profile as well as on the risk administration process at Patria Bank Group level and covers the following main issues:

- The organizational structure of the risk administration framework
- The structures and responsibilities of the risk administration function
- Remuneration and recruitment practices
- Capital structure
- Capital adequacy
- Risk management systems and procedures
- Risk management for each type of risk
- Undertaken risks (risk management policies and objectives, risk appetite and risk profile)
- Risk mitigation techniques.

The Report incorporates complementary information to the Financial Statements as of 31.12.2024, as well as complementary information on the risk management objectives and policies at the Bank and Group level. The complementary information covers mainly the following areas of interest:

- Structures and policies about the activity's management framework, including objectives, organizational structure, activity management framework, management body's structure and organization, including meetings attendance, as well as the Bank's incentives and remuneration structure

- The set-up of the business strategy and risk management strategy (including the involvement of the management body) and predictable risk factors
- The committees established at Bank level, their responsibilities and competence
- Internal control framework and organizational structure of the control functions and its main responsibilities, the way in which their performance is monitored by the management body and any other significant planned changes for these functions
- The strategies and administration processes applicable in case of these risks
- The structure and the set-up of the relevant risk management function, including information on the authority and statute or other relevant organizational issues
- The coverage area and the type of reporting and risk measurement systems
- Risk coverage and mitigation policies, as well as strategies and processes to monitor the continuity of the effectiveness of risk hedging and mitigating elements
- The global risk profile associated with the business strategy, including the key risk rates and data to provide a comprehensive overview of how the institution's risk profile interacts with the risk tolerance set by the management body.

2. Disclosure requirements

This Report of the Board of Directors meets the disclosure requirements set by:

- Law no. 24/2017 on issuers of financial instruments and market operations
- Financial Supervision Authority (FSA) Regulation no. 5/2018 on issuers of financial instruments and market operations
- Order of the National Bank of Romania (NBR) no. 27/2010 for the approval of the Accounting Regulations in compliance with the International Financial Reporting Standards, applicable to credit institutions, with subsequent amendments and completions
- NBR Order no. 1/2024 regarding the amendment and completion of NBR Order no. 27/2010
- The provisions of the NBR Regulation no. 5/2013 on prudential requirements for credit institutions and Part 8 of Regulation no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending EU Regulation no. 648/2012, hereinafter referred to as CRR.

The information in this report is also presented in accordance with the guidelines and regulations published separately by the European Banking Authority (EBA), fulfilling the following requirements:

- General information on disclosure requirements: Guidelines EBA/GL/2016/11 on disclosure requirements under Part 8 of Regulation (EU) No. 575/2013
- EU Regulation 637/2021 laying down implementing technical standards with regard to the disclosure by institutions of the information referred to in Part Eight, Titles II and III of Regulation (EU) No. 575/2013 of the European Parliament
- For the disclosure requirements relating to information on pledged assets: Guidelines EBA/GL/2014/03 on the disclosure of information on encumbered and unencumbered assets
- For the disclosure requirements related to information on the liquidity coverage ratio: EBA/GL/2017/01 Guideline on the disclosure of the liquidity coverage ratio (LCR) to supplement the liquidity risk management information required by Article 435 of the CRR

- For the disclosure requirements on materiality, ownership, confidentiality and frequency of reporting: EBA/GL/2014/14 Guideline on significance, property and confidentiality, and the frequency of reporting under Articles 432 (1), 432 (2) and 433 of Regulation (EU) No. 575/2013 and the NBR instructions of 28 October 2015 on materiality, ownership, confidentiality and frequency of reporting under Articles 432 (1), 432 (2) and 433 of Regulation (EU) 575/2013.

The Bank has adopted a formal procedure to comply with the disclosure requirements of the CRR and has policies to assess the adequacy of the published information, including their verification and frequency. The Bank also has policies to assess whether the published information provides market participants with a full picture of their risk profile. The Bank's transparency procedure formalizes the treatment of information deemed to be below the significance threshold (immaterial), property or confidential. The Bank does not consider the information required to be published in this report as immaterial, proprietary or confidential.

This report is published annually in Romanian and English, while specific information is published at a higher frequency (quarterly or semi-annually). The Bank chose the internet as a means of publishing this report. It is available on the Bank's website (<https://en.patriabank.ro/investors/reports-and-results/financial-reports>). Some of the information requested by CRR is presented in the Consolidated and Individual Financial Statements of Patria Bank SA as at 31.12.2024, this report referring to them.

The coordination of the preparation of the report is the responsibility of the Capital Markets and Investor Relations Division and the review of the completeness and compliance with the applicable regulations is the responsibility of the Compliance Division through the General Compliance Department, which requires verification of the legal requirements for publishing the categories and flows of information published in this report.

3. About the Company and the Group

Description of main activity

Patria Bank SA (hereinafter referred to as "**the Bank**" or "**PBK**") is a joint stock company, being managed under unitary system, authorized as a credit institution for carrying out banking activities on Romanian territory, according to Emergency Ordinance of Government (EOG) no. 99/2006 on credit institutions and capital adequacy.

The Bank's registered office is located on 42 Pipera Road, Globalworth Plaza, 8th and 10th floors, Sector 2, Bucharest. The Bank offers banking services and other financial services to individuals and legal entities, having a market share based on assets below 1%.

Patria Bank carries out banking operations and other financial services with individuals and legal entities: current accounts and term deposits, domestic and foreign payments, foreign exchange operations, financing for current activity, medium-term financing, issuing letters of guarantee, letters of credit etc.

Date of establishment

Patria Bank SA is a joint stock company managed in a unitary system, authorized as a credit institution for carrying out banking activities on the territory of Romania according to the Government Emergency Ordinance (GEO) nr. 99/2006 on credit institutions and capital adequacy.

Patria Bank S.A. is the result of the merger by absorption between the former Banca Comerciala Carpatica S.A. and former Patria Bank S.A. (ex Nextebank), as an absorbed entity, process that took place on 01.05.2017. With the implementation of the merger, the absorbing company, Banca Comerciala Carpatica S.A., changed its name to Patria Bank S.A. and from 2017 changed its stock exchange trading symbol from 'BCC' to 'PBK'.

Significant mergers or reorganisations of the Bank, its subsidiaries or controlled companies, during 2024

Not applicable.

Shareholder's structure

As at 31.12.2024 the share capital of Patria Bank SA amounted to LEI 327,881,437.60, consisting of 3,278,814,376 ordinary nominative shares, dematerialized, each having a nominal value of LEI 0.1 / share.

As at 31.12.2024, the bank was 84.0526% owned by EEAF FINANCIAL SERVICES BV ("EEAF"), a limited liability company registered in accordance with Dutch law, based in Basisweg 10, 1043AP, Amsterdam, The Netherlands. EEAF FINANCIAL SERVICES BV is controlled by the EMERGING EUROPE ACCESSION FUND COOPERATIEF U.A., a cooperative with the exclusion of liability, set up in accordance with the Dutch legal framework, based in Basisweg 10, 1043AP, Amsterdam, Netherlands. The EEAF 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 (multilateral development banks) 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 synthetic consolidated structure of the shareholders who own at least 10% of the Bank's share capital on 31.12.2024 is as follows:

Shareholder	No. of shares	% of held shares
EEAF FINANCIAL SERVICES BV, Amsterdam	2,755,927,215	84,05
Actionari persoane fizice	460,113,420	14,03
Alti actionari - persoane juridice	62,773,741	1,92
Total	3,278,814,376	100,00

During 2024, the National Bank of Romania (BNR) requested all banks in the Romanian banking system to assess the fulfillment by the significant shareholder(s) of the legality and regulatory requirements regarding integrity, financial soundness and the influence they exercise over the management of the credit institution, according to the provisions of BNR Regulation no. 12/2020 Section 2, articles 16 – 50. The assessment of EEAF Financial Services, as a significant shareholder of Patria Bank S.A., carried out by the Risk Management Committee in the meeting of 30.09.2024 and presented to the Board of Directors during the meeting of 09.10.2024, did not identify any aspects that contravene the above-mentioned legal provisions regarding integrity, professional competence and compliance with prudential regulations, the influence of EEAF Financial Services BV on the management body of Patria Bank S.A., the financial soundness of EEAF Financial Services BV.

Non-voting rights shareholders

Non-voting rights shareholder information as of 31.12.2024:

Shareholder name	No. of shares	Nominal value of shares (RON)	% of held shares
Ilie Carabulea	245.490.909	24.549.090,90	7,49

The Group Patria Bank SA belongs to

As at 31.12.2024 the Patria Bank SA Group includes:

- **Patria Bank SA**, a credit institution authorized to perform banking activities on Romanian territory
- **Patria Credit IFN SA**, a non-bank financial institution authorized by the NBR to perform lending activities on Romanian territory, 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 controlled by it - Patria Obligatiuni, Patria Global, Patria Stock, Patria Euro Obligatiuni, ETF BET Patria Tradeville and ETF Energie Patria - Tradeville. The company is authorized by the Financial Supervisory Authority of Romania (FSA) for the management of investment funds and it is 99.99% under the control of Patria Bank SA.

Patria Credit IFN, SAI Patria Asset Management SA including three out of the six investment funds managed, i.e FDI Patria Stock, FDI Patria Global and FDI Patria Euro Obligatiuni, were included in the accounting consolidation perimeter of the consolidated financial statements for 2024.

As at 31.12.2024, the Bank included the following company, currently under insolvency procedure:

- **Carpatica Invest SA (former SSIF Carpatica Invest SA)**, a company under the control of Patria Bank SA, in proportion of 95.68% of the share capital and voting rights, currently undergoing judicial liquidation, being represented by judicial liquidator Premier Insolv SRL. Insolvency file no. 2127/85/2016 pending at the Sibiu Court deadlines were granted for the conduct of specific procedures, for the capitalization of the assets identified in the debtor's patrimony and for the settlement of the associated files (appeals to the definitively updated table of receivables). The next deadline in the file is 20.03.2024.

Description of acquisitions and / or asset transfers

The gross value of investments in tangible and intangible assets made during the year 2024 amounted to RON 14.9 million, out of which RON 8.7 million represents IT applications (out of which RON 4.6 million represents in-house projects).

During 2024, 2 (two) owned properties located in Cluj and Baia Mare were sold, the gain obtained was RON 0.28 million.

Also, 5 (five) properties in the investment category and those intended for sale were sold, their book value being RON 1.5 million, and the impact on the Bank's Profit and Loss account was a gain of RON 0,11 million.

The main results of the activity assessment

The external auditor of the Bank, KPMG Audit SRL, performed the audit of the individual and consolidated financial statements for the financial year ended 31 December 2024.

The audit opinion expresses the fact that the individual and consolidated financial statements give a true and fair view of the Group consolidated financial position, respectively of the unconsolidated financial position of the Bank as at 31.12.2024, as well as of its consolidated and unconsolidated financial performance and of its consolidated and unconsolidated cash flows for the financial year ended at this date, in accordance with the International Financial Reporting Standards adopted by the European Union.

In short, the most important economic and financial ratios as at 31.12.2024 compared with 31.12.2023 are as follows (RON Thousand):

Financial ratios evolution	31.12.2024	31.12.2023
Total assets (Thousand RON)	4,486,157	4,033,400
Turnover (Thousand RON)	377,208	370,552
Net Result (Thousand RON)	35,168	23,154
Market share by assets	0.5%	0.5%
Capital Adequacy Ratio	20.3%	22.5%
Liquidity Coverage Ratio LCR)	173%	178%
RoA	0.83%	0.57%
RoE	8.50%	6.22%
Loans (gross value) / Attracted Deposits	67%	70%
Liquid Assets / Total Assets	39%	41%

Financial ratios evolution (consolidated)	31.12.2024	31.12.2023
Total assets (Thousand RON)	4,619,953	4,174,929
Turnover (Thousand RON)	415,556	403,990
Net Result (Thousand RON)	40,624	25,485
Capital Adequacy Ratio	19.84%	22.01%
Liquidity Coverage Ratio LCR)	177%	179%
RoA	0.97%	0.60%
RoE	10.05%	7.11%
Loans (gross value) / Attracted Deposits	73%	76%
Liquid Assets / Total Assets	38%	40%

Assessment of the technical level

As of 31.12.2024 Patria Bank SA operates through its own network of 45 branches, distributed throughout Romania. The bank also operates through the head office located in Bucharest and the two operational centers in Sibiu and Targu Mures.

At the end of 2024, the Bank owned 1 ATM in operation, 45 Euronet MFMs in the Patria Bank's locations, 2 Euronet MFMs in strategic locations and 1,910 installed POS.

Description of main customer segments, products and/or services provided, operations and activities carried out

The products and services provided by the Bank focus both on the retail and the corporate segment, integrating technology to streamline customer access to performing financial services. Patria Bank continues to be a solid and trustworthy partner for small and medium-sized Romanian companies, contributing to the development of local entrepreneurship environment.

The commercial strategy of the Bank aims at consolidating and differentiating through the Microfinance, SME&Corporate and Agro segments and providing products addressed to the retail segment by expanding lending to new environments and consolidation of mortgage loan products and also by maintaining a solid and trustworthy relationship with depositors, the key objectives being financial performance and profitability in the years to come.

As part of its strategy, Patria Bank aims to:

- diversify products and improve banking services through a faster response to changes in society, by adopting and implementing tools and methods that can help the organization become more efficient for both internal and external customers
- develop and implement alternative / digital remote service flows and channels for customers, both in the lending area and in the non-lending area (individuals and legal entities), amid the increased appetite of consumers who work mainly from home and who will choose to work with banks that offer such services (without the need for physical presence in a branch).

To this end, the Bank addresses the following customer segments:

I. Retail segment

The Bank serves the retail segment, taking into account the active base of clients but also by attracting new clients both through the traditional channel (local branches) as well as through "Patria de Oriunde" online channel.

Retail lending (individuals) represented a moderated growth engine in 2024, which is why the offer of products/services as well as retail campaigns has improved significantly compared to previous years.

The focus in the next period will be on adjusting existing products and implementing competitive campaigns in line with market conditions, as well as paying special attention to credit risk control in the customer service area, including the digital area.

The directions of action in the retail area in 2024 were oriented towards continuing the digitalization strategy (optimization and diversification) through:

- Implementation of a *new digital lending channel through partners*, through the development of the *Digital Lending platform for Individuals*, offering customers the possibility to access consumer loans with a specific destination
- Implementation of a new non-credit product, *cont de economii in lei*, in the Online Onboarding flow – Patria de Oriunde
- Implementation of the possibility of accessing the Online - Patria de Oriunde flow for customers taken over by Patria Bank from Alior Bank, with the possibility to request the non-credit products offered within this flow
- Expansion of the segment of customers who can access the *Digital Lending* flow (*consumer credit PLUS*) – Patria de Oriunde, namely the bank's existing customers as well as the customers taken over from Alior Bank
- Expanding the destination of the lending solutions by the *possibility of refinancing the loans granted by Patria Bank and/or by other financial institutions*
- Implementation of a security solution for Mobile Banking applications that act against cyber threats (malware attacks, hacking and other forms of exploration) through which the permissions to view the screens of Mobile Banking applications for Individuals can be remotely blocked so that an attacker cannot take control of the Mobile Banking applications and cannot record his actions while using the mobile applications provided by the Bank
- Implementation of a security solution for the Mobile Banking application for remotely blocking the permissions to view the application's screens.

II. Micro segment

- This segment serves **agro and non-agro businesses from various fields of activity, regardless their legal status** such as commercial companies (limited liability company and joint stock company), agriculture companies (Sagri), authorized natural persons (PFA), family associations (AF), family enterprises (IF), individual enterprises (II), individual agricultural producers (PAI).
- This business segment continued its positive development in 2024, despite the current context full of challenges, confirming very good and consistent results over the last years, in terms of very good profitability and reasonable credit risk.
- This type of customer segment, the dedicated sales force along with the developed credit technology tailored to the type of customer as well as the continuous adjustment of the flows and services offered, represent a competitive advantage for the Bank.
- In the area of technology and remote access for performing operations, in the area of services offered to the Micro segment, the Bank is constantly concerned with integrating upgrades of the Internet Banking platform for legal entities and it is constantly welcoming customers by implementing solutions meant to streamline the interaction between the client and the Bank depending on the specifics of their activity (with tools in development)

- The process of development and consolidating the Internet/Mobile Banking platform is continuous, by integrating new functionalities that offer customers speed and efficiency in utilisation (solutions that aim to increase the degree of use, efficiency and satisfaction among customers)
- Furthermore, in the next period, one of the major objectives in the digital area for corporate clients (and implicitly customers of the Micro segment) is to continue the improvements of the online platform and the implementation of the Mobile Banking service
- A series of additional benefits in the area of technology for this segment (as well as for the other segments of the bank) have already been integrated through the Instant Payments facility within Internet Banking, through the new service made available for them - PATRIA SMART API , a service through which the bank provides customers with information about the transactions executed in their accounts through an automated service, callable through an API web service.

III. Agro segment

- It addresses **economic entities with agriculture and food industry as field of activity**, such as: commercial companies (limited liability company and joint stock company), agriculture companies (Sagri), authorized natural persons (PFA), family associations (AF), family enterprises (IF), individual enterprises (II), individual agricultural producers (PAI)
- The business segment provides credit facilities for:
 - the acquisition of specific goods (vehicles, equipment, machinery etc.) used in the agricultural activity, as well as specific real estate investments (agricultural land, acquisition of buildings / farms, construction / renovation of buildings / farms etc.), used for the purpose of carrying out agricultural activity, acquisition of agricultural land and others
 - refinancing investment loans from other financial institutions or refinancing investments made from own sources
 - other investments specific to the agricultural activity
 - financing current working capital, acquisition of *inputs* from the Bank's Agro partners suppliers
 - components of UE/national funds projects that are not regulated through "Umbrella" product sheet
 - working capital and investment financing for food industry companies
- This business segment developed continuously, through partnerships with the main players in the industry, using rapid flows that can easily target such clients in the locations with the traditional presence of the bank and also in areas where the market penetration is desirable in an active way
- In the area of technology and remote access for carrying out operations, in the area of services offered to the Agro segment, the Bank considers in particular the increase of the usage degree through the Internet Banking channel.
- In order to diversify the financing area, Patria Bank has also included the food industry sector starting with 2024 as an integrated part of the agribusiness value chain.

IV. SME and Corporate segment

- The Bank has focused on the significant development of the SME and Corporate customer base. This business segment addresses SME, Mid Market, Corporate, aiming to offer customized products personalised on business model
- In the area of technology and remote access for performing operations and access to products, in the area of services offered to the SME & Corporate segments, the Bank is constantly concerned with the integration of upgrades to the Internet Banking platform used mainly by these categories of customers and meets the customers needs by implementing solutions designed to streamline the interaction between the customer and the bank depending on the specific of the activity. Also, the process of developing a Mobile Banking application for legal entities has been initiated in 2024.

In the Bank's 2024 offer, the following categories of products and services were included:

- Credit products
- Savings products
- Complete transactional services (outgoing payments, incoming payments, foreign exchange etc.)
- Cards and additional services (SMS alert)
- Alternative distribution channels (Internet and Mobile Banking)
- Serviciul Patria Smart API
- Online services related to card products through „Patria de Oriunde” Platform.
- Special accounts for European funds projects

A. The main types of credit products

a) for legal entities:

- working capital credit line (including credit lines used through a dedicated account, with attached debit card, through payments at the Patria Bank POS to Agro Partners)
- VAT financing credit line
- general expenses /mixed destination loans (for Micro, Agro and SME & Corporate segment)
- investment loans (including Real estate loans)
- general expenses loans
- loans with local guarantee schemes (e.g. FNGCIMM, FGCR, EXIM etc.) or with an international guarantee (e.g. Microfinance with a guarantee issued by the European Investment Fund and the European Commission, the sequel to Easi Program)
- bank letter of guarantee
- internal factoring with appeal
- lending products for prefinancing APIA subsidies

b) for individuals:

- consumer loan without real estate guarantee:
 - PLUS loan with/without life insurance included, with variable or fixed interest
- Mortgage loans:
 - Real estate loan (acquisition / refinancing)
 - Consumer loan with real estate mortgage (acquisition / refinancing)
 - Consumer loan with real estate mortgage, intended exclusively for refinancing
- Consumer loan secured by collateral deposit: ECONOM consumer loan
- Revolving credit facilities: Overdraft and credit card

- PLUS loan exclusively for financing

B. The main savings products**a) for individuals:**

- term deposits with different maturities (Classic, Plus, Senior Plus)
- mixed saving and investment Patria Invest product which includes term deposit and units in funds managed by Patria Asset Management (Patria Global fund for the RON version of the product or Patria Euro Obligatiuni fund for the EUR version)
- savings account

b) for legal entities:

- term deposits
- overnight deposits
- accumulation account (savings account for legal entities)
- Escrow deposit
- Collateral deposits (to guarantee credit facilities, good execution, a letter of credit, for management guarantees etc.)
- mixed saving and investment Patria Invest product which includes term deposit and fund units at funds managed by Patria Asset Management (Patria Global fund for the RON version of the product or Patria Euro Obligatiuni fund for the EUR version)

C. Transactional purpose products for individuals and legal entities:

- Packages of banking products and services for individuals (Patria Start, Patria Senior, Patria Avantaj, Patria Premium, Patria Premium Plus)
- Packages of banking products and services for legal entities, Micro and Agro segments
- Customized operational offers for SME & Corporate segment
- Current account in various currencies (RON/EUR/USD etc)
- Other special purpose accounts
- Debit cards (RON/EUR)
- POS (legal entities), including “Bank at the market” Program

D. Services for individuals and legal entities:

- Internet&Mobile Banking
- Patria SMS Alert
- Patria de Oriunde (individuals), for granting, 100% online, non-credit financial products (eg: current account and current account Packages, cards and Internet & Mobile banking, deposits etc.), as well as for granting consumer loans without real estate collateral
- Card online services
- Patria SecurePay
- Patria Smart API
- Online update of personal data for individuals

As far as **saving products** are concerned, the Bank continued to offer traditional products: saving accounts for legal entities, term and sight deposits etc. in a mix of products, currencies and lines of activity that have given the Bank a funding position correlated with the asset structure of the balance sheet.

One of the strategic directions of the Bank was the expansion of the distribution channels of the products and services in the portfolio for individual and legal persons. Thus, lending products can be offered to clients both through our own distribution network and through alternative channels (consisting of a network of lead providers and brokers) but also through online channels (Patria de Oriunde - for consumer loans granted to natural persons). Non-credit financial products are offered to clients through territorial units as well as through the online channel "Patria de Oriunde", in case of individuals.

Assesment of the competitive environment in the financial-banking sector

Patria Bank SA operates in a competitive environment in which banks have developed and adapted their offers according to market requirements, the impact of exogenous factors on the real economy, as well as the ever-increasing pressure of competition on the financial and banking market. Thus, the evolution of the banking system has resulted in the development and diversification of banking products and services, in speeding up and diversification of settlement instruments, but also in increasing the degree of technology.

Assesment of any significant dependence on a single customer or on a group of customers whose loss would have a negative impact on the issuer's income

Not applicable.

Assesment of the technical - material supply

This issue is not significant for the Bank.

Assesment of the selling activity

As detailed in Chapter 6.

Assesment of the Bank's employees /human resources issues

As detailed in Chapter 5.

Assesment of issues related to the impact of the core activity on the environment

As detailed in Chapter 10.

Assesment of the research and development activity

The research activity is not significant for the Bank.

The market of the securities issued by the Bank

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.

PBK Shares

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

The closing price for PBK shares at the end of 2024 was RON 0.0820/share, unchanged from the closing price recorded at the end of 2023. The evolution of Patria Bank's share price was relatively stable in 2024.



Each share gives equal rights, any share conferring the right to vote in the Bank's General Shareholders Meeting, the right to elect and to be elected in the Bank's governing bodies, the right to participate in the distribution of profits (the right to dividends), as well as other rights (such as right of preference, right to information, right of withdrawal, etc), as described in the General Meeting of Shareholders ("AGA") procedures, published on the Bank's website at the web address <https://www.patriabank.ro/d/616> , and in the Corporate Governance Code of the Bank published on the Bank's website at the web address <https://en.patriabank.ro/d/1422/corporate-governance-code-pbk-2021.pdf>.

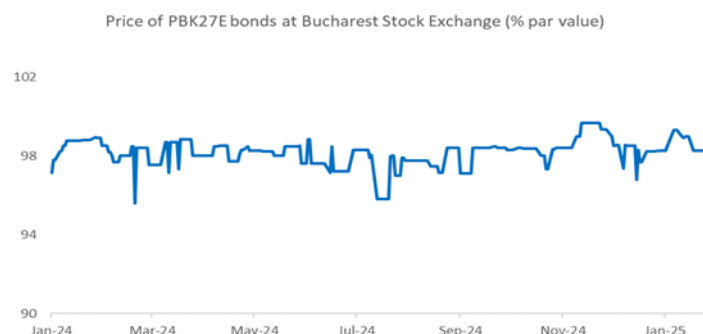
Regarding the right to secure mechanisms for registration and confirmation of ownership of shares issued by the Bank, the register of shareholders of the Bank is maintained by an independent company - the Central Depository, authorized and supervised by the Financial Supervisory Authority, to ensure transparency, smooth operation of activity and investor protection.

Dividends

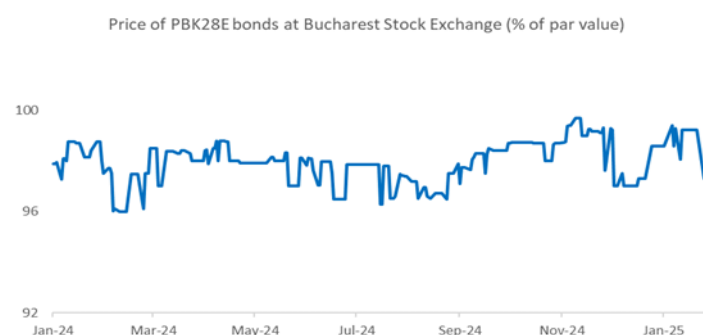
Dividends may only be distributed if the company records profit as reported in the annual financial statements approved by the Ordinary General Shareholders' Meeting and only if the Ordinary General Shareholders Meeting decides in this respect. The Bank has published information on the principles and rules for dividends at the web address <https://www.patriabank.ro/d/615/politica-de-dividende.pdf>.

Subordinated bonds

Patria Bank's subordinated bond issue issued in Euro on 20.09.2019, with a total value of EUR 5.0 million, a fixed interest rate of 6.50%/year and maturity on 20.09.2027, trades on the regulated market managed by the Bucharest Stock Exchange with the symbol PBK27E. The ISIN code of the issue is ROZN0PQQARR5. The closing price of PBK27E bonds at the end of 2024 was 98.26% compared with 97.80% at the end of 2023 (expressed as a percentage of the 500 Euro par value).



Patria Bank's subordinated bond issue issued in Euro of 05.10.2020, with a total value of EUR 8.2 million, a fixed interest rate of 6.50%/year and maturity on 05.10.2028, trades on the regulated market managed by the Bucharest Stock Exchange with the symbol PBK28E. The ISIN code of the issue is ROWRHZRZD4L3. The closing price of PBK28E bonds at the end of 2024 was 98.59% compared to 97.23% at the end of 2023 (expressed as a percentage of the 500 Euro par value).



4. Corporate Governance

Corporate Governance is the set of principles underlying the management and control framework of the Bank's and the Group's business. Patria Bank SA applies the provisions of the Corporate Governance Code made available to interested parties on the Bank's website at the web address <https://en.patriabank.ro/d/1422/corporate-governance-code-pbk-2021.pdf> and drafted in accordance with the principles of the Corporate Governance Code of the Bucharest Stock Exchange (BSE) and reports annually the compliance with its provisions. The Statement of Compliance with the Principles of the Corporate Governance Code of the BSE on 31.12.2024 is presented in Appendix 1 to this report.

Patria Bank SA is managed in a one-tier management system, observing the objectives of corporate governance, the transparency of relevant corporate information, the protection of the interests of various categories of participants and the principles of an efficient functioning on the banking market.

4.1 Corporate Governance structures

The General Shareholders Meeting (GSM) is the Bank's highest decision-making body that establishes economic and commercial policy and decides on its activity. The Bank has established rules and procedures regarding the

General Meeting of Shareholders available on the Bank's website at the address <https://en.patriabank.ro/about-patria-bank/investors/annual-general-meetings/agm-rules-and-procedures>, which seeks to ensure the fair treatment of shareholders, facilitate and encourage the participation of shareholders in the proceedings of GMS meetings and their dialogue with the management and executive bodies, as well as the exercise of their rights, in compliance with the legal provisions specific to the capital market and issuers.

The general meetings are ordinary and extraordinary. The Ordinary General Meeting meets at least once a year, within 4 months after the end of the financial year, and the Extraordinary General Meeting meets as often as necessary.

During 2024, the Board of Directors convened 1 (one) General Meeting of Shareholders (one Ordinary General Meeting on 25.04.2024). The convening was made at least 30 days before the scheduled date, in compliance with the legal provisions on advertising and notification of the FSA - the Financial Instruments and Investments Sector and the Bucharest Stock Exchange (BSE).

The Bank provides shareholders with all relevant information regarding the General Meetings of Shareholders and the decisions adopted, both through the media (Official Gazette, national spread newspaper) and in the special section opened on its website at the address <https://en.patriabank.ro/about-patria-bank/investors/annual-general-meetings> . Shareholders may personally participate in the General Meeting's works, through a representative or vote by correspondence, the forms of proxy and voting by correspondence being made available to shareholders in the above-mentioned section. The procedures for conducting GSM works are available to shareholders and other interested parties on the Bank's website at the address <https://en.patriabank.ro/about-patria-bank/investors/annual-general-meetings/agm-rules-and-procedures> . In the General Meetings of Shareholders, the dialogue between shareholders and members of the Board of Directors and / or executive management is permitted and encouraged. Each shareholder may ask the management questions about the bank's activity.

In accordance with the size, nature and complexity of the Bank's business and observing corporate governance objectives, the Bank's Management Body is represented by the Board of Directors and the Executive Committee.

On 31.12.2024, the Board of Directors consisted of five members appointed by the General Shareholders Meeting for a four-year term, with the possibility to be re-elected for subsequent four-year mandates. The Board of Directors delegates the operational management and the coordination of the Bank's day-to-day business to several managers, appointing a General Manager, the rest being Deputy General Managers, these forming the Executive Committee. On 31.12.2024, the Executive Committee was made up of 4 members which exercise their responsibilities as managers and members of the Board of Directors, being approved by the NBR, in accordance with the provisions of GEO no. 99/2006 on credit institutions and capital adequacy.

The management body of the bank (the Board of Directors and the Executive Committee) performs its activity on the basis of rules of organization and functioning regulated by the Articles of Incorporation, through the Regulations for the organization and functioning of each, as well as by the Regulation for the organization and functioning of the Bank. The management body promotes high ethical and professional standards and a solid culture of internal control.

The Board of Directors

The management body with supervisory function is the Board of Directors, consisting of 5 members appointed by the ordinary general shareholders meeting and approved by the NBR. Two members of the Board of Directors are independent.

The Board of Directors oversees and is responsible for implementing an activity management framework to ensure effective and prudent management of the Bank, including the separation of responsibilities within the Bank and the prevention of conflicts of interest. The organization and functioning is performed on the basis of the Constitutive Act, the applicable laws and its own regulation of organization and functioning.

There are no agreements, understandings or family relationships between administrators and other persons due to which members of the Board of Directors to be appointed administrators.

Board of Directors as at 31.12.2024

As of 31.12.2024, there are no vacant positions on the Board of Directors.

Name	Position held in the BoD	Approved by	Mandate term
Dragos Horia Manda	Chairman	GSM Decision from 02.04.2016 Prior NBR approval (April 2016) respectively NBR prior approval of the merger (November 2016)	4 years, 26.04.2016 - 26.04.2020; 4 years, 26.04.2020 - 26.04.2024 4 years, 27.04.2024 – 27.04.2028
Daniela Elena Iliescu	Non-executive member until 01.04.2019, Executive member starting with 01.04.2019 until 31.12.2021; non-executive member starting with 01.01.2022	A new 4 years mandate, approved by OGSM Decision from 10.04.2020, starting with 26.04.2020	4 years, 26.04.2016 - 26.04.2020, 4 years 26.04.2020 - 26.04.2024 4 years, 27.04.2024- 27.04.2028
Bogdan Merfea	Executive member during 30.04.2017 - 01.04.2019, Non-executive member during 26.04.2016 – 30.04.2017 and starting with 01.04.2019 up to now	A new 4 years mandate, approved by OGSM Decision from 25.04.2025, starting with 27.04.2024	4 years, 26.04.2016 – 26.04.2020; 4 years, 26.04.2020 – 26.04.2024 4 years, 27.04.2024 - 27.04.2028
Nicolae Surdu	Independent member	GSM Decision from 27.04.2017 Prior NBR approval of the merger (November 2016) GSM Decision from 02.05.2019 (independent member). New 4-year mandate starting with 27.04.2021, approved by OGSM Decision from 26.04.2021	4 years, 01.05.2017 - 27.04.2021 4 years, 27.04.2021 - 27.04.2025
Vasile Iuga	Independent member	GSM Decision from 27.04.2017 GSM Decision from 28.07.2017 (independent member) Prior NBR approval (December 2017) New 4-year mandate starting with 27.04.2021, approved by OGSM Decision from 26.04.2021	4 years, 06.12.2017 - 27.04.2021 4 years, 27.04.2021 - 27.04.2025

Information on the directors

Dragos Horia Manda

Chairman of the Board of Directors

Mr. Manda graduated the Bucharest University, Faculty of Physics, with a doctorate in mathematics from the University – VII of Paris France (1993), an MBA (summa cum laude) through the Romanian-Canadian MBA Program (McGill, Quebec University - Montreal, Academy of Economic Studies of Bucharest, 1996) and an M.Sc. in theoretical Physics from University of Bucharest (1984). With an experience of more than 26 years in private equity investments in South-East Europe, he has built a successful career in the management and administration, as Chairman or Manager of the Board of Directors, of many companies from the investment funds' portfolio such as Romanian-American Enterprise Fund ("RAEF"), Balkan Accession Fund ("BAF") and Eastern Europe Accession Fund ("EEAF"), with a special emphasis on the financial services sector.

Throughout his career, Mr. Manda personally supervised capital investments of more than EUR 200 million, with successful projects in various industries such as financial services, IT, retail, energy and production.

Mr. Manda is Director and General Manager of Axxess Capital Partners S.A., investment consultant of RAEF, BAF and EEAF and Chairman of the Investment Committee of EEAF.

Also, he has filled positions such as: Chairman of the Board of Directors of former Patria Bank SA (July 2014 -April 2017), Chairman (non-executive) of the Board of Directors of Patria Credit IFN S.A. (2008 – December 2015), Chairman (non-executive) of the Board of Directors of Emerging Europe Leasing and Finance (EELF) B.V., holding incorporated by BAF, specialised in leasing activity, holding majority package of shares in the companies: BM Leasing Bulgaria, Total Leasing Moldova and Landeslease Albania (2006 – June 2014).

Also, he filled positions such as investment officer (1996-1997), vice-president and senior investment officer (1997 – 2002) and prime vice-president and investment manager (2002 – 2015) within RAEF, non-executive member in the Board of Directors of Banca Romaneasca (1999-2003), non-executive chairman of the Board of Directors of Motoractive S.A. (leasing) (2003-2006), non-executive chairman of the Board of Directors of Domenia Credit S.A. (mortgage loan) (2003-2006), Chairman of BoD ONE United Properties (2019-2021) and subsequently BoD Director.

Between 1986 and 1996 he acted as a researcher in several institutes, such as: the Institute of Mathematics of the Romanian Academy, the National Center of Scientific Research - Paris, the Institute of Atomic Physics of Bucharest.

Relatively permanent engagements and obligations, including executive and non-executive positions in the board of certain companies and non-profit institutions on 31.12.2024 (entities in operation):

Name	Position in the Bank	Company	Position in the company
Dragos Horia Manda	Chairman of the Board of Directors	Axxess Capital Partners SA	General Manager and Director
		BitDefender BV	Director
		One United Properties SA	Chairman of the Risk and Audit Committee
		Patria Bank SA	Chairman of the BoD

		Seacorn LLP	Managing Partner
		Patria Credit Foundation	Member of Executive Committee
		South-Eastern Europe Capital Partner	Managing Partner
		Romanian Private Equity Association (ROPEA)	Chairman
		Managero - Recrutare Online SRL	Associate
		Brio Teste Educationale SRL	Associate
		Vintruvian Estates SRL	Associate and Member of the BoD

Daniela Elena Iliescu

Member of the Board of Directors

Chairman of the Risk Management Committee

Mrs. Iliescu graduated the Academy of Economic Studies of Bucharest, she is a certified member of ACCA, CAFR and CECCAR, graduated the Executive MBA courses of the University of Economics of Wien and of the Business & Carlson Business School - USA and was awarded the Diploma in MA Board Practice and Directorship offered by Henley Business Scholl & Envisia.

Mrs. Iliescu was a member of the Board of Directors of former Patria Bank SA (2014 - up to now) and is a member of the Board of Directors of Patria Credit IFN (February – June 2009, December 2009 – December 2015 and April 2018 – up to now) and also is a member of the Board of Directors of SAI Patria Asset Management (since June 2020 up to now).

At the same time, she is working with Axxess Capital Partners S.A., filling positions such as Chief Financial Officer (2013-2019, 2022 up to now), having a vast experience in finance (financial management, reporting and budgeting) being very actively involved in monitoring the funds' investments in the financial services sector, the most relevant being the investments in Patria Bank and Patria Credit.

Starting with September 2022, Mrs. Iliescu has held the position of Executive Manager of The Romanian Private Equity Association (ROPEA).

During the period 2000-2007 she worked at PWC Romania, where she was responsible with coordinating the audit and financial consulting services for important customers from the banking sector, leasing, credit companies and asset management companies.

Relatively permanent engagements and obligations, including executive and non-executive positions in the board of companies and non-profit institutions on 31.12.2024 (entities in operation):

Name	Position in the Bank	Company	Position in the Company
Daniela Elena Iliescu	Director	Patria Bank SA	Director
		Patria Credit IFN SA	Director
		SAI Patria Asset Management SA	Director
		Banca de Investitii si Dezvoltare	Member in Supervisory Board
		ROPEA (Romanian Private Equity Association)	Executive Manager
		PFI Iliescu V Daniela Elena	PFI

Bogdan Merfea

Member of the Board of Directors starting with May 2016 (non-executive member of the Board of Directors starting with April 2019)

Member of the Audit Committee starting with 01.04.2019

Mr. Merfea graduated the Transilvania University of Brasov – Faculty of Machine Manufacturing Technology, he is a doctor of Mechanic Engineering, has graduated a Master in Business Management and had attended courses at the prestigious school INSEAD, IMD Laussane, Harvard, Wharton University.

Being trained as an engineer, Mr. Merfea has academic experience, having worked as a university professor, lecturer and head of works, assistant professor and researcher in the Machine Manufacturing Technology department between 1984 and 1999.

He created and coordinated the Foundation for the Promotion of Small and Medium Enterprises, Brasov and as Executive Manager between November 1994 - March 1999 he coordinated regional development projects, training programs dedicated to SMEs, he coordinated consulting activities dedicated to micro companies in collaboration with USAID.

Starting with April 1999, he began his banking activity as manager of the branch of Demir Bank in Brasov, until 2001. Between November 2001 and June 2008, Mr. Merfea filled various management positions within Raiffeisen Bank Romania. Also, Mr. Merfea filled management positions such as the Executive Chairman of Raiffeisen Bank Kosovo and Raiffeisen Leasing Kosovo SA between 2008 and 2009, as well as the position of Sales and Distribution Executive Manager - Retail Division of Raiffeisen Bank between April 2006 - 2008 and Branch Network Management Executive Manager between 2005 and 2006. Also, in 2008, Mr. Merfea was a member of the Board of Directors of Raiffeisen Leasing Romania and between 2007 and 2008 he was a member of the Board of Directors of Raiffeisen Asset Management Romania.

Mr. Merfea has a vast experience in the micro-financing activity, filling management positions such as that of General Manager (between 2009 and 2015) and that of member of the Board of Directors (January 2021 – December 2015) and Chairman of the Board of Directors (January 2016 up to now) of Patria Credit IFN SA. Also, between June 2013 and June 2016, Mr. Merfea has been a member of the Board of Directors of European Microfinance Network.

Mr. Bogdan Merfea has been a member of the Board of Directors of former Patria Bank SA and he is currently member of the Board of Directors of Patria Bank SA (May 2016 up to now) and was General Manager of Patria Bank SA (May 2017 -April 2019). Currently, Mr. Merfea is Executive Manager of Roma Entrepreneurship Development Initiative Luxembourg (position held since September 2020).

Relatively permanent engagements and obligations, including executive and non-executive positions in the board of companies and non-profit institutions on 31.12.2024 (entities in operation):

Name	Position in the Bank	Company	Position in the Company
Bogdan Merfea	Director	Merfea Advising SRL	Director
		Patria Bank SA	Director
		Patria Credit IFN	Chairman of Board of Directors
		Roma Entrepreneurship Development Initiative Luxembourg	Executive Director
		Social Finance Association Romania	Chairman
		European Microfinance Association	Research Committee
		Patria Credit Foundation	Member in Executive Committee
		AFIN IFN SA	Chairman

Nicolae Surdu

Independent Member of the Board of Directors

Member of the Risk Management Committee

Member of the Audit Committee

Mr. Surdu is an experienced banker with over 30 years of experience in the Romanian banking sector, having an exposure in a number of international and local banks and having expertise both in general banking management and in reorganization, restructuring and organizational recovery (former Banca Comerciala Carpatica and former Tiriac Bank), as well as start-up banks, Corporate Banking, SME & Retail Banking, risk management.

Mr. Surdu held the position of member of the Board of Directors of the former Patria Bank SA (2014 - April 2017), since May 2017 member of the Board of Directors of Patria Bank SA and during 2009 - 2012 Mr. Surdu held the position of General Manager and Directorate Chairman of the former Banca Comerciala Carpatica. In 2009, Mr. Surdu was managing partner at First Capital Consulting Partners, and during 2007-2009 he held the position of General Director at Fortis Bank Romania. In the period 2004-2007, Mr. Surdu was vice-president of former Finansbank Romania and between 2001 - 2004 he held the position of Corporate and SME operations Manager at Tiriac Bank. In 2000, Mr. Surdu was Deputy General Manager of Piraeus Bank Romania, in 1998-1999 he was Deputy General Manager at Pater Banca de Credit and between 1996-1998 he held the position of Credit Manager at the same institution. Between 1993 - 1996 Mr. Surdu has worked at the Banca Comerciala Romana SA. Mr. Surdu is a graduate of the Faculty of Commerce at ASE Bucharest, holding an MBA - Indiana Wesleyan University, USA.

Relatively permanent engagements and obligations, including executive and non-executive positions in the board of companies and non-profit institutions on 31.12.2022 (entities in operation):

Name	Position in the Bank	Company	Position in the Company
Nicolae Surdu	Director	Patria Bank SA	Director

Vasile Iuga

Independent member of the Board of Directors

Chairman of the Audit Committee

Member of the Risk Management Committee

Since 1991, Mr. Iuga joined PriceWaterhouseCoopers Romania (PwC), becoming a partner in 1997, and between 2004 and 2015 he was Country Managing Partner for Romania, leading more than 600 employees in five regional offices. Between 2008 and 2016, he was PwC Managing Partner for South East Europe, coordinating the company's activity in eleven countries and between 2004 and 2016 he was member of Executive Committees of PwC for Central and Eastern Europe. Mr. Iuga was for several years the Vice President of the American Chamber of Commerce in Romania (AMCHAM).

Financial auditor and consultant, with over 30 years experience in the field, Mr. Iuga is a member of several professional organizations: the Association of Chartered Certified Accountants (ACCA) in UK as Fellow, the Chamber of Financial Auditors of Romania (CAFR), as financial auditor, the National Association of Evaluators in Romania (ANEVAR), as an accredited member; He was also a member of the CAFR Council and CSPAAS.

Financial auditor authorized by NBR and FSA (for banks, insurance companies and listed companies), financial consultant with a complex experience of over 30 years in the field of implementation of international financial reporting standards of financial audit, Mr. Iuga has participated in various business appraisal and restructuring projects in takeovers, mergers, business acquisitions, privatizations and strategic consultancy.

In the field of Capital Markets, Mr. Iuga was a partner on the audit of the Bucharest Stock Exchange and contributed to the improvement of the legislation in the field of capital market, coordinated the evaluation team of Fondul Proprietatea participations, led audit and consulting projects for pension funds, including for the Supervisory Commission of the Private Pension System and coordinated the restructuring project of FSA.

In the banking field, he was the local coordinator of the operational audit project of the National Bank of Romania, he coordinated the local teams in the Asset Quality Review projects for BCR and Volksbank, he participated and led the audit of BCR, ABN AMRO, CEC Bank, BCIT, Banca Transilvania, ING, Citibank, BRD, Alpha Bank, Bancpost, Piraeus Bank, Eximbank, Emporiki, Daewoo Bank, Dexia Bank, San Paolo IMI, Italo-Romena Bank, Demirbank, Marfin Bank, ATE Bank, Procredit, Fortis, Moldova-Agrodinbank, Credisson BNP etc., coordinated a wide range of diagnostic analysis missions within banking companies, coordinated projects for the establishment, transformation and authorization of new banks such as the merger between Garanti and GE Money and was a member of the coordination team of the projects for the sale of non-performing loan packages in Romania (BCR, Volksbank).

In the insurance field, Mr. Iuga was an audit partner for Vienna Insurance Group (Asirom, Omniasig), BCR Asigurari, Groupama (Asiban, BT Asigurari, OTP Garancia), AIG Life Romania, AIG Romania, Allianz-Tiriac Asigurari, EFG Eurolife, Ardaf, Generali Asigurari, KD Life etc., coordinated the Balance Sheet Review project initiated by FSA-EIOPIA for two insurance companies in Romania and led consulting projects in takeovers, mergers and acquisitions, financial and fiscal diagnosis analysis and evaluation missions in the insurance sector. He also led the project for the authorization of the Societe Generale Romanian branch in the insurance field.

Mr. Iuga is also Professor Honoris Causa - a distinction awarded by Babes-Bolyai University in Cluj-Napoca at the proposal of the Faculty of Business.

Mr. Iuga is a graduate of the Faculty of Aeronautics of the Polytechnic Institute of Bucharest. He graduated from Harvard Business School, London Business School, Institut Européen d'Administration des Affaires/Institute of Business Administration (INSEAD, Fontainebleau, Paris) and the International Institute for Management Development (IMD, Lausanne).

Currently, Mr. Iuga is Observer within the Audit Committee of the European Investment Bank, independent member of the Board of Directors of Patria Bank, independent member of the Board of Directors of Alro SA and independent member of the Board of Directors of MAS REI Malta and independent member of the Board of Directors of MICB Republic of Moldova.

Relatively permanent engagements and obligations, including executive and non-executive positions in the board of companies and non-profit institutions on 31.12.2024 (entities in operation):

Name	Position in the Bank	Company	Position in the Company
Vasile Iuga	Director	Alro SA	Director
		Aspen Institute Romania	Treasurer
		European Investment Bank	Observer within the Audit Committee
		MAS REI Malta	Independent Director
		MICB Republic of Moldova	Independent Director
		Patria Bank SA	Director

The activity of the Board of Directors

Duties and responsibilities of the Board of Directors

The main responsibilities of the Board of Directors, including those that cannot be delegated to the members of the executive management, are laid down by the law, the Constitutive Act, the Rules of Organization and Functioning of the Bank, and by the Regulation for the Organization and Functioning of the Board of Directors. In cases permitted by law, the General Meeting of Shareholders may delegate other attributions to the Board of Directors.

The Board of Directors has as main responsibilities the establishment of the Bank's main business and development directions, the establishment of accounting policies and the financial control system, as well as the approval of financial planning, the appointment and dismissal of directors and their remuneration, the supervision of directors' activity, the organization of the general shareholders meeting and the implementation of its decisions and the establishment of the reference date for the shareholders entitled to participate and vote in the general shareholders meeting, the attributions received by the Board of Directors from the Bank's General Shareholders Meeting, the representation of the Bank in relation to the directors, other attributions and responsibilities established by legal provisions and which cannot be delegated to directors, establishment of advisory committees.

Board of Directors meetings

The Board of Directors shall meet regularly at least once every 3 months at the request of the Chairman of the Board of Directors at the motivated request of at least two members of the Board of Directors or the General Manager.

The convocations for the meetings of the Board of Directors in 2024 included the venue where the meeting was held, the date and the draft agenda. The meetings of the Board were usually held through modern means of communication, in order to streamline the decision-making process (Teams platform, e-mail, operative meetings with electronic voting).

At each meeting a minute was drawn up, which included the names of the participants, the order of the deliberations, the discussions, the decisions taken, the number of votes, the abstentions and the separate opinions.

During 2024, the Board of Directors met in 60 meetings and 381 decisions were adopted, the decisions of the Board being taken, mainly, with unanimity of votes. At the Board meetings, members of the Executive Committee as well as representatives of the structures within the Bank participated as guests.

The presence of the Board members at its meetings was the following:

- Dragos Horia Manda - 55 sessions
- Daniela Iliescu - 55 sessions
- Bogdan Merfea - 59 sessions
- Nicolae Surdu - 60 Sessions
- Vasile Iuga - 55 sessions

The members of the Board of Directors have continuously pursued the continuity of the Bank's activity, implementing the measures ordered by the NBR and monitoring the implementation of the decisions of the Executive Committee.

The Board of Directors approved in 2024 changes to the Bank's risk management policies and strategies, the Policy on managing and mitigating the risk of money laundering and terrorist financing and the specific procedures for conducting the process of assessing the capital risk adequacy.

The Board of Directors approved the periodical (monthly, quarterly, semi-annual) financial reports and the risk management reports for 2024.

The Board of Directors did not receive from its members any information regarding their relations with shareholders holding directly or indirectly shares representing more than 5% of the voting rights, reports that could alter the members' position on matters decided by the Board of Directors.

The advisory committees of the Board of Directors

In order to develop and maintain good practices in managing the activity, the Board of Directors has constituted two committees that will assist in the fulfilment of its attributions. The structure, organization and functioning rules and powers of these committees are defined in their own organization and operation regulations.

The Audit Committee

On 31.12.2024, the Audit Committee was made up of 3 non-executive directors, of which 2 are independent members, namely:

Name	Position held in the Committee	Period
Vasile Iuga	Chairman (independent)	22.11.2017 – up to now
Bogdan Merfea	Member (non-executive)	01-04-2019 – up to now
Nicolae Surdu	Member (independent)	22.06.2017 – up to now

The Audit Committee has an advisory role. It is made up of members of the Board of Directors, with the appropriate expertise in the specific tasks assigned to them within the Committee. The Audit Committee meets on a quarterly basis and whenever appropriate, with the role of assisting the Board of Directors in fulfilling its responsibilities for internal control, risk management and internal audit. The Audit Committee's responsibilities are presented in the Corporate Governance Code of the Bank, made available to interested parties on the Bank's website at the address: <https://en.patriabank.ro/d/1422/corporate-governance-code-pbk-2021.pdf> . The Audit Committee of Patria Bank S.A. is responsible for submitting an activity report to the Board of Directors with annual frequency. In 2024, the Audit Committee met in 23 sessions. Thus, the presence of the members of the Committee to its sessions in 2024 was as follows:

- Vasile Iuga – 23 sessions
- Bogdan Merfea – 23 sessions
- Nicolae Surdu – 23 sessions

The main topics concerned the evaluation of the audit activity in general, including the evaluation of the organizational independence of the audit, the evaluation of the internal control system, the monitoring of the financial reporting process, the monitoring of the statutory audit, the review of the scope and frequency of the statutory audit, the analysis and approval of the internal audit plan, the status of monitoring the recommendations and the internal audit plan, the presentation of internal audit reports including the conclusions resulting from the evaluation of independent functions, aspects regarding the bank's financial statements, aspects regarding reports issued by supervisory authorities, reports issued by the control functions.

Risk Management Committee

On 31.12.2024, the Risk Management Committee was made up of 3 non-executive directors, out of which 2 are independent members, namely:

Name	Position held in the Committee	Period
Nicolae Surdu	Member (Independent)	06.12.2017 – up to now
Daniela Iliescu	Chairman	01.01.2022 – up tp now
Vasile Iuga	Member (Independent)	06.12.2017 – up to now

The Risk Management Committee has an advisory role. It is made up of members of the Board of Directors, with the appropriate expertise in the specific tasks assigned to them within the Committee. The Risk Management Committee meets monthly or whenever necessary to assist the Board of Directors with regard to risk appetite and global strategy for managing the current and future risks of the Bank and to assist the Board of Directors in overseeing implementation strategy. It also assists the Board members in matters related to the development of a sustainability framework that ensures the efficient measurement, management and reporting of ESG performance, respectively to ensure the implementation of all internal regulations and procedures for the efficient management of ESG impacts, risks and opportunities. within the Board of Directors.

The responsibilities of the Risk Management Committee are set out in the Corporate Governance Code of the Bank made available to interested parties on the Bank's website at the address: <https://en.patriabank.ro/d/1422/corporate-governance-code-pbk-2021.pdf>. Convocations for meetings of the Risk Management Committee in 2023 covered the meeting place, date and draft agenda. The Committee's sessions were held through modern means of communication (Teams platform or e-mail).

At each meeting minutes were drawn up, which included the names of the participants, the order of the deliberations, the discussions on the topics of the agenda (including the requests and correspondence via e-mail), the decisions taken, the number of votes, the abstentions and the separate opinions.

In 2024, the Risk Management Committee met in 20 sessions, each of them was attended by all members of the Committee. A number of 95 decisions were passed, the Committee's decisions being taken by unanimity of votes. The members of the Board of Directors, the Executive Committee, as well as representatives of the Bank's Central structures attended the Committee meetings as guests.

Thus, the presence of the members of the Committee at its meetings in 2024 was the following:

- Nicolae Surdu – 20 meetings
- Horia Manda – 19 meetings
- Vasile Iuga – 20 meetings

The main topics discussed were mainly:

- Risk Management Strategy endorsement;
- Risk management policies analysis and endorsement;
- Analysis and endorsement of product records;
- Annual reports on compliance/risk activity.
- Monthly general reports on risk management, audit reports, compliance control reports and other specific reports;
- Reports on the results of the internal individual and consolidated capital adequacy risk assessment process and ILAAP reports;

Senior Management Body

The Executive Committee represents the senior management body, ensuring the Bank's operational management. Its competencies and attributions have been regulated by the Articles of Incorporation, by its own Statute and by the Bank's Rules of Organization and Operation.

On 31.12.2024 the operational management and coordination of the daily activity of the Bank was delegated by the Board of Directors to several managers who together formed the Executive Committee.

There are no agreements, understandings or family relationships between executive managers and other persons due to which members of the Board of Directors to be appointed members of the executive management body.

The Executive Committee consists of

Name	Position held in the Executive Committee	Position held in the Bank	Period
Burak Suleyman Yildiran	Member, 1 mandate	General Manager	15.10.2020 -12.03.2024*
Valentin Grigore Vancea	Member, 2 mandates	Deputy General Manager, Operations and IT Division	04.07.2016 –04.07.2020 05.07.2020 – 05.07.2024
	Member, 1 mandate	General Manager	18.03.2024- 18.03.2028
Georgiana Mihaela Stanculescu	Member, 1 mandate	Deputy General Manager, Financial Division	01.01.2022 – 01.01.2026 01.01.2026 – 01.01.2027
Razvan Vasile Prodea	Member, 1 mandate	Deputy General Manager, Risk Division	01.10.2022 -01.10.2026
Dragos Alexandru Calin	Member, 1 mandate	Deputy General Manager, Commercial Division	01.12.2023 – 01.12.2027 **

*In the meeting of 12.12.2023. The Board of Directors approved the termination of the mandate of Mr. Burak Suleyman Yildiran as General Manager, on the date of communication by the National Bank of Romania of the approval for the new General Manager, but no later than 12.03.2024. During the same meeting, the Board of Directors approved the appointment of Mr. Grigore Valentin Vancea as General Manager, for a 4-year term, starting from the date of communication of the approval by the National Bank of Romania.

** In the meeting of 26.02.2025, the Board of Directors approved the termination of the mandate of Deputy General Manager of the Commercial Division of Mr. Dragos Alexandru Calin, starting with 01.04.2025.

Information about Executives

Executive management members have relevant experience in the banking sector, as well as extensive technical expertise in the financial services sector, both in credit institutions and non-bank financial institutions, as follows:

Suleyman Burak Yildiran – General Manager until 12.03.2024

Chairman of Assets and Liabilities Capitalisation Committee until 12.03.2024

Member of Corporate/Retail Credit Committee until 12.03.2024

Member of Projects Committee until 12.03.2024

In the meeting of 12.12.2023 The Board of Directors approved the termination of the mandate of Mr. Burak Suleyman Yildiran as General Manager, on the date of communication by the National Bank of Romania of the

approval for the new General Manager, but no later than 12.03.2024. During the same meeting, the Board of Directors approved the appointment of Mr. Grigore-Valentin Vancea as General Manager, for a 4-year term, starting from the date of communication of the approval by the National Bank of Romania.

Mr. Burak Yildiran's mandate is to lead the Bank's development strategy in supporting local entrepreneurship and individual customers, as well as improving the customer experience and developing digital processes.

Relatively permanent engagement and obligations, including executive and non-executive positions in the Board of companies and non-profit Institutions, on 12.03.2024 (entities in operation):

Name	Position in the Bank	Company	Position in the Company
Burak Suleyman Yildiran	General Manager	Patria Bank SA	General Manager
		Patria Credit IFN SA	Director

Valentin Grigore Vancea

Deputy General Manager, Operation and IT Division until 17.03.2024

General Manager starting with 18.03.2024

Chairman of the Executive Committee

Member of Asset and Liability Management Committee

Chairman of the Committee on Safety and Health at Work

Member of the Assets Recovery Committee

Chairman of the Projects Committee

Mr. Vancea graduated from the Faculty of International Economic Relations of the Bucharest Academy of Economic Studies, holding an MBA from City University of Washington in Financial Management. Between 1999 and 2000, Mr. Vancea was an auditor at KPMG Romania and during the period 2000-2003, he worked in the audit area within HVB Romania. In 2003-2007, Mr. Vancea has held the position of internal audit director at HVB Bank. During this period he coordinated the implementation of the merger projects between HVB Bank Romania S.A. and Banca Comerciala Ion Tiriac S.A, respectively Unicredit Bank.

During 2008-2011, Mr. Vancea held the position of Vice President at Volksbank Romania as Chief Operations Officer. Being specialized in Operations, IT and Information Security, he has held leadership positions within ANSSI - National Association for Information Security between 2012 -2017 and the position of Vicepresident of Cloud Security Alliance, Romania Chapter since 2014 and up to now. He also coordinated the business development and strategy segment of Star Storage during 2014-2015, from the Executive Manager position. During 2015-2016, Mr. Vancea served as Executive Manager on Operations and IT, a member of the Executive Committee within former Patria Bank

SA and from 04.07.2016 until the date of the merger, he held the position of Executive Director of Banca Comerciala Carpatica SA, leading the Operations and IT area, member of the Board of Directors. After the merger with former Patria Bank SA, Mr. Vancea holds the position of Deputy General Manager within Patria Bank SA, coordinating the operations and IT area.

In the meeting of 12.12.2023 The Board of Directors approved the termination of the mandate of Mr. Burak Suleyman Yildiran as General Manager, on the date of communication by the National Bank of Romania of the approval for the new General Manager, but no later than 12.03.2024. During the same meeting, the Board of Directors approved the appointment of Mr. Grigore-Valentin Vancea as General Manager, for a 4-year term, starting from the date of communication of the approval by the National Bank of Romania. On 18.03.2024, the National Bank of Romania notified the Bank of the approval of the appointment of Mr. Grigore-Valentin Vancea as General Manager (CEO), member of the Board of Directors within Patria Bank SA.

Mr. Valentin Vancea's mandate aims to continue the Bank's development strategy in supporting local entrepreneurship and individual clients, as well as improving the customer experience and developing digital processes.

Relatively permanent engagements and obligations, including executive and non-executive positions in the board of companies and non-profit institutions on 31.12.2024 (entities in operation):

Name	Position in the Bank	Company	Position in the Company
Valentin Grigore Vancea	General Manager	Patria Bank SA	Deputy General Manager, Operation and IT Division until 17.03.2024 General Manager starting with 18.03.2024
		SAI Patria Asset Management	Director
		Cloud Security Alliance Romania Chapter	Vicepresident

Georgiana Mihaela Stanciulescu

Deputy General Manager, Financial Division

Member of the Executive Committee

Chairman of the Asset and Liabilities Management Committee

Member of the Asset and Liabilities Capitalisation Committee

Member of the Projects Committee

Mrs. Stanciulescu has been part of the Patria Bank team for over 9 years, holding various management positions in the financial area.

With over 18 years of experience in the banking industry working in Credit Agricole, Emporiki Bank and Piraeus Bank and expertise in coordinating the complex area of financial management - budgeting, planning, controlling and reporting - Mrs. Stanciulescu is one of the key leaders who contributed to the development of Patria Bank, having a decisive role in important projects such as the merger, the acquisition of two business lines, the transition to IFRS 9 and the implementation of Fund Transfer Pricing in order to develop profitability analyses.

Relatively permanent engagements and obligations, including executive and non-executive positions in the board of companies and non-profit institutions on 31.12.2024 (entities in operation):

Name	Position in the Bank	Company	Position in the Company
Georgiana Mihaela Stanculescu	Deputy General Manager Financial Division	Patria Bank SA	Deputy General Manager Financial Division

Razvan Vasile Prodea

Deputy General Manager, Risk Division

Member of the Executive Committee

Chairman of the Corporate/Retail Credit Committee

Chairman of the Workout and Recovery Committee

Member of the Asset and Liabilities Management Committee

Member of the Projects Committee

Chairman of the Legal Entities Customers Monitoring Committee

Mr. Razvan Prodea has a long experience in risk management. He started his career in 2003 at the Banca Comerciala Carpatica S.A., working as an economist initially, as an internal auditor in the period 2004 -2010 and afterwards he took over the responsibilities as Head of the Risk Management Department (2010-2013) and respectively as Deputy Manager of the Credit Products Management Department (2013-2014), while later on to join the Risk Division, first as Deputy Manager and starting with 2015 as Manager.

Relatively permanent engagements and obligations, including executive and non-executive positions in the board of companies and non-profit institutions on 31.12.2024 (entities in operation):

Name	Position in the Bank	Company	Position in the Company
Razvan Vasile Prodea	Deputy General Manager Risk Division	Patria Bank SA	Deputy General Manager Risk Division

Dragos Alexandru Calin

Deputy General Manager, Commercial Division

Member of the Executive Committee

Member of the Corporate Credit Committee

Membru of the Retail Credit Committee

Mr. Dragos Alexandru Calin has a long experience in the financial and banking sector, starting his career in 2001 within FinansBank SA Romania where he held the position of Corporate Client Relations Manager.

Since 2002 Mr. Calin has worked within Raiffeisen Bank Romania, successively fulfilling the functions of Senior SME Risk Analyst (2002 -2004), Head of Microcredit Risk Management Department (2004-2009).

Since 2009 he has held the position of Micro Segment Director, bringing his contribution to the significant achievements registered by Raiffeisen Bank on the Micro segment, namely the award granted by Raiffeisen Bank International at the Annual SME Summit for "Best Microfinance Performance of the Year" for the activity in 2011 and respectively increasing the profitability of micro-enterprises by more than 5 times (2011 vs. 2009). During 2012, Mr. Calin held the position of SME Strategy Director, being responsible for defining the bank's strategy for SME clients in order to cover the entire set of areas that define the business model (customer communication strategy, credit and operational product catalog, sales approach etc.). Between 2013 and 2014, Mr. Calin held the position of Retail Director (Bucharest), coordinating over 100 people and improving the performance of his subordinate team from an average position to a top 3 position in the ranking of the most important indicators of retail activity of the bank.

Between November 2014 and September 2018, Mr. Calin held the position of Executive Director Small Business Banking within Banc Post SA Romania, managing a loan portfolio worth over EUR 240 million and achieving a 40% increase in new lending activity compared to the previous period (in the context in which the bank's risk appetite did not change and the SME lending market decreased).

Between October 2018 and February 2021, Mr. Calin held the position of National Sales Manager within First Bank SA, managing a loan portfolio worth over EUR 500 million, having 500 employees under coordination and participating in large-scale strategic projects carried out by the bank, namely: commercial integration of Leumi Bank with First Bank, defining the first steps of the bank's digitalization strategy, reorganizing business lines (retail, micro, SME).

Between March 2021 and November 2023, Mr. Calin held the position of Deputy General Manager, Commercial Division within BRCI SA, being responsible for the implementation and development of factoring activity as well as the establishment of new revenue-generating business lines (Electronic Money Institutions, Payment Institutions Platform, Cash Back Card Business, IFN financing).

Mr. Calin graduated in 2001 from the Academy of Economic Studies Bucharest - Faculty of Finance, Insurance, Banking and Stock Markets, as well as the post-graduate courses CFA Chartholder - CFA Institute (2013), Raiffeisen Management Academy (2005-2006), Application Scoring Academy - Hungary, Statlogics (2006), Coordination of different personalities - Matthew Strauss (2012) and Coaching - Mihai Stanescu (2014).

Relatively permanent engagements and obligations, including executive and non-executive positions in the board of companies and non-profit institutions on 31.12.2024 (entities in operation):

Nume si Prenume	Functia in banca	Companie	Calitate
Dragos Alexandru Calin	Director Adjunct Divizia Comerciala	Patria Bank SA	Director Adjunct Divizia Comerciala

Executive Committee activity

The Executive Managers are responsible for taking all measures related to the management of the Bank within the limits of the object of activity and respecting the competencies that the law or the constitutive act reserves to the Board of Directors and the General Shareholders Meeting. The managers are invested with powers to act on behalf of the Bank and to represent it in the relations with third parties in the activities they coordinate, in compliance with the legal provisions, the constitutive act and their own statute of organization and functioning.

The meetings of the Executive Committee are held on a weekly basis or whenever the Bank's activity requires it.

The convocations for the meetings of the Executive Committee in 2024 covered the meeting place, the date and the draft agenda. The Committee's sessions were held through modern means of communication (Teams platform, electronic correspondence) but also at the social headquarters of the Bank. At each meeting minutes were drawn up, which included the names of the participants and the guests (where applicable), the order of the materials proposed for approval / endorsement / information, the discussions, the decisions taken, the number of votes, the abstentions and the separate opinions (where applicable).

During the year 2024, **180 meetings of the Executive Committee** were held and **1263 decisions** were adopted, the Committee's decisions being taken generally by unanimity of votes. At the meetings of the Executive Committee, besides the members of the Committee the representatives of the Bank's central structures participated as guests.

The presence of the members of the Committee at its meetings was as follows:

- Mr. Burak Yildiran – 27 meetings (until 11.03.2024)
- Mr. Valentin Vancea – 180 meetings (CEO starting with 18.03.2024)
- Mr. Razvan Prodea – 179 meetings
- Mrs. Georgiana Stanciulescu – 178 meetings
- Mr. Dragos Alexandru Calin – 88 meetings (starting with 21.06.2024 – following NBR's prior approval)

The main areas of action of the Executive Committee were:

- Endorsed the Organization and Functioning Regulation of Patria Bank SA and reviewing the Bank's risk management policies and strategies
- Proposed and implemented measures established to remedy the shortcomings found in the NBR oversight missions, within the internal audit missions or the external auditor's
- Analyzed and closely monitored the financial ratios of the bank, the degree of implementation of the approved budget, as part of a continuous process of cost reduction and efficiency of the Bank's activity.

The Executive Committee has regularly and comprehensively provided the Board of Directors with detailed information on all important aspects of the Bank's activities, including those relating to risk management, potential

risk assessment and compliance issues, implemented and recommended measures, irregularities identified in fulfilling its duties.

Any event of major importance is immediately communicated to the Board of Directors.

Committees supporting the Executive Committee

The Committees set up in support of the Executive Committee assist the latter in fulfilling the tasks assigned to its various lines of activity, especially with regard to the Bank's operational activity. These Committees include members of the Executive Committee and representatives of the management of the involved structures. The responsibilities and competencies of each committee are set by its own rules.

Asset and Liability Management Committee (ALCO)

The Asset and Liability Management Committee is a permanent committee that assists the Executive Committee in fulfilling its responsibilities for managing the structure of assets and liabilities, the management of liquidity and funding sources in order to ensure the balance of the financial risks assumed by the Bank to meet its goals.

During 2024, the Asset and Liability Management Committee met in a series of sessions in order to optimise the Bank's balance sheet.

Corporate Credit Committee and Retail Credit Committee

The Bank has a Corporate Credit Committee and a Retail Credit Committee. Credit committees also operate through credit sub-committees. The Bank's Credit Committees are organized and operate in accordance with the provisions of their own organizational and operational regulations. Credit Committees are permanent committees consisting of 4 members, including the Chairman of the Credit Committee and non-voting guests. Through their activity, according to the established responsibilities and competencies, the Credit Committees ensure the implementation of the Bank's Lending Policy. The approval powers of the credit committees are established within the following regulations: those of the Corporate Credit Committee - in accordance with the Regulation on the approval powers of Legal Entities (clients under non-Workout management), while the powers of the Retail Credits Committee - according to the Regulation regarding the approval powers of Retail credits - individuals. The Credit Committees support the Board of Directors and the Executive Committee in all aspects of credit risk management. The Credit Committees are responsible for operational and methodological tasks. They have a decision-making role and/or make recommendations depending on their area of responsibility.

The Retail Credit Committee has the following competencies and responsibilities:

- approve the credit exposures (and related changes) according to the provisions of the Regulation on the approval powers of credits individuals and issues opinions related to loans within the competence of the Executive Committee/Board of Directors
- adopt all other operational and methodological decisions related to credit risks, the importance of which does not require a decision at the level of the Executive Committee or of the Board of Directors, within the regulatory framework
- approves the list of Retail credit analysts who will be part of the Retail Credit Subcommittees - individuals as members

- approves the establishment of the action plan, following the presentation by the MRD (Monitoring and Regulation Department) of the list of clients with early warning signals, respectively for whom a significant increase in credit risk or an occurrence of improbability of payment was noted.

The Retail Credit Committee meets whenever deemed necessary. Within the Retail Credit Committee, decisions are taken by 50%+1 of the number of members present (the exercise of the "ABSTAIN" vote is not quantified within the 50%+1 decision), with an open vote, conditioned by the existence of at least one member from the Risk area (Deputy General Manager or Director of the Retail Credit Risk Assessment Department). In case of equality of votes, the vote of the President is decisive. In order to make properly substantiated decisions, other specialists from various departments of the Bank or independent experts who have adequate knowledge regarding certain details that may arise during the debate of the items on the agenda may be invited to the meetings.

The regular meetings of the **Corporate Credit Committee** shall be held 3 times a week, on the date, time and place/method specified in the invitation. The Credit Subcommittees shall meet whenever necessary and shall be subordinate to the Credit Committees. The Chairman of the Corporate Credit Committee may convene ordinary or extraordinary meetings, respectively postpone the Corporate Credit Committee meeting and has the authority to establish the items on the agenda of the meeting.

In 2024, the Retail Credit Committee met in 95 meetings. The following cases were analyzed: 83 requests related to individuals and 12 materials submitted by the Monitoring and Regulation Department aimed at the monthly monitoring of individual clients beneficiaries of loans. A total of 62 approval decisions and 33 approval decisions were issued.

In 2024, the Corporate Credit Committee met in 170 sessions. A total of 413 decisions were adopted out of which 16 rejection decisions; out of the total number of adopted decisions, 135 were from the Department of Agro Sales, 84 from the Department of Micro Sales, 194 from the Department of SME & Corporate Sales.

Credit Restructuring and Workout Committee

The Credit Restructuring and Workout Committee (CRWC) is a committee that has approval powers delegated by the Executive Committee, ensuring an adequate exposures portfolio management managed by the workout Business Department and Restructuring and Workout Retail Department.

The main function of the CRWC consists in analyzing and deciding on (i) the restructuring of loans granted to legal entities and individuals proposed and submitted by the Workout Business Department – Restructuring Team and (ii) the non-performing exposures recovery operations managed by the Workout Business Division and Retail Collection and Workout Department. The Credit Restructuring and Workout Committee meets whenever necessary, to discuss issues that are within its competence.

During 2024, the Credit Restructuring and Workout Committee met in physical and online sessions. A total of 45 requests were analysed and 45 decisions were issued (all of them being implemented). Additionally, a number of 150 lower level Workout Committees were organized, all 150 approvals being implemented.

Assets Capitalisation Committee

At the level of the Bank, there is an Asset Recovery Committee whose role is to:

- approve the transactions regarding the sale of the assets owned by the Bank and those of capitalization of the bank's assets by lease, within the limits of competence established according to the internal procedures in force
- endorse the transactions regarding the sale of the assets owned by the Bank and those regarding the capitalization by lease of the assets owned by the Bank, which are within the competence of the approval of the Board of Directors of the Bank
- approve the execution of debtors for whom there are receivables arising from leases and monitors the activity

During 2024, the Asset Capitalisation Committee met in 7 meetings. 12 issues were analyzed for approval.

Other committees

The Committee on Safety and Health at Work, which operates in accordance with the provisions of Law no. 319/2006 of the Methodological Norms for Law Enforcement, approved by GD no. 1425/2006, as well as of the provisions of its own regulation.

4.2 Recruitment and diversity policy

The appointment and evaluation of the suitability of the members of the management body is based on a rigorously defined process in the "Appointment and succession policy of the members of the management body and of the key persons" and in the "Appraisal policy of the members of the management body and of the persons holding key positions", which answer the provisions of the NBR Regulation no. 5/2013 on prudential requirements for credit institutions (Articles 15 and 16) and the principles of the Corporate Governance Code of the BSE.

The main objective of the selection process is to ensure the right candidates for the vacant positions or to ensure the succession of the existing members. The selection of candidates excludes any discrimination regarding gender, age, ethnicity and any other type of discrimination, in accordance with the legal provisions.

The members of the management body meet the eligibility conditions and criteria necessary for the efficient management of the Bank's activity:

- Have a good reputation and expertise to exercise their responsibilities in accordance with the rules of a prudent and healthy banking practice
- Have professional experience that requires theoretical and practical knowledge appropriate to the nature, size and complexity of the bank's activity and the responsibilities entrusted to it, as well as experience in management positions
- Ensures the conditions of the collective authority of the Management Body for an efficient management and performance of the Bank's activity
- Allocate sufficient time to exercise the responsibilities of the law and the statutory bodies
- Demonstrate involvement and commitment to the exercise of the responsibilities of the law and the statutory bodies.

Candidates for membership in the Board of Directors are nominated by shareholders or existing members of the Board of Directors and may only be natural persons who must have a good reputation, knowledge, skills and

experience appropriate to the nature, extent and complexity the Bank's activities and the responsibilities entrusted to it, in order to ensure a prudent and healthy management of the Bank.

The selection of independent directors is subject to compliance with the requirements of Law no. 31/1990 on companies, NBR Regulation no. 5/2013 on prudential requirements for credit institutions (Article 7 paragraph 4) and the Corporate Governance Code of BVB.

The responsibilities are exercised by the members of the Management body subject to the prior approval of the NBR.

In order to encourage independent opinions and criticism, it is intended to ensure a sufficiently diversified structure of the Board of Directors and the Executive Committee in terms of age, gender, education and professional experience. The bank ensures that there is a balance of knowledge, competence, diversity and experience within the management body. Diversity within the Board of Directors and Executive Committee is ensured by the Bank through the selection process in terms of: age, the type of candidates, their studies and their professional experience.

The proposed goals for achieving diversity are as follows:

- selecting people of both genres (female and male);
- selecting people whose higher education covers different areas (financial, management, marketing, technical etc.);
- selecting people whose experience covers different areas of activity (commercial, financial, audit, risk, IT etc.) and different levels of management (the highest level being the previous experience in a position at the management body level in a credit institution).

With regards to 2024, the way in which diversity goals have been achieved is detailed below:

- Both in the Board of Directors and in the Executive Committee there is a female gender person;
- Both the Board of Directors and the Executive Committee have members with various education backgrounds (economics, technical, mathematics etc.);
- Both the Board of Directors and the Executive Committee members have experience in various areas (business, audit, IT, financial, risk);
- Both the Board of Directors and the Executive Committee have at least 3 experienced people at different levels of management (in a management position in a credit institution)

4.3 Assessing the suitability of the members of the management body

The Bank has a policy of assessing the suitability of the management body's members and key personnel by establishing the criteria and processes that the Bank observes in assessing the suitability of the proposed and appointed members of the management body and the persons holding key functions.

The assessment of the suitability of the members of the Board of Directors and the Executive Committee and of the key personnel implies their inclusion in the evaluation criteria set out in the Policy for Assessing the Suitability of

the Members of the Management Body and the persons holding key functions and in the Policy on appointment and succession of the members of the management body and of the persons holding key positions and it is made in the following situations:

- prior to the appointment / hiring of the person on the respective position
- annually or with shorter frequency, if there are requests from authorities in this regard
- whenever necessary, or when events that determine the need for re-evaluation occur, to check the continued suitability of the person.

In 2024, there were no situations of approvals of the National Bank of Romania for new members of the Board of Directors.

4.4 Remuneration of the members of the management body

The Bank's General Shareholders Meeting approves the amount and the conditions for granting the indemnities due to members of the Board of Directors. The remuneration of members of the Executive Committee is determined by the Board of Directors. The remuneration of the members of the management bodies (Board of Directors / Executive Committee) - gross remuneration in 2024 is as follows:

2024 (gross RON), out of which:		Patria Bank SA	Patria Credit IFN SA
Total, out of which:	7,924,165	6,544,148	1,380,017
- fixed remuneration (gross RON)	7,762,876	6,544,148	1,218,728
- variable remuneration (gross RON), out of which:	161,289	0	161,289
- cash	161,289	0	161,289
- shares	0	0	0
- other securities	0	0	0

4.5 Participation of the members of the management body in the share capital

On 31.12.2024 the members of the management body (the Board of Directors and the Executive Committee) did not hold any participations in the share capital of Patria Bank SA.

4.6 Transparency and communication with shareholders and investors

The Bank has on its own website (www.patriabank.ro), a section dedicated to its investors, where documents related to the GSM, the periodical and annual financial statements prepared according to the legislation in force, as well as all the Bank's communications according to the capital market legislation can be accessed and downloaded. The Bank also complies with all disclosure requirements under bank and capital market legislation.

To this end, the Bank has established and maintains a structure dedicated to the relationship with shareholders, investors in the bonds issued by the Bank and other interested parties within the Capital Markets and Investor Relations Division. The shareholders / investors may address their requests to the Bank, both by e-mail and by telephone, to the contact details displayed on the Bank's website E-mail contact address is: capital@patriabank.ro.

Financial calendar and communication with shareholders and investors

In order to inform shareholders and investors, the Bank sets out at the beginning of the year a financial reporting schedule and sends it to the BSE and the FSA.

The updated financial reporting timetable communicated by the Bank for the year 2024 was as follows:

- Presentation of preliminary annual financial results as at 31.12.2023 - 29 February 2024
- Tele-conference with investors and analysts – 4 April 2024
- GSM for approving the annual financial results 2023 - 25 April 2024
- Presentation of annual financial results as at 31 December 2023 – 26 April 2024
- Presentation of quarterly financial results as at 31 March 2024 - 15 May 2024
- Presentation of half-year financial results as at 30 June 2024 - 30 August 2024
- Meeting/Tele-conference with investors and analysts – 5 September 2024
- Presentation of quarterly financial results as at 30 September 2024 - 15 November 2024

4.7 Other corporate governance issues

Transactions with affiliated parties

The Bank has procedures for identifying and dealing with the Bank's affiliated parties and their transactions. The competence of approving the credits granted to the persons affiliated to the Bank is the responsibility of the Board of Directors. Members of the Board of Directors in conflict of interest are excluded from the approval process. No shareholder may be granted preferential treatment over other shareholders in relation to transactions and agreements entered into by the company with shareholders and their affiliates.

The affiliated party category represents the client category that includes at least:

- a) any entity over which the Bank exercises control, including special purpose vehicles;
- b) any entity in which the Bank holds participations, including special purpose vehicles;
- c) entities exercising control over the Bank;
- d) any entity in which the entities referred to in point c) above exercise control or hold participations, excluding the cases where the respective entity is state owned;
- e) shareholders having qualifying holdings in the Bank's capital;
- f) any entity in which the shareholders referred to in point e) above exercise control or hold participations, excluding the cases where the respective entity is state owned;
- g) members of the management body, as well as those holding key positions, together with:
 - (i) the entities in which they have direct or indirect interests; and
 - (ii) close members of their families who are expected to influence or be influenced by them in relation to the credit institution; they may include: the life partner and the children of the respective person; the children of the person's life partner; dependents of the person or his / her life partner.

- h) members of the management body and persons holding key positions or, as the case may be, positions similar to key positions in the entities from points a) - f), together with the entities and related persons provided at point g) para (i) and (ii).

Affiliated party transactions include on-balance sheet and off-balance sheet credit exposures, as well as relationships such as service contracts, asset purchases and sales, construction contracts, leases, derivative transactions, loans, and off-balance sheet operations. The term transaction must be interpreted broadly to include not only transactions that are concluded with affiliated parties, but also situations in which a person with whom the credit institution is not in such a relationship (to whom the credit institution has an exposure) later becomes an affiliate.

The National Bank of Romania may establish that a particular person and / or entity is an affiliate of the bank.

Thus, on 31.12.2024 the parties affiliated to the Bank are:

- Majority shareholder EEAF Financial Services BV;
- Bank's subsidiaries: Patria Credit IFN SA, SAI Patria Asset Management SA (with the five managed funds: Patria Obligatiuni, Patria Euro Obligatiuni, Patria Global, Patria Stock, ETF BET Tradeville), Carpatica Invest SA;
- The members of the Board of Directors and of the Executive Committee and the companies in which the management has a significant influence;
- The key management personnel;
- The qualified shareholders (over 10%):

All transactions with related parties have been concluded in similar terms to transactions with unrelated parties, taking into account interest rates and related guarantees. Transactions with affiliated parties are disclosed in a separate note to the separate financial statements for the year ended 31 December 2024 and also for comparative periods.

The list of parties affiliated to the Bank is presented in Appendix 2 to this report.

Insider transactions

Through internal procedures of the Bank, persons exercising management responsibilities as well as persons having a close relationship with them have the obligation to notify the Bank / FSA of any transaction performed on their behalf in connection with the Bank's shares or debt securities or derivative financial instruments or other related financial instruments, in respect of the Bank.

On the other hand, through the internal procedure for insiders and market abuse, the Bank informs the insiders about their obligations regarding the regime of privileged information in case of transactions with shares issued by the Bank. Thus, there are specific provisions regarding the periods during which the Bank's securities are traded by insiders or employees of the Bank, the blackout periods being closely linked to the financial reporting periods.

In 2024 no cases were found out that would be contrary to the interests of the Bank as regards the initiated persons. According to the information available to the Bank, the persons exercising management responsibilities, as well as the persons who have a close connection with them that did not make in 2020 transactions on their behalf in

connection with the Bank's shares or debt securities or derivative financial instruments or other financial instruments related thereto, in respect of the Bank. The transactions performed by these persons with the bonds issued by Patria Bank were reported to and published by the Bucharest Stock Exchange according to the applicable regulations.

Conflict of interests

In order to prevent conflict of interest, employees must avoid and abstain from any activity that is contrary to the interests of Patria Bank and / or its clients, having the obligation to report any situation of the nature of the conflict of interest and to collaborate with the organizational structures responsible, in order to solve and manage effectively any such situation.

Among the responsibilities of the members of the Bank's Management Bodies (members of the Board of Directors and the Executive Committee) in order to prevent conflict of interests are:

- the obligation to notify the other members of the Board of Directors, respectively of the Executive Committee regarding any conflict of interest situations the are found
- the obligation to abstain when decisions are taken regarding transactions that can determine a potential conflict of interests
- the obligation not to request or initiate the performance / approval of the transactions prohibited by the Law of companies no. 31/1990.

During 2024, situations of conflict of interest between some members of the Management Bodies and the interests of the Bank were identified, which is why immediate measures were taken to prevent and mitigate the related risks, such as the abstaining of those members of the Management Bodies to take decisions during the course of achievement of their current attributions, thus leading to maintaining the quality of the management framework.

Contestations or administrative proceedings of members of the Management body

On the basis of the merger project, the two banks participating in the merger provided the shareholders who did not vote in favour of the merger procedures for their withdrawal from the former Banca Comerciala Carpatica SA, respectively from former Patria Bank SA. In accordance with the provisions of these procedures, during the exercise of the right of withdrawal, they have expressed their right of withdrawal:

- from the former Banca Comerciala Carpatica SA - a number of 3 shareholders, holding together 414,699,946 shares in the former Banca Comerciala Carpatica SA, representing 18.83% of the share capital of the absorbing bank before the merger, the Bank having the obligation to acquire these shares from the respective shareholders at a price of RON 0.0896 / share, established in accordance with legal provisions, which will lead to the restitution of the capital to the shareholders in the amount of RON 37,157,115.17;
- from former Patria Bank SA - a number of 2 shareholders, holding together 303,758 shares in the former Patria Bank SA, representing 0.0003% of the subscribed and paid-up share capital of the bank absorbed before the merger, the merged bank having the obligation to purchase these shares at a price of RON 0.2702 for each share issued by the absorbed bank (representing the withdrawal price for the 3.0566 shares issued by the absorbing bank in exchange for a share issued by the absorbed bank), established in accordance with the legal provisions, which will lead to the restitution of capital to shareholders in a total amount of RON 82,075.41.

In order to fulfill the obligation to redeem the shares for which the right of withdrawal has been exercised in total amount of RON 37,239,190.57, the Bank has the obligation to comply with the requirements of art. 77 and 78 of

CRR. This implies taking steps aimed at the prior approval of the NBR and presenting evidence that the Bank's own funds, after performing the redemption operation, will be at a prudentially acceptable level.

Given that on 26.10.2017 there was a reduction in the share capital of the merged Patria Bank, to cover the accumulated historical losses of the former Banca Comerciala Carpatica, by reducing the number of shares and, having in view that at the time of capital reduction, the shares for which it had been expressed the right of withdrawal weren't redeemed, as part of the capital reduction operation, the minority shareholders' rights on the value of the shares for which the right of withdrawal was expressed were preserved. Thus, for a number of 250,899,063 shares of the total of 3,115,330,575 shares resulted after the capital reduction, there have been expressed rights of withdrawal, namely 8.053% of the share capital of the bank resulted from the merger.

On September 2, 2021, following the procedures provided by articles 77 and 78 of CRR, the Bank announced the partial repurchase of its own shares amounting to RON 1,089,572, proportionally, from the shareholders who filed withdrawal requests during the merger process, according to the provisions of the Withdrawal Procedure.

The partial repurchase of the shares and the payment of the price was conditioned by the lock-up in the account (blocking) of the shares, in Section I of the Central Depository starting with the date of lock-up and until the date of the transfer of ownership. Each shareholder who has exercised the right of withdrawal in accordance with the Withdrawal Procedures must carry out the procedures for lock-up of the partial repurchase shares.

The bank received a single request for lock-up of shares until September 20, 2021, the announced deadline for the lock-up of shares, for a number of 16,190 PBK shares (for which Depozitarul Central SA confirmed that it operated the lock-up) and paid the amount of RON 2,371 to the respective shareholder. The shares were transferred by the Central Depository to Patria Bank S.A. in accordance with applicable regulations.

On 16.12.2024, following the Bank's request for approval of a new partial share buyback, the National Bank of Romania communicated the approval of the partial share buyback from shareholders who had submitted withdrawal requests, under the conditions of art. 134 of Law 31/1990, within the limit of RON 6,000,000. Two requests for the lock-up of shares were received within this procedure, and the procedure was finalized on 18.02.2025, when the Central Depository notified the transfer of the redeemed shares (respectively a number of 40,423,818 shares), to Patria Bank S.A., in accordance with the applicable regulations.

In accordance with the provisions of the withdrawal procedures approved by the Boards of Directors of the two banks participating in the merger process (Patria Bank and Banca Comerciala Carpatica), the Board of Directors of the Bank will continue to take steps to request the prior approval of the National Bank of Romania for partial share buybacks, provided that the applicable prudential conditions are met, according to the legislative framework in force, steps that will be continued until the full redemption of the number of shares for which withdrawal requests were made by shareholders of the two banks involved in the merger process. The partial buybacks that will be approved by the National Bank of Romania will be brought to the attention of investors and shareholders, by publishing current reports, in accordance with the law.

Other litigations of the Bank with the shareholders

On 18.10.2018 Patria Bank S.A. received in the file no. 22659/3/2018 filed at the Bucharest Court of Appeal, the petition for request for summons brought by the plaintiff, Ilie Carabulea, claiming payment of a debt he calculated

at the amount of lei 36,437,587.02 lei, corresponding to the price of 406,669,498 nominative shares in respect of which he exercised his right of withdrawal from the former Banca Comerciala Carpatica SA at the time of the merger with former Patria Bank SA. On 11.07.2019 the Bucharest Court pronounced the civil sentence no. 2096 / 11.07.2019, by which it rejected as premature the request for a trial. Against the civil sentence no. 2096 / 11.07.2019 Mr. Ilie Carabulea filed an appeal, which was rejected by civil decision no. 904/23 July 2020. Against this decision Mr. Ilie Carabulea filed an appeal, which was rejected by the decision pronounced on 21.10.2021 by the High Court of Justice and Cassation.

In 2023, Mr. Carabulea Ilie filed a new request for summons, which is the subject of the file no. 8937/3/2023, pending before the Bucharest Tribunal, requesting that Patria Bank SA be ordered to obtain the approval of the National Bank of Romania to carry out the buyback operation of all the shares held (406,669,498 shares), at the established value (RON 36,437,587) within the merger by absorption, approved at the General Meeting of Shareholders of Banca Carpatica on 5.10.2016. By Decision no. 3157/20.12.2023 The Bucharest Tribunal rejected the request for summons as unfounded. The decision was appealed by Mr. Ilie Carabulea, the appeal being rejected as unfounded by the Bucharest Court of Appeal, by decision no. 1032 of 27.06.2024. Against this decision, Mr. Ilie Carabulea filed an appeal, pending before the High Court of Cassation and Justice, with a trial deadline of 20.05.2025.

5. Human Resources

As at December 31, 2024, at consolidated level (Patria Bank and Patria Credit IFN) there was a number of 685 active employees, the number of employees of the Bank as of December 31, 2024 being 569 (December 31, 2023: 603 employees). The total number of employees, at the consolidated level (Patria Bank and Patria Credit IFN), including employees whose labour contracts have been suspended and respectively the members of the Board of Directors and the Board of Directors, was 726, of which 605 were employees of the Bank.

Relationships between employees and managers are characterized by respecting appropriate activities and attributions, based on the principle of good faith. The Human Resources Division manages any request-issue that concerns the relations between the employees and / or the employee / employer.

The main activity of the Human Resources Division in the year 2024 consisted in:

- Ensuring resources at the level of the Bank's structures in order to fulfill the activity plan through personnel recruitment and selection actions
- Conducting employee satisfaction survey actions and implementing the recommendations resulting from the workshops held with the bank's employees in order to resolve the detected situations
- Supervising the recruitment and selection processes, performance assesment, loyalty and rewarding of employees
- Continuing professional development and training programs and increasing motivation and commitment of employees with the help of specific programs, especially programs for retention and development of promising employees
- Performing specific fraud prevention and control activities in the field of activity developed in accordance with the provisions of the Anti-Fraud Policy of the Bank.

Professional development programs were continued in 2024 through the “E-learning/E-testing” management system and online on Teams on Zoom applications, but live in-classroom or hybrid delivery training courses sessions have resumed. Thus, important benefits have been reached: organization-wide addressability and cost-effectiveness. Training sessions were delivered in Bucharest - the bank's Head Office or in external locations in the country and in Cismadioara – Patria Bank Training Center.

The e-learning/e-testing programs aimed at transmitting and checking information on compliance, information security, operational risk, professional ethics, money laundering and terrorism financing risk management and control, anti-fraud as well as modules dedicated to MIFID II legislation or mandatory certifications for Bank Assurance products. In addition, E-learning / E-testing training sessions were organized for improving knowledge of Microsoft Excel or Patria Bank portfolio products, legal aspects, European Funds and Investment Funds. These sessions were completed by a large number of employees from the commercial area of the Bank and customized on point in the areas of interest according to the addressed Business segment.

A special project, dedicated to Patria Bank clients - from the portfolio of Micro and Agro business segments - represented the series of information sessions & debates brought together under the ***"Patria Academy"*** concept. Within this, 30 partners / clients of PBK participated in 4 virtual meetings - online - in which topics of interest for an entrepreneur were addressed - the area of branding & marketing, inflation impact and good management tools & techniques, plus presentation of products adapted to the specificity of business of the participants.

Within the induction program, carried out in a more sustained rhythm, the following topics were addressed: retail products and services, Western Union products, mortgage loans, credit products to individuals, Internet Banking but also health and safety at work, information security, GDPR, anti-fraud, operational risk, emergency situations, issues from the real estate evaluation area and Customer Service.

Also, online training programs were organized by the Bank in collaboration with other institutions (e.g.: IBR or ARB), trainers and external resources, as well as internal programs, which aimed at developing the general competencies for fulfilling the responsibilities of the banking activity, as well as the specific abilities that targeted the technical area of activity (e.g.: Microsoft Teams application).

Additionally, the activities on identifying solutions appropriate to the needs of the Bank's external and internal clients continued, improving the quality of services, managing the Bank's portfolio of projects and developing new operational models within the organization.

The following programs were completed:

- 6 Induction onboarding sessions - Teams – 108 participants
- 129 Induction sessions – individual study & testing – of 129 new entry employees in 2024
- 7 internal and external soft skills programs/projects (Negotiation Techniques in Microfinance; Customer Service; Communication & Conflict Resolutions; PCM model Communication & Individual Coaching; Master of Performance (with the concepts of Growth Mindset; Self Branding) – 263 participants
- 14 internal hard skills programs/projects / business concepts; norms; processes & regulations & Applications – 635 participations (several programs / per employee)
- 11 internal events (Conference & team meetings) by Departments and Divisions, for alignment of Business strategies and team cohesion – 221 participants

- 15 Elearning / Etesting sessions – totaling 4132 participations / colleagues tested (in all business areas and mandatory ones, regulated by law) completed and promoted by them.

In terms of assessing the professional performances of the Bank's employees, this is done annually and aims at measuring the achievement of business objectives, as well as the skills needed to fulfill the responsibilities. The evaluation process is addressed to all employees of the Bank.

5.1 Remuneration policy

The Bank's remuneration policy takes into account the legal requirements regarding the observance and fulfillment of legal transparency criteria on remuneration.

Remuneration policy aims to model working relationships in accordance with the organizational chart and to support them by establishing a fair balance between the outcome of the work and the model of remuneration, the employees' loyalty being a consequence of strengthening the organizational culture oriented towards individual and collective performance.

The main purpose of the remuneration policy is to create a remuneration and incentive system for all employees (including the "Personnel Identified"), in which long-term objectives are prioritized rather than short-term interests. The policy also provides for the possibility of making further adjustments for variable remuneration based on risks. The Bank's remuneration policy is accessible to all employees, and the performance assessment process is conducted in accordance with the Evaluation Procedure and it is transparent to all employees.

When establishing and applying total remuneration policies for staff categories whose professional activities have a material impact on the Bank's risk profile (the "Identified Personnel"), including the members of the Executive Committee, the staff who expose the credit institution to risks, internal control functions personnel and any employee who receives a total remuneration that leads to the same remuneration category as that of the members of the Executive Committee and the staff who expose the Bank to risks, the Bank shall observe, in a manner and to a degree appropriate to its size and its internal organization, as well as the nature, extent and complexity of the performed activities, the following principles:

1. the level of remuneration allows and promotes sound and effective risk management without encouraging risk-taking that exceeds the Bank's risk tolerance level;
2. the variable remuneration of the risk manager, compliance and internal audit coordinators shall be supervised directly by the Board of Directors;
3. if the remuneration is correlated with performance, the total amount of the remuneration is based on a combination of the individual performance and collective performance evaluation, i.e. the performance of the operational unit to which the employee belongs, as well as the overall outcome of the Bank, and the assessment of individual performance should take into account both financial and non-financial criteria (personal development, compliance with the Bank's systems and controls, involvement in the Bank's business strategies etc.);
4. the annual performance bonus is awarded on the basis of the performance evaluation, the performance of which will be assessed multi-annually in accordance with specific internal regulations, to ensure that the assessment process is based on long-term performance and that the effective payment of performance-based remuneration components extends over a period that takes into account the Bank's business cycle and the risks specific to its business;

5. the total variable remuneration does not limit the bank's ability to strengthen its capital base;
6. the variable remuneration guaranteed to be of an exceptional nature and to occur only when hiring personnel, limited to its first year of activity and only when the Bank has a sound and healthy capital base; the power to approve guaranteed variable remuneration rests with the Board of Directors;
7. the variable component of the total (annual) remuneration must not exceed 100% of the fixed component of the total (annual) remuneration. In the case of identified personnel, the variable remuneration will not exceed 50% of the fixed remuneration, for the year 2024, increasing to a maximum of 100% of the fixed remuneration, starting with March 2025;
8. the performance measurement used for the calculation of variable remuneration components shall include an adjustment for current and potential risks and take into account the cost of capital and liquidity required;
9. given that Patria Bank is not a large credit institution, as defined in art. 4 para. (1) point 146 of Regulation (EU) no. 575/2013, the variable remuneration may be granted in the form of the immediate component, unless the approval decision provides otherwise.
10. both the immediate component and the deferred component, if there is, by the Approval Decision, a deferral scheme, will be paid only if the eligibility conditions provided for in the Procedure regarding the granting of the variable part of the total remuneration within Patria Bank are met;
11. the identified personnel shall be paid or shall be entitled to variable remuneration, including the deferred part thereof, only if the variable remuneration can be sustained in accordance with the financial situation of the Bank as a whole and if it can be justified in accordance with its performance, the structure in which the activity is carried out and the employee in question; this principle shall be included in the *malus* and *clawback* agreements concluded between the Bank and the employees eligible for the performance bonus;
12. the identified personnel shall undertake, by written declaration, not to use personal risk hedging strategies or insurance policies related to remuneration and liability to counteract the risk alignment effects provided for in this policy and in their remuneration agreements.
13. if management members are eligible for incentives linked to the performance of the Bank, the level of their remuneration must be subject to relevant and objective conditions and should not be excessively correlated with the short-term performance of the credit institution. The Board of Directors will define the framework for setting and evaluating annual and multi-annual performance targets.
14. deferred amounts may not be paid through an accelerated procedure, at the same time with the conclusion of the labor contract, unless this contract ceases due to death.
15. the ratio between the components of fixed remuneration and performance-related remuneration is defined by the Bank's management on the basis of the functions of the operational unit in question, but without exceeding the 1: 1 ratio (variable remuneration may not exceed 100% of the fixed remuneration of the total remuneration).
16. if an employee belonging to the identified staff falls within the incentive scheme (due to the specificity of the sales / collection / execution), as it cannot be eligible for the incentive scheme and the annual bonus performance, then he/she will only be eligible for the annual performance bonus.

The "Identified Personnel" list is drawn up in accordance with European Regulation 604/2014 of the Human Resources Division in collaboration with the Risk Management Division and the Legal Division, it is endorsed by the Executive Committee and approved by the Board of Directors. The list is updated annually or whenever necessary.

The annual performance bonus is linked to the annual performance appraisal and can be awarded after the evaluation process has been completed, depending on the achievement of the quantitative and qualitative individual objectives, the financial result or the evolution of the financial position of the company (i.e. RoE > 0 and RoE in positive growth compared with the previous year) and the budget allocated to the bonus fund.

The quantitative and qualitative annual objectives derive from the strategic objectives of the Bank and are agreed with the direct managers and directors of divisions, within the deadline provided by the procedure for the evaluation of the employees' professional performances. The annual employee assessment measures the degree of achievement of the individual objectives (which must be specific, measurable, accessible, relevant and timely framed) and the level of skills required by the job position and held by the employee. The quantitative and qualitative objectives have a 75% weight in the final score and measure the degree to which they have been reached. Thus, if the result is the same with the target set, the performance is standard and 3 points are awarded. In the final score, the share of the quantitative targets is 75% and the qualitative targets are 25%. The objectives of each employee derive from the bank's objectives, which are gradually spread from the bank's highest hierarchical level to the management and then to the execution functions. Professional competencies have a weight of 25% in the final score, these being predefined, of the most relevant for the work done by the employee and which will be subject to evaluation.

Ratings must be given fairly and impartially, without discrimination of gender, ethnic origin, age, sexual orientation or religion, and the degree of achievement of the objectives and skills demonstrated and the behaviors demonstrated during the evaluation year. The annual evaluation of professional performance is done by 2 evaluators.

Professional performance appraisal is in direct relation to the whole activity of the employees, it must be a process known and understood by them and a motivating factor for the development of the performances and professional abilities of the employees. The evaluation process is an opportunity to set up actions to maintain / improve professional performance or develop employee skills, it is a feedback on the expected performance for the job, but also an opportunity to establish career opportunities. Thus, it is possible to identify the strengths and behaviors / performance that did not meet the expected standards. The Human Resources Division, along with the hierarchical boss of the evaluated employee, will recommend in this case future action directions to improve the results.

The identified staff can receive an annual performance bonus, can not benefit from the bonus scheme depending on the sales / recovery / execution. The annual performance bonus can be awarded according to the rating received by each employee (rating at least "at the level of expectations") and the budget allocated and approved by the Board of Directors for the annual performance bonus. In 2024, at group level, variable remuneration in the form of performance bonuses was granted for 14 employees in the category of identified personnel.

The total bank-level budget for the annual performance bonus is approved by the Board of Directors. For members of the Board of Directors and managers of internal control functions, the budget is allocated by the Board of Directors. For the rest of the functions, the budget is allocated by the Executive Committee for each Independent Division / Department, on a yearly basis, according to:

- The annual performance bonus budget approved by the Board of Directors;
- Annual financial results of the Bank;

- Results of professional performance assessments (distribution of ratings / independent division / department in overall total vs. staff expenses independent budget / division / department in total staff budget).

Employees / members of the Board of Directors who are part of the " Identified Personnel " category may not have variable remuneration higher than fixed remuneration (1: 1 ratio), and its payment is made in compliance with points 9 and 10 above, under the same conditions as for the other identified staff members.

The immediate component is only paid if the following conditions are met:

- To have not been under a disciplinary sanction in the year in which the immediate share of variable remuneration is paid
- To not have been initiated / conducted a disciplinary investigation procedure on the date on which the immediate share of variable remuneration is paid. If the disciplinary sanction does not apply following the prior investigation, then the variable part shall be paid on the wage payment corresponding to the month in which the disciplinary investigation was completed
- To not have a request for termination of the contract registered until the last day, inclusive, of the reference period for which the bonus is calculated (exception is made to employees who terminate their CIM with the bank, but are hired within the group, if they meet the eligibility conditions regarding the minimum period worked), provided that they have at least one day worked in the month in which the bonus is paid (employees who do not appear on the payroll of the month at the end of which variable remuneration is paid cannot receive a bonus/commission).

The deferred component is paid if there is, by Approval Decision, a deferral scheme and only if the employee meets the following conditions:

- To have not been under a disciplinary sanction in the year in which the immediate share of variable remuneration is paid;
- To not have been initiated / conducted a disciplinary investigation procedure on the date on which the immediate share of variable remuneration is paid. If the disciplinary sanction does not apply following the prior investigation, then the variable part shall be paid on the wage payment corresponding to the month in which the disciplinary investigation was completed;
- to not have a request for termination of the contract registered until the last day, inclusive, of the reference period for which the bonus is calculated (exception is made to employees who terminate the CIM with the bank, but are hired within the group, if they meet the eligibility conditions regarding the minimum period worked), provided that they have at least one day worked in the month in which the bonus is paid (employees who do not appear on the payroll of the month at the end of which variable remuneration is paid cannot receive a bonus/commission).

The centralization of the results obtained in the annual performance evaluation is done by the Human Resources Division, which centralizes the related amounts for the eligible employees according to the results obtained and the budget / allocation criteria approved by the Executive Committee. The related amounts are subject to the approval of the Board of Directors within the limits of the budget approved by the Board of Directors and the financial results of the Bank.

In the case of the members of the Executive Committee and the managers of internal control functions, the amounts are approved by the Board of Directors. If the total amount of the annual performance bonus exceeds the budget

approved by the Board of Directors for this type of variable payment, the Bank, through the Executive Committee, respectively the Board of Directors, for the members of the Executive Committee and the managers of internal control functions reserves the right to reduce the amount of bonus mentioned above.

The annual performance bonus is calculated pro-rata, according to the office time spent - number of months worked in the bank (which must be at least 6 months to be eligible) or the time period worked following internal staff transfers. Up to 100% of the variable remuneration is subject to malus and clawback arrangements:

- Malus agreements apply both to cash and to parts of deferred payment instruments. Malus agreements operate by affecting the getting into rights process and can not work after the end of the deferred period. The agreement takes into account the risk results of the performance underlying the bank as a whole, the organizational structure and, where possible, the employee
- The clawback agreement is usually applied only in the case of detection of fraud or in the case of misleading information, serious violation of internal regulations and / or a prejudice caused to the bank and applies to both the immediate variable remuneration, as well as the deferred remuneration.

Evaluation of remuneration policies and practices is carried out by the coordinators of the independent control functions and by the Risk Management Committee, taking into account the following objectives:

- preventing the provision of incentives for excessive risk taking and other behaviors contrary to the Bank's interests;
- reviewing the principles governing remuneration policy;
- alignment of remuneration practices with the long-term objectives and strategy, the culture and the internal control environment of the Bank;
- compliance with the provisions of the NBR Regulation no. 5/2013, from the perspective of the following, but not limited to:
 - risk management;
 - a correlation of revenue with: the duties and responsibilities of the job;
 - type and complexity of the job;
 - qualification of employees, individual or collective performance;
 - types of income.

The active involvement of control functions in designing, supervising and reviewing remuneration policies in accordance with specific internal regulations and applicable legislation in the field is very important, with the remuneration policy being reviewed when changes in business strategies and risk management of the Bank occur. The control function coordinators forward the proposed modifications to the Human Resources Division (as the case may be), thus contributing to the determination of the overall remuneration strategy applicable to the Bank. The collaboration between the Managing Body (Board of Directors and the Executive Committee), the coordinators of the control functions and the Human Resources Division, has the role of establishing an efficient framework for performance management, risk adjustment and their linking to the rewarding system.

Procedures on remuneration practices must, in particular, enable risk management and compliance functions to have a significant contribution, in line with their roles, to the establishment of bonuses portfolio, performance criteria and awarding of remuneration where these functions concern the impact on staff conduct and the risky nature of the activity being carried out. The Bank's remuneration policy is endorsed by the Executive Committee, the Risk Management Committee and approved by the Board of Directors on the basis of the proposal for revision

submitted by the Human Resources Division, a proposal evaluated by the Compliance Division, the Legal Division, the Risk Management Division and the Internal Audit Division.

Patria Credit IFN's remuneration policy has taken over the principles applicable to the activity profile (both for the identified personnel and for the other categories of personnel) so as to ensure compliance with the provisions of Patria Bank's Remuneration Policy.

The quantitative information on remuneration for the financial year 2024 for members of senior management bodies and members of staff whose actions have a significant impact on the institution's risk profile, at the level of collection with the application of the requirements regarding the own funds at consolidated level (Patria Bank and Patria Credit IFN) are presented in the tables below (the total number of persons remunerated during 2024 was 42, compared with 2023, when 41 persons were remunerated and on 31.12.2024 their total number being 38):

Remuneration awarded for the financial year 2024 - Ron				
	MB Supervisory function (Patria Bank)	MB Management function (Patria Bank)	Other senior management (Patria Credit IFN)	Other identified staff of Patria Bank (including the members of the management body in its supervisory function of Patria Credit IFN)
Remuneration - Ron				
Number of identified staff	5	4	2	27
Total remuneration - RON	1,530,755	5,013,393	1,035,023	8,373,135
Of which: cash-based - RON	1,530,755	5,013,393	1,035,023	8,373,135
Of which: shares or equivalent ownership interests	0	0	0	0
Of which: share-linked instruments or equivalent non-cash instruments	0	0	0	0
Of which: other instruments	0	0	0	0
Of which: other forms	0	0	0	0
Remuneration - Ron				
Number of identified staff	0	0	2	17
Total remuneration - RON	0	0	161,289	809,973
Of which: cash-based - RON	0	0	161,289	809,973
Of which: deferred	0	0	0	0
Of which: shares or equivalent ownership interests	0	0	0	0
Of which: deferred	0	0	0	0
Of which: share-linked instruments or equivalent non-cash instruments	0	0	0	0
Of which: deferred	0	0	0	0
Of which: other instruments	0	0	0	0
Of which: deferred	0	0	0	0
Of which: other forms	0	0	0	0
Of which: deferred	0	0	0	0
Total remuneration - Ron	1,530,755	5,013,393	1,196,312	9,183,108

Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)										
2024										
	Management body remuneration - RON			Business areas - RON						
	MB Supervisory function (Patria Bank)	MB Management function (Patria Bank)	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
Total number of identified staff										38
Of which: members of the MB	5	4	9							
Of which: other senior management				0	1	0	1	0	0	
Of which: other identified staff				5	11	0	5	2	4	
Total remuneration of identified staff - RON	1,530,755	5,013,393	6,544,148	1,170,847	4,823,974	0	2,730,214	967,009	687,376	
Of which: variable remuneration - RON	0	0	0	99,528	458,912	0	261,541	70,512	80,769	
Of which: fixed remuneration - RON	1,530,755	5,013,393	6,544,148	1,071,319	4,365,062	0	2,468,673	896,497	606,607	

For the year 2024 there were no compensatory payments at the termination of the labor contract. Also, for 2024:

- at group level, there weren't any cases of variable remuneration postponed for the following years
- there were no cases of lowered deferred remuneration due to the termination of a mandate or labour contract
- there were no members of the management body or identified staff members who would benefit from a remuneration of EUR 1 million or more.

6. Patria Bank Group's activity and results in 2024

6.1 Macroeconomic and banking sector context in 2024

The year 2024 was marked by a series of significant economic challenges, many of them being continuations of the trends observed in 2023. The high inflationary pressures correlated with the twin deficits, both the budget deficit and the trade deficit, continued to represent a vulnerability for the Romanian economy which is in a year with four rounds of elections that have significantly left their mark on the budget deficit and that have brought a new level of uncertainty for foreign investors.

In 2024, Romania's public deficit reached RON 152.72 billion, representing 8.65% of GDP, up from 5.61% in 2023. This increase is due to the faster growth of public expenditure compared to revenues.

In 2024, Romania's economy registered an economic growth of 0.9%, the lowest level in the last 12 years, according to data published by the National Institute of Statistics (INS). There was an economic growth of 2% in 2023, a growth rate halved compared to 2022, when the local economy had an advance of 4.1%, after having increased by 5.7% in 2021.

According to World Bank forecasts, Romania's economic growth for 2025 is estimated at 2.1%, down from the previous estimate of 3.8%. However, a good part of analysts see Romania's economic growth significantly below the 2% level for 2025.

The year 2024 ended with an inflation rate of 5.14% in December. In February 2025, the National Bank of Romania revised upwards the inflation forecast for the end of 2025, estimating an annual rate of 3.8%, compared to 3.5% in

the previous forecast. The revision for the end of 2025 of +0.3 percentage points is mainly due to the unanticipated increase in the price of tobacco products and services administered at the beginning of the year, but also to a more persistent dynamics of core inflation. On the other hand, on the horizon of the 2026 projection, inflation is estimated to be 0.1 percentage points lower, due to the reduction in core inflation.

The National Bank of Romania reduced the monetary policy rate from 7% to 6.5% twice during the year, in July and August, but decided to maintain it at this level as a result of the accelerated increase of the budget deficit due to the increase of pensions and salaries in the budgetary sector.

Asset quality was maintained at a high level, reflected by a low NPL ratio and a solid provision coverage. Banks with majority domestic capital continued to play an important role in financial intermediation, having a share of one third in bank assets and attracting 34% of private sector deposits. The total domestic equity ratio reached 22.3% in September 2024, higher than the European average of 20%. A recent financial stress test also highlighted a corresponding resilience of the banking sector at the aggregate level, thanks to its robust operational capacity and high solvency.

Foreign exchange and money market trends in 2025

The global economy is still under pressure in 2025, with many uncertainties coming from the political changes that followed the elections in various countries. The new policies could lead to new trajectories of inflation, credit costs or exchange rate developments, but also of trade, capital and production flows. Meanwhile, governments and central banks must maintain a balance between reducing inflation and economic growth targets.

Regarding the Romanian market, the expectations are that the NBR will maintain the monetary policy interest rate or resume the interest rate reduction cycle only towards the end of 2025, given the prospects of maintaining the annual inflation rate at high levels, the large macroeconomic imbalances, the high uncertainty in the economy.

For 2025, the proposed ceiling for government debt, according to the EU methodology, is 58.5% of GDP. As for the public deficit, it is planned to be reduced from 8.7% of GDP in 2024 to 7% of GDP in 2025. This target is an ambitious one and there are risks for exceeding it in the absence of the adoption of additional fiscal consolidation measures.

The draft budget for 2025 is based on economic growth of 2.5%, which means an estimated GDP value of RON 1.912 billion, a deficit of 7.04% and an inflation of 4.4%.

In terms of economic growth, growth is expected to be higher in 2025 than the 0.9% recorded in 2024. Thus, the expectations of economists in the local market are around 1.5%, but lower than the medium-term economic growth potential, which could be close to 2.5% - 3.0%.

Real GDP growth was unexpectedly subdued in 2024 and is likely to remain subdued in 2025 as economic activity could be negatively impacted by fiscal consolidation and weak external demand.

Inflationary pressures remained high over the past year, but are expected to ease slightly in 2025. Core inflationary pressures are expected to ease, which could lead to a decrease in the annual CORE 3 rate to 3.7% in December. However, a significant increase in energy prices in 2025-2026 could amplify inflation, which is estimated to reach 5% in December 2025.

The future trajectory of inflation remains uncertain, being influenced by the evolution of energy prices, global trade tensions and possible increases in indirect taxes.

The war in Ukraine and the context of the increase in inflation generated mainly by the increase in energy and gas prices and supply chains disruptions

The global macroeconomic outlook remained at low levels in 2024 with stagnation throughout the year, and modest growth especially towards the end of the year, this being caused by the maintenance of a high level of inflation compared to the period before the start of the war, the evolution and escalation of the war in Ukraine and the uncertainty regarding a possible peace, the continuation of difficulties associated with supply chains, but also the maintenance of still low financial conditions due to the evolution of interest rate indices, which remained at high levels, but slightly decreasing compared to 2023. In order to limit the negative effects of inflation and the energy crisis on companies and the population, especially on vulnerable categories, many states have implemented packages of measures, most of which involve significant fiscal costs, which were implemented starting in 2023 and continued in 2024.

At the same time, in the context of maintaining a high level of inflation compared to the pre-war years, generated mainly by increases in commodity, energy and gas prices and disruptions in supply chains, but at a decreasing level compared to the values in 2023, the central banks of Europe and the United States of America reacted and began to decrease the pressure of monetary policy interest rates throughout the year to reduce inflation in 2024.

The NBR reacted similarly, but in a more cautious approach, decreasing the monetary policy interest rate during 2024 from 7% in January 2024 to 6.5% today.

The interbank market recorded a record liquidity surplus in December 2023 OF RON 44.6 billion, thus maintaining the trend recorded at the end of 2022, and in 2024 no repo operations and Lombard emergency loans were carried out, according to data from the National Bank of Romania. The interbank market maintained its liquidity in November 2024, when the surplus decreased to 18.4 billion lei, a visible decrease compared to the previous period of the year. The liquidity surplus decreased in November compared to 26.9 billion lei in the previous month and from 39.2 billion lei in September.

In this context, starting with 2023, the macroeconomic scenarios applied by the Group have been modified compared to those previously applied, to reflect the reality of the macroeconomic prospects determined by the Covid-19 pandemic and the war in Ukraine.

For 2025, the main risks identified are those generated by: (i) global uncertainties, in the context of the war in Ukraine and Palestine and (ii) the continued deterioration of macroeconomic balances, including as a result of regional and international geopolitical developments. Other important systemic risks are those determined by: (i) the delay in financial reforms and the absorption of European funds, in particular through the National Recovery and Resilience Plan (PNRR) and (ii) a potential increase in the risk of default on loans contracted by the non-financial sector, as a result of the maintenance of the generalized increase in prices caused by inflation, as well as of the reference indices for the interest rate.

The macroeconomic scenarios applied by the Group to reflect the reality of the macroeconomic prospects determined by the war in Ukraine and continuation of a high-inflation context are presented in Note 5 Accounting estimations and significant considerations of the consolidated and individual financial statements.

6.2 The Bank's main achievements in 2024

Objectives established through the Activity Plan and Budget

The financial results recorded by Patria Bank as of December 31, 2024 show a net profit of RON 35.2 million, representing a 52% increase compared to the previous year, a result that incorporates the new 2% turnover tax applicable to credit institutions starting with 2024 in the amount of RON 7.5 million (in the absence of which the Bank would have reported a net result of RON 42.7 million). This result represents an accumulation of multiple steps to improve commercial performance (by consolidating the team, products and internal processes), financial position and performance, under conditions of good risk management.

The Bank proved a solid capacity for adaptation and sustainable growth through an integrated strategy that has increased profitability, diversified and increased funding sources, managing to reduce the cost of funding and to streamline operational processes. The decrease in NPL and the increase in RoE and RoA are clear signs of prudent and efficient financial management and a sustainable business model.

The Bank also had the capacity to absorb additional costs (for example: 2% turnover tax), as well as the increase in existing costs, generating additional income and managing to increase profitability ratios (RoA and RoE) and reporting an increasing net result (+52% compared to 2023).

The main financial and commercial milestones reached on December 31, 2024 are presented below:

- **Total assets grew by 11%**, supported by credit expansion and a prudent but profitable investment policy. Diversification and growth of funding sources were key factors in expanding the asset base, maximizing profitability compared to December 2023 (RoA of 0.8%, up from 0.6%; RoE of 8.5%, up from 6.2%)
- **Net banking income increased by 8% in 2024 compared to 2023** due to the expansion of the loan portfolio, the reduction of the financing cost by diversifying funding sources and the reorientation towards shorter-term sources, correlated with the actions to increase current accounts by diversifying products and services and the increase in customer transactional behavior
- **Growth of Performing Loans by 16% compared to 2023 (+320 million lei)**. The development of the loan portfolio was driven by both organic expansion, which remains a predominant strategic direction, and the acquisition in September 2024 of the performing consumer loan portfolio from Alior Bank, worth RON 69 million, which accelerated the income-generating asset base
- **Increase in investments in debt securities by 14% compared to 2023** by temporarily placing excess liquidity at competitive yields according to capital market conditions
- **The strategy to reduce non-performing exposures continued in 2024**. The non-performing loan (NPL) rate was reduced through rigorous prevention strategies, including the intensification of monitoring activity and the initiation of proactive measures to support customers. The intensification of collection and recovery processes, correlated with write-off operations, contributed to the reduction of non-performing loan exposure, allowing for a better allocation of capital. Thus, the Non-Performing Exposures (NPE) Ratio

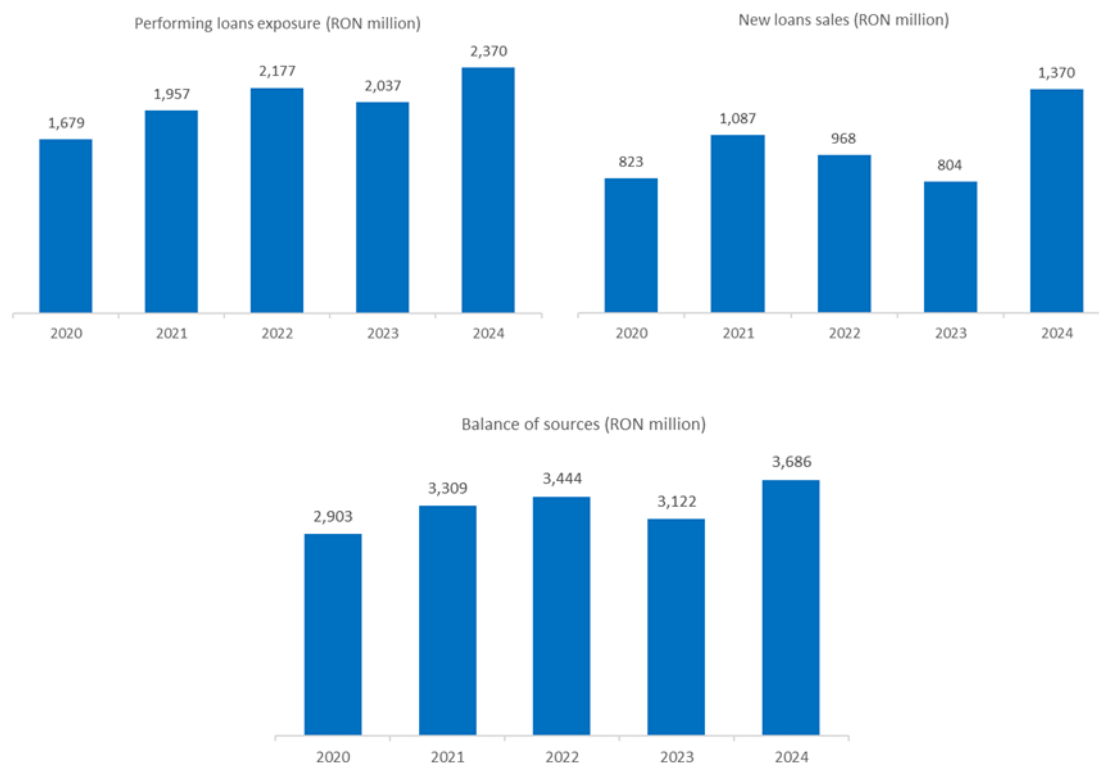
decreased from 5.2% in December 2023 to 4.1% in December 2024, while the coverage ratio of non-performing loans with impairment adjustments is around 57%

- *The bank's shareholders equity shows an increase of RON 30 million*, +8% compared to December 2023, the main source of growth being the profits obtained by the Bank
- *Maintaining a solid capital base* highlighted by the Total Own Funds Ratio of 20.32%, after including the audited profit.

Achievements in the commercial activity

In terms of business activity the Bank continued to be an active participant in the segment of companies that are key pillars of its strategy (SME & Corporate, Microenterprises and Agriculture). The Bank targeted both urban areas (via branches) and rural areas through the mobile sales force and dedicated collection, and through a superior collaboration with branches of Patria Credit IFN, a member company of the Group.

Patria Bank recorded maximum levels in the last five years in the balance of performing loans, loan sales and the balance of attracted sources in 2024. Thus, the balance of performing loans reached a level of RON 2,370 million as of 31.12.2024, up by 16.3% compared to 31.12.2023, the value of loans sold in 2024 was RON 1,370 million, up by 70.4% compared to the level recorded in 2023, and the balance of attracted sources recorded a value of RON 3,686 million as of 31.12.2024, up by 18.1% compared to the value recorded on 31.12.2023.



In 2024, the Bank has accelerated the growth strategy of the **Retail segment (individuals)**, mainly in urban areas, retail lending (individuals) representing a moderate growth engine in the next period, especially in the area of consumer loans without mortgage (unsecured loans). In this sense, the offer of products and retail campaigns has improved significantly compared to previous years and the developments planned in the coming years are

consistent, especially in the area of products, credit risk control and in the area of customer service. At the same time, the Bank will expand its consumer credit distribution channels, by launching the 100% online lending process through "Patria de Oriunde", including for existing customers of the Bank.

In 2024, the Bank better exploited the opportunities in the area of consumer credit needs without real estate mortgage and with fixed interest, by carrying out lending campaigns under very attractive conditions which, in conjunction with the loan portfolio that was the subject of the transaction between Alior Bank SA and Patria Bank (approximately 3,200 clients, with a performing loan exposure denominated in RON of approximately RON 69 million), generated an increase in unsecured loans in balance at the end of 2024 of 49.4% compared to 2023.

In the context of digitalization, Patria Bank has adjusted and improved a number of aspects of interaction with customers by creating new flows and products, which meet the need for remote services, without physical presence in the units.

Patria Bank continued to carry out the series of developments and optimizations for the "Patria de Oriunde" platform through which the Bank completed its portfolio of remote services (including the savings account, expanding the destination of lending solutions through the possibility of refinancing loans granted by Patria Bank and/or by other financial institutions, as well as expanding the segment of clients who can access the **Digital Lending** flow (PLUS consumer credit).

Patria Bank will continue to remain a network bank in the near future, but with an increasingly important presence in the online environment and with an increasingly advanced technology that will allow the gradual growth of the portfolio of digital products. Expansion and growth through partnerships with brokers, with online or offline retail networks, as well as with financial service providers will be increasingly emphasized.

For the **Micro segment**, there is an approx. 30% increase in the production of loans compared with the previous year, due to the more intense targeting of the small and medium-sized customer subsegment and the increase in loan production in the agro area. The process of Active Monitoring of the client portfolio has been continued for its proper management. The Bank continued the program carried out together with the European Investment Fund (EIF) based on the contract signed in December 2022. The Guarantee Agreement for the Microfinance Guarantee is part of the InvestEU Program and the guarantee is dedicated to micro-enterprises (economic entities that register a turnover / assets of maximum EUR 2 million and that have a number of at most 9 employees). The maximum amount of a credit facility granted to beneficiaries under this program is EUR 50,000, and the guarantee offered free of charge for beneficiaries by EIF, covers a maximum of 80% of the loan value, no other real guarantees being requested from the client.

The maximum volume of guarantees contracted by the bank is RON 288 million (which will be translated into a maximum volume of loans of RON 360 million, respectively approx. 3000 facilities), with a 2-year inclusion period. By the end of 2024, around 900 credit facilities with a total value of over RON 87 million have been granted through this product.

This program follows the EaSI Program (Employment and Social Innovation), which the Bank implemented in the period 2017-2022, also with support from the EIF and, within which, it granted over 6,500 credit facilities. The first guarantee agreement (EaSI), worth RON 90 million, was signed in October 2015, providing financing for small and very small businesses. Following the completion of the guarantees granted, Patria Bank signed a new guarantee agreement (EaSI), worth RON 190 million on May 1, 2018 with the final implementation date June 30,

2024. In June 2020, the total value of the guarantee contract was increased to RON 490 million and in June 2022 a second increase took place with another RON 100 million, the facility being fully used by the bank.

Regarding the **SME and Corporate Segment**, the year 2023 was one of orientation towards mid-market clients and medium-sized projects in the market. Although the consolidated new sales of loans in the SME&Corporate area decreased by approximately 14%, this is explained by the orientation towards average sized customers in the market, highlighted through the SME lending activity, where the sale of new loans increased by 26%. Although the balance of performing loans from the SME segment increased by 18% in 2023 as a result of a good management of both the existing portfolio and the new uses of loans, in total, the portfolio of non-performing loans from the SME Corporate segment decreased by 10% as a result of higher than expected repayments from the Corporate area.

Also, through the Micro business line, the agro sub-segment (small agro) was actively supported, both from the perspective of solutions regarding the efficient management of existing exposures in the case of customers affected by unfavorable conditions, and through the financing of developing businesses either through internal solutions or through state programs (e.g. FERMIERUL, APIA).

In 2024, Patria Bank continued to be active in financing the agricultural sector, being among the first banks to sign financing agreements with the Agency for Payments and Intervention for Agriculture, both for the animal and vegetable sectors. The Bank also implemented a project to automate the approval of loans based on the APIA certificate and launched an APIA product in advance. Also, Patria Bank financed clients under the government program Farmer's Credit (*Creditul Fermierului*).

Compared to the results of 2023, in 2024 the Agro segment recorded an increase in the loan portfolio of 50% (total portfolio), respectively 55% (stage 1 and 2 loans). The volume of loans registered in stage 3 was reduced by 31% (RON 9.9 million in 2024 compared to RON 14.5 million in 2023). The total volume of new loans granted in 2024 compared to 2023 registered a 103% increase, especially due to the 115% increase in the volume of investment loans (RON 181 million in 2024 compared to RON 84 million in 2023).

The Agro portfolio in Patria Bank is still predominantly in the area of vegetable cultivation (to the detriment of animal husbandry and fruit growing), both due to the superior expertise that the bank has in this segment as well as due to the superior risk control. Large vegetable growing in Romania is significantly covered at financing level, but most of the Romanian vegetable producers are small in size and, therefore, are mainly served by the Micro sales force and by the territorial units, through dedicated products.

An important pillar of lending continued to be represented by the financing of vegetable agriculture as well as supporting investments in the agriculture segment made with the help of non-reimbursable funds, the financing of FE projects was an important strategy in the area of long-term lending. Also, in order to diversify the financing area, starting with 2024, Patria Bank has included the food industry sector as an integrated part of the agribusiness value chain.

A distinct objective for the bank in 2024 was related to the **acceleration of digitization projects and financial education programs for customers**, materialized as follows:

Optimization of internal flows such as:

- **Legal entities:**
 - Optimization of the **automatic query flow of internal/external (public) sources**
 - Implementation of the **automatic update flow at the Bank's initiative** for SME and Corporate customers, in order to streamline the workflow
- **Individuals:**
 - Implementation of a **new digital lending channel through partners in the Patria de Oriunde platform**
 - Implementation of a new non-credit product, **RON savings account**, in the Online Onboarding flow – Patria de Oriunde
 - Expansion of the destination of lending solutions through the **possibility of refinancing loans granted by Patria Bank and/or by other financial institutions through the online platform “Patria de Oriunde”**
 - Implementation of a security solution for Mobile Banking applications that acts against cyber threats (malware attacks, hacking and other forms of exploitation)
- Continuation of the project regarding the equipment of territorial units with multifunctional machines and the arrangement of self-service areas within the units that will be included in the program
- Increase in the number of POS transactions by 23% and the volume of POS transactions by 22%.

Patria Online registered a 17% increase in the number of users on 31.12.2024 compared to the same period of the previous year.

Operational, IT and Commercial achievements

On operational level, Patria Bank continued the **innovation** process by developing and implementing new products and technologies, thus ensuring continuous improvement of the organization's competitiveness and sustainability.

Optimization and digitalization initiatives carried out in 2024, with an impact on the **commercial area**, include **diversifying the range of products and services** dedicated to corporate clients, through:

- Implementation of a new **APIA in Advance** lending product dedicated to the Micro and Agro business segments, a financing product granted to cover working capital needs and consists of pre-financing the APIA subsidy in a proportion of up to 70% of the value of the subsidy due in the previous year
- Implementation of a new lending product, **Agro Gold Credit**, for the Agro business segment and its update for the Micro business segment
- Implementation of new lending products, with **EIF guarantee (Competitiveness component)**, for the Agro, SME and Corporate business segments
- Implementation of a new lending product, **Farmer's Loan (Creditul Fermierului)** dedicated to the Micro and Agro business segments, a financing product granted to cover working capital needs and consists of a state aid in the form of a grant that covers the interest component representing the 3-Month ROBOR portion

- Implementation of the *IMM Plus Program, a state aid scheme* for the components: IMM Romania Plus, Agro Plus, IMM Prod Plus, Construct Plus and Rural Plus dedicated to all legal entity clients according to the bank's segmentation, within which loans for financing working capital and investment loans can be granted
- Implementation of a new lending product, *Prompt Credit* dedicated to the Micro - Small Business segment, a financing product granted to cover working capital needs without collateral
- Initiation of the project regarding the implementation of a new product, "*Funds Protection Account*" a special purpose account type intended for Payment Institutions
- Inclusion of the **EURO currency for real estate investment loans with fixed interest in the first 5 years**, variable starting with year 6, both for territorial units and for brokers (launch date February 2025).

In the coming period, in order to continue the strategy of optimizing and digitizing the processes through which the Bank offers customers the possibility of accessing services remotely and subsequently transacting/using them, the following projects with an impact on the commercial area will be launched:

- Implementation of a flow of salary agreements with document exchange through the Patria de Oriunde platform (opening clients based on files, without the physical presence of the employer's representative at the bank or the employee)
- E-wallet – integration of cards issued by Patria Bank into major wallets (Apple, Google) and payments at POS with mobile devices
- Implementation of the sale of Credit Card products through the Patria de Oriunde platform
- Development of internal flows of the Patria de Oriunde platform (e.g. sale of non-credit products)
- New functionalities in MFM (FX transactions and lead collection)
- Development of Mobile Banking for legal entities
- Implementation of new functionalities in Mobile Banking applications
- Optimization of the Online Card Services platform
- Implementation of the individuals and legal entities virtual card.

Early Collection and workout activity

The main objective is to maximize recoveries and reduce the rate of non-performing loans at the bank level.

In 2024 as a result of the amicable collection activities undertaken at the level of the Credit Early Collection Department, RON 112.89 million were collected (RON 92.78 million coming from the legal entities area and RON 20.11 million coming from the individuals area). Compared to 2023 there have been collected RON 19.01 million more (overall increase of 16.84%).

In respect of the workout activity within legal procedures, it is carried out by the Business Workout and Retail Workout Department and during 2024 the following amounts were recovered: for legal entities approximately RON 34.7 million and for individuals approximately RON 4.9 million (in total RON 39.6 million).

Marketing and communication activity

The business strategy of Patria Bank is focused on the needs of clients and the establishment of sustainable partnerships.

The main strategic directions from 2024 focused on 5 major objectives:

1. Supporting the Romanian business environment and individuals
2. Acceleration of digital presence and performance
3. Entrepreneurial and financial education
4. Customer loyalty
5. Meaningful involvement in the community

6.3 The Results of 2024

The preparation of the consolidated and separate financial statements is based on the going concern assumption that involves management's assessments, estimates and hypotheses related to the income, expenses, assets, liabilities, cash flows, liquidity and capital requirements of the Bank and the Group. Management is not aware of any significant uncertainties that may cause significant doubt as to the ability of the Group and the Bank to continue to operate.

6.3.1 Consolidation perimeter and own funds

Details are provided in Annex 7.

6.3.2 Financial Position as at 31.12.2024

BANK

The financial position of the Bank on 31.12.2024 compared to 31.12.2023 is presented as follows:

FINANCIAL POSITION STATEMENT				
<i>-thousands RON-</i>				
ASSETS	31.dec.24	31.dec.23	dec.24/ dec.23 (abs.)	dec.24/ dec.23 (%)
Cash and cash equivalents	524,457	537,692	(13,235)	(2%)
Loans and advances to banks	19,422	18,726	696	4%
Securities	1,266,353	1,114,515	151,838	14%
Investments in subsidiaries	40,296	40,296	-	0%
Loans and advances to customers, net	2,367,410	2,058,585	308,825	15%
Other assets	268,219	263,586	4,633	2%
Total ASSETS	4,486,157	4,033,400	452,757	11%
LIABILITIES	31.dec.24	31.dec.23	dec.24/ dec.23 (abs.)	dec.24/ dec.23 (%)
Due to banks & REPO	141,453	281,717	(140,264)	(50%)
Due to customers	3,702,193	3,124,154	578,039	19%
Other liabilities	88,558	94,066	(5,508)	(6%)
Subordinated debt	59,391	69,385	(9,994)	(14%)
Debt securities in issue	65,557	65,193	364	1%
Total Liabilities	4,057,152	3,634,515	422,637	12%
Total Equity	429,005	398,885	30,120	8%
Total LIABILITIES AND EQUITY	4,486,157	4,033,400	452,757	11%

- RON Thousand -	31.dec.24	31.dec.23	dec.24/ dec.23	
Gross loans	2,480,892	2,178,023	302,869	14%
Performing loans	2,365,429	2,044,975	320,454	16%
Non-performing loans	115,463	133,048	(17,585)	-13%
Impairments	(113,482)	(119,438)	5,956	-5%
Performing loans impairmentds	(49,594)	(43,966)	(5,628)	13%
Non-performing loans impairments	(63,888)	(75,472)	11,584	-15%
Net loans	2,367,410	2,058,585	308,825	15%
Net performing loans	2,315,835	2,001,009	314,826	16%
Net Non-performing loans	51,575	57,576	(6,001)	-10%

Total assets in the amount of RON 4.5 billion show an increase of 11% compared to the end of 2023, being due to the developing of the portfolio of loans and by increasing investments in government securities.

The loan portfolio (gross value) registered an increase of 14%, RON +303 million compared to end of year 2023, faster growth than that recorded at the banking system level where a positive evolution of 8% was recorded compared to the previous year (source: NBR). Lending activity was mainly focused towards loans granted to companies and the financing of the agricultural sector. A positive influence in the evolution of the loans outstanding

comes from the acquisition from Alior Bank in September 2024 of the portfolio of high-performance consumer loans, worth RON 69 million.

The structure shows an increase in the performing loan portfolio by 16%, RON +320 million, and a continued decrease in the non-performing loan portfolio by 13%. The latter was achieved according to the strategy of reducing the Non-Performing Exposures (NPE) Rate, which decreased from 5.2% in December 2023 to 4.1% in December 2024.

Investments in government bonds. There is a 14% increase in the portfolio compared to the previous year, contributing to the improvement of the balance sheet structure and the consolidation of interest income.

Due to customers increased by RON 578 million (+19%) compared to December 31, 2023. The bank aimed to optimize the financing cost and manage liquidity at optimal costs, choosing a more selective policy for some high-value deposits with a high financing cost. The aim was to increase the share of current accounts and sight deposits as well as to reduce concentrations and placement of sources towards shorter maturity intervals. The Bank also aims to develop collateral deposits that ensure an optimal financing cost and lower volatility, an action correlated with the lending and trade finance activity. During 2024, the Bank developed the trade finance activity, with letters of guarantee being issued for clients, including for infrastructure projects.

The financing cost of term deposits denominated in RON decreased by 81 bps. since the beginning of the year. For term deposits in Euro, there was a slight increase in the financing cost by 10 bps in the first part of the year; currently, it follows a downward trend, in line with the evolution of the Euribor benchmark.

Interbank financing shows a contraction at the end of the year generated by the positive evolution of commercial sources. It is worth mentioning the disbursement in December 2024 of the first tranche amounting to EUR 12.5 million of the new EUR 50 million loan approved by the European Investment Bank (EIB). The EIB funding will be used to support investments by eligible SME and medium sized companies (MidCap) in Romania, with a partial allocation for climate projects. We anticipate that during 2025 Patria Bank will disburse the remainder of the loan of EUR 37.5 million. Also, the loan granted to the Bank in December 2022 by IFC (International Finance Corporation), in the amount of EUR 20 million, decreased by EUR 2.5 million during 2024, the first installment being due on 30.06.2024.

Subordinated loans decreased by RON 10 million (-14%) due to the repayment at maturity in Q4 2024 of the subordinated loan in the amount of EUR 2 million granted to the Bank in 2017 by Mr. Horia Manda, Chairman of the Board of Directors.

Shareholders' equity increased by 8% compared to December 31, 2023, mainly due to the net profit obtained during 2024.

At the individual level, the capital adequacy ratio (Total Own Funds Ratio) is 20.32%, exceeding the regulatory limit, presenting a decrease compared to the level of 22.51% registered at the end of 2023, mainly due to the increase in risk-weighted assets (development of lending activity and issuance of letters of guarantee).

GROUP

FINANCIAL POSITION STATEMENT				
<i>-thousands RON-</i>				
ASSETS	31.dec.24	31.dec.23	dec.24/ dec.23 (abs.)	dec.24/ dec.23 (%)
Cash and cash equivalents	524,955	538,218	(13,263)	(2%)
Loans and advances to banks	19,422	18,726	696	4%
Securities	1,271,085	1,118,321	152,764	14%
Investments in subsidiaries	-	-	-	-
Loans and advances to customers, net	2,528,065	2,231,221	296,844	13%
Other assets	276,426	268,443	7,983	3%
Total ASSETS	4,619,953	4,174,929	445,024	11%
LIABILITIES	31.dec.24	31.dec.23	dec.24/ dec.23 (abs.)	dec.24/ dec.23 (%)
Due to banks & REPO	290,270	413,287	(123,017)	(30%)
Due to customers	3,654,777	3,109,675	545,102	18%
Other liabilities	102,698	105,698	(3,000)	(3%)
Subordinated debt	84,487	94,488	(10,001)	(11%)
Debt securities in issue	65,557	65,193	364	1%
Total Liabilities	4,197,789	3,788,341	409,448	11%
Total Equity	422,164	386,588	35,576	9%
Total LIABILITIES AND EQUITY	4,619,953	4,174,929	445,024	11%

- On December 31, 2024, **Total Assets** at the level of the Group sums up the value of RON 4,620 million, up 11% compared to the end of 2023. This evolution is determined by the increase in the balance of loans granted to customers by 13% (RON +297 million) and the balance of investments in Government bonds by 14% (RON +153 million), compared to the previous year.
- Deposits attracted from customers** registered an increase of 18% (+545 million RON) as of December 31, 2024 compared to the end of the previous year. The positive evolution of Deposits attracted from customers created the possibility of reducing deposits from banks by 30% (RON -123 million).

Location and main features of the production capacities owned by the Bank

As at 31.12.2024, the Bank owns 2 tangible assets of the nature of the buildings, representing the space in which the branches / agencies operate in Bacau and Brasov but also the two Operational Centers in Sibiu and Targu Mures. The rest of the premises where the Bank's units operate are leased premises.

The Bank also owns other 27 assets (reposed on the account of the receivables or kept for investment purposes) by the nature of industrial halls and productive spaces, land with or without buildings, apartments and dwellings, commercial spaces and office buildings / premises.

Description and analysis of the usage ratio of the Bank's properties

Net tangible assets at 31 December 2024 amounted to RON 82,493 thousand (classified as per IAS 16 and IFRS 16), of which 81% represents buildings and land. Most of the buildings, both the property of the bank or rented, are

recently upgraded. Beginning with 2017, as a result of the merger process, a renovation and rebranding project of the Bank's territorial units was launched.

Potential issues related to the ownership of the Bank's tangible assets

In the case of some of the properties owned by the Bank as a result of their taking over on the account of the Bank's receivables (repossessed assets), few litigations are in progress concerning either the property right or its extent.

Assets encumbered and unencumbered by liens

On December 31, 2024 the Bank recorded assets encumbered by liens, according to art. 443 of the CRR, in amount of RON 69.664 thousand representing debt securities issued by the Romanian Ministry of Finance pledged for the loan of EUR 12,500 thousand received from the European Investment Bank.

Liquidity developments and Tier 2 Equity Instruments

The Bank records a high liquidity position, with 39% of the total assets being liquid assets and mainly governmental bonds portfolio. The Loan To Deposit ratio is at 67% (December 2023: 70%) and the liquidity coverage ratio (LCR) is of 173% well above the minimum regulatory limit.

Total Own Funds Rate at 31 December 2024 is as follows:

- **At individual level**, the capital adequacy ratio (Total Capital Ratio) is 20.32%, exceeding the TSCR limit (13%) and above the minimum OCR limit of 16.52% (TSCR plus the capital conservation buffer of 2.5% and 1.02% the countercyclical risk buffer), registering a decrease compared to the level of 22.51% from the end of 2023. The decrease of the capital adequacy rate was due to the increase in lending activity in the conditions in which the risk exposure increased from RON 2,034.79 million to RON 2,411.57 million lei. This was partially offset by the increase in total equity from RON 458.07 million to RON 490.13 million (especially the reported result by RON 26.33 million, the increase in profit by RON 12.02 million, the increase in the positive impact of transitional measures by RON 18.97 million, while subordinated loans decreased by RON 15.52 million, other reserves by RON 3.17 million and deductions for intangible assets increased by RON 1.44 million). The CET 1 ratio is 16.36%, above the TSCR limit (7.31%) and above the OCR limit (10.83%), and the Tier 1 capital ratio is 16.36%, above the TSCR limit (9.75%) and above the OCR limit (13.27%)
- **At consolidated level**, the capital adequacy ratio (Total Capital Ratio) is 19.84%, exceeding the TSCR limit (13%) and above the minimum OCR limit of 17.52% (TSCR plus the capital conservation buffer of 2,5% plus 1% systemic risk buffer plus 1.02% countercyclical risk. The systemic risk buffer level of 1% is established in accordance with the current NBR methodology for calculating one of the parameters that define the calculation matrix of the systemic risk buffer, namely the "coverage ratio" indicator. The CET 1 indicator is 15.74%, above the TSCR limit (7.31%) and above the OCR limit (11.83%) and the Tier 1 capital ratio is 15.74% above the TSCR limit (9.75%) and above the OCR limit (14.27%).

At the date of approval of these consolidated and individual financial statements, the Bank complies with capital requirements.

On 31.12.2024 the Bank has the following Tier 2 Equity instruments based on contractual conditions:

- The Bank's subordinated debt to The European Fund for Southeast Europe S.A., SICAV-SIF ("EFSE") in the amount of EUR 7,000 thousand with a maturity of 7 years and a margin of 615 basis points plus 3M EURIBOR
- The Bank's subordinated debt to the European Investment Fund in the amount of EUR 5,000 thousand with a maturity of 10 years and a margin of 300 basis points plus 3M EURIBOR
- PBK27E Subordinated bonds in the amount of EUR 5,000 thousand placed through a private placement on the capital market, with issue date September 20, 2019, an 8-year maturity and fixed interest rate of 6.50% /year (in EUR)
- PBK28E Subordinated bonds in the amount of EUR 8,187 thousand placed through a private placement on the capital market, with issue date October 5, 2020, an 8-year maturity and fixed interest rate of 6.50% /year (in EUR).

6.3.3 Financial performance analysis for 2024

BANK

FINANCIAL PERFORMANCE STATEMENT	12M up to 31.dec.24	12M up to 31.dec.23	Δ 2024/ 2023 (abs.)	Δ 2024/ 2023 (%)
-thousands RON-				
Net interest income	144,724	119,601	25,123	21%
Net fees and commission income	36,826	33,765	3,061	9%
Net gains from financial activity & other income	34,345	44,021	(9,676)	(22%)
Net banking Income	215,895	197,387	18,508	9%
Staff costs	(75,486)	(73,022)	(2,464)	3%
Depreciation and amortization	(21,988)	(20,479)	(1,509)	7%
Other operating and administrative expenses , out of which:	(64,079)	(48,924)	(15,155)	31%
Turnover tax	(7,544)	-	(7,544)	
Total operating expense	(161,553)	(142,425)	(19,128)	13%
Operating Result	54,342	54,962	(620)	(1%)
Net impairment of financial assets	(12,084)	(24,818)	12,734	(51%)
Gain/ (Loss) before tax	42,258	30,144	12,114	40%
Expense from deferred tax	(7,090)	(6,990)	(100)	1%
Gain/ (Loss) for the year	35,168	23,154	12,014	52%

	12M up to 31.dec.24	12M up to 31.dec.23	Δ 2024/ 2023 (abs.)	Δ 2024/ 2023 (%)
Interest income	287,391	275,760	11,631	4%
Loans	226,419	223,327	3,092	1%
Debt securities	53,748	46,629	7,119	15%
Other interest bearing assets	7,224	5,804	1,420	24%
Interest expenses	(144,690)	(156,159)	11,469	(7%)
Due to customers	(123,829)	(134,974)	11,144	(8%)
Other interest bearing liabilities	(20,860)	(21,185)	325	(2%)
Net interest income	142,701	119,601	25,123	21%

Net banking income registered an increase of 9% (RON +18.5 mill.) compared to 2023, with a positive dynamic in the area of net interest income, as well as in the area of income from commissions by increasing the transaction

activity of customers, the number of POs, the commissions from the activity of lending, bancassurance and trade finance.

Also, positive developments are registered for the categories of main activities' operating income (interest and commission income) and the decrease of other non-recurring operating income. A contraction is also recorded in the income from the financial activity, due to the macroeconomic context and the evolution of the yield curves related to government bonds.

Interest income registers an increase of 4%, (RON +11.6 million), compared to the same period of the previous year, the evolution being generated by interest coming from the debt securities portfolio in which the Bank temporarily invested the liquidity surplus. Interest income on the loan portfolio increased by RON 3 million in 2024, including the negative impact by RON 6.1 million coming from the update of the interest rate (ROBOR, EURIBOR and IRCC), considering the structure of the loan portfolio mainly with variable interest rates.

Interest expenses decreased by 7%, respectively RON 11.5 million, compared to 2023 and correlated with an increase in the balance of commercial sources by 19%, RON +578 million. This reduction was influenced by the decrease in the cost of financing in 2024 for deposits in RON, by 81 bps, an evolution that reflects market trends, but also expectations regarding the decrease in the reference interest rate. This downward trend of interest rates is in line with the forecasts of the evolution of inflation for the next period. The financing strategy is oriented towards increasing the share of current accounts, sight deposits and collateral deposits in total funding, reducing concentrations and placing deposits at lower maturities (1 – 6 months) in order to provide flexibility in aligning the financing cost to market and competition trends.

Net commissions income shows a positive evolution of 9%, mainly generated by the increase in customer trading activity, the number of POs and trade finance and bancassurance activities.

Operational expenses registered an increase of 13% (+RON 19 million) compared to the same period of last year. Operational costs were influenced both by the development of the Bank's activity (increases in salary expenses, investments in IT and cybersecurity systems, marketing campaigns and others) and by the increase in regulated fixed costs (mandatory contributions to the Resolution Fund, membership fee and other fees). Of the total increase of RON 19 million of administrative costs, a value of RON 7.5 million represents the Turnover Tax applicable to credit institutions starting with 2024. We mention that the inflationary pressure is still present and this, together with the increase in the minimum wage, directly influences the costs of some service providers. The Bank was able to absorb the increase in operational costs and of the new turnover tax, achieving a 52% improvement in net profit, RON +12 million compared to 2023.

In 2024, the Bank continued its active involvement in the community, focusing its efforts on supporting NGOs with social impact in Romania. Thus, Patria Bank granted **sponsorships** with a cumulative value of RON 1 million in 2024, supporting a range of causes, including in the medical, media and education fields.

The net cost of risk. The Bank recorded net impairment adjustments in the amount of RON 12 million during 2024 compared to RON 25 million in the same period of the previous year, considering the quality of the portfolio and the very good results of the collection and recovery actions during 2024. The Bank continuously monitors the loan portfolio for a prudent management of credit risk, taking into account the uncertainties that manifest themselves

in the market. During 2024, the Bank carried out write-off operations worth RON 30 million, in line with the strategy of reducing the stock of non-performing loans.

The Bank registered **a positive operational result for 2024, in the amount of RON 54 million and a net profit of RON 35 million, in a positive dynamic of 52%** compared to 2023.

The evolution of the quarterly results is presented below:

FINANCIAL PERFORMANCE STATEMENT	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Cumulative 2024
<i>RON thousands-</i>					
Net interest income	31,350	32,800	39,276	41,298	144,724
Net fees and commission income	9,813	8,548	9,399	9,066	36,826
Net gains from financial activity & other income	9,144	12,989	6,007	6,205	34,345
Net banking Income	50,307	54,337	54,682	56,569	215,895
Staff costs	(19,559)	(18,580)	(17,736)	(19,611)	(75,486)
Depreciation and amortization	(5,444)	(5,258)	(5,391)	(5,895)	(21,988)
Other operating and administrative expenses	(15,921)	(16,102)	(16,597)	(15,459)	(64,079)
Total operating expense	(40,924)	(39,940)	(39,724)	(40,965)	(161,553)
Operating Result	9,383	14,397	14,958	15,604	54,342
Net impairment of financial assets	(1,134)	(2,395)	(2,456)	(6,099)	(12,084)
Gross result	8,249	12,002	12,502	9,505	42,258
Expense from deferred tax	(114)	(2,023)	(3,262)	(1,691)	(7,090)
Net result	8,135	9,979	9,240	7,814	35,168

GROUP

FINANCIAL PERFORMANCE STATEMENT	12M up to 31.dec.24	12M up to 31.dec.23	Δ 2024/ 2023 (abs.)	Δ 2024/ 2023 (%)
<i>-thousands RON-</i>				
Net interest income	173,831	144,586	29,245	20%
Net fees and commission income	39,004	34,581	4,423	13%
Net gains from financial activity & other income	30,627	39,221	(8,594)	(22%)
Net banking Income	243,462	218,388	25,074	11%
Staff costs	(85,466)	(82,246)	(3,220)	4%
Depreciation and amortization	(23,482)	(21,327)	(2,155)	10%
Other operating and administrative expenses, out of which	(68,803)	(53,704)	(15,099)	28%
Turnover tax	(7,544)	-	(7,544)	
Total operating expense	(177,751)	(157,277)	(20,474)	13%
Operating Result	65,711	61,111	4,600	8%
Net impairment of financial assets	(16,390)	(27,063)	10,673	(39%)
Gain/ (Loss) before tax	49,321	34,048	15,273	45%
Expense from deferred tax	(8,697)	(8,563)	(134)	2%
Gain/ (Loss) for the year	40,624	25,485	15,139	59%

At Patria Bank Group level, the following evolution has been recorded in 2024 compared with the previous year:

- **Net banking income increased by 11%** (+25 million lei) compared to 2023, with positive dynamics in the area of net interest income, as well as in the area of commission income through the increase in customer trading activity, the number of POSs, and commissions from lending, bancassurance and trade finance activities.
- **Operating expenses increased by 13%** (+20.5 million lei) compared to 2023 in line with the increase in net operating income. Also, operating expenses recorded in 2024 include the Turnover Tax in the amount of 7.5 million lei.
- **Impairment adjustments related to financial assets** decreased by 10.7 million lei (-39%) compared to the previous year. The Group constantly monitors the loan portfolio for adequate credit risk management considering the uncertainties that manifest themselves in the market, very good results being recorded in the recovery and collection activity.
- **Net result - profit of RON 40.6 million**, up 59% compared to the previous year, had as its main source the development of net operating income, confirming the viability of the Group's commercial strategy and business model.

The Bank's financial statements are audited by an independent financial auditor. The Financial Auditor of the Bank is KPMG Audit SRL, J40/4439/2000, CUI 12997279, located in Victoria Business Park, Sos. Bucuresti – Ploiesti, Nr. 69-71 E, Bucuresti, Romania, member of the Chamber of Financial Auditors of Romania with authorization no. 009/11.07.2001. Currently it is acting as an external financial auditor of the Bank on the basis of the appointment made by the OGSM Decision no. 1 of 28.04.2022, for a period of 3 years.

In accordance with art. 30 of the Accounting Law no. 82/1991 republished and art. 63 par. (1) c) of Law no. 24/2017 regarding issuers and art. 223 lit. para 1 c) of FSA Regulation 5/2018 on issuers of financial instruments and market operations, as subsequently amended and supplemented, the Board of Directors assumes responsibility for the preparation of the annual and consolidated financial statements as of 31.12.2023, according to Annex 4.

6.4 The activity of the Bank's subsidiaries in 2024

Patria Credit IFN

Patria Credit IFN SA is a non-bank 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 is the first non-bank financial institution dedicated to microfinance in Romania, with almost 20 years of experience and over 20,000 financed clients. Patria Credit IFN is authorized by the BNR to carry out lending activities, being registered in the NBR's General Register and in the NBR's Special Register of Non-Banking Financial Institutions.

The history of Patria Credit began in 1996, initially as a program of the World Vision organization, later evolving into a foundation and then into an IFN. Currently, the activity of Patria Credit IFN is recognized by the European Code of Good Conduct initiated by the Directorate for Employment, Social Affairs and Inclusion of the European Commission, for the quality and impact of the microfinance activity carried out in Romania. Patria Credit IFN is involved in projects to support agriculture, develop rural areas and relaunch agricultural education, such as Crescatoria de afaceri,

Mandru sa fiu fermier (together with the World Vision Romania Foundation), the Foundation for the Development of Agriculture (FD Agri) etc.

As of December 31, 2024, Patria Credit's loan portfolio had a value of RON 185 million, slightly increasing compared to December 2023. The net profit recorded as of December 31, 2024 is RON 8.83 million, up 3% compared to the previous year, and the RoE level is 30%, maintaining the trend of recent years.

In 2024, Patria Credit IFN continued to provide loans tailored to the needs of its main segment, namely microfarms, thus consolidating its role as an institution dedicated to microfinance. Its main activity was focused on supporting microfarms and small businesses, significantly contributing to their development. In addition, Patria Credit IFN plays an important social role in stimulating the development of local communities, facilitating access to financing for small entrepreneurs and farmers, which has a direct impact on sustainable economic growth and job creation in rural areas. Thus, as of December 31, 2024, the portfolio structure was maintained, with a high concentration of loans granted to this segment, respectively 84%. The high share of investment loans, respectively 81% of the portfolio, was also maintained. Regarding the guarantee structure, 87% of the portfolio is secured with guarantees offered by the European Investment Fund through various guarantee programs (Invest EU, Easi).

The typical Patria Credit customer is a vegetable grower, lives in rural areas and takes credit up to 125 thousand, which he allocates for investments. He cultivates on a small area, under 50 ha, and has an annual turnover of less than RON 200 thousand. Most of the time, he is in his first business relationship with a financial institution, because he has no guarantees or access to the classic bank loan. Approximately 60% of customers come from Muntenia, 27.8% from Moldova, 8% from Transylvania and 4,0% from Dobrogea. 83.9% of the clients are individual agricultural producers, while 16.1% are microenterprises with other activity than agriculture. Among the agricultural producers who used loans last year, over 35% cultivate vegetables, livestock breeders (23%) are in second place, and the next in weight are cereal producers (20%). In 2024, approximately 8% of Patria Credit clients accessed loans with values under RON 25 thousand, 31% between RON 25 and 75 thousand, 29% of them needed amounts between RON 75 and 125 thousand, and 32% accessed loans of over RON 125 thousand.

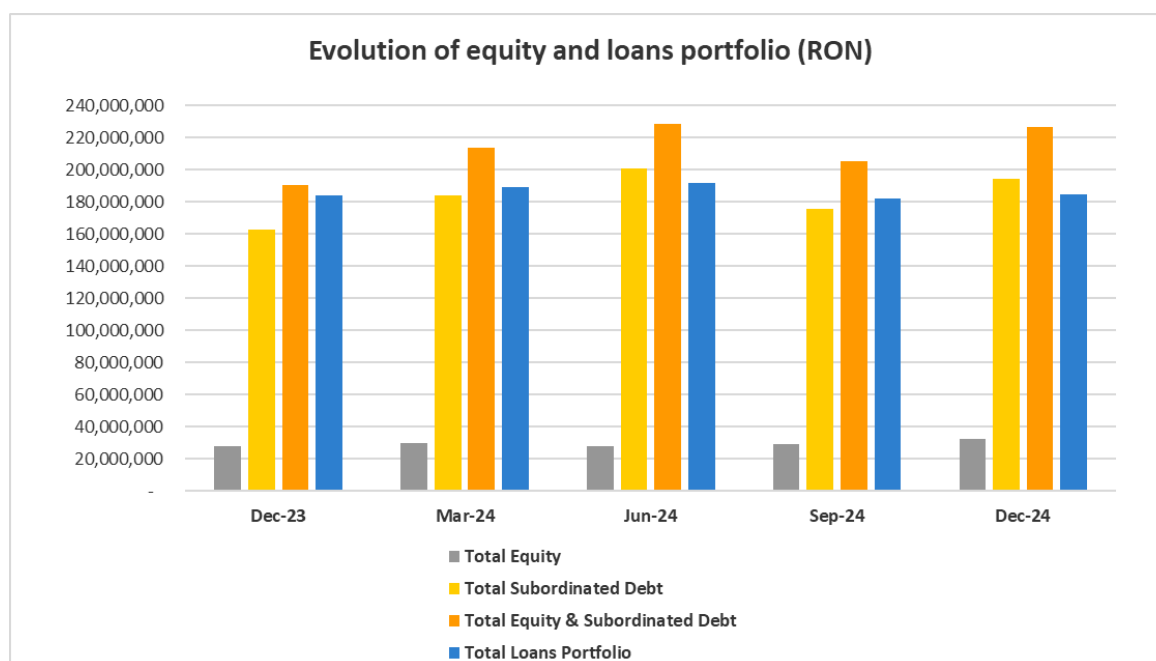
In 2024, Patria Credit carried out other significant projects and events such as:

- implementation of the new IT system that includes complete functionalities for the Core System and operational flows for all business areas (lending, credit management, debt collection, accounting)
- signing of a new guarantee agreement with the European Investment Fund (EIF) within the InvestEU program to supplement the current guarantee ceiling with the amount of RON 290 million, the total value of the guarantee ceiling being RON 495.5 million. Thus, customers' access to the possibility of obtaining financing of up to RON 240 thousand, without advance and without guarantees, is further facilitated. The financing is intended for small entrepreneurs in rural areas with activities carried out in the agricultural or non-agricultural field, regardless of the form of organization (agricultural producers, PFA, II, IF, SRL, etc.), through the Invest EU program
- active participation in various meetings / conferences in the field:
 - organizer of the EMN 2024 Annual Conference, organized by the European Microfinance Network (EMN) in Bucharest on June 19, 2024 with over 400 participants from all European and pre-accession countries

- Annual MFC Conference, organized by the Microfinance Center (MFC), in Krakow (Poland), during May 14-15, 2024
- carrying out the campaign to promote lending products on the occasion of Microfinance Day; thus, all loans requested during October 16-27, 2024, which fall within this campaign, benefit from zero granting commission.

Also, Patria Credit continues its active involvement together with the NGO environment and profile partners.

Patria Credit has a solid capital base, with 25.6% of total assets covered by own funds, and the rest by stable short- and medium-term financing sources. Process control and improvement of the credit and operational risk profile constitute the necessary support for further growth of the loan portfolio and market share in the agricultural producers' microfinancing segment.



Increasing profitability is a major goal for both shareholders and the management of the institution, the positive result of 2024 being achieved by implementing the development strategy aimed at streamlining sales activities and controlling operational costs, as well as improving the collection of outstanding or doubtful claims.

SAI Patria Asset Management

SAI Patria Asset Management was authorized by the Financial Supervision Authority as an investment management company, the purpose of activity being the managing of investment funds. The share capital is RON 1,773,600 of which 99.99% is owned by Patria Bank.

The company continued to increase its assets under management to **RON 502.1 million at the end of 2024, up 136.2%** from the level of RON 212.6 million reached at the end of 2023. Total assets under management recorded an increase of 389.4% in the last three years ended December 31, 2024.

The increase in the assets of open-end funds managed by SAI Patria Asset Management in 2024, by 136.2%, was significantly higher than the 30.4% increase in the assets of open-end funds managed by all member managers of the Association of Fund Administrators in Romania during the same period.

This dynamic also supported the improvement of financial performance, with Patria Asset Management recording **a net profit of RON 840.9 thousand in 2024**, a significant increase compared to the level of RON 92.9 thousand reported on December 31, 2023.

Patria Asset Management manages the first two ETF (Exchange Traded Fund) funds established in Romania, ETF BET Patria – Tradeville and ETF Energie Patria – Tradeville.

FDI Patria Stock, FDI Patria Global and FDI Patria Euro Obligatiuni were included in the accounting consolidation

ETF BET Patria-Tradeville fund aims to replicate the structure and performance of BET stock index - the reference index of the Bucharest Stock Exchange (BSE) and is traded on the stock exchange under ticker symbol TVBETETF. ETF BET Patria – Tradeville had assets of RON 447.7 million as of 31.12.2024, up by 162.5% compared to the level of RON 170.5 million recorded on 31.12.2023. The return of the fund unit was +14.35% in 2024, in a difficult period for the capital market. The fund registered 28,642 investors as of 31.12.2024, up from 15,252 investors as of 31.12.2023.

ETF Energie Patria – Tradeville fund aims to replicate the BET-NG sector index published by BSE and dedicated to the energy and related utilities sector, being traded on the stock exchange under the ticker symbol PTENGETF. The fund had assets of RON 23.3 million as of 31.12.2024, up from RON 11.1 million as of 31.12.2023 (+110.0%). The return of the fund unit was +12.54% in 2024. The fund had 4,328 investors as of 31.12.2024, up from 2,677 investors as of 31.12.2023.

In addition to the two ETF funds, Patria Asset Management also manages the Patria Global and Patria Stock funds – diversified funds in RON, with assets of RON 12.0 million and RON 5.9 million respectively, as of 31.12.2024, Patria Obligatiuni – a fixed-income instrument fund in RON with assets of RON 6.5 million at the end of last year and Patria Euro Obligatiuni – a fixed-income instrument fund in Euro with assets of EUR 1.3 million as of 31.12.2024. The four funds are distributed through Patria Bank and through Patria Asset Management's own online trading platform. Available at *online.patriafonduri.ro*, the platform offers quick access to the value of holdings and online operations to deposit or withdraw money in/from the four funds.

The Patria Stock, Patria Global and Patria Euro Obligatiuni funds were included in the accounting consolidation scope when preparing the consolidated financial statements for 2024.

7 Bank and Group outlook for 2025

7.1 The Bank's objectives and business plan for 2025

The main objective, in the short and medium term, is **increasing profitability through a sustainable business model** in order to conserve capital, by:

- Increase in total assets by 15%, up to RON 5.2 billion

- Reaching a double-digit Return on Equity (RoE) in 2025 of 11.66%, and obtaining a Net Result of RON 52.9 million
- Increasing the balance of loans granted to customers by 16%, RON +376 million, expected to take place in 2025 compared to 2024
- Increase in commercial financing of 7% (RON +241 million), evolution focused mainly on expansion of current accounts, of overnight deposits and of collateral deposits
- Diversification of financing sources by using an amount of EUR 37.5 million from the EUR 50 million financing granted in 2024 by the European Investment Bank
- Attracting new customers and increasing the number of products per customer is a priority goal for business lines in 2025
- Development of operating income by 25%, RON +53 million, through the contribution, mainly, of net interest income and net commission income representing the core activity of the bank
- Managing costs in a responsible manner by assuming the development plans and investment projects planned by the Bank for the year 2025, as well as the forecast inflationary constraints
- Continuation of the recovery of non-productive assets
- Optimizing the business model so that increasing efficiency leads to achieving a sustainable cost / income ratio; for the year 2025, the aim is to improve the ratio from 71% in 2024 to 64% (without taking into account the 2% turnover tax)
- Decreasing the Nonperforming Exposures Ratio to 3.51% (from 4.1% in 2024) by continuing the recovery and write-off actions and maintaining the NPL coverage ratio above the 55% level.

The **strategic ratios** targeted by the Bank in 2025 are presented below. These are presented from the perspective of Management Accounting (according to internal monitoring):

INDICATORS	Actual 2023	Actual 2024	Budget 2025	2025 vs 2024
Loans to Depo	70%	67%	73%	8%
Loans / Total Assets	54%	55%	55%	0%
Liquid Assets / Total Assets	41%	39%	36%	-7%
Cost / Income	72%	71%	64%	-9%
Cost / Income (%) Tax 2% included	72%	75%	68%	-9%
RoA	0.6%	0.8%	1.1%	29%
RoE	6.2%	8.5%	11.3%	33%
Non Performing Exposures (NPE)	5.4%	4.1%	3.5%	-14%
Coverage of NPL	60%	58%	57%	-2%

During this period, the Bank will pursue an **optimal capital adequacy**, following the simultaneous realization of the following desideratum:

- Observance of the prudential parameters (OCR and TSCR) in order to ensure the capital base necessary for the bank's development
- Optimal allocation of capital in productive assets with superior yield
In this respect, the Bank will ensure an optimum between investments in loans, interbank investments and the portfolio of governmental bonds

- in the area of commercial lending, the Bank will ensure that the investments to optimize the return on capital, establishing the pricing policy according to all relevant parameters (level of RWA involved in each financing / customer sub-segment, acceptable risk level etc.) and the lending decision will imply the fulfillment of a minimum level of return on capital.

The Bank propose an **increase of the loan portfolio** in the conditions of achieving a significantly higher level of efficiency. In this sense, the Bank will seek to reach a minimum level of *credit volumes / employees* and *credit volumes / bank unit*, regardless of the business sub-segment that generates the respective assets. The realization of this desideratum will be fulfilled both by increasing the productivity of the sales force, and by optimizing the entire approval process.

Increased attention will be paid to increasing non-risk revenues, both in the retail area and in the area of legal entities and also to the revenues coming from financial activity.

Further details on the bank's objectives and prospects for the future are presented in the Income and Expense Budget for 2025, subject to the approval of the General Shareholders Meeting.

7.2 Patria Credit IFN objectives for 2025

For 2025, Patria Credit aims to further develop its business model, increase its loan portfolio by 32% and maintain profitability by consolidating its existing business. Customer acquisition and portfolio expansion will be supported by consolidating the business, especially in areas where portfolios are below the network average, using local campaigns. In high-performing branches, the quality of the portfolio will be maintained and moderate growth will be pursued, by adding staff so that there is a balance between new sales and existing portfolio management.

Existing partnerships will be developed by integrating complementary services. The signing of strategic partnerships with important national players will also be pursued.

In order to optimize processes and increase productivity, approval flows for small financing amounts will be simplified, thus ensuring a faster response.

The quality control of the portfolio and the efficiency of the sales process will be improved through a more efficient regional coordination process, which will contribute both to increasing sales and improving the quality of processes. This will be achieved by supervising workflows and through various types of training sessions, including at the workplace.

In 2025, Patria Credit aims to continue the external and internal digitalization process, as well as to actively engage with the NGO environment and relevant partners in creating new lending models and promoting good practices in sustainable agriculture.

Agriculture and rural development could be boosted this year by continuing the efforts to reduce the "distance" between producers and consumers by launching new and unique product sales platforms and by opening new distribution channels to large retailers.

7.3 SAI Patria Asset Management objectives for 2025

In 2025, Patria Asset Management pursues the following strategic objectives:

- Increasing assets under management and the performance of managed funds through initiatives adapted to the specifics of each fund, with a focus on further developing managed Exchange Traded Fund (ETF) funds
- Continuing to develop marketing projects for managed funds and financial education projects for investors
- Developing the distribution activity of investment funds through the distributor Patria Bank

8 Risk management

8.1 Risk management objectives and policies

The main objective of the risk management activity is to ensure that all risks are managed in an appropriate way to meet the interests of all parties involved and the Bank does not assume risks that exceed its capacity to cover these risks.

Risk management within Patria Bank is governed by the Board of Directors, supported by the Audit Committee and the Risk Management and Sustainability Committee, which supports the Management Body in fulfilling their responsibilities for managing and controlling risks. Also, the Executive Committee of the Bank is subordinated to the Board of Directors, which manages the daily activity and which ensures the implementation and monitoring of the strategies approved by the Management Body.

Specialized risk management committees supporting the Executive Committee ensure the management of the assets and liabilities structure, liquidity management and sources of financing, structural risk management (interest rate risk and foreign exchange risk outside the trading portfolio) and capital management (The Assets and Liabilities Management Committee); the assessment and improvement of the performance of the Bank's lending activity (Credit Committee and Credit Restructuring and Recovery Committee); for the administration and management of the Bank's strategic projects (Projects Committee); for the selling/renting of the Bank owned assets (Assets Capitalisation Committee).

8.2 Risk management strategies and processes

Risk strategy

The risk strategy is an essential part of the global risk management framework. It establishes the general principles according to which the risk assumption takes place at the level of the Bank and the main elements of the management framework in order to ensure an adequate and consistent implementation of the risk strategy. The risk strategy also includes the wording of Risk Appetite and Tolerance, Risk Capacity and Risk Profile for all significant risks identified to which the bank can be exposed.

The main objectives of the risk management strategy include:

- ensuring and sustainably maintaining the coverage of capital risks, so that the Bank has a stable long-term risk-taking capacity
- limiting the risks assumed by the Bank so that, in the long run, the bank's capital and profitability will not be impaired
- establishing a risk structure and culture that is suited to the business model and which must define a risk profile and the patterns needed to properly manage the significant risk concentrations
- ensuring at any time the appropriate level of the Bank's equity rate.

Business strategy

The business strategy defines the bank's business orientation as well as the goals and plans for a three-year horizon. This sets out the customer segments with which the Bank intends to operate and the planned business volumes on each segment. It also includes the Bank's expectations regarding business developments, such as planned volumes, risks and profit. Thus, the main objective, on short and medium term established by the Bank's business strategy, is the consolidation of the profitability of the Bank in order to preserve capital and increase the Bank's productive assets, keeping within reasonable limits the risks generated by the re-launching and development of the lending activity.

In order to achieve this objective, the Bank has proposed for 2024⁷ the following:

- Organic growth of productive assets of the Bank, especially of the performing loans balance (under the condition of keeping the risks that will be generated by the development of credit activity at reasonable levels)
- expanding financing sources in correlation with the evolution of the loan portfolio granted to customers and diversifying financing sources
- permanent observance of prudential parameters (OCR, TSCR etc.) in order to ensure the necessary capital base for the bank's development
- continuing the process of capitalizing on non-productive assets, including through the gradual decrease in the rate of non-performing loans
- permanent optimization of the business model and organizational structure of the bank, including through the resizing of the structure / number of branches and the headquarters, including of personnel, so that the increase in efficiency to lead to a sustainable cost / income ratio

For the period of 2024-2026, the Bank will approach the following business lines, adjusting its products and organizational arrangements to service them:

- Retail segment
- SME and Corporate segment;
- Agro segment
- Micro-enterprises segment

Risk policies

The risk management policies implemented by the Bank are part of the internal control framework and corporate governance and are developed in accordance with the risk management strategy. Risk policies underpin the risk management process and document the roles and responsibilities of the management structure and other key stakeholders involved in the process, including the main reporting procedures. The framework for risk management policies defines the methodologies and responsibilities needed to achieve Bank's strategic objectives.

Risk management processes

In order to achieve the objectives of the risk strategy, the Bank follows the observance of the following principles when performs its business operational activities:

- The Bank has as a priority the fulfillment of the relevant legal regulations regarding both its objectives as well as the assumption of risks
- The Bank assumes only the risks that it is able to account for and manage and that does not exceed its risk-taking capacity
- In the lending area, the activity will be oriented on the high quality of the portfolio, considered more important than the increase of the volume, as well as the proper management of the existing portfolio, in order to improve its quality
- The Bank targets a balanced loan portfolio focused on Retail, SME, Agro and Micro clients and to a limited extent on the Corporate segment, except for the implementation of government support programs (e.g. IMM Invest) or those with a European funding component, with a low exposure concentration and a corresponding spread of credit risk, pursuing at the same time, the diversification and sustainability of revenues through cross-selling activities
- Business activity must be maintained in an optimal framework, well established both by individual transaction as well as portfolio limits
- Acquisition of participations in other companies for the sole purpose of generating income (speculative reasons, solely financial investments) is not part of the Bank's strategic investment activities.

The risk management process is realised on two levels:

- at individual level (per customer, transaction or product);
- globally (on the whole Bank, at portfolio level).

The Bank ensures the existence, development and maintenance of an adequate and prudent risk management framework, within which an adequate risk management is ensured, which allows:

- setting up depreciation adjustments in order to cover the expected loss
- adequate capital allocation to cover unexpected losses
- measures to mitigate existing risks and improve control systems
- the existence and implementation of a policy for approving new products and significant changes.

8.3 Risk management and internal control function's governance structure

Risk control and risk management at the Bank's level are based on the business strategy and risk appetite approved by the Board of Directors. Risk monitoring and control is carried out within a clear organizational structure, with defined roles and responsibilities, delegated authorities and risk limits. Governance of risk management at the Bank's level is based on the following lines:

- Assume the risks within the limits set by the risk appetite approved by the Board of Directors
- Active involvement of the Bank's management body in the risk management system and the promotion of risk culture throughout the organization, from the level of the Board of Directors to the level of the operational teams
- Clearly defined internal rules and procedures
- Communicating information on risk management at the organization level in a timely manner and in a precise, understandable and relevant manner
- Continuous supervision by an independent entity which will monitor risks and enforce the rules and procedures.

Risk management governance is based on the three defense lines model, which strengthens the separation of responsibilities between the various control functions.

The first line of defense is represented by operational units that are primarily responsible for continuously managing the risks of their daily activity, taking into account the Bank's risk appetite and in accordance with existing policies, procedures and controls.

The organizational structures of the Bank are responsible for the day-to-day management of the risks associated with the activity in their area of responsibility and are concerned with the implementation / application of developed internal policies, processes and procedures. Permanently, the executive management and the management bodies of commercial / support / control structures must understand the nature and level of risks they manage.

The second line of defense is represented by independent risk monitoring functions, which are responsible for identifying, measuring, monitoring and subsequent risk reporting, ensuring both compliance with internal and external requirements and the role of support for business/operational lines in the exercise of their responsibilities.

- **The risk management function**, organized within the Risk Management Division, which also includes the risk control activity;
- **The compliance function**, organized within the Compliance Division, assisting the Executive Committee in identifying, evaluating, monitoring and reporting the compliance risk associated with the Bank's activities, in particular by providing advice on the compliance of the business with the provisions of the regulatory framework, its own standards and regulations, as well as codes of conduct established by markets or industry and by providing information on developments in this field.
- **The anti-fraud function**, organized within the Compliance Division assists the management bodies in the process of developing policies and procedures for managing fraud risk and investigates, monitors and evaluates fraud risk.

The third line of defense is represented by the internal audit function that independently and objectively evaluates the quality and effectiveness of the Bank's internal control system as well as the first two lines of defense and the

risk management framework. The Internal Audit function reports and functions according to the mandate received from the Board of Directors.

- **The Internal audit function** that ensures that the Bank's policies and processes are respected in all activities and structures, proposing, if necessary, their review and control mechanisms so that these tools remain sufficient and appropriate to the activity.

Risk management activities are governed by the Management Body of the Bank, assisted by the Audit Committee and the Risk Management Committee.

The Board of Directors has a role in establishing the general framework of risk management and control, approving the risk management strategy, risk profile and administration policies for each significant risk, as well as organizing risk control and management systems at the Bank level.

- **The Executive Committee**, primarily responsible for the development of management policies for each significant risk, the implementation of the risk management strategy, the risk profile and the risk management policies, ensuring the involvement of all the Bank's organizational structures in order to implement them.
- **The Audit Committee** with main responsibilities in monitoring the effectiveness of the internal control system and the risk management system, of the internal audit function, the financial reporting system and to present recommendations aimed at ensuring the integrity of this reporting, to analyze and monitor the independence of the financial auditors, to monitor the statutory audit of the annual and consolidated financial statements, being also responsible for the selection procedure of the financial auditor, to review the scope and frequency of the statutory audit, to analyze and approve the scope and frequency of the internal audit, evaluate the organizational independence of the internal audit, approve the internal audit plan and monitor the fulfillment of the internal audit plan.
- **The Risk Management and Sustainability Committee**, with responsibilities for monitoring the risk to which the Bank is exposed and reviewing the risk information in order to assess the Bank's risk profile, as well as with responsibilities in relation to Sustainability issues, the development of the sustainability strategy and the related regulatory framework.

Bank's independent control functions

The framework for internal control is developed in all areas of activity of the Bank and involves the involvement of both the Management Body and all operational units in the internal control process, thus ensuring the fulfilment of the performance objectives (effectiveness and efficiency of the activities carried out and also the performance of the activity in a prudent mode), information (credibility, integrity and timely provision of reported financial and non-financial information, both internally and externally), compliance (complying with legal and regulatory frameworks, supervisory requirements and also internal rules and decisions).

The responsibility for developing and maintaining an adequate and effective framework for internal control rests with the Management body of the Bank, in which respect the Management body organizing:

- the control at the level of each operational unit. To this end, it approves internal regulations describing the processes taking place within the Bank's structures, describing control procedures

- the following internal control functions: the risk management function, antifraud function, the compliance function and the internal audit function. The Executive Committee is responsible for the resources required for internal control functions (sufficient, qualified and experienced staff, appropriate data and support systems, access to internal and external information).

The Board of Directors of the Bank oversees the work of the Executive Committee and monitors the consistent implementation of established policies and strategies, as well as maintaining performance standards consistent with long-term financial interests.

The Executive Committee ensures that the internal control system provides for a proper separation of responsibilities, with the aim of preventing conflicts of interest. Areas that may be impaired by potential conflicts of interest are subject to identification and are subject to independent monitoring exercised by the Compliance Division. The results of independent monitoring are reported to the Executive Committee, Audit Committee and the Board of Directors. The internal control functions are independent of the activity lines they monitor and control and are organically independent from each other.

Internal audit function

The Board of Directors and the Executive Committee are responsible for establishing an efficient internal control system appropriate to the size and complexity of the Bank's activities. The Board of Directors and the Executive Committee are supported in fulfilling their responsibilities by the internal audit function. The basic principle is that the internal audit function is independent and has a permanent role within the Bank.

The Internal Audit function is carried out at the level of the Bank by the Internal Audit Division and it is organized as a separate organizational structure independent of the Bank's activities, according to the specific provisions in the field and to the national and international professional standards.

The Internal Audit function verifies, independently and objectively, whether the quality level of the internal control framework is effective and efficient and contributes to the Bank's objectives and to improving governance, risk management and control processes across all activities and structures, in the framework of insurance audit or advisory engagements carried out at the level of the entities within the Group.

In order to ensure its independence, the Internal Audit Division has the authority for fulfilling its specific attributions and direct and unrestricted reporting lines for the Management Body and the Audit Committee. The main objectives and responsibilities are presented below:

- elaborates the audit plan according to a risk-based methodology, in order to be approved by the Audit Committee and the Board of Directors and implements it
- regularly reports to the Management Body and the Audit Committee on the implementation of the annual audit plan, the major deficiencies of the internal control system, found during the planned and unplanned internal audit missions and carries out other relevant activities
- informs the middle-level management of the results of the planned and unplanned audit missions in order to promptly remedy them and according to the distribution circle of the reports
- monitors and evaluates the level of implementation of all audit recommendations and reports to the Management Body and the Audit Committee on this topic.

All subsidiaries of the Bank are subject to audit by the Bank's audit function. To the subsidiary Patria Credit IFN and SAI Patria Asset Management methodologies and standards of internal audit common with those of the Bank are being applied in all the aspects that regulate the internal audit activity (communication of results, avoiding any situation regarding conflicts of interests, exchange of information).

Risk management function

The Risk Management function is performed at the Bank's level by the Risk Management Division, being an independent control function under the Deputy General Manager - Risk Division. The attributions of this structure are mainly aimed at identifying, analysing and evaluating the different types and areas of risk arising from the Bank's current activity.

The Risk Management Division is organized in 3 departments: Internal Evaluators Team, Credit Risk Control Department and Other Risks than Credit Risk Management Team.

Main responsibilities of the Risk Management Division are:

- To validate, from the perspective of their area of expertise, the draft of internal regulations elaborated by all the operational units of the Bank, in order to implement the Bank's strategy and policies
- Identifying, evaluating, monitoring and controlling / preventing, through specific work methodologies, significant risks that may impair the bank's activity
- Elaboration of crisis simulation scenarios to assess the potential impact on the bank of a specific event or change of a set of financial variables
- Presents regular reports on the risks to which the Bank is exposed to the Risk Management and Sustainability Committee and / or the Board of Directors of the Bank
- Elaboration of proposals for the implementation of the necessary measures / actions in order to facilitate management decisions regarding the reduction of identified risks.

Responsibility for risk management is not limited to risk or control functions specialists. Operating units, under the coordination of the management body, are responsible for day-to-day risk management, taking into account the Bank's risk tolerance / appetite and in accordance with the Bank's internal policies, procedures and regulations.

Compliance function

The compliance function is performed by the Compliance Division and has the role of controlling and monitoring the compliance risk what may occur as a result of non-compliance with the legal or regulatory framework, advises the Management Body on the provisions of the legal and regulatory framework, ensures professional training of compliance personnel in order to disseminate a culture of legality and compliance within the organization.

The Compliance Division is led by a Manager subordinated, hierarchically and functionally, to the Coordinator of the Compliance function, to the Deputy General Manager of the Risk Division, who also holds the role of Compliance Officer in matters of combating money laundering and terrorist financing, to the Manager of the Compliance Department, guaranteeing direct access to the Risk Management Committee, the Audit Committee and the Board of Directors.

The Compliance Division consists of 2 departments: General Compliance and Money Laundering Prevention.

The main responsibilities of the Compliance Division are:

- Continuously identifying the applicable legislation for the Bank and evaluating its impact on internal processes and regulations, including in terms of the risk of money laundering and terrorism financing; providing advice to the management body on the provisions of the legal and regulatory framework and on the standards the bank needs to meet, and assessing the potential impact of any changes to the legal and regulatory framework on the bank's activities; evaluating the compliance of new products, services, processes, and changes made to existing products, services, and processes with the current legislative provisions, including from the perspective of the risk of money laundering and terrorism financing; ensuring the prevention and management of conflicts of interest, both with regard to the activities carried out and in relation to the bank's employees and representatives, in accordance with legislative and supervisory regulations; verifying the compliance of the remuneration and bonus system for the staff
- Continuously monitoring customer operations through specific IT applications, with the purpose of managing and reducing the risk of money laundering/terrorism financing and fraud; conducting periodic specific controls based on the annual activity and internal control plan regarding the adequacy and effectiveness of the processes and system for preventing and combating money laundering and terrorism financing, violations of international sanctions, and preventing and managing fraud risk; participating in the annual risk assessment activities for money laundering/terrorism financing and fraud, presenting the results in the Annual Risk Assessment Report; monitoring the corrective actions taken to address identified deficiencies by the network of territorial units and presenting the results of follow-up actions in specific reports
- Participating in the professional training of staff regarding the provisions applicable to the activities carried out, with the aim of promoting a corporate culture based on principles of honesty, fairness, and respect for the law.

8.4 Risk measurement, monitoring and reporting systems

The risk management function ensures that all material risks are properly identified, measured and reported and play a key role at the Bank's level, being involved in developing and reviewing strategies and in decision-making processes, in material risk management decisions the Bank is confronted with in its operations and commercial activities. The Bank ensures that all risks are managed and reported in a coordinated manner through risk management processes. The Bank's material risk assessment is an essential condition for the risk coverage analysis with the aim of completing their aggregation to determine the risk profile.

At the same time, the Risk Management Division carries out on a quarterly basis the internal assessment process of the adequacy of internal capital to risks and crisis simulations and presents the outcome of this process to the Executive Committee, the Risk Management Committee and the Board of Directors. The Bank has established its own patterns of quantification of the domestic capital requirement. An important role in this exercise is the crisis simulations, which the Bank carries out on a quarterly basis.

The Risk Management Division presents to the Executive Committee, the Risk Management and Sustainability Committes and the Board of Directors monthly and quarterly reports on risk exposures, the current overall risk

profile and for each significant risk, as well as risk reports that have exceeded the alert thresholds (whenever they occur), with the purpose of framing within the risk tolerance limit set by the Risk strategy, proposing measures to mitigate risks that exceed the approved risk appetite. At the same time, the Risk Management and Sustainability Committee analyses monthly or whenever it is convened, at least the following aspects:

- Risk exposures and their evolution
- Evolution of key risk rates and specific limits
- Results of stress test exercises
- Adequacy of internal capital (i.e. the ability to hedge risks).

and proposes to the Bank's Board of Directors the measures required as a result of the analysis performed.

The Bank has a system of risk limits that are monitored periodically (daily, weekly, monthly, quarterly) through IT applications and the results of these monitoring activities are the subject of information both to decision-makers and to the addressees of these limitations. Through the Risk Management Strategy, the Bank has identified and established the significant risks to which it is or may be exposed and for these risks at the aggregate / individual level it has established an absolute level of risk that it wishes to achieve (risk appetite), a maximum level (threshold) that it is willing to accept (risk capacity), the real limits of the appetite it can assume (risk tolerance), also establishing a methodology by which they are calculated, monitored and reported periodically to senior management.

The Risk Management Division is responsible for calculating, verifying, monitoring and reporting the appetite, risk capacity, tolerance and risk limits of the Bank's global exposures, while support units have the obligation to check the risk limits set by internal working methodologies (policies, procedures and manuals).

The Risk Management Division reports non-compliance with the established level of appetite, tolerance and risk limits as soon as they are ascertained by the Bank's management and the beneficiaries of these limitations, also setting recommendations / measures to be taken to reinforce the established levels, monitor and report to the management of the Bank how to fulfil them.

8.5 Risk hedging and mitigation policies

The Bank aims to achieve a balanced ratio between risk and profit in order to generate sustainable economic growth and capital adequacy. Therefore, the purpose of the risk strategy is to ensure that risks are assumed in the context of business sales, recognized at an early and appropriately managed stage. This goal is achieved by integrating risk management activity into daily business activities, strategic planning and business development in line with defined risk appetite.

In this respect, the Bank has implemented risk management procedures for their identification, measurement and monitoring, in order to control and manage material risks. The principles of risk management include:

- **Risk awareness:** The Bank aims to maintain an environment where it promotes a full understanding and awareness of the risks inherent in its activity
- **Taking risks:** The Bank promotes a prudent attitude towards risk-taking and any assumption of risk should aim at achieving a minimum return. Risks are assumed by the Bank as described in existing risk strategies and

policies. The Bank assumes risks only if (i) there are adequate methods for assessing those risks and (ii) the estimated return exceeds the expected losses plus a rate applied to the capital used to cover the unexpected Losses and (iii) the respective risks frame within the risk appetite expected by the Bank;

- **Risk management:** The methods of managing, limiting and monitoring the different risks are tailored to the materiality of those risks for the Bank
- **Legal requirements:** The Bank incorporates in its activity and fulfills all prudential requirements in terms of risk management.
- **Integrated approach:** Based on the risk assessment process, the main risk categories for the Bank are: credit risk and its subcomponents, market risk, liquidity risk, interest rate risk from non-trading activities, operational risk and reputational risk. At the same time, the Bank pursues strategic risk and the risk of excessive leverage in business planning and compliance risk in day-to-day business, as well as macroeconomic risk in the crisis simulation program and budget planning.
- **Unitary approach:** Risks are treated unitarily in both ex-ante and ex-post calculations. This allows for transparent and acceptable measures for business lines if the risks do not fall within the set limits.
- **Independent control:** The Bank strictly and explicitly separates risk-taking activities from risk management and control activities. This functional and organizational separation is also ensured at the level of the management structure
- **Regular review:** All risk policies are reviewed at least once a year, taking into account the process of budgeting and activity planning and may be reviewed at greater frequency if events that require it occur.
- **New products and significant changes:** Any launch of a new product involving risk taking is preceded by an analysis of the risks involved.

Risk quantification has the general role of allowing for the measurement of risk-adjusted performance. Thus, the Bank ensures that the assumption of excessive risks is not encouraged and that the activity is carried out taking into account the risk / profit ratio. In order to reduce the risk, in line with its policy and risk profile, the Bank uses as a mitigating risk factor the value adjustments of value and the amount of the guarantees accepted at financing. Also, under the operational risk insurance is used.

Risk appetite

Starting from the strategic objectives, the Bank has set the aggregated/individual **risk appetite** based on the types of risk it is willing to accept within its risk capacity limit, as The Bank establishes a general risk appetite, as per its business model, in order to achieve its strategic objectives; the **risk capacity** which is the maxim risk level that the Bank assumes, taking into account its own risk management and control capabilities, as well as its regulatory constraints; the **risk tolerance** which represents the types of risks and levels of those risks to which the credit institution is not deliberately exposed, but accepts / tolerates them. In addition, for each significant risk category, relevant rates are established for the Bank's risk tolerance check, as well as early monitoring rates and warning thresholds to help identify the areas in the Bank's activity in which additional to Bank's strategy risk exposures are outlined, including maximum limits with the aim of strategically orienting the Bank's future activity (for example: sectoral concentration limits, maximum exposure on homogeneous customer segments).

The Bank assesses the adequacy of the internal capital in accordance with the internal capital adequacy assessment process (hereinafter referred to as "ICAAP"), designed in accordance with regulatory requirements. The amount of internal capital is monitored quarterly to ensure that decision-makers and relevant committees are promptly informed about the risk appetite for equity ratios and the observance of the risk profile of the Bank.

In the process of establishing the risk appetite, the first stage is the self-assessment of the risks, which aims to identify all the significant risks that the Bank faces so that the risk appetite incorporates all the risks that can significantly affect the Bank. Consequently, following the evaluation carried out within the ICAAP, it emerged that the Bank is or could be exposed to the following significant risks, following a qualitative analysis: credit risk; operational risk; market risk; the risk resulting from the application of less sophisticated approaches within Pillar I; the risk regarding the underestimation for the loss in case of default in crisis conditions; the residual risk related to credit risk mitigation techniques; credit concentration risk; country risk; interest rate risk from activities outside the trading portfolio; liquidity risk; reputational risk; strategic risk; external risks (macroeconomic); the risks generated by lending in foreign currency to borrowers exposed to currency risk; the risk associated with the excessive use of leverage; compliance risk and conduct risk.

Risk profile

The risk profile is represented by the current and potential aggregate exposures of the Bank. The risk profile is the result of the risk assessment process in combination with the limits set by the business strategy and the risk appetite framework. The risk profile is an important factor in setting the business objectives, policies, risk appetite and the Bank's internal control environment and the monthly value recorded by it is calculated and reported to the management bodies of the Bank.

The measures that are undertaken within the risk mitigation process, without being limitative, are:

- Reducing likelihood of occurrence of risks by improving the actions, operations, processes and / or functions impaired by the identified risks;
- Reducing the impact of risk through the use of risk transfer methods and / or instruments such as specific insurance policies, derivative financial instruments, additional capital injections or other;
- Transferring or sharing risks with third parties;
- Accepting residual risks and monitoring the correlation between them and the allocated capital;
- Accepting risks as inherent to business;
- Evaluating the occurrence of the identified risk by stopping, temporarily or definitively, the activity, process or risk-generating function.

The risk management, compliance and internal audit functions play an important role in ensuring compliance with the regulations governing risk management and control activities and in implementing internal measures to ensure the consistency between the risk parameters assumed in the Bank's current activities and the risk set by the Bank's management structure.

Portfolio and risk analysis

The Bank uses systems and processes to actively identify, control and manage the risks in its portfolio. Portfolio and risk analysis processes are designed to quantify, qualify and substantiate the risks in order to draw the attention of the management body in a timely manner.

Risk materiality analysis

The Bank has continuously implemented and developed the risk material assessment framework. This process is not limited to the risk management function and therefore various entities within the Bank are involved in order to ensure the efficiency of this process.

This assessment is a starting point for the ICAAP process, as the types of material risk identified have to be taken into account either directly by the allocation of capital or indirectly by appropriately being taken into account in other elements of the ICAAP framework. The information resulting from this assessment is used to improve risk management practices and further to mitigate risks within the Bank. The assessment is also the starting point for designing and defining the Bank's risk strategy and risk appetite.

Concentration risk analysis

The Bank's concentration risk analysis highlights the measures needed to identify, measure, monitor and mitigate concentration risks, whose implementation is essential to ensure the long-term viability of any financial institution, especially in times of economic crisis. Risk concentration is addressed through the Bank's limits framework and specific concentration risk analysis.

Simulations under crisis conditions

Crisis tests are essential tools for risk management within financial institutions, supporting them to address a future-oriented risk perspective as well as business strategy, risk planning, capital and liquidity planning. Crisis testing of the bank's vulnerability to major but plausible damage of the economic environment helps to understand the sustainability and solidity of the bank and to develop and implement timely alternative plans and risk control measures. The results of stress tests need to be analyzed for later use, especially in the planning and budgeting process, as well as in the risk material assessment process or in the calculation of the risk coverage capacity.

Risk planification and forecasting

The forecasting exercise in risk management is used by the Bank in making strategic decisions. The implementation of financial forecasts in terms of risk data that ensures the link between capital/liquidity and changes in macroeconomic conditions is a way of raising awareness of risks. The bank ensures that there is a close connection between capital planning, budgeting and strategic planning processes. The risk planning and forecasting processes include both an anticipatory component and a retrospective component, focusing on portfolio and economic environment changes.

Risk weighted assets management

In order to identify the capital requirements required for compliance with the banking prudential rates, the process of calculating the regulated capital requirement and the internal capital requirement is performed periodically. The primary objective in calculating the capital requirement is to strictly and permanently observe the setting in the minimum regulated level of the bank's own funds (expressed as a percentage of the risk exposure total value) and reporting requirements for both current and forecasted levels. The monitoring of risk positions should ensure that the rates of regulated own funds are permanently observed. Based on the continuous monitoring and reporting

process, relevant decision makers are informed early on the adequacy ratio of the regulated capital, in order to take the necessary measures.

Capital planification and allocation

On the basis of identified material risks, the Bank assesses capital adequacy as a whole and develops a strategy to maintain adequate capital levels in line with its risk profile and business plans. This is reflected in the process of planning the bank's capital and setting internal capital targets. The capital planning process aims at estimating a possible addition to the capital requirement. This is based on a forecast of the evolution of the existing capital, on one hand, and, on a forecast of the evolution of the capital constraints that may occur during the forthcoming financial years, on the other hand. The capital evolution forecast starts from the level of current regulated capital existing at the time of the start of the annual budgeting process. The subsequent forecasts regarding the commercial plan, the individual situation of the global result, the individual situation of the financial position of the investment projects, the financing plan and the evolution of the operational expenses are carried out through the budgeting process (for the preparation of the annual budget), and their impact in the capital at the end of the financial exercises included in the planning horizon, it is then evaluated and allocated.

Recovery Plan

The Bank has a Comprehensive Recovery Plan, developed on the basis of the Banking Law (EOG No. 99/2006), the Banking Recovery and Resolution Directive 2014/59 / EU (BRRD), as well as the EBA guidelines and Law no.312 / 2016 on the recovery and resolution of credit institutions and investment firms, as well as for the modification and completion of some normative acts in the financial field. The Governance of the Bank's Recovery Plan serves as a framework for its development and implementation as the main pillar of consolidating the Bank's financial position, respectively, to restore it after a significant deterioration. This plan identifies a set of recovery measures that can be applied to maintain the financial strength and viability of the Bank when it faces a severe crisis.

8.6 Adequacy of the risk management framework and risk profile

The Bank should monitor risk management systems to ensure that they are performing well. This objective is achieved by the Bank through continuous monitoring activities and by a regular evaluation of these systems. The continuous monitoring process is in most cases effective when it takes place in real time (where applicable) as it allows a dynamic reaction to changing conditions. The Bank has implemented an appropriate risk management system that includes policies, procedures, limits, and controls to adequately, continuously and timely ensure a process of identifying, measuring and evaluating, diminishing, monitoring, and reporting risks involved by the banking activities both at the level of business lines and at the level of the institution as a whole.

The Bank has implemented an effective framework regarding risk appetite that is communicated at all its levels, as well as to all other parties involved and that incorporates risk appetite into the Bank's financial risk profile. Both the Risk Appetite Statement and Risk Tolerance are components of the Risk Appetite Framework and are incorporated into the Bank's Risk Strategy. The Risk Appetite is based on relevant risk factors and key risk indicators and ensures that the Bank operates within the established strategic objectives and that it does not exceed the aggregate risk tolerance.

In this sense, the Bank presents a statement approved by the management body regarding the degree of adequacy of its risk management systems, by which it ensures that the systems in force are adequate with regard to the risk profile and strategy of the institution, as well as a description of the Bank's general risk profile, which provides a comprehensive overview of how the Bank manages its risks, including how the Bank's risk profile interacts with the established risk tolerance (Annex 3).

8.7 Specific market risk factors

Both the Bank and the Patria Bank Group are exposed to the risks associated with the functioning of the local financial market as well as those associated with global and local economic conditions in general.

From the risk management perspective, the Bank, carried out in 2024 a careful process of monitoring customers that could be affected by the indirect effects of the conflict in Ukraine and Palestina, evolution of the inflation, prices of goods/raw materials, the values recorded by the reference rates of the interest margin.

The improvement in the quality of the loan portfolio was manifested both in the granting process and in the monitoring and recovery process of loans, a fact manifested in the cost of risk, which in 2024 recorded a level of 0.41% - a lower value compared to the level of 1.01% recorded in 2023, in the context of the manifestation in the economy of the effects of the war in Ukraine, the high level of inflation, as well as the increase in the prices of raw materials, materials or interruptions in the supply chain.

In 2024, the recovery process continued both of non-performing receivables outside the Bank's balance sheet, which led to total recoveries of approximately 2.18 million euros, and of non-performing loans on the Bank's balance sheet, which led to recoveries worth approximately 8.3 million euros. The implementation of this process, as well as the amicable collection activity, led to the recording of a non-performing exposures ratio (NPE Ratio) without taking into account acquisition provisions of 4.07% in December 2024, in a clear improvement compared to the level recorded in December 2023 of 5.23%; the degree of coverage of non-performing loans (NPL coverage) without taking into account acquisition provisions was 57.28%, a slightly lower level than that recorded in December 2023 when the level was 58.60%, and the degree of coverage of non-performing loans (NPL coverage) with taking into account acquisition provisions was 58.43% in December 2024, compared to the value of 60.24% recorded at the end of December 2023. As a result of the registration at the end of 2024 of a cost of risk below the budgeted level for this period due to appropriate management of both the clients in the performing loan portfolio and the non-performing loan portfolio, the Bank was able to accelerate the steps to reduce the balance of NPL loans, which led to the achievement of a better NPL loan rate than the budgeted level.

In the area of liquidity risk, the Bank continued to record comfortable levels of the main prudential indicators monitored.

Market risk is strictly managed due to the reduced appetite for trading positions and foreign exchange positions. Interest rate risk outside the trading book remained at optimal levels during 2024, in accordance with the policy and risk appetite established by the Bank for this risk.

Market fluctuations, liquidity and volatility may have a negative impact on the value of the Bank's assets, may reduce profitability and make difficult to measure the fair value of certain assets

Financial markets have been under significant stress in recent years, and the value of financial assets may continue to fluctuate significantly or have a significant impact on the Bank's total capital and income if the market value of financial assets decreases.

Volatility and lack of market liquidity may make it difficult to reassess certain exposures and the value actually realized by the Bank may be significantly different from the current or estimated fair value. Any of these factors may cause the Bank to recognize losses from future revaluations and to provision for impairment, any of which may impair the Bank's operations, financial statement, operating results, liquidity, or Banks's prospects.

The bank faces intense competition in all areas of activity

The Bank and the Patria Bank Group compete with a large number of international financial institutions with local presence in Romania, but also with local competitors, banks whose services address both individuals and companies, mortgage banks, investment banks and other companies active in the financial services sector. Certain banks have a stronger presence in Romania than the Patria Bank Group, with a larger number of branches, offering clients a wide range of products and services.

For the next period, the recent trend to strengthen the financial services sector at the international and local level, evolution that may create competitors with extensive product and service portfolios with greater financial, technical, and operational resources, access to lower costs financing and greater efficiency and power of pricing. Due to their global presence, these competitors may seem more attractive to key clients that the Patria Bank Group also intends to attract.

Competitiveness of financial institutions will largely depend on their ability to adapt quickly to new developments and market trends.

The Bank operates in a regulated environment and any new regulatory requirements or any changes to current regulations may subject the Bank to greater capital and liquidity requirements or standards and may result in significant compliance costs.

Any significant changes in the legislative and regulatory framework governing the Bank's business may limit the Bank's growth and may have a significant impact on the financial position, the operating results and the possibility to implement business opportunities. This could have a negative impact on assets, financial position and operating results.

The bank is subject to major capital and liquidity requirements and incur significant expenses with monitoring and meeting these requirements

Starting with 2014, capital requirements are governed by the European regulatory framework known as CRD IV / CRR and which includes the European Parliament and Council Directive no. (EU) No 2013/36 / EU on the access to credit institutions' activities and the prudential supervision of credit institutions and investment firms (CRD IV), and by the CRR, some requirements being applicable during a transitional period 2014-2019. In December 2013, the NBR issued Regulation no. 5/2013 which transposes into CRD IV national legislation, while CRR is directly applicable.

CRD IV / CRR predict, among other things, the increase in the minimum own funds level, i.e. (i) a 4.5% Tier 1 own funds ratio; (ii) a 6% Tier 1 own funds ratio and (iii) a total own funds ratio of 8%. With regard to the capital adequacy rates provided in the previous regulatory framework known as Basel II, the new CRD IV / CRR legislative package complements the set of capital adequacy ratios calculated on the basis of the total risk exposure by introducing the "leverage" rate, initially as an additional feature at the discretion of the supervisory authorities, following to migrate to a binding measure starting with 2018. The minimum level of the leverage ratio is set by the Basel Committee on Banking Supervision at 3%, and as a result of the Committee's calibrations, they will have to review this level or set a level of the capital requirement for this ratio.

In December 2014, the European Banking Authority issued the guide no. 13/2014 revised through EBA/GL/2018/03 and EBA/GL/2022/03 on common procedures and methodologies for the Surveillance and Evaluation Process (SREP), under which each national supervisory authority *calculates for each credit institution the global capital requirement (OCR) tailored to the specific risks to which it is exposed, representing the sum of the total capital requirement SREP (TSCR), the capital buffer and the macro-prudential requirements.*

The package CRD V/CRR II, was subject to approval in the European Parliament in May 2024 and is applied starting with January 1, 2025, the changes mainly targeting the weights of risk-weighted assets and the risk segmentation classes of assets.

Stricter requirements on capital, liquidity, risk-weighted assets and other legal or regulatory developments could have a negative impact on the Bank's business, operating results and financial position.

Any change in consumer protection regulations or interpretations of these regulations by tribunal or government authorities may lead to a reduction in the Bank's ability to provide certain products and / or services

Any new laws and amendments to existing laws are adopted to maintain the pace of continuous transition, existing laws and regulations, as well as amendments to these laws and regulations, may be applied non-uniformly or interpreted in a more restrictive way. Any changes in consumer protection regulations or interpretations of these regulations by courts or governmental authorities at the expense of Patria Bank may affect the Bank's activity, financial statements and performance.

Regulatory changes in areas such as employee protection, labor law, social security, competition law and taxation could generate additional costs for the Bank

In addition to the requirements specifically applicable to companies in the financial services sector, the Bank must also comply with the requirements of the general regulatory framework applicable to all companies, such as employee protection, labor law, social security, competition law and taxation, as well as specific capital market legislation. Because these laws and regulations and also the way they are applied or interpreted, are subject to continual changes by competent authorities and, generally, become more stringent, the costs involved in complying with such laws and regulations are expected to grow in the future.

Any failure to comply with applicable laws and regulations could result in fines or other sanctions imposed by competent regulatory and supervisory authorities and could impair the Bank's reputation. If compliance costs will increase or fines will be imposed to the Bank for non-compliance reasons, they may have a negative impact on its assets, financial position and operational results, as well as its reputation. Any changes to employee protection

legislation, labor law, social security, competition law and taxation could affect the Bank's business, financial situation and financial performance.

Significant costs are being incurred and significant efforts are being made to comply with increasingly stringent regulations on the prevention of money laundering and terrorist financing and also personal data protection

The Bank is subject to strict regulations on money laundering prevention, terrorist financing and other such acts. The NBR, as the competent authority according to the law, is monitoring the application of international sanctions, prevention of money laundering and terrorism financing. In the event of the Bank's breach of the regulations on money laundering, terrorist financing and other criminal acts, the sanctions imposed on the Bank by the competent authorities in this area could have the effect of limiting the Bank's conduct of operations. In addition, controlling compliance with all these regulations entails significant financial costs and represents an operational challenge for the Bank. Although the Bank does all the necessary diligence, it cannot provide any assurances that it will at all times comply with all the existing regulations on money laundering and terrorist financing operations, or that all its employees will apply these regulations and the Bank's internal rules in this area. Any breach of these regulations and even the mere suspicion of a breach may have legal consequences or a negative impact on the Bank's reputation and could impair the Bank's assets, financial position and operating results.

The Bank processes the personal data of customers in the normal course of business, including by transferring personal data between different companies within the Group, based on the consent of the person concerned. If, during an inspection by the National Authority for the Supervision of the Processing of Personal Data, it is found that the data processing, including through the transfer of personal data, is not carried out in accordance with the provisions of Regulation (EU) 2016/679 of April 27 2016 regarding the protection of natural persons with regard to the processing of personal data and regarding the free circulation of such data, sanctions could be applied to the Bank, which may consist of warnings, disciplinary measures and up to fines.

At the same time, due to the development of activities in the online environment by introducing as many services as possible supporting these platforms, there is a risk that in the event of cyber attack events there will also be incidents regarding security breaches in the databases containing personal data, with the possibility that they may be disclosed publicly or used illegally in different forms. In the event of such a breach, the Bank could be held liable under data protection legislation and sanctions or fines could be imposed by the relevant authorities. According to the new personal data protection regime that entered into force in the European Union on 25.05.2018, the fines for violations of the regulations regarding the protection of personal data can become substantial. Any of these incidents could have a significant negative effect on the activity, financial situation or operational results of the Bank.

Investing in emerging markets, including Romania, involves certain risks that may be greater than the risks inherent in more developed markets

An investment in emerging markets, including Romania, is subject to higher risks than an investment in a country with a more developed economy and political and legal systems. Although progress has been made in reforming the Romanian economy and political and legal systems, the development of legal infrastructure and the regulatory framework is still under way. Generally, investments in developing countries such as Romania are only suited to sophisticated investors who can fully assess the risks involved.

In addition, the reactions of international investors to events taking place in a country sometimes demonstrate the existence of a "contamination" effect, where a whole region or investment class is disadvantaged by international investors. Therefore, investments could be affected by negative economic or financial developments in other countries. There is no certainty that the circumstances of any crisis similar to the global economic and financial crisis that began in 2008 will not affect the economic performance of emerging markets, including Romania, or investors in these markets. The occurrence of these circumstances could have a significant negative effect on the Bank's business, operating results and financial position.

The value of investments in Romania, including investment in the Bank's shares, could be affected by political and economic uncertainty, as well as by the evolution of the war in Ukraine

Romania has undergone major changes in its recent history. Despite the many political and economic reforms implemented, the Romanian economy still has a number of structural weaknesses. These include: dependence on industrial exports, population ageing, which will lead to increased state budget spending for social assistance and healthcare in the future, and, historically, current account imbalance as well as delayed absorption of EU funds and a lack of key reforms, evolution and the impact of the war in Ukraine on Romanian economy, as well as on the economy in the region, the price of raw materials, energy, fuel, metals, each of which could affect Romania's solvency and its economic evolution.

Judicial system and legislation in Romania are in the process of development and therefore constantly changing, creating an uncertain environment for investment and business

The uncertainties specific to the judiciary system in Romania could have a negative effect on the economy and could therefore create an uncertain environment for investment and business. The judiciary system is under-funded compared to the jurisdictions within a developed economy. Since Romania is a jurisdiction that has implemented the civil law system of French origin, judgments delivered under Romanian law do not usually have a judicial precedent. For the same reason, the courts usually have no obligation to comply with previous court rulings pronounced by the courts in identical or similar situations. The Romanian judiciary system has undergone several reforms to modernize and strengthen its independence. However, these reforms do not go far enough to effectively address the issue of non-EU jurisprudence. The new procedure codes introduce a new mechanism for unifying jurisprudence, but effective measures to achieve the expected results are underway. Thus, uncertainties are fueled by repeated and frequent changes to laws, including issues that have a direct impact on the Bank and which often have an immediate effect, ambiguities in the law, and the inconsistent interpretation and application of rules. Uncertainties related to the Romanian legal and judicial system and the additional costs necessary to adapt to changing legal requirements could have a significant negative effect on the Bank's business, operational results and financial situation.

8.8 Bank's specific risk factors and their management process

Taking into account the performed activity, the Bank is exposed to the following risks:

- market risk (including foreign exchange risk);
- the interest rate risk outside the trading portfolio;
- credit risk and associated risks (country risk, counter-party risk, residual risk, concentration risk, foreign exchange lending of borrowers exposed to foreign exchange risk);

- liquidity and fund management risk;
- operational risk, including legal risk, information technology risk, model risk and conduct risk;
- reputational risk;
- strategic risk;
- compliance risk;
- the risk of excessive use of leverage.
- the macroeconomic risk (used in the crisis simulations and in the budgeting process)

Market risk

It represents the risk of recording losses on balance sheet and off-balance sheet positions due to unfavourable market fluctuations in prices (such as shares prices, interest rates, exchange rates). The market risk has the following components:

- Price risk - the market risk component that arises as a result of market fluctuations in the price of equity securities in the bank's trading portfolio.
- Interest rate risk - the market risk component that arises as a result of market fluctuations in the interest rate associated with instruments in the bank's trading portfolio.
- Foreign exchange risk - the component of market risk that arises as a result of fluctuations in the exchange rate for the entire activity of the bank.

Market risks identification is based on identifying and evaluating internal and external factors that may impair the risk market, even from the assesment phase of an asset or liability. The market risk assessment is carried out using the Value at Risk (VaR) Model and the exposure limit. The Bank uses for the calculation of VaR the last 255 closing prices of financial instruments, for each of the financial instruments held. For the calculation of the VaR rate, the profit distribution is considered normal, the confidence level as 99% and the holding period as 10 days.

In order to monitor the market risk, the Bank has a limit system for its individual components depending on the size of the Bank's activities, which is monitored daily in order to fit into the approved limit system and any non-compliance thereof is reported, monitoring the entire period up to re-entering the approved work limits.

The regulated capital requirement is based on the standard approach and within the calculation methodology of the internal capital requirement, the Bank considers both the capital requirement regulated under CRR, as well as an underestimation of the results obtained based on this methodology, further calculating a potential loss from the market risk exposure using VaR model methodology with various levels of confidence.

Foreign exchange risk

Foreign exchange risk is the risk that the value of financial instruments to fluctuate due to exchange rate changes. Open foreign exchange positions are a source of foreign exchange risk.

During 2024, the banking system and Patria Bank may be exposed to the foreign currency risk caused by the oscillating evolution of the exchange rate, for which it is expected an exchange rate increase trend.

The Bank has established a set of limits to manage foreign exchange risk and the positions are monitored daily to ensure that they are framing within the limits set for the end of each calendar month - a foreign exchange position of maximum 2% of the value of the own funds for each currency, as well as a monthly total position and average position of maximum 2% aggregate foreign exchange position. The bank protects against swap fluctuations through swap and forward transactions. The main currencies in which the Bank performs operations are EUR and USD.

The interest rate risk outside the trading portfolio

The interest rate risk is the current or future risk of impairment of profits and equity as a result of adverse changes in interest rates.

The sensitivity of the sensitive assets and liabilities portfolio at the interest rate of the Romanian banking system is asymmetrical, an increase in interest rates having a lower impact than a reduction of them, a fact that is highlighted both in terms of total impact as well as of impact variation limit.

The Bank may be exposed to interest rate risk due to the Bank's balance sheet items, which derive from the volatility of interest rate evolution (ROBOR, EURIBOR and LIBOR) and the potential imbalance that may occur in volume and the residual maturity terms of the balance sheet items in lei and foreign currency that bear fixed or variable interest rates, which could have a significant negative effect on the Bank's activity, financial statements or operating results.

The Bank classified exposures to interest rate risk in exposures related to the trading portfolio and exposures outside it. Risks in the first category are managed and monitored using the Value-at-Risk (VaR) model described above. The risks in the second category are managed and monitored using other sensitivity analyses, using the standard methodology regulated by the provisions of the NBR Regulation no. 5/2013 supplemented and amended by NBR Regulation no. 11/2020 on calculating the potential change in the Bank's economic value using a standard shock interest /rate of +/- 200 basis points on instruments exposed to interest rate risk and in shock changing interest rate crises simulations of +/-300 basis points. Also starting with 2021, the Bank calculates the economic value using six standardized shock scenarios for detecting the extreme values that can be recorded by it and uses the values obtained from simulations performed within the ICAAP reporting, thus indicating the potential exposure of the Bank in case of occurrence of the respective shocks on the interest rate risk.

As at 31.12.2024, the potential change in the economic value, calculated on the standard methodology provided by the NBR Regulation no. 5/2013 was the following:

Individual level	
Ratios	Values (RON mill)
Own funds level	490,133
Economic value potential change, out of which split on reference currencies:	25,685
EUR	11,284
RON	12,438
USD and other currencies	1,963
% of own funds	5,24

Consolidated level	
Ratios	Values (RON mill)
Own funds level	488,941
Economic value potential change, out of which split on reference currencies:	30,641
EUR	11,281
RON	17,397
USD and other currencies	1,963
% of own funds	6,27

The Bank calculates on monthly basis the exposure to interest rate risk outside the trading portfolio as part of the Bank's risk profile.

Credit and counterparty risk

Credit risk is the risk of a negative impact on profits and capital as a result of non-fulfilment by the debtors of contractual obligations or their failure to meet contractual conditions. The main risks in lending activity, with a direct impact on the Bank's incomes and its capital, come from at least the following elements:

- the quality of the counterparty (including its creditworthiness) and the customer selection policy
- submission of false documents / information by the client during the analysis of the credit documentation
- non-compliance / breach by the counterparty of the contractual clauses / obligations
- changes / uncertainties of the legal framework with direct implications on the customer's income / source of repayment
- the degree of concentration of exposure on certain categories / customer typologies
- the inadequate framework for monitoring and reporting of the risk elements that may arise over the life span of a credit / loan portfolio in order to solve the difficulties of the clients in a timely manner
- limitation / lack of adequate supervision of borrowing activities
- insolvency / bankruptcy due to poor client management
- loss of the quality of the employee / reduction of the income / illness / death for the retail clients
- macroeconomic crises with direct effect on clients' incomes and implicitly on their ability to repay the loan

The bank applies its own credit risk management policy, being structured on stages of identification, evaluation, control and reduction. The identification procedures mainly refer to the use of information sources to detect the risk factors that have an influence on the quality of the exposure that will be assumed.

The evaluation procedures aim to establish the degree of risk for the analyzed transaction. The evaluation of the degree of risk for each analyzed transaction is carried out independently by the Credit Risk Evaluation Department and materialized in the risk opinion.

In order to control the risk, the main measure is the limitation of individual exposures, both absolute and relative in relation to own funds, as well as the limitation of exposure on industries and geographical areas. Monitoring of these limits is ensured within the Risk Management Division. Also under the control procedures, the Bank carries out the subsequent procedures for monitoring the quality of the exposures, represented by the client's analysis, the

revision of the value and the inspection of the guarantees, as well as the manner in which the client has fulfilled his contractual obligations. The Bank has defined a system of credit quality deterioration rates / warning signals, as well as restructuring procedures for problematic clients.

In the internal risk capital adequacy assessment, the Bank takes into account all risks to which it may be exposed towards the credit risk, including the counterparty risk:

- Entry under the incidence of the “*Darea in plata*” Law (debt discharge law) (the internal capital requirement is calculated for loans falling within the scope of Law No 77/2016);
- The concentration risk (scorecard model based on the Herfindahl-Hirschman index, which calculates the individual and sectoral concentration indicators (ICI and SCI), and depending on the score obtained, constitutes a percentage of the capital requirement associated with the loan portfolio)
- underestimation of credit risk (calculating a differentiated domestic capital requirement according to the LTV level or depending on the debt service)
- The residual risk (the internal capital is calculated based on simulations on different types of guarantees whose RWA is increased compared to the percentages used in calculating the regulated requirement)
- The risk of loss in the event of a default due to crisis conditions (simulation model on increasing the loss adjustments for the credit categories with the highest probability of migrating into default)
- the risk associated with foreign currency lending of the debtors exposed to foreign currency risk (scoremodel based on the calculation of the concentration index of the debtors exposed to the currency risk, and depending on the score obtained, it constitutes a percentage of the capital requirement associated with the loan portfolio).

The Bank also carries out a macroeconomic simulation (aimed at PD growth concurrently with a decrease in collateral value, increase of LGD as per EBA/EU communicated forecasts), taking into account assumptions that could have an impact on the Bank's portfolio, thus constituting the internal capital requirement in the ICAAP process.

Regarding credit limits, the Bank uses a credit risk exposures limitation system, taking into account the following aspects: focusing on a limited group of debtors, focusing on geographic regions, focusing on sectors of activity of debtors, focusing on foreign currencies, focusing on guarantee type, focusing on customer type / segment, focusing on residual maturity of credit contracts, focusing on product type.

As far as the bank's collaterals policy is concerned, the general principle is that the loans granted by the Bank must be covered by guarantees, differentiated based on the quality of the counterparty. The main guarantees accepted by the Bank are mortgages on real estate, pledges on movable assets, pledges on assignment of receivables / securities / collateral deposits, guarantees issued by guarantee funds and comfort elements (pledges, promissory notes, pledge on claim receivables or comfort letters).

The goods are accepted as collateral at the accepted / adjusted value and must ensure a minimum guarantee coverage degree of the financing granted by the Bank, which differs depending on the type of guarantee / type of client / type of credit product granted by the bank.

In the calculation of IFRS 9 depreciation adjustments, the value of the goods accepted as collateral is updated to Net Present Value (NPV). The Bank has an appropriate regulatory framework for the credit area for identifying, evaluating, controlling, reporting and monitoring credit risk, which addresses:

- the existence and permanent maintenance of an appropriate framework for the identification, assessment and management of credit risk
- continuous improvement of procedures, processes and flows of analysis / approval / granting of financing in order to structure a solid and stable loan portfolio (the process of analyzing, approving and granting loans at the Bank's level is centralized)
- the existence and maintenance of an adequate process of credit management, control and monitoring, including a credit risk limits system
- the use of an adequate protection in case of the financing granted by the bank depending on the client's credit risk (guarantees and insurances)
- the existence of a process and methodology for calculating provisions and adjustments for appropriate and comprehensive depreciation in case of Bank's financing.

Measures for the determination of the exposure value

The Bank determines the exposure value for derivative instruments resulting from the counterparty credit risk, using the original exposure method, as described in art. 275 of CRR. On 31.12.2024, the Bank recorded in the balance sheet an exposure from derivative financial instruments of RON 81,157 thousand with maximum maturity 26 February 2025.

Risk credit value adjustments

The balance as at 31.12.2024 of the total exposure, broken down by type of clients - business segments of the Bank, was the following:

Segment	Exposure (RON thousand)
Consumer loans	234,125
Mortgage loans	307,486
Entrepreneurs loans	149,925
Corporate loans	1,775,165
Municipalities	14,191
Total	2,480,893

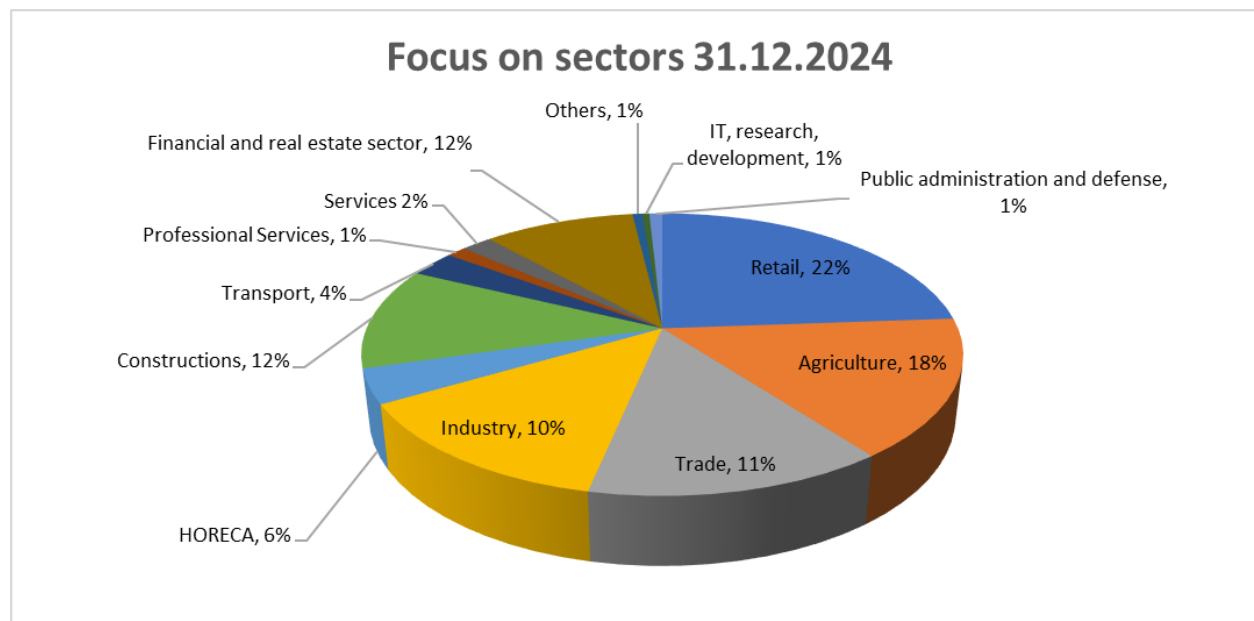
As at 31.12.2024, the focus on geographic regions was as follows:

Region	% in total portfolio
CENTER	15.85%
WEST	13.12%
SOUTH	53.70%
EAST	17.33%

As of 31.12.2024, the total balance sheet exposure, depreciation adjustments for the Bank's customers, the distribution of outstanding clients and in default customers from the geographic concentration point of view was the following:

Region	Total exposure (RON Thousand)	Impairments (RON Thousand)
CENTER	393,246	20,686
WEST	325,560	14,223
SOUTH	1,332,256	59,795
EAST	429,830	18,779
Total	2,480,893	113,483

As at 31.12.2024, the concentration by the activity sectors was as follows:



As of December 31, 2024, the classification of current, overdue and depreciated loans, according to the category of clients was the following:

RON Thousand	Consumer loans	Mortgage loans	Entrepreneur loans	Corporate loans	Municipalities	Total
Current and not-impaired	209,945	275,586	131,116	1,649,418	13,139	2,279,203
(-) Provisions for impairment	-2,844	-708	-3,901	-30,707	-83	-38,244
Current and not-impaired net total	207,100	274,877	127,215	1,618,711	13,055	2,240,958
Overdue and not-impaired	16,251	19,880	10,459	38,506	1,053	86,149
(-) Provisions for impairment	-3,014	-1,276	-1,879	-5,424	-11	-11,604
Overdue and not-impaired net total	13,237	18,604	8,580	33,082	1,042	74,545
Impaired loans	7,930	12,020	8,350	87,242	0	115,542
(-) Provisions for impairment	-5,599	-5,269	-3,569	-49,197	-0	-63,635
Impaired net total	2,330	6,750	4,781	38,045	-	51,907
Gross total of loans and advances to customers	234,125	307,486	149,925	1,775,165	14,191	2,480,893
Total provisions for impairment	-11,458	-7,254	-9,350	-85,327	-94	-113,483

Net total of loans and advances to customers	222,667	300,232	140,575	1,689,838	14,098	2,367,410

As at 31 December 2024, the distribution of the loans balances on maturities until the residual maturity was:

Reporting segment	Up to 1 year residual maturity (%/amount)		1 - 5 years residual maturity (%/amount)		Over 5 years residual maturity (%/amount)	
	%	Exposure RON Thousand	%	Exposure RON Thousand	%	Exposure RON Thousand
Individuals	5%	19,721	21%	199,977	28%	321,912
Legal entities	95%	340,988	79%	751,786	72%	846,508
Total	100%	360,709	100%	951,764	100%	1,168,420

The tables below show the exposure and the impaired adjustments as of 31.12.2024 broken down by performing/non-performing and counterparty types (RON Thousand)

31.12.2024

Template 3: Credit quality of performing and non-performing exposures by past due days

Th RON

a

b

c

d

e

f

g

h

i

j

k

l

		Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which: defaulted	
Loans and advances	1	2,516,920	2,507,846	9,074	123,113	70,644	6,738	19,243	8,498	12,682	3,776	1,531	123,113
Central banks	2	3	3	0	0	0	0	0	0	0	0	0	0
General governments	3	14,789	14,789	0	14	0	0	0	0	6	7	0	14
Credit institutions	4	89,046	89,046	0	0	0	0	0	0	0	0	0	0
Other financial corporations	5	43,979	43,943	36	148	42	7	39	17	8	1	34	148
Non-financial corporations	6	1,652,439	1,646,840	5,599	92,185	48,292	3,985	17,558	7,588	10,927	2,460	1,376	92,185
Of which: Small and Medium-sized Enterprises	7	1,554,318	1,548,720	5,599	92,181	48,291	3,984	17,558	7,586	10,925	2,461	1,376	92,181
Households	8	716,664	713,225	3,439	30,766	22,311	2,746	1,645	894	1,742	1,308	120	30,766
Debt securities	9	1,177,739	1,177,739	0	0	0	0	0	0	0	0	0	0
Central banks	10	0	0	0	0	0	0	0	0	0	0	0	0
General governments	11	1,096,736	1,096,736	0	0	0	0	0	0	0	0	0	0
Credit institutions	12	36,702	36,702	0	0	0	0	0	0	0	0	0	0
Other financial corporations	13	8,266	8,266	0	0	0	0	0	0	0	0	0	0
Non-financial corporations	14	36,035	36,035	0	0	0	0	0	0	0	0	0	0
Off-balance-sheet exposures	15	735,624			160								160
Central banks	16	0			0								0
General governments	17	2,970			0								0
Credit institutions	18	36,025			0								0
Other financial corporations	19	10,564			0								0
Non-financial corporations	20	652,545			135								135
Households	21	33,520			26								26
Total	22	4,430,283	3,685,585	9,074	123,273	70,644	6,738	19,243	8,498	12,682	3,776	1,531	123,273

Template 4: Performing and non-performing exposures and related provisions

31.12.2024

Th RON

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount / Nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		Of which: Instruments without significant increase in credit risk since initial recognition (Stage 1)	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)	of which: Credit-impaired instruments (Stage 3)	of which: Instruments without significant increase in credit risk since initial recognition (Stage 1)	of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)	Of which: Credit-impaired instruments (Stage 3)					
Loans and advances	1	2,516,920	2,247,218	269,702	123,113	47	123,067	-49,850	-29,212	-20,638	-70,530	0	-70,530	-419,827	1,936,703	48,780
Central banks	2	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0
General governments	3	14,789	5,648	9,141	14	0	14	-94	-4	-91	-13	0	-13	0	14,595	0
Credit institutions	4	89,046	89,046	0	0	0	0	-2	-2	0	0	0	0	0	0	0
Other financial corporations	5	43,979	43,475	504	148	0	148	-743	-704	-38	-95	0	-95	-14,170	24,736	47
Non-financial corporations	6	1,652,438	1,468,663	183,776	92,185	38	92,147	-35,559	-23,138	-12,421	-53,715	0	-53,715	-372,283	1,473,240	37,212
Of which: Small and Medium-sized Enterprises	7	1,554,318	1,370,542	183,776	92,181	38	92,144	-33,647	-21,226	-12,421	-53,711	0	-53,711	-372,283	1,383,683	37,212
Households	8	716,664	640,384	76,280	30,766	8	30,757	-13,452	-5,365	-8,087	-16,706	0	-16,706	-33,374	424,131	11,521
Debt securities	9	1,177,739	1,177,739	0	0	0	0	-1,642	-1,642	0	0	0	0	0	0	0
Central banks	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General governments	11	1,096,736	1,096,736	0	0	0	0	-1,296	-1,296	0	0	0	0	0	0	0
Credit institutions	12	36,702	36,702	0	0	0	0	-128	-128	0	0	0	0	0	0	0
Other financial corporations	13	8,266	8,266	0	0	0	0	-43	-43	0	0	0	0	0	0	0
Non-financial corporations	14	36,035	36,035	0	0	0	0	-175	-175	0	0	0	0	0	0	0
Off-balance-sheet exposures	15	735,624	730,995	4,630	160	0	160	2,938	2,856	82	54	0	54		507,931	135
Central banks	16	0	0	0	0	0	0	0	0	0	0	0	0		0	0
General governments	17	2,970	2,970	0	0	0	0	0	0	0	0	0	0		0	0
Credit institutions	18	36,025	36,025	0	0	0	0	4	4	0	0	0	0		35,000	0
Other financial corporations	19	10,564	10,564	0	0	0	0	13	13	0	0	0	0		4,507	0
Non-financial corporations	20	652,546	648,233	4,314	135	0	135	2,694	2,633	61	43	0	43		455,839	135
Households	21	33,520	33,204	317	26	0	26	227	206	22	11	0	11		12,585	0
Total	22	4,430,283	4,155,952	274,332	123,273	47	123,227	-48,554	-27,999	-20,555	-70,476	0	-70,476	-419,827	2,444,634	48,914

Template 9: Collateral obtained by taking possession and executions processes

31.12.2024

Th RON

		Collateral obtained by taking possession and executions processes	
		Value at initial recognition	Accumulated negative changes
Property, plant and equipment (PP&E)	1	0	0
Other than PP&E	2	66,439	-3,672
Residential immovable property	3	2,714	-218
Commercial immovable property	4	62,259	-2,998
Movable property (auto, shipping, etc.)	5	0	0
Equity and debt securities	6	0	0
Other	7	1,466	-456
Total	8	66,439	-3,672

A credit is considered to be overdue from the first day of delay to pay the obligations assumed under the credit agreement (principal / interest / commissions related to the credit agreement).

An asset is considered impaired when it meets cumulatively the following conditions:

- There is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset
- If the loss event(s) has(have) an impact on future estimated treasury cash flows of the financial asset or group of financial assets that can be forecasted reliably. Losses expected as a result of future events, no matter how likely, are not recognized

Affiliated parties transactions

The Bank shall not record, after taking into account the credit risk mitigation effect, an exposure to the affiliated parties group whose value exceeds 25% of the eligible capital.

If the group of affiliated parties includes one or more institutions, the exposure value to that group may not exceed either 25% of the eligible capital of the Bank or the equivalent of EUR 150 million, whichever is greater, provided that, in case of application of the absolute limit, the sum of the exposure amounts to all affiliated parties who are not institutions does not exceed 25% of the eligible capital of the Bank, after taking into account the credit risk mitigation effect.

If the equivalent of EUR 150 million is greater than 25% of the eligible capital of the Bank, the exposure value shall not exceed, after taking into account the credit risk mitigation effect, a limit of 100% of the eligible capital. At the year-ended 2024, the Bank framed within this risk limits.

Usage of External Credit Assessment Institution (ECAI)

The bank uses the external ratings provided by an ECAI as per Regulation 575/2013. Their definition and the date from which they are valid are published on the official websites of the three external credit assessment institutions

(ECAIs) recognized by NBR to date (Moody's, Fitch, Standard & Poor's). Framing in rating is as shown in the table below:

Recognized External Credit Assessment Institutions (ECAI)		Standard and Poor's	Moody's	Fitch
Main market segments	Public financing	X	X	X
	Commercial entities (including commercial and financing companies)	X	X	X
	Structured financing (including securitisation)	X	X	X
Mapping of the credit quality level – Long term credit assessment	1	AAA to AA-	Aaa to Aa3	AAA to AA-
	2	A+ to A-	A1 to A3	A+ to A-
	3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-
	4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-
	5	B+ to B-	B1 to B3	B+ to B-
	6	CCC+ and below	Caa1 and below	CCC+ and below
Mapping of the credit quality level – Short term credit assessment	1	A-1+, A-1	P-1	F1+, F1
	2	A-2	P-2	F2
	3	A-3	P-3	F3
	4	All short term ratings below A-3	NP	below F3
	5			
	6			
Mapping of the specific credit quality level for long term positions coming from securitisation	1	AAA to AA-	Aaa to Aa3	AAA to AA-
	2	A+ to A-	A1 to A3	A+ to A-
	3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-
	4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-
	5	B+ and below	B1 and below	B+ and below
Mapping of the specific credit quality level for short term positions coming from securitisation	1	A-1+, A-1	P-1	F1+, F1
	2	A-2	P-2	F2
	3	A-3	P-3	F3
	All other credit assessments	All short term ratings below A-3	NP	below F3
Mapping of the specific credit quality level for CIU (Collective Investment Undertakings)	1	AAA la AA- (m or f)	Aaa toAa3	AAA to AA-
	2	A+ la A- (m or f)	A1 to A3	A+ to A-
	3	BBB+ to BBB- (m or f)	Baa1 to Baa3	BBB+ to BBB-
	4	BB+ to BB- (m or f)	Ba1 to Ba3	BB+ to BB-
	5	B+ to B- (m or f)	B1 to B3	B+ to B-
	6	CCC+ and below (m or f)	Caa1 and below	CCC+ and below

Exposures to companies for which a credit assessment by an appointed ECAI is available shall be assigned a risk weight according to the table below:

Credit quality level	1	2	3	4	5	6
Risk weight ECAI assesment is available	20%	50%	50%	100%	100%	150%

Exposures to companies for which a credit assessment by an appointed ECAI is not available shall be assigned a risk weight according to the credit quality level assigned to exposures to the central administration of the jurisdiction in which the institution is registered in accordance with the table below:

Credit quality level	1	2	3	4	5	6
Risk weight	20%	50%	100%	100%	100%	150%

Exposures to companies for which a credit assesment by an appointed ECAI is available shall be assigned a risk weight in accordance with below table:

Credit quality level	1	2	3	4	5	6
Risk weight	20%	50%	100%	100%	150%	150%

As at 31.12.2024, the value of the exposures associated with each credit quality level is the following:

ECAI level	Exposure value (RON)
1	-
2	18,112,463
3	1,567,030,854
4	102,656,433
5	-
Total	1,687,799,749

Liquidity and financing risk

Liquidity risk is the current or future risk of adverse impact on profits and capital due to the credit institution's inability to meet its obligations at maturity. Financing risk is the risk that the Group will not have stable sources of financing in the medium and long term, which leads to the existing or potential risk that the credit institution will not be able to fulfill, or to fulfill at unacceptable financing costs, its obligations. such as payments and the need for collateral, as they become due in the medium and long term.

The main factors directly affecting the liquidity risk are the internal political instability / conflicts, the repeated changes in the legislative framework, as well as the budgetary policy, which may lead to a negative / distrustful perception by internal and external investors, which may cause withdrawals of liquidity in the Romanian banking system and implicitly can also affect the liquidity of Patria Bank.

Also, focusing on a single source of funding, as well as any imbalances / uncertainties at European or global macroeconomic level, or failure to adapt to market fluctuations /changes may lead to liquidity crises for the bank, which may be affected by the lack of reaction / the ability to adapt to the new conditions, including the possible early liquidation of assets, to limit potential losses and to establish a significant basis for cash availability. If the internal or external macroeconomic conditions are tightening or changing, the Bank may face difficulties in accessing

additional funding or may obtain this funding at higher costs, which could have a significant negative effect on activity, financial situation or operational results of the Bank.

The Bank monitors its liquidity risk through both GAP analysis - by comparing fund inflows and outflows on maturity bands of the assets, liabilities and off-balance sheet items depending on residual maturity - and by running liquidity crisis scenarios (regulated - such as the Liquidity Cover Ratio LCR rate or bank-specific assumptions, including severe market stress tests).

The Bank ensures that it holds a stock of liquid assets that can be used as collateral to finance liabilities with immediate exigibility or to cover unexpected / non-anticipated cash requirements.

As a financing solution for emergencies, the Bank owns a portfolio of government securities classified as held to maturity (*held to maturity* in accordance with IAS 39 or *held to collect* in accordance with IFRS 9), free of any encumbrances, separated from current liquidity reserves and government bonds available for sale, portfolio for which it annually tests financing mechanism (through repo).

Strategies and processes in managing the liquidity risk

To manage the liquidity risk, the Bank has policies, regulations, procedures and systems to identify, measure, manage and monitor the liquidity risk for an appropriate time horizon, including for *intra-day* positions such as: Risk Management Strategy, Liquidity Risk Management Policy and the Liquidity Position Assessment and Monitoring Procedure, including the intra-day liquidity position.

The structure and organization of the liquidity risk management function (authority, status, and other measures)

The management, quantification, monitoring and control of liquidity risk is carried out at the following structures:

- The Risk Management Division - Risk Management Department other than Credit Risk - Identifies, evaluates, monitors and controls / diminishes events / activities that generate other risks than credit and assimilated risk that could adversely impact the Bank's objectives
- the Risk Management Committee, the Executive Committee, the ALCO (Asset and Liability Management Committee) and the Board of Directors - through information provided by the Risk Management Division on the Bank's exposure to this risk
- Treasury Division and Operations Division at operational level.

Scope of coverage and liquidity risk reporting and measurement system type

The liquidity risk is identified, evaluated, managed, and monitored differently according to the factors that determine it, in accordance with the Bank's Policy on Liquidity Risk Management. For identification, the Bank uses a set of analyzes of elements / situations/ events / developments / of the indicators (Early Warning System) that support the process of identifying the increase in risk or vulnerabilities in terms of liquidity position or potential funding needs. Also, in assessing liquidity risk, the Bank uses a series of indicators that provide relevant information about liquidity status.

The main tools for managing this risk are: setting limits and early warning levels, performing periodic stress tests, and maintaining a proper liquidity reserve at the Bank level.

Quantification and monitoring of liquidity risk is done using the following instruments or indicators, which are calculated on a daily, weekly and monthly basis: the liquidity gap model; the intra-day liquidity position model; the liquidity indicator determined in accordance with the national regulations of the NBR transposed at internal level; the immediate liquidity indicator; the Liquidity coverage ratio (LCR); other structure indicators such as credits / total assets, external sources / total assets, credits / sources, liquidity ratio (liquid assets /attracted deposits), deposits / credits, liquid assets/ gross assets etc.

The tracking of the approved internal limits is done (daily by making calculations of existing data / indicators at the end of the previous day. Monthly monitoring is done by making calculations of existing data / indicators at the end of the previous month and also by ad-hoc simulations.

In the event of exceeding limits, the Risk Management Division communicates to the involved factors (the Treasury Division, the Operations Division) the non-compliance within the limits, and they inform about the causes that led to the non-compliance within the established limits, the measures taken to frame within the established limits and the deadline. Information on the activity within the established limits is made by the Risk Management Division to the Executive Committee (monthly) and to the Risk Management Committee and the Board of Directors (quarterly), with the status of the indicators / limit being presented.

Liquidity risk coverage and mitigation policies, as well as strategies and processes to monitor the continuity of effectiveness of hedging and mitigation elements

Liquidity risk monitoring is done through the following instruments: liquidity risk exposure limits (including warning thresholds or warning levels); oversight of the high liquidity risk towards a single person (single creditor); a reporting system for liquidity risk generating events or indicators.

The measures taken by the Bank to reduce liquidity risk are:

- Ensure the existence of a stock of assets that can be used as financial guarantees
- Ensuring a liquidity reserve
- Ensure a good diversification of resources
- Risk limit framing monitoring and running crisis scenarios
- Establishing the Liquidity Crisis Plan
- Concluding alternative financing agreements in the event of a liquidity crisis

The liquidity risk statement, which briefly describes the Bank's overall liquidity risk profile associated with the business strategy, including key indicators and key data, which provides external stakeholders with a comprehensive overview of how the Bank manages its risk including the manner in which the Bank's liquidity risk profile interacts with the risk tolerance set by the management body is presented in Annex 5. The Liquidity Coverage Ratio (LCR) is presented in Annex 6.

Operational risk

Operational risk is the risk of loss determined by the use of inadequate human processes, systems and resources, or that have failed to fulfil its function properly, or by external events and actions. The operational risk includes also:

- Information technology (IT) risk - represents the loss that may be caused by breach of confidentiality, loss of systems and data integrity, improperness or unavailability of systems and data or inability to change information technology (IT) in a reasonable period of time and at reasonable costs, when the requirements of environment or business is changing. This includes security risks arising either from inadequate internal processes or which have not performed their function properly, or from external events, including cyber attacks or inadequate physical security.
- Legal risk - risk of loss due to both the fines, penalties and sanctions that the Bank is liable to in case of failure to apply or defective application of the legal or contractual provisions, as well as the fact that the Bank's contractual rights and obligations and/or of its counterparty, are not properly established.
- Model risk - which is a possible loss that the Bank may record as a result of decisions that may be based mainly on the results of internal models due to errors in the development, implementation or use of these models.
- Conduct risk - the recorded or potential loss arising from the improper provision of financial services, including cases of intentional or negligent disciplinary misconduct.

The operational risk management process contains the following steps: the identification process, the evaluation process, the monitoring and reporting process, the control / mitigation and prevention process. The main causes that may determine the occurrence of operational risk are:

- Internal factors (inside the Bank): inadequate separation of staff attributions, insufficient staff training, inadequate internal control, inadequate security measures, improper systems design, inappropriate policies on human resources, lack of internal regulations / inappropriate regulations, internal regulations not adjusted to legislation in force.
- External Factors (outside the Bank): false documents or presentation of forged money, information theft, computer piracy, robbery, theft, vandalism and destruction of bank property, fire, floods, earthquakes, natural factors or events and terrorism.

In the operational risk management process, the Bank uses the following approaches:

- **Proactive approach:** Oversight of the risk factors → Identification and assessment of the operational risk → Quantification of the risks (potential effects and occurrence probabilities) → control/risk factors mitigation => Oversight of the risk factors
- **Reactive approach:** Consequences → Event ascertainment and operational risk rate monitoring → Causes research → Control/risk factors mitigation => Consequences

Identifying operational risk consists of detecting operational risk events, classifying them, investigating the causes that determined them, the resulting consequences and determining the recorded losses.

Regarding the methodology of the operational risk assessment, the procedures involve the conduct of the potential operational risk assessment, the effective operational risk assessment, the operational risk assessment of the new products / services / outsourcing, the operational risk self-assessment.

The Bank's procedural framework contains procedures for monitoring and reporting of the operational risk. The procedures refer to the implementation and management of a system of limits, a system of rates with warning levels (monitoring the compliance within the approved internal limits and the warning levels associated with the rates is

done monthly at centralized level by the Risk Management Division), as well as of a system of reporting and analysis of the operational risk generating events (loss-making and loss-free). Each reported event is subject to an analysis at the Risk Management Division, which analysis how the involved structures solve the issues and take action. Where appropriate, the division may propose additional remedial measures or sets up operational risk provisions.

The procedural framework at the Bank level develops the measures envisaged by the Bank for operational risk control. These are, but are not limited to, the following:

- measures to mitigate the consequences of the risk in case of operational risk events recorded;
- preventive measures, before the risk is produced;
- risk hedging measures by making operational risk provisions;
- external risk transfer measures by providing insurance for buildings, bank's cars, cash and ATMs and / or complex insurance policies for banks.

Other measures to control / mitigate and prevent operational risk consist of: implementing the anti-fraud framework; using the analysis system of the profitability and income and expense budget; the use of the control and operational risk self-assessment process in order to identify, assess the operational risk within the bank and develop actions plans to eliminate / mitigate operational losses/ risks.

The Bank cannot fully eliminate the effects of operational risk, but it has control and limitation tools for this type of risk and monitors through a permanent process all events that generate operational risk, applying additional internal capital requirements depending on the incidence of such operational risk events, with a quarterly frequency.

In calculating the regulated capital requirement, the Bank uses the BIA relevant rate approach, not using the methodology regulated in the basis of internal rating and within the ICAAP the bank analyzes the establishment of an internal capital requirement.

To limit the effects of operational risk, the Bank also considers the conclusion of specific insurance policies depending on the forecasted evolution of these events.

Reputational risk

Reputational risk represents the current or future risk of adverse impact on profits and capital due to unfavourable perception of the Bank's image by customers, counterparties, shareholders, investors or the supervision authority.

The Bank calculates monthly the reputational risk to which the bank is exposed, based on a measurement indicator framework for exposure to this risk and according to its level, quarterly proceeds to the allocation of additional internal capital within the ICAAP process.

The process of managing reputational risk includes the identification process, the evaluation process, the monitoring and reporting process, the control / mitigation and prevention process.

Identifying reputational risk involves the set of measures adopted to determine phenomena, factors and events that have a negative influence on the Bank's image, using specific rules, methods, procedures and tools.

The identification of exposure to risk occurs mainly through the analysis of reputational risk generating events. At the same time, for the new products and services offered by the Bank, in the event of significant changes in the

features of existing products or services or outsourcing of activities, the Risk Management Division identifies and assesses factors that may contribute to increasing exposure to reputational risk.

In assessing reputational risk, the Bank should consider the following reputational risk generating factors (internal and external):

Internal factors:

- Lack of compliance or breach of the regulatory framework may lead to the application of contravention sanctions which, in the local and central press, may affect the reputation and perception of the Bank
- Lack of effective communication between the Bank and its shareholders
- Application by the regulator of sanctions or prohibitions to its shareholders
- Providing inadequate or incorrect information to clients on how to use and operate the Bank's services
- Inappropriate behavior of employees in the relationship with the Bank's clients
- unawareness or insufficient knowledge of the product characteristics of the Bank within the product portfolio and of the internal and / or external regulations
- Transmission by the Bank of erroneous / non-conforming information to the media, clients and various external bodies.

External factors:

- Negative advertising in mass-media, whether or not it conforms to reality
- Deliberate actions of an individual or interest group aimed at reducing the credibility of the Bank
- Negative publicity of an institution / company in the Bank group that can be assimilated to it
- Serious damage to the Bank's IT security following internal or external attacks on the IT system
- Encountering problems by clients in using certain products / services
- Misinterpretations by the public of certain information, thus affecting the perception of the Bank
- Triggering processes in which the Bank may be involved in targeting highly-traded companies or publics or the occurrence of lawsuits involving employees of the Bank investigated for committing offenses
- Potential crisis situations in which the Bank lost its image of a viable, credible and solvent partner capable of providing stability
- Changes in the economic conditions, legislative changes or related to the competitive environment in the banking sector, technological progress.

The Bank's procedural framework contains monitoring and reporting procedures for the reputational risk and refer to the implementation and management of a system of reputational risk rates, to which levels of warning, a system of limits, a reporting system and analysis of reputational risk generating events (loss-making and loss-free) are assigned.

The Bank's procedural framework develops the measures envisaged by the Bank to control / mitigate reputational risk. These are, without limitation, measures to mitigate the consequences of risk occurrence in the event of reputational risk-generating events, as well as preventive measures, before the risk is produced, as follows:

- the Bank, through specialized structures, develops customer education tools to use the new products and services provided, including knowledge of commissions / fees, to identify issues that may arise and how to address them.
- taking steps to attract the best partners, both in terms of customers and suppliers;
- ensuring optimal prices for products and / or services;
- recruitment and retaining the best employees.

The Bank has thus set out to ensure and maintain a positive perception of its image and its recognition in line with its reputation and the values it promotes. To achieve these objectives, the bank proceeds to:

- promoting and enforcing corporate values, social responsibilities and appropriate business practices
- achieving a high degree of customer satisfaction with its products and services, staff behavior and working environment in territorial units
- fulfilling the obligations to clients and third parties at an adequate quality level, its products and services to be well defined and to meet the needs of the clients in order to allow the Bank to continuously improve its image in the market
- avoiding damage caused by image deterioration, by paying special attention to complaints and articles in the local and central press.

Strategic risk

Strategic risk is the current or future risk of adverse impacted profits and capital damage caused by changes in business environment or unfavourable business decisions, inappropriate implementation of decisions or lack of responsiveness to business changes.

The strategic risk to which the Bank may be exposed may be caused by the following factors:

- forecasting of unrealistic or unrelated to the changes of the competitive / business / legislative and economic environment in which the Bank operates working conditions and hypotheses
- incorrect / inappropriate determination of the main strategic indicators
- lack of balance between resources and placements
- the non-correlation of indicators from the income and expenditure budget with those of other Bank planning documents.

In order to control the strategic risk, the Bank is constantly concerned with increasing the efficiency of planning and monitoring of market developments so that it can adapt to new developments properly and on time.

The management of the strategic risk includes the processes of identification, evaluation, monitoring and reporting, as well as strategic risk management.

The bank identifies strategic risk from 4 perspectives:

- Establishing unrealistic or uncorrelated strategic objectives with internal and / or external factors that may influence their realization
- existence of deviations from the achievement of the strategic objectives provided in the annual budget of revenues and expenditures as a result of the adoption of inadequate strategic decisions with the internal and external risk factors

- deviations from the achievement of the strategic objectives provided in the annual budget of revenues and expenditures due to the inadequate implementation of strategic decisions
- deviations from the achievement of the strategic objectives provided in the annual budget of revenues and expenditures as a result of the lack of reaction or a delayed reaction to changes in the business environment.

Strategic risk assessment is carried out using the following tools:

- Monthly analysis and presentation to the Bank's management of the degree of achievement of the budgetary projections set at the beginning of the financial year for the main groups of expenditures and incomes, as well as the main targets set by the Bank;
- Evaluation of the strategic risk profile, described in the risk assessment methodology of the Risk Management Strategy;
- Strategic risk is determined to be always significant and the Bank calculates the internal capital requirement for strategic risk;
- Crisis simulation within the process of assessing the adequacy of internal capital to risks.

The Bank calculates within the internal risk assessment process, an internal capital requirement specific to the strategic risk degree recorded by the Bank. Strategic risk monitoring is carried out through:

- monthly analysis of the strategic risk profile to ensure that its level is consistent with the strategic risk objectives outlined in the Risk Management Strategy;
- within the budgetary planning process through:
 - a monthly follow-up of Income and Expenditure Budget;
 - monitoring of the fulfillment of the objectives by the bank's branches / sales structures;
 - monitoring the market situation (the competitive changes in the banking market that may impair the implementation of strategic decisions of the bank);
 - an analysis of new products and services.

Strategic risk management is carried out qualitatively within the budgetary planning processes (development of strategic objectives) and in the implementation phase of the decision-making strategy in order to achieve the strategic objectives.

Compliance risk

According to the NBR Regulation no. 5/2013 on prudential requirements for credit institutions, which provides for compliance risk management obligations, provisions transposed into Patria Bank's internal regulatory framework (revised in 2018), it ensures the maintenance of an adequate risk control system compliance. Compliance risk represents the current or future risk of impairment of results and equity, which may result in fines, damages and / or termination of contracts or that may affect the Bank's reputation as a result of breaches or noncompliance with the legal and regulatory framework or with agreements, recommended practices or ethical standards.

It is the responsibility of the Managing Board of Patria Bank to ensure an adequate and effective framework for the compliance function, as well as the responsibility for the regular assessment of the effectiveness of compliance risk management. It actively promotes a culture of compliance risk within the organization as an essential and integral

part of the Bank's business, establishing its employees and employees with high standards of professionalism and integrity.

The Bank continuously assesses the compliance risk and compliance with regulatory frameworks, recommended agreements, practices, or ethical standards, while setting a comprehensive internal regulatory framework that it continually reviews and adapts to changes in the legislative framework.

The compliance risk, periodically evaluated through a set of qualitative and quantitative indicators, recorded in 2023 a **medium-low level** in accordance with the risk appetite defined by Risk management strategy.

Risk of excessive usage of leverage effect

The risk associated with the excessive usage of leverage effect is the risk resulting from the Bank's vulnerability towards a leverage effect or a contingent leverage effect that may require unplanned business plan corrections, including the sale of assets in an emergency, which could lead to losses or revaluations of the remaining assets.

This risk may arise as a result of the excessive use of the bank's assets against the level of own funds available to it.

The Bank is constantly concerned to assess this risk, which is basically quantified by calculating of the so-called *leverage ratio*, which is determined by dividing the capital measurement rate by the total exposure rate of the institution and it is expressed as a percentage. This rate is a calculation method complementary to the rates of the regulated own funds ratios, indicating a minimum capital level that the Bank has to maintain compared to the Bank's total exposure, while the solvency ratios limit the assuming of excessive risks by the Bank.

8.9 Subsequent events

N/A

8.10 Bank's capital adequacy and other prudential rates

Internal Capital Adequacy Assessment Process (ICAAP)

The internal assessment of the internal capital adequacy to risks is carried out on a quarterly basis and allows the Bank to permanently ensure an internal capital level covering the significant risks to which the Bank is exposed.

The current and projected level of ICAAP (quantified by the internal capital adequacy ratio) is a key element of the Bank's risk management strategy and must be properly implemented and taken into account.

The capital adequacy assessment process has the following structure:

- identifying the risks to which the Bank is or may be exposed
- establishing methods (quantitative and / or qualitative) for assessing risks and establishing their materiality
- capital adequacy: the relationship between own funds needs and own funds
- regular reporting of the internal capital adequacy to the Board of Directors and the Executive Committee
- description of the internal capital planning process.

Capital requirements

- To determine the credit risk capital requirements, the Bank applies the standard approach. Thus, according to the standard approach of CRR, in the table below 8% of the risk-weighted exposure amounts for each exposure category referred to in Art. 112 of CRR is mentioned:

Exposure category	8% of the risk-weighted exposure value (RON)	
	Individual	Consolidated
Central administrations or central banks	2,489,813	2,525,432
Local administrations or local authorities	944,941	945,009
Units or shares held in collective investments undertakings	772,537	772,537
Companies	38,059,859	37,171,186
Exposures guaranteed with real estate mortgage	38,827,806	39,082,028
Exposures in default	3,878,013	4,683,223
Equity securities	8,785,847	1,732,821
Exposures associated with a high level of risk	24	24
Institutions	9,150,019	9,157,170
Other elements	17,001,277	17,288,034
Retail	42,213,282	49,204,906
Multilateral development banks	-	-
International institutions	-	-
Public sector entities	-	-
Positions coming from securitization	-	-
Exposures towards institutions and companies with a short term credit assessment	-	-
Guaranteed bonds	-	-
TOTAL	192,925,640	197,109,655

To determine the minimum capital requirements for operational risk, the Bank uses the basic approach. According to this approach, the minimum capital requirement on 31.12.2024 is RON 30,788,810 (on an individual basis) and RON 33,688,218 (on a consolidated basis). The bank applies the anticyclical capital buffer provided in art. 440 of the CRR of 1.02% of the total risk exposure. The relevant exposures on Romania (anticyclical capital buffer of 1%) represent 93.99% of the total, and those on the Netherlands 1.08% (where the value of the anticyclical buffer is also 2%). For the rest of the relevant foreign exposures, the countercyclical buffer value is 0% or 1%.

	Individual	Consolidated
Thousand RON	31.dec.24	31.dec.24
Tier 1 capital	394,631	387,744
Subscribed and paid-up share capital	330,128	330,128
Share premium	2,050	2,050
Direct holdings of Common Equity Tier 1 capital	-6,000	-6,000
Merger premium	-67,569	0
Reserves	39,605	-24,535
Retained earnings	89,624	75,367
Current year result	35,168	39,852
Intangible assets & Goodwill	-51,543	-56,642

IFRS9 Transitional approach filter allocation	27,313	28,411
Equities deductions	-3,257	0
DTA deductions	0	0
Minority interests	0	0
Other prudential deductions	-887	-887
Tier 2 capital	95,502	101,197
Subordinated debt included in Tier 2 capital	101,197	101,197
(-) Subordinated loan	-5,695	0
Total own funds	490,133	488,941
Thousand RON	31.dec.24	31.dec.24
Exposure value to credit risk	2,026,543	2,032,030
Exposure value to market risk, currency risk	-	10,571
Exposure value to operational risk	384,860	421,103
Exposure value to credit valuation adjustment (CVA)	168	168
Total Risk Exposure	2,411,571	2,463,871
Total capital requirement	192,926	197,110
Capital Adequacy Ratio	20.32%	19.84%
Exposure value to credit risk	16.36%	15.74%

We mention that the Bank must permanently comply with the following values of the combined buffer requirement:

Requirement	Individual	Consolidated
<i>capital conservation buffer</i>	2.5%	2.5%
<i>countercyclical capital buffer</i>	1.0%	1.0%
<i>systemic risk capital buffer</i>	0%	1.0%

and for the entire year 2024, the Bank has met the requirements mentioned above. These requirements, together with the TSCR value (representing the capital requirement resulting from the SREP assessment carried out by the National Bank of Romania, following the periodic control) represent the minimum value of the capital requirement (OCR) that Patria Bank must comply with.

The leverage effect

In addition to the minimum capital requirements, CRR has introduced the leverage ratio as an instrument for limiting the risk of excessive indebtedness. The leverage effect is the excessive accumulation of exposures by banks in relation to their own funds. The leverage ratio can be considered a simplified solvency rate because it measures the volume of risk unweighted assets compared to Tier 1 own funds. The leverage effect ratio is the relation between Tier 1 capital and the exposure related to the leverage effect, according to the Article 429 of the CRR. Basically, the exposure to leverage effect is the sum of unweighted on and off balance-sheet positions, taking into account the evaluation and risk adjustments as defined in the CRR.

The risk management process associated with the excessive usage of leverage effect

The Bank monitors the level and changes in the leverage effect ratio as well as the risk on leverage effect as part of the internal capital adequacy assessment process (ICAAP). Depending on the calculated level of the leverage effect ratio, the Bank calculates an internal capital requirement for that risk.

The leverage effect ratio, calculated for 31.12.2024, based on the Bank's own Tier 1 funds - the transitional approach (RON 394.631.012) was of 8.59% on individual basis and respectively of 8.21% (RON 387.744.369) on consolidated basis.

The breakdown of the total exposure rate for on and off balance-sheet elements and derivatives financial instruments:

Exposure item	Individual	Consolidated
	Value (Thousand RON)	
Derivative financial instruments: initial exposure method*	5,753	5,753
Off balance sheet items with a credit conversion factor of 10% as per art. 429 para. (10) of CRR (EU Reg. 575/2013)**	33,357	32,936
Off balance sheet items with a credit conversion factor of 20 % as per art. 429 para. (10) of CRR (EU Reg. 575/2013)**	62,943	62,943
Off balance sheet items with a credit conversion factor of 50 % as per art. 429 para. (10) of CRR(EU Reg. 575/2013)**	23,065	23,205
Off balance sheet items with a credit conversion factor of 100 % as per art. 429 para. (10) of CRR (UE Reg. 575/2013)**	40,345	40,345
Other assets***	4,484,140	4,616,354
Deduction from assets (+)/(-) from Tier 1 own funds	-54,800	-56,642
Total exposure measurement indicator	4,594,804	4,724,895

*as per initial exposure method from CRR

**the amounts in column "value" are calculated after applying the credit conversion factors

***contains the sum of all asset balance sheet items, with the exception of the ones below and netted of all the value adjustments and including the IFRS9 transitorial approach filter allocation

Individual:

Asset items	Debit balance (before value adjustments)	Value adjustments	Net value adjustments	Out of which, the value not included in the total exposure calculation ratio	Reason for non inclusion
Equity shares held in subsidiaries	40,295,758	-	40,295,758	3,089,481	amount deducted from own funds
Intangible assets (including intangible assets in progress and goodwill)	2,186,609	-	2,018,961	167,648	amount deducted from own funds
Subordinated loans on term	113,035,648	61,492,778	51,542,870	51,542,870	amount deducted from own funds
Deferred profit tax	5,695,040	-	5,695,040	5,695,040	amount deducted from own funds

The value of the allocation of the the IFRS9 transitorial approach filter (=filter value calculated and weighted as per UE 2017/2395 Regulation – tax on profit))	5,635,770	The value of the transitorial approach allocation filter regarding changes in fair value of debt instruments measured at fair value through other comprehensive income elements (according to EU Reg. 575/2013)	21,676,936

Consolidated:

Assets items	Debit balance (before value adjustments)	Value adjustments	Net value adjustments	Out of which, the value not included in the total exposure calculation ratio	Reason for non inclusion
Intangible assets (including intangible assets in progress and goodwill)	120,491,130	63,849,174	56,641,956	56,641,956	amount deducted from own funds

The value of the allocation of the the IFRS9 transitorial approach filter (=filter value calculated and weighted as per UE 2017/2395 Regulation – tax on profit))	6,734,124	The value of the transitorial approach allocation filter regarding changes in fair value of debt instruments measured at fair value through other comprehensive income elements (according to EU Reg. 575/2013)	21,676,936

Between 1.01.2024 – 31.01.2024, the value of the leverage effect was mainly influenced by the increase of the Tier 1 own funds and also by the increase of the Bank's assets. The bank considers that it has "excessively" used the leverage effect when this indicator of the leverage effect registers a value below 5% at the end of a quarter. Since the Bank registers a value higher than the 5% level, but also above the 3% threshold, the level of the Bank's exposure to this risk is considered to be "low".

Exposures from equity securities not included in the trading book

These are detailed in the Notes 19 and 26 of the Audited Financial Statements for year ended 2024.

Exposures to securitization positions

The bank does not have securitization positions in the portfolio.

DRAGOS HORIA MANDA

CHAIRMAN OF THE BOARD OF DIRECTORS

ANNEXES

Annex 1

Statement of compliance with the principles of the Corporate Governance Code of the Bucharest Stock Exchange on 31.12.2023

Provizion to comply with		Complies	Does not comply or partially comply	Explanations (for non-compliance)
A.1	All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A	x		
A.2	Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.	x		
A.3	The Board of Directors or the Supervisory Board should have at least five members.	x		
A.4	The majority of the members of the Board of Directors should be non-executive. At least one member of the Board of Directors or Supervisory Board should be independent, in the case of Standard Tier companies. Not less than two non-executive members of the Board of Directors or Supervisory Board should be independent, in the case of Premium Tier Companies. Each member of the Board of Directors or Supervisory Board, as the case may be, should submit a declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered independent in character and judgement in practice and according to the following criteria:	x		
A.4.1.	Not to be the CEO/executive officer of the company or of a company controlled by it and not have been in such position for the previous five years;	x		As per the independent director statement.
A.4.2.	Not to be an employee of the company or of a company controlled by it and not have been in such position for the previous five (5) years;	x		As per the independent director statement.
A.4.3.	Not to receive and not have received additional remuneration or other advantages from the company or from a company controlled by it, apart from those corresponding to the quality of non-executive director;	x		As per the independent director statement.

A.4.4.	Is not or has not been an employee of, or has not or had not any contractual relationship, during the previous year, with a significant shareholder of the company, controlling more than 10% of voting rights or with a company controlled by it;	x		As per the independent director statement.
A.4.5.	Not to have and not have had during the previous year a business or professional relationship with the company or with a company controlled by it, either directly or as a customer, partner, shareholder, member of the Board/ Director, CEO/executive officer or employee of a company having such a relationship if, by its substantial character, this relationship could affect his/her objectivity;	x		As per the independent administrator statement.
A.4.6.	Not to be and not have been in the last three years the external or internal auditor or a partner or salaried associate of the current external financial or internal auditor of the company or a company controlled by it;	x		
A.4.7.	Not to be a CEO/executive officer in another company where another CEO/executive officer of the company is a non-executive director;	x		As per the independent director statement.
A.4.8.	Not to have been a non-executive director of the company for more than twelve years;	x		As per the independent director statement.
A.4.9	Not to have family ties with a person in the situations referred to at points A.4.1. and A.4.4.	x		As per the independent director statement.
A.5.	A Board member's other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate.	x		Detailed in the BoD's annual report
A.6.	Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.	x		The Board of Directors did not receive such information from its members
A.7	The company should appoint a Board secretary responsible for supporting the work of the Board.	x		
A.8	The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.	x		Detailed in the BoD's annual report
A. 9	The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.	x		Detailed in the BoD's annual report
A. 10	The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors or of the Supervisory Board.	x		Detailed in the BoD's annual report

A.11	The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.		Does not comply	According to the art. Art. 24 - (1) of NBR Regulation no. 5/2013 "The credit institutions which are significant in terms of size, internal organization and nature, extent and complexity of their activities, should establish a nomination committee composed of members of the management body who do not exercise any executive function in the respective credit institution". In this context, given the size, the scale and the complexity of the Bank's activity, there isn't any nomination committee in its structure.
B.1	The Board should set up an audit committee, and at least one member should be an independent non-executive. The majority of members, including the chairman, should have proven an adequate qualification relevant to the functions and responsibilities of the committee. At least one member of the audit committee should have proven and adequate auditing or accounting experience. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent.		Complies partially	Most members, including the chairman, have adequate qualifications relevant to the functions and responsibilities of the committee. Two members of the audit committee have proven and appropriate audit or accounting experience. The chairman of the audit committee is a non-executive independent member.
B.2	The audit committee should be chaired by an independent non-executive member.	x		
B.3	Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.		Complies partially	The annual assessment report of the internal control system is made by the control functions but is endorsed by the Audit Committee and approved by the Board of Directors and subsequently reported to the NBR.
B.4	The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.		Complies partially	The assessment includes all the aspects mentioned except the adequacy of the risk management reports made by the Risk Committee.
B.5	The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.	x		
B.6	The audit committee should evaluate the efficiency of the internal control system and risk management system.	x		
B.7	The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team.	x		
B.8	Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by cyclical (at least annual), or ad-hoc reports to be submitted to the Board afterwards.	x		
B.9	No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.	x		
B.10	The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by	x		

	the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements.			
B. 11	The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.	x		
B.12	To ensure the fulfilment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.	x		
C.1	The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review. The remuneration policy should be formulated in such a way that allows stakeholders to understand the principles and rationale behind the remuneration of the members of the Board and the CEO, as well as of the members of the Management Board in two-tier board systems. It should describe the remuneration governance and decision-making process, detail the components of executive remuneration (i.e. salaries, annual bonus, long term stock-linked incentives, benefits in kind, pensions, and others) and describe each component's purpose, principles and assumptions (including the general performance criteria related to any form of variable remuneration). In addition, the remuneration policy should disclose the duration of the executive's contract and their notice period and eventual compensation for revocation without cause. The remuneration report should present the implementation of the remuneration policy vis-à-vis the persons identified in the remuneration policy during the annual period under review. Any essential change of the remuneration policy should be published on the corporate website in a timely fashion.	x		The Bank has a remuneration policy, approved by the General Shareholders Meeting which includes the principles regarding the remuneration's level of the members of the Managing body and the policy for employees remuneration (including identified personnel) approved and periodically reviewed by the Board of Directors. In the Board of Directors Report the principles of the remunerations were included.
D. 1	The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including:	x		
D.1.1	Principal corporate regulations: the articles of association, general shareholders' meeting procedures;	x		
D.1.2	Professional CVs of the members of its governing bodies, a Board member's other professional commitments, including executive and non-executive Board positions in companies and not-for-profit institutions;	x		
D.1.3	Current reports and periodic reports (quarterly, semi-annual and annual reports) – at least as provided at item D.8 – including current reports with detailed information related to non-compliance with the present Code;	x		
D.1.4	Information related to general meetings of shareholders: the agenda and supporting materials; the procedure approved for the election of Board members; the rationale for the proposal of candidates for the election to the Board, together with their professional	x		

	CVs; shareholders' questions related to the agenda and the company's answers, including the decisions taken;			
D.1.5	Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a timeframe that enables investors to make investment decisions;	x		
D.1.6	The name and contact data of a person who should be able to provide knowledgeable information on request;	x		
D.1.7	Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.	x		
D.2	A company should have an annual cash distribution or dividend policy, proposed by the CEO or the Management Board and adopted by the Board, as a set of directions the company intends to follow regarding the distribution of net profit. The annual cash distribution or dividend policy principles should be published on the corporate website.	x		
D.3	A company should have adopted a policy with respect to forecasts, whether they are distributed or not. Forecasts means the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so called assumptions): by nature such a task is based upon a high level of uncertainty, with results sometimes significantly differing from forecasts initially presented. The policy should provide for the frequency, period envisaged, and content of forecasts. Forecasts, if published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should be published on the corporate website.		Complies partially	The Bank has a strategic risk management policy as well as revenue and expense budget procedures, based on which the Bank's effective performance against the budget plan is reviewed periodically (with monthly frequency) in order to monitor and adjust its decisions properly and appropriate to the changes that have occurred. If the effective performance deviates from the estimated (or planned), the Bank adjusts the target or revises the decision in order to adapt to the changing environment or circumstances. These policies and procedures are not published on the company's website
D.4	The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.	x		
D.5	The external auditors should attend the shareholders' meetings when their reports are presented there.	x		
D.6	The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.	x		The internal control system and the significant risks administration are detailed in the Annual Report of the Board of Directors
D.7	Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.		Does not comply	At the GSM are entitled to attend only the shareholders registered in the Shareholders Register at the reference date, the Bank's management body's members, the bank's employees involved in the meeting process organization and the consultants/external auditors invited by management.

D.8	The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial rates, both on quarter-on-quarter and year-on-year terms.	x		
D.9	A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/ conference calls.	x		In 2024 Patria Bank SA organised 2 teleconferences with analysts and investors in accordance with the financial communication timetable.
D.10	If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.	x		The Bank has specific communication policies and procedures, which include reporting on activities in the area of sustainability (environmental, personnel, human rights or anti-corruption measures for both members of the organization and those outside). Regarding the social responsibility directions, in 2023 the Bank became involved in actions in the fields: social, community development (entrepreneurial and agricultural) and the support of the NGO environment, detailed in the Sustainability Report annexed to the present Report.

DRAGOS HORIA MANDA
CHAIRMAN OF THE BOARD OF DIRECTORS

Annex 2

LIST OF AFFILIATES AS OF 31.12.2024

NUME
BRIO TESTE EDUCATIONALE SRL
PRODEA CORALIA IUNIA-132155
EMERGING EUROPE ACCESSION FUND COOPERATIEF U.A
AXXESS CAPITAL PARTNERS
SURDU MATEI
DOMENIILE PRINCE MATEI SRL
VIA VITICOLA SRL
VITICOLA SARICA NICULITEL SRL
VALOREM MANAGEMENT CONSULTING S.R.L.
AGRO TOUR EXPERT SRL
VASILE IUGA
ITM AMIRO S.A.
GREENCYCLE CONCEPT SRL
MARMOSIM S.A.
STAR ASSET HOLDINGS SRL
TEAM LANA PROPERTIES SRL
DOMA PARTNERS
THEDA STONE PAPER
COLECT'OR GLASS
MARMOSIM FACTORY S.RL
GASOIL EXPLORATION & PRODUCTION SRL
DAN STURZA
STANCIULESCU RAZVAN - COSMIN
AFIN - ALTERNATIVE FINANCING IFN SA
ELITE FUN BENEFITS S.R.L.
PRODEA LUCAS ROBERT
CRISTINA TAUTAN-GANJA
RESTAURANT MULINO CORBEANCA SRL
DICTAMED DISTRIBUTION S.R.L.
SAVU HORIA OCTAVIAN - FIU
GALLI LUIGI
BARDASAN ANDREEA
PANESCU EUGEN DANIEL ASISTENT BROKERAJ
STEFAN CRISTIAN - SOT

ILIEV MARIUS
LIGHTHOUSE PARTNERS BV
RAUF WEIZ
BUTUNOI GEORGE
STEFANITA AURELIAN PONEA
ACCESS MASTER SRL
LIVKON INVEST S.R.L.
CRAMA HISTRIA
CRAMA DE MATEI
ARTCA CONCEPT SRL
MOCANU RARES GHEORGHE
MOARA CORBEANCA
FIRST CAPITAL CONSULTING
ILIESCU V. DANIELA ELENA - AUDITOR FINANCIAR
SEACORN LLP MAREA BRITANIE
SOUTH - EASTERN EUROPE CAPITAL PARTENERS LLP MAREA BRITANIE
INTERCAPITAL INVEST SA
MERFEA ADVISING S.R.L.
MANDA ANDREI
IUGA CATALINA CORNELIA
IUGA RUXANDRA
VANCEA MIHAELA
SINGULARITY SOFTWARE S.R.L.
ION STURZA
SERGIU CHIRCA
MARIUS AUREL GHENEA
DAN ANATOLEVICI VIDRASCU
EUGENIA VASILIU
ROM WASTE SOLUTIONS NETHERLANDS B.V. (OLANDA)
VASILIU EUGENIA PERSOANA FIZICA AUTORIZATA
WALTER GHE. BLAJ
ILIE BITA CENAN
LAURA STANCA SILAGHI
ALEXANDRA-MONICA MIRON
OLIF B.V.
STAR LUBRICANTS SRL
TOPINVEST SRL
VIDEANU ANDREI VALENTIN
THEDA MAR S.A.
VIVANDY MANAGEMENT SRL
RECICLAD'OR S.A.

SURDU EUGENIA
VINTRUVIAN ESTATES SRL
VANCEA ALEXANDRA
VANCEA ANDREI
3DG SOFT CONSULTING SERVICES
SOCIETATEA DE ADMINISTRARE A INVESTITII-0450510
SURDU NICOLAE-0653147
FDI PATRIA GLOBAL - SAI PATRIA ASSET MA-0843268
FDI PATRIA OBLIGATIUNI - SAI PATRIA ASS-0843274
FDI PATRIA STOCK - SAI PATRIA ASSET MAN-0843276
MERFEA BOGDAN-0941402
MAINEA VALERIA GEORGETA-0941414
PATRIA CREDIT INSTITUTIE FINANCIARA NEB-0941429
VANCEA GRIGORE-VALENTIN-1058068
PANESCU EUGEN DANIEL-1065489
PRODEA RAZVAN VASILE-106752
ANDREICA STEFANIA-RALUCA-1090831
BUMBAC ALEXANDRU-NICUSOR-1092773
EEAF FINANCIAL SERVICES BV-1095342
SAI GLOBINVEST SA-1187993
PASOL RAZVAN FLORIN-1188543
ROM WASTE SOLUTIONS SA-1206784
DUMITRU MINERVA-1247229
MANDA MIRELA-1286035
BARDASAN CARMEN-1334592
MANAGERO-RECRUTARE ONLINE SRL-1347948
FDI PATRIA EURO OBLIGATIUNI ADM SAI PAT-1356278
ELEFANT ONLINE SA-1374589
TABUS VALENTIN ROMEO-1380923
MERFEA BOGDAN PERSOANA FIZICA AUTORIZAT-1396101
MOCANU LAVINIA-1442766
ETF ENERGIE PATRIA - TRADEVILLE-1465056
CRAMA OLTERRA SRL-1479628
IOAN ALEXANDRU-1480842
CALIN DRAGOS-ALEXANDRU-1494989
ERMIS IOANA-SIMONA-1499300
TILOIU NICOLETA-RODICA-1500213
SERBANOIU ADRIAN-1514576
CARPATICA INVEST SA-53
PASTOR NICOLAE-ADRIAN-P0001333
BARDASAN IOAN-DANIEL-P0001427

SALAGEAN DANIEL-P0002154
SFARAIAC CRISTIAN-MARCEL-P0002362
TRUTA DACIAN-VALER-P0002471
MATEESCU IOANA CATALINA-P0057043
LAZAR CRISTINA-P0058619
STEFAN GEORGETA GINA-P0058664
QUATRO CONSULTING SRL-P0059909
STANCIULESCU GEORGIANA MIHAELA-P0725898
PANESCU ELENA-CRISTINA-P1122683
ILIESCU DANIELA-ELENA-P1249714
MANDA DRAGOS-HORIA-P1249725
TUDOR LIVIU-P1435506
LAZAR GHEORGHE P1506443

DRAGOS HORIA MANDA

PRESEDINTELE CONSILIULUI DE ADMINISTRATIE

Annex 3

Statement on the adequacy of the risk management framework

In accordance with the requirements of the NBR Regulation no. 5/2013 on the prudential requirements for credit institutions, corroborated with the provisions of art. 435 lit. e) of the European Parliament and Council Regulation 575/2013 on prudential requirements for credit institutions and investment companies and with the Guide on the publication of the liquidity coverage indicator (LCR) - EBA / GL / 2017/1 - 21.06.2017

Through this statement, the Board of Directors of Patria Bank SA certifies that the existing risk management systems are in line with the Bank's risk strategy and risk profile.

The risk management framework is one of the basic components of the Bank's activity management framework, being adapted to the institution's structure activity, and the nature and complexity of the risks inherent in the business model. It ensures the sound and prudent management of the Bank's activity, including the separation of responsibilities within the organization, the prevention of conflicts of interest and, at the same time, the pursuit of the strategic risk objectives in order to be included in the Bank's target risk profile.

The implementation of the risk profile at the Bank's level is achieved by establishing the strategy for each significant risk and by implementing the related policies. The Bank has adopted significant risk management policies to ensure the implementation of the appropriate risk profile. The main objective of the risk management activity is to maintain an adequate capital level in relation to the risks assumed.

As of 31.12.2024, the individual/consolidated risk profile of the Bank was as follows:

Risk category	Individual level		Consolidated level		Expected risk appetite
	Risk score December 2024	Risk profile December 2024	Risk score December 2024	Risk profile December 2024	
Credit risk	1.58	Mediu- Scazut	1.78	Mediu- Scazut	Mediu - ridicat
Market risk	0.67	Scazut	1.15	Mediu- Scazut	Scazut
Operational risk	2.81	Mediu	2.81	Mediu	Mediu
Rezidual risk	0.60	Scazut	0.62	Scazut	Mediu- Scazut
Currency credit risk related to debtors exposed to IRRBB	1.52	Mediu- Scazut	1.38	Mediu- Scazut	Mediu - ridicat
Concentration risk	1.62	Mediu- Scazut	1.88	Mediu- Scazut	Mediu - ridicat
Strategic risk	1.70	Mediu- Scazut	1.91	Mediu- Scazut	Mediu
Reputational risk	2.54	Mediu	2.33	Mediu	Mediu
Overall risk profile	1.55	Mediu- Scazut	1.55	Mediu- Scazut	Mediu- Scazut
Compliance risk	2.44	Mediu	2.11	Mediu	Mediu
ILAAP Risk - liquidity and financing	1.04	Mediu- Scazut	1.04	Mediu- Scazut	Mediu- Scazut
Liquidity and financing risk					
	2.01	Mediu	1.98	Mediu- Scazut	Mediu
Leverage effect risk	0.70	Scazut	0.91	Scazut	Mediu- Scazut

The Bank frames within the risk profile degree, set for the year 2024, during the whole year.

Regarding the developing of the ICAAP process, on 31.12.2024, the Bank reports the following key indicators:

- Internal capital in amount of RON 488,941 thousand at consolidated level, respectively RON 490,133 thousand at individual level.
- Required internal capital RON 267,417 thousand at consolidated level, respectively RON 260.031 thousand at individual level, out of which:
 - 80.8%/82.3% at consolidated / individual level related to the credit risk and other associated risks (including country risk, concentration risk, FX lending, residual risk);
 - 13.1%/12.3% at consolidated/individual level related to the operational risk;
 - 1.1%/0.6% at consolidated/individual level related to the market risk;
 - 1.7% at consolidated level, respectively 1.5% at individual level related to the interest rate risk outside the trading portfolio;
 - 3.3% at consolidated level, respectively 3.3% at individual level related to other risk categories addressed in the internal capital adequacy to risks assessment process (ICAAP).

Whereas the ratio between the value of the internal capital (in the amount of RON 490 million at consolidated level, respectively RON 489 million at individual level) and the internal capital requirement (in the total amount of RON 267 million at consolidated level, respectively RON 260 Million at individual level) divided by 8%, is higher than the value communicated by the National Bank of Romania of the value of the TSCR rate (representing the SREP capital requirement), during the whole year 2024, as well as on December 31, 2024, Patria Bank SA had an adequate level of internal capital to cover the risks.

DRAGOS HORIA MANDA

CHAIRMAN OF THE BOARD OF DIRECTORS

Annex 4

Statement

I, the undersigned, Dragos Horia Manda, Chairman of the Board of Directors, as the legal representative of Patria Bank S.A., in accordance with the provisions of art. 30 of the Accounting Law no. 82/1991 republished and of art. 63 para. (1) lit. c) of Law no. 24/2017 regarding the issuers and of art. 223 lit. A para. 1 c) of the ASF Regulation 5/2018 regarding the issuers of financial instruments and market operations, I assume the responsibility for the preparation of the annual and consolidated financial statements as at 31.12.2024 and certify that, to my knowledge:

- a) The annual financial statement that was prepared in accordance with the applicable accounting standards provides a correct and true picture of the assets, liabilities, financial position, profit and loss account of the issuer or its subsidiaries included in the consolidation process of the financial statements, as a whole, and that the report of administrators includes a correct analysis of the development and performance of the issuer and of the companies involved in the consolidation, as well as a description of the main risks and uncertainties specific to the activity carried out and that they are prepared in accordance with the sustainability reporting standards referred to in art. 29b of Directive 2013/34/EU and with the specifications adopted pursuant to art. 8 paragraph (4) of Regulation (EU) 2020/852
- b) The accounting policies used for the preparation of the individual and consolidated annual financial statements as of 31.12.2024 are in accordance with the accounting regulations applicable to credit institutions, based on NBR Order no. 27/2010 for the approval of accounting regulations in accordance with the International Financial Reporting Standards adopted by the European Union
- c) Patria Bank SA operates in terms of continuity

DRAGOS HORIA MANDA

CHAIRMAN OF THE BOARD OF DIRECTORS

Annex 5

Statement on the liquidity risk

In accordance with the requirements of the NBR Regulation no. 5/2013 on the prudential requirements for credit institutions, corroborated with the provisions of art. 435 of the European Parliament and Council Regulation 575/2013 on prudential requirements for credit institutions and investment companies and EBA / GL / 2017/1 - 21.06.2017 Guideline on the publication of the liquidity coverage ratio (LCR).

With this statement, the Board of Directors of Patria Bank SA certifies that the Bank has an adequate setting for the liquidity risk management framework in accordance with the Bank's risk profile and strategy. The bank manages its liquidity in a cautious manner, allowing sufficient access to liquidity at any time and also pursuing the diversification of financing sources so that the Bank is not exposed to excessive risk.

The Risk Management Strategy presents the indicators that determine the liquidity risk profile and the level of appetite for liquidity risk.

The Bank set a maximum level of liquidity risk appetite of medium level and throughout 2024 it has observed the established limits. Also, throughout the year 2024, the Bank recorded an appropriate level of prudential ratios on the liquidity risk management line and has permanently observed within the optimal levels (above the regulated minimum limit) of these ratios.

As regards the determination of the Bank's liquidity risk profile, this is established according to the following ratios:

Risk profile	Score	Risk profile								
		Low		Medium - Low		Medium		Medium - High		High
Liquidity risk										
Financing risk	50.00%	0.00	1.00	1.01	2.00	2.01	3.00	3.01	4.00	>4.01
Liquidity risk	50.00%	0.00	1.00	1.01	2.00	2.01	3.00	3.01	4.00	>4.01%

Risk category	Indicator	Weight	Threshold and degrees of Risk								
			Low		Medium -Low		Medium		Medium-High		High
			0	1	1.01	2	2.01	3	3.01	4	4.01-6.00
Liquidity Risk											
RL1	Financing risk	50.00%	0	1	1.01	2	2.01	3	3.01	4	>4.01
RL1RF1	Assets encumbered in total assets	25.00%	0.00%	1.00%	1.01%	2.00%	2.01%	3.00%	3.01%	4.00%	>4.01%
RL1RF2	Customer deposits in total debt	25.00%	100.00%	90.00%	89.99%	80.00%	79.99%	70.00%	69.99%	60.00%	<60%
RL1RF3	Loan to Deposit Ration RON	25.00%	0.00%	60.00%	60.01%	70.00%	70.01%	85.00%	85.01%	100.00%	>100%
RL1RF4	Top 10 depositors in total funds attracted from non-bank clients	25.00%	0.00%	5.00%	5.01%	10.00%	10.01%	15.00%	15.01%	20.00%	>20%
RL2	Liquidity Risk	50.00%	-	1	1.01	2	2.01	3	3.01	4	>4.01%
RL2RL1	LCR	20.00%	500.00%	240.00%	239.99%	190.00%	189.99%	150.00%	149.99%	110.00%	<110
RL2RL2	LCR RON	35.00%	200.00%	180.00%	179.99%	150.00%	149.99%	120.00%	119.99%	110.00%	<110
RL2RL3	Immediate Liquidity	35.00%	60.00%	45.00%	44.99%	40.00%	39.99%	35.00%	34.99%	30.00%	<30%
RL2RL4	NSFR (quarterly)	10.00%	200%	150%	149.99%	130%	129.99%	120%	119.99%	110%	<110%

Status of risk profile ratios at individual/consolidated level as at 31.12.2024:

Risk category	Indicator	Weight	Individual level		Consolidated level		Threshold and degrees of Risk								
			Risk score@ December	Risk profile@ December	Risk score@ December	Risk profile@ December	Low		Medium-Low		Medium		Medium-High		Hugh
			2023	2023	2023	2023									
Liquidity risk				1.24		1.46									
RL1	Financing risk	50.00%	1.13	1.13	1.31	1.31	0	1	1.01	2	2.01	3	3.01	4	>4.01
RL1RF1	Assets encumbered in total assets	25.00%	0%	-	0%	-	0.00%	1.00%	1.01%	2.00%	2.01%	3.00%	3.01%	4.00%	>4.01%
RL1RF2	Customer deposits in total debt	25.00%	95%	0.48	95%	0.50	100.00%	90.00%	89.99%	80.00%	79.99%	70.00%	69.99%	60.00%	<60%
RL1RF3	Loan to Deposit Ration RON	25.00%	74.82%	2.32	78.03%	2.54	0.00%	60.00%	60.01%	70.00%	70.01%	85.00%	85.01%	100.00%	>100%
RL1RF4	Top 10 depositors in total funds attracted from non-bank clients	25.00%	8.64%	1.73	10.96%	2.19	0.00%	5.00%	5.01%	10.00%	10.01%	15.00%	15.01%	20.00%	>20%
RL2	Liquidity Risk	50.00%	1.35	1.35	1.61	1.61	-	1	1.01	2	2.01	3	3.01	4	>4.01%
RL2RL1	LCR	20.00%	177.87%	2.30	179.24%	2.27	500.00%	240.00%	239.99%	190.00%	189.99%	150.00%	149.99%	110.00%	<110
RL2RL2	LCR RON	35.00%	191.81%	0.41	194.41%	0.28	200.00%	180.00%	179.99%	150.00%	149.99%	120.00%	119.99%	110.00%	<110
RL2RL3	Immediate Liquidity	35.00%	39.91%	2.02	35.61%	2.88	60.00%	45.00%	44.99%	40.00%	39.99%	35.00%	34.99%	30.00%	<30%
RL2RL4	NSFR (quarterly)	10.00%	177.69%	0.45	174.23%	0.52	200%	150%	149.99%	130%	129.99%	120%	119.99%	110%	<110%
RISK PROFILE				MEDIUM-LOW		MEDIUM-LOW									

Risk category	Indicator	Weight	December 2024 Individual level	December 2024 Consolidated level	Profil December 2024 individual	Profil December 2024 consolidated	Threshold and degrees of Risk								
							Low		Medium-Low		Medium		Medium-High		High
							0	1	1.01	2	2.01	3	3.01	4	4.01-6.00
Liquidity Risk					2.01	1.98									
RL1	Financing risk	50.00%	1.82	1.82	1.82	1.82	0	1	1.01	2	2.01	3	3.01	4	>4.01
RL1RF1	Assets encumbered in total assets	25.00%	2%	2%	1.55	1.55	0.00%	1.00%	1.01%	2.00%	2.01%	3.00%	3.01%	4.00%	>4.01%
RL1RF2	Customer deposits in total debt	25.00%	96%	96%	0.43	0.43	100.00%	90.00%	89.99%	80.00%	79.99%	70.00%	69.99%	60.00%	<60%
RL1RF3	Loan to Deposit Ratio RON	25.00%	73%	73%	2.20	2.20	0.00%	60.00%	60.01%	70.00%	70.01%	85.00%	85.01%	100.00%	>100%
RL1RF4	Top 10 depositors in total funds attracted from non-bank clients	25.00%	16%	16%	3.11	3.11	0.00%	5.00%	5.01%	10.00%	10.01%	15.00%	15.01%	20.00%	>20%
RL2	Liquidity Risk	50.00%	2.19	2.13	2.19	2.13	-	1	1.01	2	2.01	3	3.01	4	>4.01%
RL2RL1	LCR	20.00%	172.78%	177.14%	2.43	2.32	500.00%	240.00%	239.99%	190.00%	189.99%	150.00%	149.99%	110.00%	<110
RL2RL2	LCR RON	35.00%	137.33%	141.49%	2.42	2.28	200.00%	180.00%	179.99%	150.00%	149.99%	120.00%	119.99%	110.00%	<110
RL2RL3	Immediate Liquidity	35.00%	38.70%	38.70%	2.26	2.26	60.00%	45.00%	44.99%	40.00%	39.99%	35.00%	34.99%	30.00%	<30%
RL2RL4	NSFR (quarterly)	10.00%	166.64%	161.77%	0.67	0.76	200%	150%	149.99%	130%	129.99%	120%	119.99%	110%	<110%
Liquidity Risk profile					Medium	Medium-Low									

DRAGOS HORIA MANDA
CHAIRMAN OF THE BOARD OF DIRECTORS

Annex 6

Liquidity Coverage Ratio

In accordance with the requirements of the NBR Regulation no. 5/2013 on the prudential requirements for credit institutions, corroborated with the provisions of art. 435 of the European Parliament and Council Regulation 575/2013 on prudential requirements for credit institutions and investment companies and EBA / GL / 2017/1 - 21.06.2017 Guideline on the publication of the liquidity coverage ratio (LCR).

With this statement, the Board of Directors of Patria Bank SA certifies that the Bank has the following liquidity coverage ratios:

Area of consolidation (consolidated)

Currency and Units (RON)

ENDING QUARTER (DD MONTH YEAR)	31.mar.24	30.iun.24	30.sept.24	31.dec.24
LIQUIDITY RESERVE	1,306,185,529	1,214,906,457	1,109,891,162	1,205,428,850
TOTAL NET CASH OUTPUT	725,830,820	814,238,131	732,096,997	680,496,119
LIQUIDITY COVERAGE RATIO (%)	180%	149%	152%	177%

Area of consolidation (individual)

Currency and Units (RON)

ENDING QUARTER (DD MONTH YEAR)	31.Mar.23	30.Jun.23	30.Sep.23	31.Dec.23
LIQUIDITY RESERVE	1,306,185,529	1,214,906,457	1,109,891,162	1,205,428,850
TOTAL NET CASH OUTPUT	745,247,557	813,496,645	742,651,752	697,647,893
LIQUIDITY COVERAGE RATIO (%)	175%	149%	149%	173%

In accordance with the provisions of art.447 letter f, the average levels of the liquidity coverage ratio (LCR), based on month-end observations during the previous 12 months for each quarter of the publication period were as follows:

Scope of consolidation (consolidated)

Currency and Units (RON)

ENDING QUARTER FOR WHICH THE AVERAGE IS CALCULATED	Q1 2024	Q2 2024	Q3 2024	Q4 2024
LIQUIDITY RESERVE (QUARTERLY AVERAGE)	1,251,203,610.03	1,239,126,857.93	1,125,500,374.94	1,177,887,679.97
TOTAL NET CASH OUTPUT (QUARTERLY AVERAGE)	698,552,733.24	764,059,942.61	745,035,281.60	734,393,188.29
LIQUIDITY COVERAGE RATIO (%) (QUARTERLY AVERAGE)	179%	163%	152%	161%

Scope of consolidation (individual)

Currency and Units (RON)

ENDING QUARTER FOR WHICH THE AVERAGE IS CALCULATED	Q1 2024	Q2 2024	Q3 2024	Q4 2024
LIQUIDITY RESERVE (QUARTERLY AVERAGE)	1,251,203,610.03	1,239,126,857.93	1,125,500,374.94	1,177,887,679.97
TOTAL NET CASH OUTPUT (QUARTERLY AVERAGE)	718,715,688.30	770,416,914.84	750,309,698.45	744,385,895.15
LIQUIDITY COVERAGE RATIO (%) (QUARTERLY AVERAGE)	174%	161%	150%	159%

In accordance with the provisions of art.447 letter g, the values recorded by the net stable financing indicator (NSFR) at the end of each quarter of the relevant publication period were the following:

Scope of consolidation (consolidated)

Currency and Units (RON)

ENDING QUARTER (DD MONTH YEAR)	31.mar.24	30.iun.24	30.sept.24	31.dec.24
STABLE FINANCING AVAILABLE AT THE END OF EACH QUARTER	3,427,444,025.10	3,440,380,767.76	3,471,186,662.67	3,660,668,699.31
STABLE FINANCING REQUIRED AT THE END OF EACH QUARTER	2,041,106,723.85	2,154,923,484.69	2,195,098,355.07	2,366,176,524.82
STABLE NET FINANCING RATIO (NSFR) (%)	168%	160%	158%	155%

Scope of consolidation (individual)

Currency and Units (RON)

ENDING QUARTER (DD MONTH YEAR)	31.mar.24	30.iun.24	30.sept.24	31.dec.24
STABLE FINANCING AVAILABLE AT THE END OF EACH QUARTER	3,327,390,180.53	3,336,454,433.05	3,378,177,377.45	3,581,824,913.65
STABLE FINANCING REQUIRED AT THE END OF EACH QUARTER	1,921,394,446.26	2,013,090,205.04	2,111,544,390.56	2,254,631,964.42
STABLE NET FINANCING RATIO (NSFR) (%)	173%	166%	160%	159%

DRAGOS HORIA MANDA

CHAIRMAN OF THE BOARD OF DIRECTORS

Annex 7

Consolidation perimeter and own funds

Starting January 1, 2012, the Bank applies International Financial Reporting Standards (IFRS) as its accounting basis, in accordance with Order 27/2010 of the NBR, thus the analysis of the financial position below is based on the individual and consolidated financial statements in accordance with the Bank's IFRS for the period ended on 31 December 2024 and for the comparative periods.

The Patria Bank Group in Romania consists of all the entities included in the consolidation perimeter as presented in the consolidated financial statements. Due to the different applicable regulations, two categories of consolidated groups are distinguished:

- Consolidated group for the purpose of accounting - IFRS 10 "Consolidated Financial Statements"
- Consolidated group for the purpose of prudential regulations - Articles 18 and 19 of the CRR

The main regulated features of own funds

Capital instruments

Common Equity Tier 1 (CET1) include Tier 1 capital instruments, following the progressive application of the rules that are provided in the CRR for the purpose of adapting to the new European Union regulations and deductions from CET1 after the application of exemptions under Article 48 CRR.

All the instruments included are eligible under Article 28 CRR. Changes in equity during the reporting period are available in the table "Equity changes report" in the consolidated financial statements.

Tier 1 capital

Tier 1 capital include CET1 plus additional Tier 1 (AT1), less deductions from additional Tier 1, mainly consisting of intangible assets and goodwill.

At end-of year 2024, the Group's Tier 1 capital amounted to RON 387.744 thousand (2023: RON 341.493 thousand) and the Bank's CET1 amounted to RON 394.631 thousand (2023: RON 347.044 thousand).

Tier 2 Capital

The Group's Tier 2 capital after deductions amounted to RON 101.196 thousand (2023: RON 116.719 thousand), mainly consisting of subordinated loans and subordinated bonds.

The Bank's Tier 2 capital after deductions amounted to RON 95,502 thousand (2023: RON 111,024 thousand), mainly consisting of subordinated loans and subordinated bonds.

Starting with January 1, 2018, the Bank and the Group have fully used the *Transitional Approach* in the implementation of IFRS 9. This means that between this date and December 31, 2024, the Bank and the Group include in its Tier 1 Capital the entire amount (less the charge and adjustment with a variable factor of 1 for 2024) calculated in accordance with and permitted by EU Regulation 2017/2395. On December 31, 2024, the amount after tax and the 1 factor is of RON 36,198 thousand.

Consolidated group for accounting purposes

(i) Subsidiaries

The Group has consolidated the financial statements of its subsidiaries in accordance with IFRS 10 "Consolidated Financial Statements". Subsidiaries are entities under the control of the Group. Control exists when the Group has the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities. Potential or convertible voting rights that can be exercised at present must also be taken into account when assessing control. The analysis of control over investment funds also takes into account (i) the Group's aggregate economic interest in the funds (including any participation and expected fees), (ii) the right of investors to remove the fund manager and (iii) the right to liquidate the fund. The right to liquidate the fund is for the protection of investors and can only be exercised in the event of significant financial difficulties of the fund; in practice, the fund manager cannot be removed, so the aggregate economic interest must be analyzed. If it is below 22%, the fund is not consolidated.

As of December 31, 2024, the Group's subsidiaries are Patria Credit IFN SA, SAI Patria Asset Management SA together with the managed investment funds: FDI Patria Stock, FDI Patria Global, FDI Patria Obligatiuni, FDI Patria Euro Obligatiuni, ETF BET Patria – Tradeville and ETF ENERGIE Patria – Tradeville and Carpatica Invest SA - in dissolution.

Patria Credit IFN SA, SAI Patria Asset Management SA together with three of the six managed investment funds, namely FDI Patria Stock, FDI Patria Global and FDI Patria Euro Obligatiuni, were included in the accounting consolidation scope when preparing the consolidated financial statements for 2024, the subsidiaries excluded from the consolidation scope being Carpatica Invest SA in dissolution and the funds FDI Patria Obligatiuni, ETF BET Patria – Tradeville and ETF ENERGIE Patria – Tradeville.

Patria Credit IFN SA, SAI Patria Asset Management SA including three out of the six investment funds managed, i.e. FDI Patria Stock, FDI Patria Global si FDI Patria Euro Obligatiuni, were included in the accounting consolidation perimeter of the consolidated financial statements for 2024, the subsidiaries excluded from the consolidation perimeter being Carpatica Invest SA which is undergoing dissolution and the funds FDI Patria Obligatiuni, ETF BET Patria – Tradeville and ETF ENERGIE Patria – Tradeville.

Subsidiaries excluded from the consolidation perimeter

Carpatica Invest SA (former SSIF Carpatica Invest SA) is a company that is currently under dissolution, being under the control of Patria Bank SA, by taking over the share held by the former Banca Comerciala Carpatica SA of 95.68% of the share capital and the voting rights. By decision A/394/16.05.2014, Financial Supervision Authority decided to suspend, for a period of 90 days, the authorization for the operation of CARPATICA INVEST SA (granted by CNVM Decision 1826 / 16.06.2003), in order to remedy the financial situation and to attract new capital resources. On September 29, 2014, SSIF Carpatica Invest shareholders approved the dissolution of the company and the voluntary liquidation, as the company had been involved in a scandal involving unauthorized transactions by clients, investigated by DIICOT prosecutors. Subsequently, the BSE Board approved the request of SSIF Carpatica Invest SA to withdraw its status of Participant to the Regulated spot market and to the Regulated term market and its deletion from the Participants' Registry, on the Regulated spot market and the Regulated futures market sections. Currently, the liquidator of the company is Grup Insolv SPRL of Sibiu, 8 Justitiei Street.

Considering the dissolution decision and the insignificant impact of consolidation of Carpatica Invest SA, the Group took the decision to modify the consolidation perimeter in 2016, excluding Carpatica Invest SA, fully provisioning its net asset.

(ii) Joint ventures

The group does not have joint ventures.

(ii) Associated entities

Associated entities are those entities in which the Group may exercise significant influence but not control over financial and operating policies.

The Bank owns a 19.99% stake in SAI Globinvest SA, which was not included in the consolidation due to the fact that the Bank does not have control over the financial and operational policies of this company.

Consolidated group for prudential regulations purposes

The basis for consolidation for the purpose of prudential regulation is CRR. Unlike the consolidated group for accounting purposes, only the companies specialized in banking activities and other financial activities should be considered in the prudential consolidation perimeter. This means that affiliated companies that do not carry out banking or other financial activities should not be included in the consolidated group for prudential purposes.

The consolidated group for the purpose of prudential regulations includes only Patria Bank SA and subsidiary Patria Credit IFN SA.

Global consolidation

Currently, the consolidated Group for the purposes of prudential regulations applies the **global consolidation** for Patria Credit IFN SA

Proportional consolidation

Under Article 18 (2) and Article 18 (4) of CRR, competent authorities may grant permission to carry out proportional consolidation on a case-by-case basis.

Currently, the Group **does not apply proportional consolidation.**

Stake deducted from own funds items

As per art. 36 (1) f-i of the CRR, an institution's direct, indirect and synthetic holding of own instruments of CET1 should be deducted from CET1. The deduction value depends on the threshold calculated in accordance with art. 46 and 48 of CRR.

Patria Bank SA deducts from own funds items the values resulted from the application of art. 46 and 48 of the CRR, the values of direct holdings in the following subsidiaries: Patria Credit IFN, SAI Patria Asset Management SA, SAI Globinvest SA.

Neither consolidated nor deducted

Not applicable

Transfer of own funds

Currently, no significant practical or legal impediments, actual or potential, are being identified within the Group that impede the prompt transfer of own funds or the repayment of debts between the parent company and its subsidiaries.

With the exception of the capital distribution restriction regulations resulting from the CRR and applicable to all financial institutions in Romania, including those relating to the redemption of shares held by minority shareholders who have expressed their withdrawal rights as a result of the merger, the Patria Bank Group does not have any significant restrictions on its ability to access or use its assets and to settle the Group's debts. Also, interest holders not controlling the Group's subsidiaries have no protective rights that could significantly restrict the Group's ability to access or use the assets and settle the Group's debts.

Total capital deficit per total subsidiaries not included in consolidation

As at December 31, 2024, Patria Bank SA (individual level) recorded a level of the total own funds rate of 20.32% over the OCR level of 16.52% (TSCR of 13% plus 2.5% capital conservation buffer plus 1.02% countercyclical risk buffer).

As at December 31, 2023, the Patria Bank Group (consolidated level) recorded a level of the total own funds rate of 19.84% over the OCR level of 17.52% (TSCR of 13% plus 2.5% capital conservation buffer, 1% systemic risk buffer and 1.02% countercyclical risk buffer).

For the other companies within the Group there was no capital deficit recorded.

Reconciliation of own funds items (in accordance with the provisions of Article 436 of the CRR) published in the Consolidated and Separate Financial Statements as at 31.12.2024.

The Bank's own funds as at 31 December 2024 amounted to RON 490.133 thousand (2023: RON 458.068 thousand) and consisted of Common Equity Tier 1 (CET1) instruments and Tier 2 capital, classified according to CRR.

The main features and details of the capital instruments are presented below:

Annex I - Reconciliation of Own Funds items with audited financial statements					
BALANCE SHEET ITEMS	BANK		GROUP		
	Accounting value (FINREP)	Value included in Own Funds	Accounting value Financial Statements (accounting consolidation)	Accounting value FINREP (prudential consolidation)	Value included in Own Funds
Paid-in share capital	330,128,055	330,128,055	328,994,295	330,128,055	330,128,055
		-6,000,000			-6,000,000
Share premiums	2,049,596	2,049,596	2,049,596	2,049,596	2,049,596
Reserve from the revaluation of tangible assets included in Common Equity Tier 1 (CET1)	21,460,911	21,460,911	23,169,508	21,460,911	21,460,911
Reserve related to the available financial assets for sale included in CET1	-12,720,596	-12,720,596	-12,720,596	-12,720,596	-12,720,596
Retained earnings	87,510,676	87,510,676	73,322,689	75,366,711	75,366,711
Other reserves	-34,591,427	-34,591,427	-33,274,927	-33,274,938	-33,274,938
	35,167,894	35,167,894	40,623,763	39,852,330	39,852,330
Profit or (-) loss related to the financial year Intangible assets deducted from CET1					
Intangible assets deducted from CET1	-51,542,870	-51,542,870	-56,775,809	-56,641,956	-56,641,956
Items deductible from CET1		-3,257,128			0
Eligible deductions from Additional Tier 1 capital (AT1) that exceeds the institution's AT1		0			0
Value adjustments due to prudent valuation requirements		-886,880			-886,880
Other transitorial adjustments related to CET1		27,312,781			28,411,136
Total Common Equity Tier 1 (CET1)		394,631,012			387,744,369
Intangible assets deducted from Additional Tier 1 (AT1)	0	0	0	0	0
Provisions prudential filter (50%)		0			0
Eligible deductions exceeding the institution's Additional Tier 1 (AT1)		0			0
Total Additional Tier 1 capital (AT1) Total Tier 1 Equity		0			0
Total Tier 1 Equity		394,631,012			387,744,369
Tier 2 capital items:					
Paid capital instruments and subordinated loans	124,948,431	101,196,791	124,948,431	124,948,431	101,196,791
(-) Tier 2 capital instruments of entities from the financial sector where the institution does not have a significant investment	-5,695,040	-5,695,040	0	0	0
Additional deductions and prudential filters		0			0
Excess of deductions from Tier 2 capital		0			0
Total Tier 2 capital		95,501,751			101,196,791
Total Own Funds		490,132,763			488,941,160

Annex II - Capital instruments' main features	
Capital instruments main features template ⁽¹⁾	
1 Issuer	PATRIA BANK SA
2 Unique identifier (eg. CUSIP, ISIN or Bloomberg identifier for private placement)	ROBACRACNOR6
3 Governing law(s) of the instrument	Law no. 24/2017
Regulatory treatment	
4 Transitional CRR rules	Common Equity Tier 1
5 Post-transitional CRR rules	Common Equity Tier 1
6 Eligible at individual/(sub-)consolidated/individual & (sub-)consolidated	Individual
7 Instrument type (types to be specified by each jurisdiction)	Common Equity Tier 1 Reg. EU 575/2013, art. 26 and 28
8 Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	330.13 million lei
9 Nominal amount of instrument	0.1000
9a Issue price	0.1000
9b Redemption price	according to the capital market legislation
10 Accounting classification	Shareholders' equity
11 Original date of issuance	15.07.1999
12 Perpetual or dated	Perpetual
13 Original maturity date	no maturity
14 Issuer call subject to prior supervisory approval	no
15 Optional call date, contingent call dates and redemption amount	N/A
16 Subsequent call dates, if applicable	N/A
Coupons/dividends	
17 Fixed or floating dividend/coupon	floating
18 Coupon rate and any related index	N/A
19 Existence of a dividend stopper	no
20a Fully discretionary, partially discretionary or mandatory (in terms of timing)	fully discretionary
20b Fully discretionary, partially discretionary or mandatory (in terms of timing)	fully discretionary
21 Existence of step up or other incentive to redeem	no
22 Noncumulative or cumulative	noncumulative
23 Convertible or non-convertible	Nonconvertible
24 If convertible, conversion trigger(s)	N/A
25 If convertible, fully or partially	N/A
26 If convertible, conversion rate	N/A
27 If convertible, mandatory or optional conversion	N/A
28 If convertible, specify instrument type convertible info	N/A
29 If convertible, specify issuer of instrument it converts into	N/A
30 Write-down features	yes, according to the Law no. 31/1990
31 If write-down, write-down trigger(s)	covering losses or refunds to shareholders
32 If write-down, full or partial	Fully or partially
33 If write-down, permanent or temporary	permanent
34 If temporary write-down, description of write-up mechanism	N/A
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	subordination specific for shares, according to the legislation
36 Non-compliant transitioned features	no
37 If yes, specify non-compliant features	N/A
⁽¹⁾ Insert "N/A" if the question is not applicable	

Annex VI - Transitional own funds disclosure template

Common Equity Tier 1 capital: instruments and reserves		(A) Amount at disclosure date		(B) Regulation (EU) No 575/2013 Article Reference
		GROUP	BANK	
1	Capital instruments and the related share premium accounts	326,177,652	326,177,652	Art. 26 (1), art. 27, 28, 29, ABE list from art 26 (3)
	of which: instrument type 1	324,128,056	324,128,056	List ABE from art 26 (3)
	of which: instrument type 2	2,049,596	2,049,596	List ABE from art 26 (3)
	of which: instrument type 3	0	0	List ABE from art 26 (3)
2	Retained earnings	75,366,711	87,510,676	Art 26 (1) letter (c)
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	-24,534,548	-25,851,037	Art 26 (1)
3a	Funds for general banking risk	0	0	Art 26 (1) letter (f)
	Interim profits independently checked, after deducting any foreseeable obligations or dividends	39,852,330	35,167,894	Art 26 (2)
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	416,862,145	423,005,185	
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
8	Intangible assets (net of related tax liability) (negative amount)	-56,641,956	-51,542,870	Art 36 (1) letter (b), art 37, art 472 (4)
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	-3,257,129	Art 36 (1) letter (i), art 43, 45, 47, art 48 (1) letter (b), art 49 (1) - (3), art 79, 470, art 472 (11)
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in 38 (3) are met) (negative amount)	0	0	Art 36 (1) letter (c), art 38, art 48 (1) letter (a), art 470, art 472 (5)
25a	Losses for the current financial year (negative amount)	0	0	Art 36 (1) letter (a), art 472 (3)
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	0	0	Art 36 (1) letter (j)
	Value adjustments due to the prudential evaluation requirements	-886,880	-886,880	
	Other transitorial adjustments related to CET1	28,411,060	27,312,706	
28	Total regulatory adjustments to Common equity Tier 1 (CET1)	-29,117,776	-28,374,173	
29	Common Equity Tier 1 (CET1) capital	387,744,369	394,631,012	
Additional Tier 1 (AT1) capital: regulatory adjustments				
45	Tier 1 capital (T1 = CET1 + AT1)	387,744,369	394,631,012	
Tier 2 (T2) capital: regulatory adjustments				
52	Direct or indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	101,196,791	101,196,791	Art 63 letter (b) pct (i), art 66 letter (a), art 67, art 477 (2)
55	Direct or indirect holdings by an institution of own T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0	-5,695,040	Art 66 letter (d), art 69, 79, art 477 (4)
57	Total regulatory adjustments to Tier 2 (T2) capital	101,196,791	95,501,751	
58	Tier 2 (T2) capital	101,196,791	95,501,751	
59	Total capital (TC = T1 + T2)	488,941,160	490,132,763	
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) no. 575/2013 (i.e. CRR residual amounts)	5,565,276.00	4,657,564.00	
	Of which:... elements that are not deducted from CET1 [Reg (EU) no. 575/2013, residual values] (elements to be detailed line by line, for example, deferred tax assets that are based on future profitability, excluding related tax obligations, indirect holdings of CET1 etc)	26,528,030.00	61,615,152.00	
	1. deferred tax liabilities that are based on future profitability, excluding related tax obligations	4,034,082.00	3,856,075.00	
	2. own common Tier 1 instruments, including CET1 instruments, which an institution has a real or contingent obligation to purchase under an existing contractual obligation			
	3 own common Tier 1 instruments of the entities in the financial sector where the institution does not have a significant investment in those entities	18,533,840.00	18,533,840.00	
	4 own common Tier 1 instruments of the entities in the financial sector in which the institution has a significant investment in those entities	3,960,108.00	39,225,237.00	
60	Total risk weighted assets	2,463,870,686	2,411,570,502	
Capital ratios and buffers				
61	Common Equity Tier 1 (as a percentage of the risk exposure value)	15.74%	16.36%	Art 92 (2) letter (a), art 465
62	Tier 1 (as a percentage of the risk exposure value)	15.74%	16.36%	Art 92 (2) letter (b), art 465
63	Total capital (as a percentage of the risk total exposure value)	19.84%	20.32%	Art 92 (2) letter (c)
64	Institution-specific buffer requirement (CET1 requirement in accordance with Art 92 (1) (a) plus capital conservation and counter-cyclical buffer, plus systemic risk buffer, plus institution buffer of systemic importance (G-SII or O-SII shock absorber), expressed as a percentage of the risk exposure value)	4.52%	3.52%	CRD 128, 129, 130
	out of which: capital conservation buffer requirement	2.50%	2.50%	
	out of which: counter-cyclical buffer requirement	0.01	0.01	
	out of which: systemic risk buffer requirement	1.00%		
	CET1 available to meet the buffers related requirements (as a percentage of the risk exposure value)	4.52%	3.52%	CRD 128
Capital ratios and buffers				
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	18,533,840	18,533,840	Art 36 (1) letter (h), art 45, 46, art 472 (10) art 56 letter (c), art 59, 60, art 475 (4) art 66 letter (c), art 69, 70, art 477 (4)
73	Direct and indirect holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	3,960,108	39,225,237	Art 36 (1) letter (i), art 45, 48, 470, art 472 (11)
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	4,006,609	3,856,075	Art 36 (1) letter (c), art 38, 48, 470, art 472 (5)

DRAGOS HORIA MANDA, CHAIRMAN OF THE BOARD OF DIRECTOR

APPENDIX 8 – Patria Bank Group Sustainability Statement for 31.12.2024

CONTENTS

No.	Chapter	Standard	Disclosure Requirement (DR)	Applicable data points	Report page no. where they are presented
1.1	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	BP-1 - General basis for preparation of sustainability statements	DR 5(a), DR 5(b - i), DR 5(b - ii), DR 5(c), DR 5(d), DR 5(e), AR 1(a-c)	6 – 8
1.2	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	BP-2 – Disclosures in relation to specific circumstances	DR 9(a-b), DR 11(a-b), DR 12, DR 13(a-c), DR 15, DR 16, DR 17, DR 17(a), DR 17(b), DR 17(c), DR 17(d), DR 17(e)	8 – 24
1.3	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	GOV-1 – The role of the administrative, management and supervisory bodies	DR 21(a), DR 21(b), DR 21(c), DR 21(d), DR 21(e), DR 22(a), DR 22(b), DR 22(c - i), DR 22(c - ii), DR 22(c - iii), DR 22(d), DR 23(a), DR 23(b)	25 - 38

1.4	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	DR 26(a), DR 26(b), DR 26(c)	38 – 39
1.5	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	GOV-3 - Integration of sustainability-related performance in incentive schemes	DR 29(a), DR 29(b), DR 29 (c), DR 29(e)	39
1.6	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	GOV-4 - Statement on due diligence	DR 30, DR 32	40
1.7	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	GOV-5 - Risk management and internal controls over sustainability reporting	DR 36(a), DR 36(b-e)	41
1.8	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	SBM-1 – Strategy, business model and value chain	DR 40(a - i-ii, g), DR 40(a - iii), DR 40 (a - iv), DR 40(e), DR 40(f), DR 41, DR 42(a-b), DR 42(c)	41 – 53
1.9	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	SBM-2 – Interests and views of stakeholders	DR 45(a - ii-v), DR 45(b), DR 45(c)i-ii, DR 45(d)	54 -57
1.10	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	DR 48(a), DR 48(b), DR 48(c - i), DR 48(c - ii), DR 48((c - i-iv), DR 48(c - iii-iv), DR 48(d), DR 48(e), DR 48(e - i-ii), DR 48(f), DR 48(g), DR 48(h)	58 – 74
1.11	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	DR 53(a),DR 53(b), DR 53(b - i), DR 53(b-ii), DR 53(b - iii), DR 53(b - iv) DR 53(c - i), DR 53(c - ii), DR 53(c - iii), DR 53(d), DR 53(e), DR 53(f), DR 53(g), DR 53(h)	74 - 81

1.12	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	IRO-1 requirements specific to thematic standards		82
1.13	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	IRO-1 - E1 - Climate change	DR E1 IRO-1 20(a), DR 20(b)(c), DR 21	82 - 83
1.14	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	IRO-1 - E2 - Pollution	DR E2 IRO-1 11(a) (AR 9), DR 11(b)	83
1.15	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	IRO-1 - E3 - Water and marine resources	DR E3 IRO-1 8(a), 8(b), AR (6-7)	84
1.16	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	IRO-1 - E4 - Biodiversity and ecosystems	DR E4 IRO-1 17(a-b), DR 17(c-d), DR 17(e), DR 19(a)	84 - 85
1.17	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	IRO-1 - E5 - Resource use and circular economy	DR E5 IRO-1 11(a), DR 11(b)	85 -86
1.18	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	IRO-1 - G1 - Business Conduct	DR G1 IRO-1 6	86
1.19	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	DR 56, DR 59	87 - 100
1.20	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	MDR-P - Policies adopted to manage material sustainability matters	DR 65	126
1.21	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	MDR-A – Actions and resources in relation to material sustainability matters	DR 68	126

1.22	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	MDR-M – Metrics in relation to material sustainability matters	DR 75-77	127
1.23	Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS	ESRS 2	MDR-T – Tracking effectiveness of policies and actions through targets	DR 80-81	127
2.1	Chapter 2: ESRS E1 - Climate Change	ESRS 2	GOV-3 - Integration of sustainability-related performance in incentive schemes	DR 13	101
2.2	Chapter 2: ESRS E1 - Climate Change	ESRS E1	E1-1 – Transition plan for climate change mitigation	DR 16(a-j), DR 17	101
2.3	Chapter 2: ESRS E1 - Climate Change	ESRS E1	SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	DR 18, DR 19(a-c)	101 - 103
2.4	Chapter 2: ESRS E1 - Climate Change	ESRS E1	IRO-1 - Description of the processes to identify and assess material pollution-related impacts, risks, and opportunities	DR 20(a,b,c), AR 9(a)	103
2.5	Chapter 2: ESRS E1 - Climate Change	ESRS E1	E1-2 – Policies related to climate change mitigation and adaptation	DR 22, DR 25	103 - 104
2.6	Chapter 2: ESRS E1 - Climate Change	ESRS E1	E1-3 – Actions and resources in relation to climate change policies E1-4 – Targets related to climate change mitigation and adaptation	DR 26 DR 29((a)(b)) DR 33 ESRS 2 MDR-A DR 68(a-e) ESRS 2 MDR-T DR 80(a-j), DR 80(j) DR 29(b)	104 - 105

2.7	Chapter 2: ESRS E1 - Climate Change	ESRS E1	E1-5 – Energy consumption and mix	DR 37, DR 37(c-iii), AR 32 (h), AR 32(i), AR 34	105 - 106
2.8	Chapter 2: ESRS E1 - Climate Change	ESRS E1	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	DR 44-52, DR 53-55, AR 43(c), AR 39-51, AR 53-55	107 - 109
2.9	Chapter 2: ESRS E1 - Climate Change	ESRS E1	E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	DR 56, DR 58, DR 59, DR 60, DR 61, AR 56-64	109
2.10	Chapter 2: ESRS E1 - Climate Change	ESRS E1	E1-8 – Internal carbon pricing	DR 62-63 AR 65-66	109
2.11	Chapter 2: ESRS E1 - Climate Change	ESRS E1	E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	DR 64-70 AR 67-81	110
2.12	Chapter 2: ESRS E1 - Climate Change		Presentation of key performance indicators under Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)		110 -117
3.1	Chapter 3: ESRS G1 PROFESSIONAL CONDUCT	ESRS 2	ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies	DR 5(a), DR 5(b)	118
3.2	Chapter 3: ESRS G1 PROFESSIONAL CONDUCT	ESRS 2	IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks, and opportunities	DR (6)	119
3.3	Chapter 3: ESRS G1 PROFESSIONAL CONDUCT	ESRS G1	G1-1– Business conduct policies and corporate culture	DR 7, DR 9, DR 10(a), DR 10(b), DR 10(c - i), DR 10(c - ii), DR 10(e), DR 10(g), DR 10(h)	120 - 127
3.4	Chapter 3: ESRS G1 PROFESSIONAL CONDUCT	ESRS G1	G1-2 – Management of relationships with suppliers	DR 14, DR 15(a), DR 15(b)	127 – 129

3.5	Chapter 3: ESRS PROFESSIONAL CONDUCT	G1	ESRS G1	G1-3 – Prevention and detection of corruption and bribery	DR 18(a), DR 18(b), DR 18(c), DR 20, DR 21(a), DR 21(b) DR 21(c)	130 - 133
3.6	Chapter 3: ESRS PROFESSIONAL CONDUCT	G1	ESRS G1	G1-4 – Incidents of corruption or bribery	DR 24(a), DR 24(b), DR 25(a), DR 25(b), DR 25(c), DR 25(d)	133 - 135
3.7	Chapter 3: ESRS PROFESSIONAL CONDUCT	G1	ESRS G1	G1-5 – Political influence and lobbying activities	DR 29(a) , DR 29(b - i), DR 29 (c), DR 30	135 - 136
3.8	Chapter 3: ESRS PROFESSIONAL CONDUCT	G1	ESRS G1	G1-6 – Payment practices	DR 33(a), DR 33(b), DR 33(c)	136

Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS

BP-1 – General basis for preparation of sustainability statements

DR 5(a)

The 2024 reporting year sustainability statement was prepared on a consolidated basis.

DR 5(b - i)

The scope of consolidation of the Patria Bank Group (hereinafter referred to as "the Group") for the purpose of reporting the Sustainability Statement has been aligned with the consolidated financial statements, thus including Patria Bank SA (hereinafter referred to as "Patria Bank"), Patria Credit IFN SA (hereinafter referred to as "Patria Credit") and SAI Patria Asset Management SA (hereinafter referred to as "SAI Patria"), together with 3 of the 6 funds it manages - Patria Stock, Patria Global and Patria Euro Obligatiuni.

As the Group, through SAI Patria Asset Management, manages the assets invested in investment funds on behalf of investors for Patria Global, Patria Stock, Patria Euro Obligatiuni, Patria Obligatiuni, ETF BET Patria Tradeville and ETF Energie Patria Tradeville, the analysis of the control over the investment funds was performed in accordance with IFRS and considered the following:

- the Group's aggregate economic interest in the funds (including any expected holdings and fees)
- the right of investors to remove the fund manager and
- the right to liquidate the fund.

The Group concluded that the right to liquidate the fund is for the protection of investors and can only be exercised in the event of significant financial difficulties of the fund. In addition, in practice, the fund manager cannot be removed, so the aggregate economic interest must be analyzed, both from a financial perspective and for non-financial reporting purposes. If the aggregate economic interest (composed of fees, holdings, and withdrawal rights) is below 22%, the fund is not consolidated.

Maintaining the consolidation perimeter for sustainability reporting purposes, aligned with the consolidated financial statements, has no impact in terms of ESRS requirements, as the double materiality analysis and the data points addressed consider the activity of the Asset Management Company, which manages both consolidated investment funds and those excluded from financial consolidation. We mention that the investment

funds (or mutual funds) do not have legal personality but are organized as a civil association of persons according to the legal regulations in force, carrying out their activity through the Asset Management Company.

Furthermore, the group or its subsidiaries do not exercise operational control over entities other than those mentioned above.

DR 5(b - ii)

We mention that the two consolidated subsidiaries for the purpose of Sustainability Reporting - Patria Credit and SAI Patria, are exempted from individual reporting, being included in the category of "exempt subsidiaries", in accordance with the provisions of **Article 19a(9) of Directive 2013/34/EU**.

In principle, the information in this Statement refers to the entities within this scope of consolidation. Where this is not the case, this is indicated within the text.

DR 5(c) AR 1(a-c)

The Sustainability Statement covers the Group's value chain as set out in section **SBM-1 - Strategy, Business Model and Value Chain**, by analyzing the products and services offered to customers, as well as the business relationships undertaken to conduct the business. Subsequently, the group continued with the identification of significant impacts, risks, and opportunities in its own operations, as well as upstream and downstream, as described in section **SBM-3 - Significant impacts, risks and opportunities and their interaction with strategy and business model**. Information on Policies, Actions, targets, and indicators that extend to our value chain is contained in the relevant thematic chapters. The Group utilizes the transitional provisions, in accordance with Article 10.2 of the ESRS 1, regarding the unavailability of all required upstream and downstream value chain information for the first three reporting years. However, the value chain has been identified and is presented in paragraph **DR 42(c) of Section SBM-1 - Strategy, Business Model and Value Chain** in this chapter, and is a component part of the double materiality analysis that was conducted in Q3 2024. Most downstream value chain entities are small companies and SMEs, which is why it was not possible to collect sustainability information related to the value chain. As the group is in the process of defining the Sustainability Strategy, to be finalized in 2025-2026, the Group plans to include a plan to identify and develop a mechanism to obtain information on policies, actions, and targets from actors across the value chain, to the extent that it is available.

DR 5(d)

In preparing the Sustainability Statement we have not chosen to omit relevant information that corresponds to intellectual property, know-how or innovation results in accordance with **ESRS 1 section 7.7**.

DR 5(e)

The group is located in Romania, which is a Member State of the European Union and which allows for an exemption from the disclosure of information on imminent developments or matters under negotiation as provided for in **Article 19a (3) and 29a(3) of Directive 2013/34/EU**. We declare that this exemption has not been used.

BP-2 – Disclosures in relation to specific circumstances**DR 9 (a-b)**

The Group did not deviate from the definitions prescribed by the ESRS in terms of time horizons. Thus, the time horizons used in the preparation of the Sustainability Statement are as follows: short term - less than one-year, medium term - between one and five years, and long term - more than five years.

Sources of uncertainty in estimates and results**DR 11(a-b)**

Regarding the sources of each estimate used and the uncertainty of the result, in the table below we describe the sources contributing to this uncertainty for each quantitative indicator and monetary amount. We also present the assumptions and judgments made in measuring each quantitative indicator and monetary amounts.

Table 1- Identification of sources of estimates used and related details

Theme	Presentation requirement	Indicator	Information on sources of measurement uncertainty	Assumptions, approximations, and judgments	Report page
ESRS E1	DR 44-52 AR 39-51	GHG emissions Scope 1	Value of natural gas consumption - direct suppliers, Patria Bank	The actual consumption on the invoices has been considered.	108
ESRS E1	DR 44-52 AR 39-51	GHG emissions Scope 1	Value of natural gas consumption – related to Patria Bank and Patria Credit re-invoicing	The calculation of natural gas consumption was based on the value of the monthly invoices for the year 2024 according to the applicable average price, and not the actual monthly consumption, the methodology will be maintained for future calculations, since: - Invoicing periods differ from one supplier to another - Regularization invoices issued are recorded periodically, without an exact periodicity.	108
ESRS E1	DR 44-52 AR 39-51	Scope 1 and scope 2 GHG emissions	Value of natural gas and electricity consumption Patria Bank	For the direct suppliers, the invoiced periods were taken into account, with the mention that when the invoiced period included consumption in two calendar years (2023-2024), the pro-rata consumption was calculated, and the methodology will be maintained for future calculations. Also, the regularization invoices have not been deducted as the consumption periods to which they refer could not be identified.	108
ESRS E1	DR 44-52 AR 39-51	Scope 1 and scope 2 GHG emissions	Value of natural gas and electricity consumption Patria Bank and Patria Credit	In the case of electricity and natural gas re-invoiced to Patria Grup, the invoice date was taken into account, from which the consumption related to the regularization invoices issued in the same month has been deducted.	108

ESRS E1	DR 44-52 AR 39-51	GHG emissions Scope 1	Value of fuel consumption Patria Bank and Patria Credit	The calculation of fuel consumption was based on the value of the monthly invoices issued during 2024, based on the applicable average price, and not on the actual monthly consumption, and the methodology will be maintained for future calculations.	108
ESRS E1	DR 44-52 AR 39-51	GHG emissions Scope 1	Metering of the thermal agent used for heating and determination of its unit price	The unit cost as well as the consumption of thermal agent was identified from the value recorded in a sample of available invoices.	108
ESRS E1	DR 44-52 AR 39-51	GHG emissions Scope 2	Value of electricity consumption Patria Credit	The calculation of electricity consumption was based on the value of the monthly invoices, issued in 2024, according to the average applicable price, and not on the actual monthly consumption, the methodology will be maintained for future calculations, since: - Invoicing periods differ from one provider to another; - Regularization invoices issued are recorded periodically, but without an exact periodicity	108
ESRS E1	DR 44-52 AR 39-51	GHG emissions Scope 2	Emission factor for electricity re-invoiced by Patria Bank to Patria Credit and SAI Patria	As Patria Bank had a total of 3 electricity suppliers during 2024, re-invoicing to the subsidiaries the value of the space sub-rented to them, a weighted emission factor was applied in the calculation of GHG emissions related to this consumption, depending on the proportion of consumption for each supplier.	108
ESRS E1	DR 44-52 AR 39-51	GHG emissions Scope 2	Emission factor for purchased electricity, in the case of space rented by the group (amounts re-invoiced by third parties)	Since it was not possible to fully identify the original utility suppliers of the re-invoiced consumption, for these cases the emission factor valid in Romania was used.	108
ESRS E1	DR 44-52 AR 39-51	GHG emissions Scope 2	Site-based calculation of Scope 2 emissions	It was carried out starting from the emission factor allocated to Romania	108

We have calculated Scope 1 and Scope 2 GHG emissions based on the publicly available energy labels on the utility providers' websites (for electricity), which contain information as of December 2023, as the 2024 energy labels are not publicly available at the time of reporting.

To calculate emissions from natural gas consumption, *Fuels - Liquid fuels - Natural gas, Department for Energy Security and Net Zero (2024) Government conversion factors for company reporting of greenhouse gas emissions [available Online]*¹ was used, information extracted on 05.03.2025.

To calculate the emissions generated by the refrigerant for the air conditioners in the buildings themselves, the emission factor was taken, depending on the type of refrigerant used, from the same source, information also extracted on 05.03.2025.

The conversion factor from RON to Mwh (for the invoices re-invoiced to the Bank, related to the rented spaces from third parties) - represents the conversion factor calculated at Romanian level for the year 2023, present on any of the energy labels of the utility's suppliers. For the conversion factor from RON to liters in the case of fuel consumption related to the cars used for the group's activity, a quarterly average price was applied.

For the conversion factor related to the thermal agent *Heat and Steam - District heat and steam, [available Online]*, information was extracted on 21.03.2025.

Climate change, the quantification of greenhouse gas (GHG) emissions is subject to significant inherent uncertainty in measurement because of the incomplete scientific knowledge used to determine emission factors and values to combine the emissions of different gases. GHG quantification is inevitably subject to significant uncertainty because of both scientific and estimation uncertainty.

Except for the number of employees audited by external auditor, no other metrics were subject to an assurance process.

In the context of the recent enactment of the applicable legislation, as well as the absence of Sectoral Standards or similar reporting history, the Group has made its own interpretations of the legislative texts in the Statement.

DR 12

There is no other uncertain forward-looking information to report.

¹ https://carbonsaver.org/tools/carbon_factors_database.php

Changes in preparation or presentation of sustainability information

DR 13(a-c)

The Patria Bank Group has published voluntary sustainability reports for the financial years 2017 through 2022, as well as the Non-financial Statement in accordance with the applicable regulations for the reporting year 2023.

As of 2024, the Group complies with the legal sustainability reporting requirements and uses the Sustainability Reporting Standards (ESRS), as per the National Bank of Romania Order No. 27 of 2010, as amended and supplemented, which transposes the Directive on Sustainability Reporting by Enterprises - CSRD and does not present comparative data.

This Sustainability Statement is the first of its kind prepared by the Group. It has been prepared based on the results of the double materiality assessment (also referred to as materiality assessment in the ESRS) as presented in section ***IRO-1 - Description of processes for identifying and assessing significant impacts, risks and opportunities***. The double materiality analysis was carried out in accordance with ESRS standards and CSRD provisions. In the process of identifying impacts, risks and opportunities, significant topics reported in FY 2022 were considered, as well as other resources such as the Group's business model and value chain, banking industry and competitor research, published material from standards setters and rating agencies, European/international authorities and regulators, and new significant topics were identified in accordance with ESRS standards.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

DR 15

No other standards or legislation specific to the field of activity of the entities of the Patria Bank Group are applicable in the preparation of this Statement.

Incorporation by reference

DR 16

References to additional documents, other chapters within the Annual Report of the Board of Directors, or references to information that is included in another thematic standard are referred to in this statement.

Table 2- References to other documents/information

Data Point	Referenced Document	Chapter/Section
Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS		
DR 5(b - ii)	Directive 2013/34/EU	Article 19a(9)
DR 5(c) AR 1(a-c)	Sustainability Statement	SBM-1 - Strategy, business model and value chain
DR 5(c) AR 1(a-c)	Sustainability Statement	SBM-3 - Significant impacts, risks and opportunities and their interaction with business strategy and business model.
DR 5(c) AR 1(a-c)	Sustainability Statement	Article 10.2 of the ESRS 1 on the unavailability of all necessary information on the upstream and downstream value chain for the first three reporting years
DR 5(d)	Sustainability Statement	ESRS 1 section 7.7.
DR 5(e)	Directive 2013/34/EU	Articles 19a(3) and 29a(3) of Directive 2013/34/EU

DR 11(a-b)	Government conversion factors for company reporting of greenhouse gas emissions	https://carbonsaver.org/tools/carbon_factors_database.php
DR	Sustainability Statement	DR 56 - "Data points deriving from other EU legislation".
DR 17	Sustainability Statement	GOV-1 - Role of administrative, management and supervisory bodies, DR 22(a)
DR 21(a).	Annual Report of the Board of Directors	Chapter 4.1, Corporate governance structures.
DR 21(c)	Annual Report of the Board of Directors	4.1 of this Directors' Report - Corporate Governance Structures, Directors' Information section.
DR 40(a - i-ii, g)	Annual Report of the Board of Directors	Chapter 3, About the Company and the Group of this Directors' Report, section Description of main customer segments 6.4 Activity of the Bank's subsidiaries in 2024, SAI Patria Asset Management: www.patriafonduri.ro .
DR 42(a-b)	Annual Report of the Board of Directors	The Bank's main achievements in 2024: https://www.patriabank.ro/investitori/rezultate-si-rapoarte/rapoarte-financiare
DR 48(f)	Sustainability Statement	GOV-1 - Role of administrative, management and supervisory bodies, DR 22(a).
DR 53((a)(b - i-ii))	Sustainability Statement	The list of IROs presented in section SBM-3 - Significant Impacts, Risks and Opportunities and their interaction with the strategy and business model.
DR 53(c – iii)	Sustainability Statement	GOV-1 - Role of administrative, management and supervisory bodies, DR 22(a)
DR 53(e)	Sustainability Statement	SBM-3 - Significant impacts, risks and opportunities and their interaction with business strategy and business model
DR E1 IRO-1 20(a)	Sustainability Statement	ESRS 2 SBM-3 - Significant impacts, risks and opportunities and their interaction with the strategy and business model in

		ESRS E1 Climate Change chapter
DR E1 IRO-1 20(a)	Sustainability Statement	SBM-3 - Significant impacts, risks and opportunities and their interaction with ESRS Chapter 2 strategy and business model.
DR 19(a)	Sustainability Statement	DR 22(a), of Chapter 1 - ESRS 2, Section GOV-1 - Role of administrative, management and supervisory bodies
DR E5 IRO-1 11(a)	Sustainability Statement	GOV-1 - Role of administrative, management and supervisory bodies, DR 22(a),
DR 19(a-c)	Sustainability Statement	GOV-1 - Role of administrative, management and supervisory bodies, DR 22(a)
DR	Sustainability Statement	Contents
Chapter 2: ESRS E1 - Climate Change		
DR 13	Sustainability Statement	GOV-3 - Mainstreaming sustainability performance into incentive schemes under ESRS Chapter 2 - General Disclosures
DR 18	Sustainability Statement	SBM-3 - Significant impacts, risks and opportunities and their interaction with ESRS Chapter 2 strategy and business model.
DR 19(a-c)	Sustainability Statement	ESRS Chapter 2, Section SBM-3 - Significant Impacts, Risks and Opportunities and their interaction with the strategy and business model
DR 20(a,b,c) AR 9(a)	Sustainability Statement	ESRS Chapter 2, Section IRO-1 - Description of processes for identifying and assessing significant climate change impacts, risks, and opportunities.
DR 22 DR 25	Sustainability Statement	Chapter ESRS 2, Section GOV-1 - Role of administrative, management and supervisory bodies, data point DR 22(a)

DR 25(a)		FRAMEWORK DECISION 2003/568/JHA OF THE COUNCIL OF THE EUROPEAN UNION of July 22, 2003
DR 64-70 AR 67-81	Sustainability Statement	Chapter ESRS 2 - GENERAL DISCLOSURES section Disclosures related to specific circumstances
Chapter 3: ESRS G1 - Business Conduct		
DR 5(a)	Sustainability Statement	GOV-1 - Role of administrative, management and supervisory bodies, DR 22(a)
DR 5(b)	Annual Report of the Board of Directors	Chapter 4.1. of this Report of the Directors: Corporate Governance Structures, section Information on Directors, as well as under data points DR 21 (c), DR 23 (a), DR 23 (b), under section GOV-1 - Role of administrative, management and supervisory bodies, Chapter 1: ESRS 2 - GENERAL DISCLOSURES
DR (6)	Sustainability Statement	ESRS Chapter 2, Section IRO-1 - Description of processes for identifying and assessing significant impacts, risks and opportunities.
DR 18(a)	Sustainability Statement	paragraph DR10 (e) of Section G1 -1, Corporate culture and policies on business conduct and corporate culture.
DR 24(b)	Sustainability Statement	Section G1-1 - Corporate culture and policies on business conduct and corporate culture, 10 (a).
DR 65	Sustainability Statement	G1-1 DR 7 DR 9 - Corporate culture and policies on business conduct and corporate culture
DR 68	Sustainability Statement	DR 10(e) and DR 10(g) of G1-1 - Corporate culture and policies on business conduct and corporate culture

The Directors' Report (referred to as the Annual Report) can be consulted on the Bank's website, Section "Investors", "Financial Reports"²

Use of transitional arrangements in accordance with Appendix C to ESRS 1

DR 17

As the Group's average number of employees did not exceed 750 during FY 2024, we have decided to omit the presentation of separate chapters for certain sustainability themes that emerged as significant in accordance with Annex C of ESRS 1 and only present simplified information as per the transitional provisions and also the mandatory indicators related to the standard as per the table in **DR 56 - "Data points arising from other EU legislation"**.

We also include in this Statement under the section of presentations under the transitional provisions the material sustainability themes specific to the Group, which will be integrated into separate chapters as the Sustainability Strategy is developed.

DR 17 (a)

Our strategy and business model address the impacts related to these issues, how we address, existing or planned, the impacts, risks and opportunities related to the significant themes, sub-themes and sub-sub-themes through the policies and regulations developed internally, the business model and the bank's strategy, which are highlighted in the dedicated section of the table below.

Thus, the following sustainability thematic standards: "Own workforce", "Workers in the value chain", "Affected communities" and "Consumers and end-users" assessed as significant and identified at theme, sub-theme and sub-sub-theme level, as well as two Group specific themes not derived from the ESRS standards: "Sustainable Finance" and "ESG Risk Management" have emerged as material for the Group following the double materiality analysis and are briefly summarized below. The related topics are to be set within the Sustainability Strategy, to be defined, at Group level, in the period 2025-2026 (we note that in 2024 the Sustainability Strategy has not yet been defined). The actions mentioned in the table below are current, in line with current policies, developed prior to ESRS reporting.

² <https://www.patriabank.ro/investitori/rezultate-si-rapoarte/rapoarte-financiare>

Regarding the two themes specific to the Group's sector of activity that emerged material because of the double materiality analysis process, in the case of the Sustainable Finance theme, we mention that the group has committed to develop a policy in this area by the end of 2026, and subsequently to present the theme in the Sustainability Statement. As a result, no objectives, actions, indicators, and targets have been set for this theme in 2024.

In the process of identifying the significant impacts, risks, and opportunities in relation to Sustainable Finance issues, we have included and treated the subject from a dual perspective. This consists in dealing with the positive, current impacts by integrating ESG criteria into the lending portfolio on the one hand, and on the other hand, in identifying the risk generated by exposure to certain types of clients and industries and planning to mitigate it by integrating ESG factors into lending.

ESG Risk Management is the second specific theme that emerged as material from the double materiality analysis. According to the Bank's internal regulations, ESG risks are the negative materialization of ESG factors through counterparties or assets in which the Bank has invested.

Environmental risks should be understood as the financial risks posed by an institution's exposures to counterparties or invested assets that may potentially be affected by or contribute to the negative impact of environmental factors, such as climate change and other forms of environmental degradation. Environmental factors can give rise to negative financial impact through a variety of risk factors that can be categorized as physical risks and transition risks. Physical risks are understood as those risks that arise from the physical effects of climate change and environmental degradation and transition risks generally refer to the uncertainty related to the timing and speed of the adjustment process to an environmentally sustainable economy.

Social (Social) risks are those that can be driven by environmental risks (such as deterioration of living conditions due to climate-related physical changes/water stress/ expansion of the area vulnerable to physical changes) or policy and market changes related to social transformation towards a more inclusive and equitable society (such as labor rights - which refer to a wide range of fundamental values that should be guaranteed for all individuals, including working hours, minimum wages and health and safety at work).

Finally, governance risks (Governance) are those that can be caused by a variety of risk factors, such as inadequate management of environmental and social issues, as well as non-compliance with corporate governance frameworks or codes, a flawed code of conduct or lack of action on anti-money laundering in each company. These can affect a company's resources (financial and non-financial), thus affecting its potential to perform and generate profits.

Table 3- Topics, Sub-Topics and Sub-Sub-Topics for which the group uses transitional provisions in accordance with Appendix C to ESRS 1

ESRS Standard	Theme	Sub-theme	Sub-sub-topic	IRO	Policies	Current actions
ESRS S1	Own workforce	Equal treatment and equal opportunities for all	1) Gender equality and equal pay for work of equal value 2) Diversity	Positive impact - Equal career opportunities and diversity of own workforce	The Bank's human resources policy encourages diversity and equal rights, the fight against discrimination, training and professional development, the development of appropriate employment and management relations, an appropriate remuneration policy, and the development of an organizational culture based on trust and performance. The remuneration policies of the subsidiaries Patria Credit and SAI Patria aim to establish a fair and balanced ratio between the result of work and the remuneration methods, being gender neutral.	Training actions aimed at developing high quality ethical and professional standards in order to promote a professional and responsible behavior of employees, thus contributing to reducing the risks to which the Group is exposed.
ESRS S1	Own workforce	Equal treatment and equal opportunities for all	Training and skills development	Positive impact - Training and skills development for own workforce	The Bank's human resources policy and the annual training and professional development plans for each of the Group's entities require training programs for employees	Various staff training and development sessions, courses, trainings, specializations, participation in workshops and conferences, internally organized or externally facilitated. In 2024 the following were organized: - 9 different types of courses; - 19 types of workshops on different fields; - 6 conferences and business meetings; - 15 e-testing sessions.

ESRS S2	Workers in the value chain	Working conditions	Health and safety	Negative impact - Health and safety of workers, associated with credit and investment portfolios		
ESRS S3	Affected communities	Communities' economic, social and cultural rights	-	Positive impact - The impact of financial services on the local economy	This impact is addressed through the Business Strategy and Business Model , both by the Bank and by Patria Credit	Financial and entrepreneurial education actions (Patria Academy), support to NGOs, volunteering activities, Patria Credit Foundation projects and support to the first private equity NFI exclusively dedicated to economic operators with social impact in Romania. In 2024, the Bank continued its active involvement in the community, focusing its efforts on supporting NGOs with social impact in Romania. Thus, Patria Bank granted sponsorships with a cumulative value of about 1 million lei in 2024, supporting a variety of causes, including in the medical, media and education fields.
ESRS S4	Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy	Negative impact - Customer data privacy	Through the Policy on the processing and protection of personal data, we ensure compliance with the applicable legislation on the processing of personal data and protection of the fundamental rights and freedoms of natural persons. Through its information security policy, both the Bank and its two	Regular actions, at least annually, to inform customers about data security, various types of digital fraud and protection and prevention measures. Annual privacy and data security and anti-fraud training sessions for all Bank and Patria Credit employees.

					subsidiaries implement, maintain and develop security measures to: - Ensuring the security and confidentiality of financial information of institutions and their customers; - Protection of this information against known or emerging threats; - Protection of information against unauthorized access or use.	Through the technologies implemented at the Bank, data collection is realized much faster by directly accessing information directly from the databases of institutions such as: ONRC, APIA, ANAF, thus realizing a significant reduction of the risks related to the processing of personal data as well as the effort of customers to access in full security the bank's products both by physical presence and by using the applications and online platforms developed for this purpose.
ESRS S4	Consumers and end-users	Social inclusion of consumers and/or end-users	Access to products and services	Positive impact - Financial inclusion and access to financial services	Through its Business Strategy and Business Model for the period 2024-2026, the Group reaffirmed its support to small companies through Microfinance, having in place long-term partnerships developed through guarantee contracts signed with the European Investment Fund, to obtain the "Microfinance" portfolio guarantee under the Invest EU Program, both at the Bank and within Patria Credit. These partnerships continued successfully during 2024.	The Patria Academy Workshops, a financial education program for entrepreneurs, in which 2 sessions were organized in 2024, designed to provide information and interaction with specialists on various business topics. At the same time, the study on the social impact of microfinance on the development of rural communities in Romania will be continued in 2025 by Patria Credit with the support of the Council of Europe Development Bank (CEB), through the European Technical Assistance Program InvestEU Advisory Hub, with the aim to extend the initial research and test the set of social impact indicators developed following the first study in 2022. The study will assess the social impact of microcredit in rural and small urban communities, focusing on:

						- Financial and social inclusion, - Increase incomes and improve quality of life, - Poverty reduction. We run community programs and projects aimed at social and economic integration (promoting financial education and access to financial banking services - support for small business owners and start-ups who do not yet have the necessary experience to make the most prudent financial decisions).
ESRS S4	Consumers and end-users	Social inclusion of consumers and/or end-users	Responsible marketing practices	Negative impact - Transparent communication with clients	The Policy on external and internal communication in Patria Bank defines the principles that guide the internal and external communication activity, ensuring the implementation of the objectives in the field of communication and a better quality of the information provided. At the same time, each of the Group entities has developed internal working procedures for handling and resolving customer complaints/ complaints and requests. Through the Working Instruction on the management and resolution of Patria Credit customer complaints, the monitoring of the complaints management activity is carried out in order to contribute to the identification of activities / flows / processes / products	Monitoring the number of customer complaints Transparent communication and accurate and appropriate information for our partners to make decisions based on their needs. In order to strengthen and build a long-term relationship.

					and services that can be improved in order to increase customer satisfaction and to support the responsible structures in this endeavor. Through its Internal Regulations, SAI Patria has established rules and procedures to ensure that investors' petitions are treated appropriately and that no restrictions are imposed on the exercise of their rights.	
ESRS S4	Consumers and end-users	Personal safety of consumers and/or end-users	Health and safety	Negative impact - Food safety associated with the loan portfolio		.
-	-	ESG risk management		Positive impact - The impact of ESG risk management on stakeholders	This impact is addressed through the ESMS Environmental and Social Management System, as described under DR 22(a), in Section GOV-1 - Role of administrative, management and supervisory bodies	Actions to calculate the global value of E&S risk exposure, analyzed on a quarterly basis Environmental and social risk assessment actions for newly financed/ modified projects starting from 2022
-	-	Sustainable financing		Positive impact - Integrating ESG in the credit portfolio		

DR 17(b)

As the Group conducted its first double materiality analysis during 2024 in accordance with the ESRS, it intends to set targets and related milestones and related deadlines for the next two years (2025-2026) for the material sustainability issues where it is using the transitional provisions.

DR 17(c)

Table no. 3 has described the existing policies developed prior to the preparation of the Sustainability Statement under the ESRS. Once the targets are set, in the period 2025-2026, for each sustainability issue identified as significant where transitional provisions are used, it is planned to harmonize the policies with the Sustainability Strategy and develop relevant indicators.

DR 17(d)

The actions described in the **Table no. 3** above derive from existing policies in 2024 and are not fully harmonized with the material IROs. However some of them address the identified IROs.

DR 17(e)

In the year 2024 there are no defined indicators to monitor the effectiveness of the policies in place.

GOV-1 – The role of the administrative, management and supervisory bodies

DR 21 (a)

In the case of Patria Bank, the General Meeting of Shareholders (AGM) is the highest decision-making body of the Bank, which determines the Bank's economic and commercial policy and decides on its business.

The Bank is managed in a unitary system, by a Board of Directors (BoD) that oversees and is responsible for the implementation of a business management framework that ensures the effective and prudent management of the Bank, including the separation of responsibilities within the Bank and the prevention of conflicts of interest. The BoD is



composed of 5 (five) members, appointed by the Ordinary General Meeting of Shareholders: chairman, two non-executive members and two independent members, and directly reports to the following working committees, whose duties, organization, and functioning are set out in their own regulations: the Audit Committee and the Risk Management and Sustainability Committee. The body that provides the executive management of the bank is the Management Committee and consists of 4 executive members: The General Manager and three Deputy General Managers. The Committee of the Directors provides the Board of Directors, on a regular basis, whenever needed, with detailed information on all important aspects of the Bank's business, including those related to risk management, assessment of potential risks and compliance issues, actions taken and recommended, irregularities identified in the performance of its duties.



In the case of Patria Credit, the supervisory body is represented by the Board of Directors, composed of the Chairman and two Executive Members, and the Executive Committee is composed of two members (General Manager, respectively Deputy General Manager & CFO).

For SAI Patria, the supervisory body is the Board of Directors, consisting of the President and two members, and the Executive Management is ensured by the General Manager, the Deputy General Manager, and the Deputy Director.

More details on the supervisory and management bodies can be found in ***chapter 4.1 of this Directors' Report - Corporate governance structures***.

DR 21(b)

There are no representatives of employees and other workers in the supervisory and executive management bodies. In Patria Bank, the management has adopted a position of partnership towards the elected employee representatives, formalized by the conclusion of a Collective Work Agreement. By means of it, the Bank recognizes the free exercise of all the rights provided by law in favour of the Employees' Representatives, in accordance with the international conventions that Romania has ratified, the constitution and the national legislation in force, as well as the freedom of opinion of each employee. The contract considers:

-  Cooperation in the field of labor relations and social and economic protection;
-  Promoting social partnerships and collective bargaining;
-  Settling employment disputes amicably;
-  Promoting freedom of expression and information.

The Bank and the Employees' Representatives monitor and verify compliance with their rights and obligations, informing each other in regular meetings and collaborate to resolve issues related to the application of the Collective Work Agreement.

The provisions of the decisions of the supervisory and executive management bodies with an impact on the rights of the employees are communicated in writing, as soon as possible, to the Employee Representatives.

DR 21(c)

The members of the Board of Directors and the Management Committee possess experience relevant to the Group's sectors, products, and geographic locations, as they have extensive financial and banking experience and together cover a wide range of skills and abilities. Thus, with professional exposure in a range of international and local financial institutions, the members of the executive and supervisory management collectively have expertise in both general banking management and banking risk management, organizational change management (reorganization, restructuring and organizational turnaround), leadership, financial audit, consulting and academic activity.

More details on the experience of the members of the Board of Directors and the Management Committee of Patria Bank can be found in chapter **4.1 of this Directors' Report, Corporate Governance Structures, section Information on Directors.**

As for the Board of Directors of Patria Credit, it is composed of two of Patria Bank's Board Members (Bogdan Merfea and Daniela Iliescu), together with Raluca Ștefania Andreica, who took up the position of Board Member in March 2024. She also holds the position of Managing Director since February 2017 and has extensive experience in the financial-banking industry, being among the leading microfinance specialists in Romania.

As regards the Board of Directors of SAI Patria, it is composed of two members of the senior management of Patria Bank (Daniela Iliescu, member of the Board of Directors and Grigore Valentin Vancea, General Manager of Patria Bank), together with Razvan Florin Pasol, who is the Chairman of the Board of Directors and General Manager, with over 25 years of experience in the field of financial investments.

Table 4 - Sustainability experience of members of the supervisory and executive management bodies

Name and Surname	Position and Corporate Governance Structure	Experience in sustainability	
		Social	Governance
Dragos Horia Manda	President, Board of Directors of Patria Bank,	Administrator positions in non-profit organizations: - Romanian-American Foundation (2009 - 2013) - Romanian Agricultural Foundation (2021-) - Fulbright Romanian Program (2006 - 2008)	- 2006 - present CEO & Administrator of Axxess Capital Partners S.A., Investment Advisor to Romanian American Enterprise Fund, Balkan Accession Fund and Emerging Europe Accession Fund; - 2008 - present Bitdefender B.V., Member of the Board of Directors; - 2016 - present Patria Bank S.A., Chairman of the Board of Directors - 2019 - present One United Properties S.A., Chairman of the Audit Committee and Member of the Board of Directors.
Daniela Elena Iliescu	Non-Executive Member of the Board of Directors of Patria Bank, Member of the Board of Directors of Patria Credit, Member of the Board of Directors of SAI, Chair, Risk Management and Sustainability Committee	Executive director positions in non-profit organizations: - ROPEA - Romania Private Equity Association	- 2014 - present, Member of the Board of Patria Bank S.A.; - 2013 - present, CFO & Administrator of Axxess Capital Partners S.A.; - 2023 - present, Member of the Supervisory Board, Investment and Development Bank - 2009 - present, Member of the Board of Patria Credit IFN; - 2020 - present, Member of the Board of Directors of SAI Patria; - 2019 - 2021, General Manager Patria Bank SA; - 2000 - 2007, Senior Manager, PwC.

Bogdan Merfea	Non-Executive Member Board of Directors of Patria Bank, President, Board of Directors of Patria Credit	Positions in non-profit organizations: - 2016 - present, member of the European Microfinance Network - 2021 - present, founding member of AFIN (ALTERNATIVE FINANCING IFN SA, dedicated to the social economy sector); - 2020-2023 Executive Director Redi Fund SV (Roma Entrepreneurship Development Initiative); - 1994 - 1999 Executive Director Foundation for SME Promotion.	- 2016 - present member of the Board of Directors of Patria Bank; - 2016 - present, President of the Board of Patria Credit; - 2015 - 2019, Managing Director Patria Bank ; - 2009 - 2015 Managing Director Patria Credit .
Nicolae Surdu	Independent member of the Board of Directors of Patria Bank, Member of the Risk Management and Sustainability Committee		- 2017 - present, member of the Board of Patria Bank; - 2014 - 2017, member of the Board of Directors of the former Patria Bank; - 2009 - 2012, Managing Director and Chairman of the Executive Board of the former Commercial Bank Carpatica.
Vasile Iuga	Independent member of the Board of Directors of Patria Bank, Member of the Risk Management and Sustainability Committee		- 2017- present member of the board of Patria Bank; - 2004 - 2015: Member of the Board of PwC CEE; - 2008 - 2015: Managing Partner of PwC for South East Europe; - 2004-2015: Country Managing Partner for Romania, PwC; - 1997 - 2015: PwC Partner.
Valentin Vancea Grigore	Director General Patria Bank Member, Board of Directors, SAI Patria	- 2014 - present, Vice President Cloud Security Alliance Romania Chapter	- 2024 - present, Managing Director, Patria Bank;

		- 2012- 2017 - CEO/Vice-President of the Steering Committee, National Association for the Security of Informatics Systems	- 2017-2024, Deputy Managing Director, Member of the Board of Directors, Patria Bank; - 2018 – present, member of the Board of Directors, SAI Patria.
Raluca Andreica Stefania	Director General Patria Credit Member of the Board of Directors of Patria Credit IFN,	- 2024 - present, Member of the Board of the Romanian Microfinance Association; - 2021- present, Executive Director and member of the Board of Patria Foundation; - 2021 - present, Board Member of the European Microfinance Network; - 2021 - present, founding member of AFIN (ALTERNATIVE FINANCING IFN SA, dedicated to the social economy sector).	- 2024 - present, Member of the Board of Directors, Patria Credit IFN - 2017 - present, General Manager Patria Credit IFN SA.
Razvan Florin Pasol	President, Board of Directors, SAI Patria Director General SAI Patria	2005, Co-author of the book "Personal Investment Guide", Meronia Publishing House,	- 2017 - Present, Managing Director and President of the Board of Directors of SAI Patria; - 2014 - 2017 Member of the Board of Directors, Depozitarul Central SA.
Razvan Vasile Prodea	Deputy Managing Director Patria Bank and CRO	2022 - present, oversees the Bank's Environmental and Social Management System (ESMS)	- 2022- present, Deputy Managing Director Patria Bank, Aria Risc
Georgiana Stanciulescu Mihaela	Deputy Managing Director Patria Bank and CFO		- 2022 - present, Deputy Managing Director Patria Bank, Aria Financial.

Dragos Alexandru Calin	Deputy Managing Director Patria Bank and CCO		- 2023 - 31.03.2025, Deputy General Manager Patria Bank, Commercial Aria.
Valeria Măineia	Deputy Managing Director Patria Credit and CFO		- 2022 - present, Deputy Managing Director Patria Credit IFN.

It should be noted that the members of the Boards of Directors/Management Committee of the group entities do not have specific experience on Environmental issues, as this topic has recently come to the fore.

DR 21(d)

The Board of Directors of Patria Bank is composed of 20% women and 80% men members. We have calculated an average ratio of 1 woman Board member/ 4 man Gender Diversity Board members on the Patria Bank Board of Directors.

Patria Credit's Board of Directors is composed of 66.66% wmen members and 33.33% men members. We calculated an average ratio of 2 woman members/1 man member for gender diversity on the Patria Credit Board of Directors.

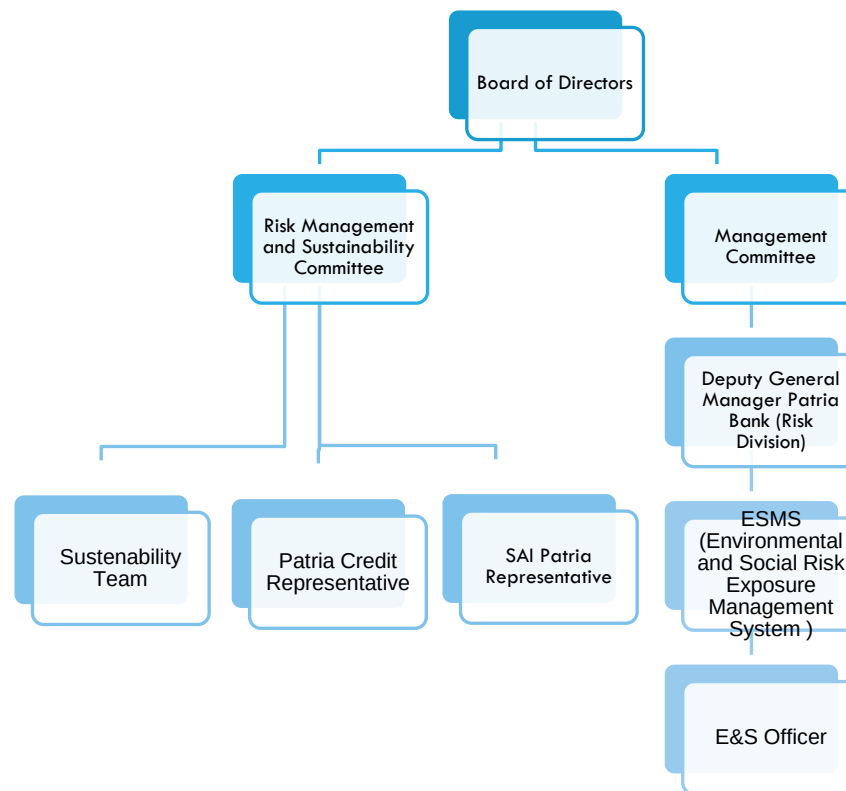
The Board of Directors of SAI Patria is composed of 33.33% female members and 66.66% male members. We have calculated an average ratio of 1 female member / 2 male members for gender diversity on the SAI Patria Board of Directors.

DR 21(e)

Of the Bank's Board Directors, 40% are independent. The other two entities, Patria Credit and SAI Patria do not have independent members on their Boards of Directors.

DR 22(a)

Image 1 - Oversight structures impacts, risks and opportunities



The oversight of sustainability-related impacts, risks and opportunities is the responsibility of the Risk Management and Sustainability Committee, established within the Bank, which assists in the development of the Group-wide sustainability framework, starting December 2024. It carries out its work in accordance with the corporate governance principles enshrined in the Bank's Corporate Governance Code as well as the Organization and Functioning Rules of the Risk Management and Sustainability Committee. It is a permanent committee that is organized and functions at the Bank's Head Office and is subordinated to the Board of Directors.

At the same time, to carry out the non-financial reporting actions, in compliance with the legal requirements in force, the Sustainability Team operates at the bank level, which gathers specialists from the departments responsible for the topics that emerge from the material issues following the assessment process of double materiality. This team is made up of representatives of internal structures (designated representatives), as follows: the Environment & Social Officer (on environmental and social issues), Business Lines, Credit Risk Analysis, Administrative and Investment, Legal, Compliance, Financial, Product Development and Digital Channels, Marketing and Communication, Human Resources, as well as representatives of the two subsidiaries: Patria Credit, SAI Patria. The allocation of attributions, correlated to each IRO will be done once the Sustainability Strategy is defined.

Patria Credit and SAI Patria have designated, subsequent to the establishment of the Committee in December 2024, responsible persons, in relation to the Risk Management and Sustainability Committee and the E&S Officer of Patria Bank, to whom the Committee's decisions that concern the activity of the subsidiaries and require a flow of information between the entities will be communicated.

An Environmental and Social Risk Exposure Management System (ESMS) has been implemented at the Bank's level since 2022 to assess exposure to E&S risks. This system defines Patria Bank's commitments to promote environmental and social protection, undertaken towards its lenders.

The ESMS operates under the coordination and supervision of the Deputy General Manager, Risk Division (the ESMS management activity is based on an internal methodology on the assessment of exposure to environmental and social risk factors, which involves going through the steps of identification, assessment, aggregation, action and monitoring of exposures according to the E&S risk level. A designated E&S Officer, Monitoring and Regulatory Department Manager, fulfills the role of overseeing the process of integrating the ESMS framework and procedures with the Bank's business processes in order to assess the financial risks of projects/activities undertaken by a potential client applying for financing. It collaborates and coordinates the representatives of other structures involved (sales/commercial structures, credit risk assessment structures, risk analysis and management structures, etc.) for the efficient management of ESMS.

The Bank considers the impact of the risk factors to which it is exposed on its own activities and the factors that may affect the environment or have a social impact on its day-to-day activities. To observe the impact of E&S factors on the Bank, both perspectives need to be analyzed, i.e., how the Bank influences the ecosystem of which the activity is part, and how the Bank's activity is influenced by the activity of the customers it serves. E&S factors should be analyzed from the perspective of the E&S risks to which the Bank may be exposed.

The components of the Environmental and Social Management System (ESMS) are the following:

- A framework that integrates environmental and social risk management into the work Patria Bank, i.e., the methodology for screening projects, establishing the environmental risk category and carrying out the necessary analysis for environmental and social risk assessment
- A set of actions and procedures that are implemented concurrently with the risk management at institutional level:
 1. Monitoring and reporting requirements;
 2. Continuous review and improvement of the ESMS framework;
 3. External reporting of E&S factors and ESMS framework;
 4. ESMS roles and responsibilities;
 5. Training program for staff involved in ESMS processes.

ESMS helps to assess and avoid risk-taking and appropriately manage loans with potential environmental and social risks by analyzing social and environmental factors prior to the award of funding, and imposing action plans to remedy identified issues, as appropriate. It provides appropriate oversight projects throughout the life of the contractual relationship, both at the individual loan and sub-portfolio level.

The Bank uses a dedicated IT application, which collects the necessary information at client/project level, which considers a matrix to calculate the E&S risk.

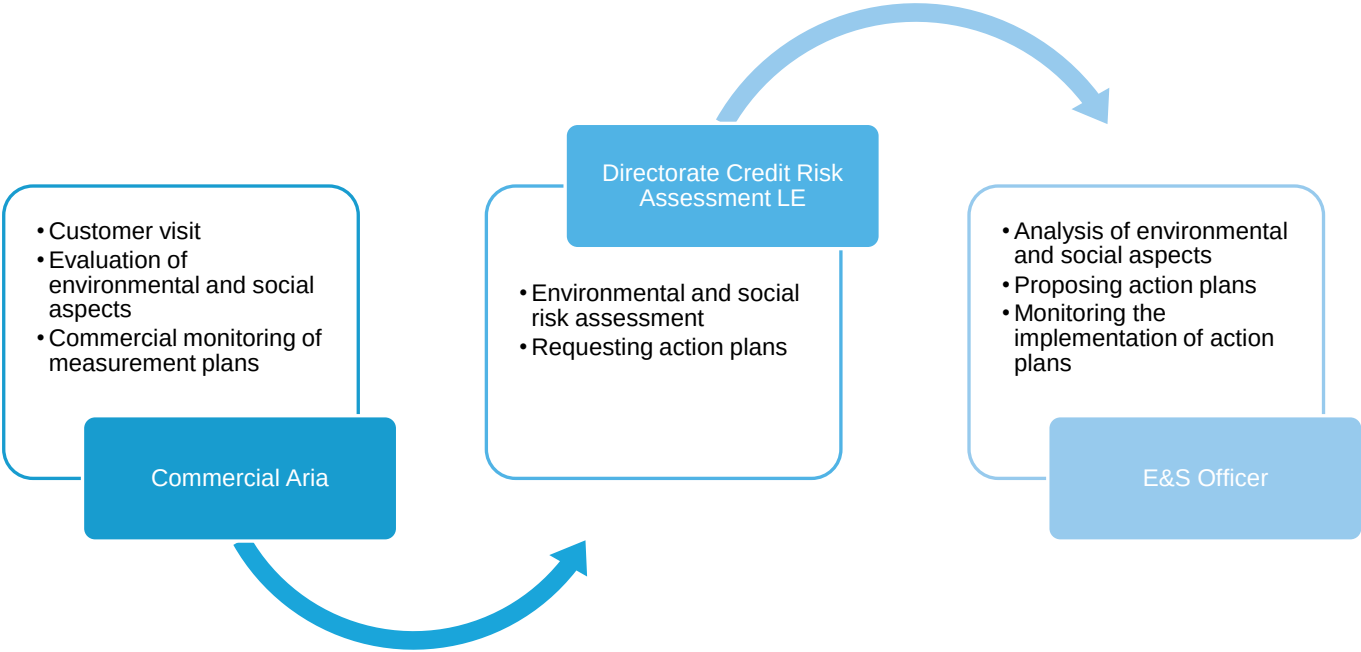
The Bank has also implemented a list of activities not accepted for financing, this being an eliminatory eligibility criterion.

According to the current E&S risk assessment methodology, the Bank has set a maximum medium-risk appetite for E&S risks. In order to reach this level, the Bank has established:

- a regular training program for staff involved in E&S analysis;
- roles and responsibilities in applying the E&S framework;
- a system for reporting the increase in the Bank's exposure to E&S factors;

During 2024, the Bank's overall E&S exposure has been calculated on a quarterly basis, falling within the expected risk appetite (medium-medium high), and recording an medium level over the entire period.

Image 2 - Internal processes related to ESMS Patria Bank



DR 22(b)

The responsibilities of the Risk and Sustainability Management Committee ("CARS") are reflected in the Committee's Rules of Organization and Operation. The function of CARS in relation to sustainability issues is to assist the members of the Board of Directors in matters pertaining to the development of a sustainability framework to ensure the effective measurement, management, and reporting of ESG performance, i.e., the implementation of all internal regulations and steps to effectively manage significant impacts, risks and opportunities. CARS oversees the development of the internal sustainability framework, i.e., the Sustainability Strategy within the Patria Bank Group, with the involvement of the Sustainability Team and the subsidiaries through the representatives described above, and takes the necessary measures for implementation, continuously monitoring the quality and compliance of the actions undertaken, with the legislative provisions in force.

CARS' main sustainability responsibilities are detailed below:

- a) Defines the Sustainability Strategy of the Patria Bank Group, ensuring the integration of ESG principles into the overall objectives, business and risk strategy, and monitors the process of drafting/reviewing, internal reconciliation and submission for approval of the subsequent regulatory framework - policies, processes and systems for identifying, measuring, managing and monitoring ESG risks in the short, medium and long term;
- b) Monitor the updating of the internal sustainability regulations (as defined in the previous point), because of legislative changes, on the basis of the information provided by the E&S Officer.
- c) Advises on proposals to initiate actions to develop sustainable banking products in line with the Sustainability Strategy and report any identified risks to the BoD.
- d) Reviews, prior to submission to the BoD for approval, the targets proposed to be assumed by the Patria Bank Group in terms of sustainability, through the KPIs implemented because of the double materiality analysis, identification, and validation of the list of significant IROs for the Patria Bank Group.
- e) Decides on the assignment of responsibilities, deadlines, action plans and specific management strategies to achieve the group's sustainability objectives (through KPIs defined in the strategy) and monitors their progress.
- f) Following the reports provided by the E&S Officer, follows up on the fulfillment of cross-cutting and specific ESG non-financial reporting requirements, in compliance with the legal reporting deadlines.
- g) Following the reports provided by the E&S Officer, monitors the evolution of the portfolio of "green" loans, i.e., eligible/aligned to the EU Taxonomy.
- h) Decides on the staff training initiatives proposed by the E&S Officer, to enhance and develop sustainability knowledge in line with the set strategic objectives.

- i) Informs the BoD members on the implementation of the ESG strategy, key sensitive areas under monitoring, actions taken to implement ESG requirements, relevant ESG drivers, KPIs and targets.
- j) Analyzes the proposals coming from the E&S Officer and proposes actions to be implemented to ensure ESG compliance and mitigate ESG risks, in each area of activity of the Bank; where appropriate, monitors the implications from the ESG risks perspective and identifies possible negative impacts in relation to the ESG limits to be set in the Sustainability Strategy.
- k) Ensures the involvement of other internal functions to comply with ESG requirements at Bank level.
- l) Evaluates the recommendations issued following ESG audits and identifies action plan with the support of the E&S Officer.

DR 22(c - i)

Monitoring, management and oversight of impacts, risks and opportunities is the responsibility of the Risk and Sustainability Management Committee.

DR 22(c - ii)

The work of the Risk Management and Sustainability Committee is continuously reported to the Board of Directors.

DR 22(c - iii)

Since the activity of the Risk Management Committee has been updated with responsibilities on sustainability issues, thus becoming the Risk and Sustainability Management Committee in December 2024, dedicated procedures, and controls for the management of impacts, risks and opportunities have not yet been implemented. These controls and procedures are to be integrated with the existing internal control system within the Sustainability Strategy for all internal structures involved, depending on the nature of the impacts, risks, or opportunities.

DR 22(d)

The Bank's Board of Directors oversees, through the Risk Management and Sustainability Committee, the setting of goals related to significant impacts, risks and opportunities through periodic review and evaluation of the Risk Management and Sustainability Committee's work. Note that no targets were set in 2024.

DR 23(a)

The Bank's Board of Directors has decided to develop sustainability-related expertise, either directly owned or leveraged, by facilitating access to specialized external advice. During 2024, a project was started with external consultancy to ensure the formulation and implementation of sustainability commitments and targets. It involved the analysis of the existing situation, as well as development steps, in governance, strategy, but also the initiation of practical approach actions by amending internal workflows. Training of employees on sustainability issues, as well as relevant internal capacity building to fulfill the related reporting requirements, is also a component of the project. During 2024, training sessions and working meetings dedicated to experts from internal structures took place to develop the Group's expertise on sustainability. These sessions were also attended by designated persons from Patria Credit and SAI Patria. For 2025, it is planned to start developing the internal sustainable lending framework and specific lending products, as well as to organize training courses for relevant staff.

At the same time, Patria Credit has started a project with the objective of assessing how sustainability and responsible practices are integrated into the organization's regulatory frameworks address environmental, social and governance issues.

No assessment has been carried out by the end of 2024 in terms of skills and expertise related to sustainability.

DR 23(b)

Staff training actions have considered:

- an overview of the relevant legislation;
- identification of reporting requirements;
- the process of double-materiality analysis and all its steps;

- identifying the necessary elements for drawing up the Sustainability Strategy following the definition of the material IRO and the indicators used in the reporting.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies

DR 26(a)

The responsibility for informing senior management on the implementation of the ESG strategy, key sensitive areas under monitoring, key action points undertaken to implement ESG requirements, relevant ESG drivers, KPIs and targets rests with the Risk Management and Sustainability Committee, in accordance with the provisions of its Rules of Organization and Functioning, following information and documents provided by the E&S Officer. Since the changes to the internal governance framework came into effect at the end of 2024, the Board of Directors will receive, starting in 2025, updates on the impacts, risks, significant opportunities, due diligence implementation, and the results and effectiveness of the adopted policies, actions, metrics, and objectives, materialized in reports on the steps taken and the status of implementation of the resolutions of the Risk and Sustainability Management Committee meetings. The decisions of the Risk and Sustainability Management Committee that have an impact on the activity of Patria Credit and SAI Patria are communicated to them to manage the necessary steps through the designated persons in charge.

In 2024, the senior management was informed by the E&S Officer on the analysis carried out to identify the governance, procedural and internal process elements to comply with the sustainability requirements, the outcome of the double materiality analysis, as well as the structure of the future sustainability strategy, agreed by all internal departments involved. Furthermore, this statement is endorsed by CARS and submitted to the BoD for approval.

DR 26(b)

As the changes to the internal governance framework took effect at the end of 2024, the Board of Directors will consider the impacts, risks and opportunities in 2025 when overseeing the implementation of the sustainability strategy, making decisions on major transactions and managing

risks. This will be achieved by overseeing the measures implemented to ensure ESG compliance and mitigate ESG risks, in each area of the Bank's business, as appropriate, taking into account the trade-offs associated with the respective impacts, risks and opportunities.

DR 26(c)

No IROs have been addressed in 2024, these are to be addressed through the Sustainability Strategy between 2025 and 2026.

GOV-3 – Integration of sustainability-related performance in incentive schemes

DR 29(a)

Our policy on incentive and remuneration schemes for members of the Board of Directors and the Management Committee is not linked to sustainability targets.

DR 29(b)

The performance assessment does not include specific sustainability or impact objectives.

DR 29(c)

Sustainability-related performance indicators are not used as performance benchmarks and are not included in remuneration policies.

DR 29(d)

Thus, variable remuneration does not depend in any proportion on sustainability targets or impacts.

DR 29(e)

Decisions on the terms and conditions of incentive schemes are updated at the level of the Board of Directors and the Management Committee, in compliance with the remuneration principles established at the level of the Bank and Group companies respectively. For members of the Management Committee, decisions are taken by the Board of Directors.

GOV-4 – Statement on due diligence**DR 30, 32**

The following table presents the main aspects and steps of the due diligence obligation reflected in our Sustainability Statement.

Table 5 - Main elements of the due diligence process

Main elements of the due diligence process	Points in the Sustainability Statement
Embed due diligence in governance, strategy and business model	ESRS 2 GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies ESRS 2 GOV-3 - Integration of sustainability-related performance in incentive schemes ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model
Working with affected stakeholders at all key stages of the due diligence process	ESRS 2 SBM-2 - Interests and views of stakeholders ESRS 2 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities
Identification and assessment of negative impacts	ESRS 2 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

Taking action to address these negative impacts	ESRS 2 MDR-A Actions - Actions and resources in relation to material sustainability matters Information on actions and transition plans under the thematic chapters
Monitoring the effectiveness of these efforts and communicating	ESRS 2 MDR-T Targets - Tracking effectiveness of policies and actions through targets Information on targets and indicators under the thematic chapters

GOV-5 – Risk management and internal controls over sustainability reporting

DR 36(a), DR 36(b-e)

An individual risk identification and management and internal control system has not been formalized for sustainability reporting in 2024, these aspects have been covered by the Internal Control Policy, i.e., the achievement of control at the level of each activity subject to reporting. At the level of the Risk Management and Sustainability Committee, the information contained in the sustainability reporting is endorsed, in accordance with the provisions of its Organization and Functioning Rules, prior to submission to the Board of Directors for approval.

The risk management and internal control system in terms of reporting is to be formalized at Group level, following the finalization of the internal sustainability framework, in the period 2025-2026.

SBM-1 - Strategy, business model and value chain

DR 40 (a - i-ii, g)

Patria Bank's business strategy for the period 2024-2026 has the following directions:

- ✓ Continuing organic growth:
 - within the branch network, by developing business lines for retail (individuals), micro-enterprises, agricultural producers, small and medium enterprises, corporate and public institutions;
 - by utilizing the online channel that allows remote purchasing, enrollment, customer service as well as the sale of credit and non-credit products;
- ✓ Strengthening the Bank's profitability;

- ✓ Continuing to develop partnerships, both for the area of individuals, as well as for the AGRO and micro-enterprise segments.

This strategy was developed prior to the identification of material impacts, risks, and opportunities.

More information on the Bank's business strategy, the customer segments addressed, and the significant categories of products and services offered can be found in **Chapter 3, About the Company and the Group of this Directors' Report, in the section Description of the main customer segments, products offered and/or services provided, operations and activities carried out.**

Patria Credit is active in microfinance for small-scale agricultural producers (vegetables, fruit, livestock, cereal farmers up to 50 ha), but also for small businesses with a turnover of up to 200 thousand euros with growth potential as well as for larger-scale agricultural producers (cereal farmers, livestock farms, etc.), to a lesser extent. The institution aimed in 2024 to consolidate the business in the existing locations, to focus on the development of the customer portfolio and the development of partnerships, to streamline its flows in order to increase production and productivity, to increase the quality control of the portfolio and to strengthen the professional skills of the staff through various training activities.

Patria Credit supports the efforts of rural and small urban entrepreneurs and their contribution to their communities. Patria Credit Institution is a member of the European Microfinance Network (EMN) and Microfinance Center (MFC) and is the first non-bank financial institution established in Romania dedicated to microfinance. During 2024, Agritech projects with partner agritech providers and the internal project of digitalization and modernization of the entire IT architecture continued. Thus, Patria Credit SA completed the steps for migrating to a new modernized internal IT application, a process that was completed at the beginning of 2024.

SAI Patria currently manages 6 investment funds for both individuals and companies. More details on the funds managed by the company can be found in **section 6.4 Activity of the Bank's Subsidiaries in 2024, SAI Patria Asset Management, of the Patria Bank Directors' Report**, or on the website www.patriafonduri.ro.



At this time, the products and services offered did not address the sustainability issues identified as relevant. The business strategies of the Bank, Patria Credit and SAI Patria are to be updated in the period 2025-2026, following the identification of material Impacts, Risks and Opportunities and the Sustainability Strategy.

As part of the double materiality assessment process for the realization of this report, we have identified "Sustainable Financing" as a significant aspect for the Patria Bank Group.

Also specific to Patria Bank, we have identified a potential positive impact of integrating ESG criteria into the loan portfolio and a risk through exposure to clients and industries that present negative impacts and risks on ESG issues.

To address these sustainability issues and thereby contribute to building a reputation as a financial institution that supports sustainable development of the local community, Patria Bank has initiated beginning in the second half of 2024, a process to determine and incorporate sustainability goals, principles, and standards into the Bank's operations.

By finalizing sustainability strategy, Patria Bank will aim to integrate the significant sustainability issues identified in this statement, achieve defined objectives, and prioritize the resources needed to meet them.

Within the Group's Sustainability Strategy, which will be formalized in the next two years, we include the following topics concerning the financed portfolio:

- Conducting a first assessment of scope 3 GHG emissions in 2025, which are mainly financed emissions;
- Establishing a framework for measuring climate risks (both physical risks with respect to the effects of extreme weather events associated with the loan portfolio and transition risks).
- Continue financial inclusion and access to financial services.
- Establishing regulations on the Health and Safety of employees of funded entities.
- Net zero transition financing.
- Energy use in own operations.

On the other hand, the Bank will define a sustainable lending policy between 2025 and 2026, aiming at integrating sustainability principles and requirements into its lending strategy and processes for certain categories of clients to be determined, in order to support investments in

sustainable assets and activities contributing to one of the six environmental objectives, in line with the EU Taxonomy, with a focus on renewable energy projects and solutions to increase energy efficiency.

The Sustainable Lending Policy will also be aligned with the existing procedure for assessing the exposure of its assets to ESG risk factors - i.e. ESMS, as described in **GOV-1 - Role of administrative, management and supervisory bodies, DR 22(a)** including the list of activities excluded from funding. This policy is described in detail in section **SBM-3 - Significant Impacts, Risks and Opportunities and their interaction with the strategy and business model**.

DR 40(f)

During 2024, an assessment of the product portfolio was not conducted given the IROs identified. To develop green lending products, during 2025-2026, we will assess our current portfolio, markets and significant customer groups against our sustainability objectives and target different customer segments: both individuals and corporates.

DR 40(e)

Subsequently, concrete targets will be set for the contribution of these "sustainable lending" products to Patria Bank's overall strategy.

DR 40(a - iii)

The Patria Bank Group is active in all geographical areas of Romania, being present in 41 cities nationwide through 45 territorial units of the Bank and 3 Operational Centers (Bucharest - Head Office, Sibiu Operational Center, and Targu-Mures Operational Center). Patria Credit is present nationwide through 37 territorial units. SAI Patria operates through its head office in Bucharest.

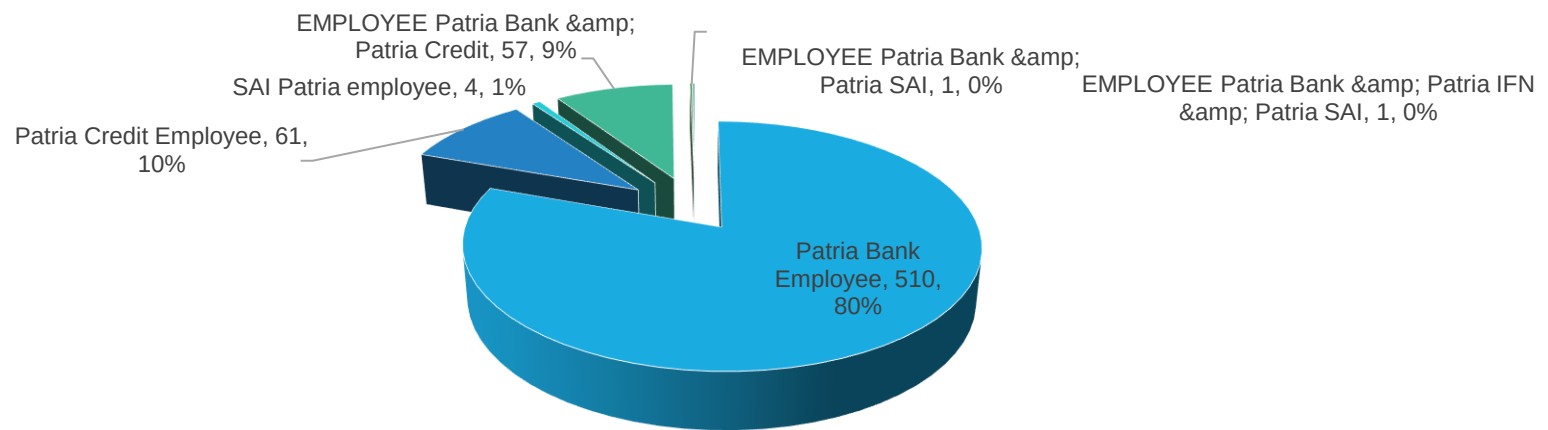
Patria People

In the table below, you can find the evidence, as at 31.12.2024, of the ongoing employment relationships within the Patria Bank Group, based on individual employment contracts (employees) or mandate contracts (members of the supervisory and management bodies). In the financial statements, the Group has a total of **736** employees, as follows:

- **605** persons with a current employment relationship at Patria Bank, of which 569 actives + 27 inactive employees + 5 members of the Board of Directors (Mandate Contract) and 4 members of the Management Committee (Mandate Contract);
- **121** persons with an ongoing employment relationship at Patria Credit, of which 115 active employees + 2 inactive employees + 4 members of the Executive Committee.
- **10** persons with an ongoing employment relationship at SAI Patria, of which 6 active employees + 1 General Director and Member of the Board of Directors (Mandate contract + member of the Board of Directors with contract) + 2 persons with mandate contract.

As some of the Group's personnel have ongoing employment relationships with more than one Group entity, the effective number of active employees at Group level at 31.12.2024 is **634 persons**.

Image 3 - Number of employees (persons) at group level



Active Employees Patria Group 2024

The information below illustrates the situation of Patria Bank Group's employees, their distribution according to the county in which they work, gender, and employment contract.

Patria Bank SA

Image 4 - Territorial distribution of Patria Bank units



At the end of 2024, Patria Bank had **569** active employees, including:

a. Total number of employees by employment contracts (permanent or temporary) by gender:

- fixed-term contracts: **13** active employees, **11** women and **2** men;
 - permanent contracts: **556** active employees, with **406** women and **150** men;
- b. Total number of employees by type of employment relationship (full-time or part-time) by gender:
- full-time contracts: **546** employees: **405** women and 141 men;
 - part-time contracts: **23** employees, including **12** women and **11** men.

In addition to these, there are **27** inactive employees with suspended employment contracts (for parental leave).

c. Total number of employees by employment contracts (permanent or temporary) by region:

Table 6 - Number of Patria Bank employees (territorial distribution and by type of contract)

Permanent employment contracts		Permanent employment contracts	
County	Number of active employees	County	Number of active employees
ALBA IULIA	7	NEAMT	2
ARAD	5	OLT	8
ARGES	7	PRAHOVA	10
BACAU	14	SATU MARE	6
BIHOR	4	SIBIU	60
BISTRITA NASAUD	6	SUCEAVA	6
BRAILA	1	TELEORMAN	5
BRASOV	6	TIMIS	6
BUZAU	8	VASLUI	7
CALARASI	4	VRANCEA	3
CLUJ NAPOCA	9	Total permanent contracts	556
CONSTANTA	10	Fixed-term employment contracts	
DOLJ	19	County	No active employees
GALATI	20	BIHOR	1
GIURGIU	4	BRAILA	1
HUNEDOARA	6	IASI	1
IALOMITA	7	ILFOV	4
IASI	14	MURES	3
ILFOV	202	PRAHOVA	2
MARAMURES	17	VASLUI	1
MOBIL	15	Total fixed-term contracts	13
MURES	58	TOTAL active employees	569

Patria Credit IFN

Patria Credit conducts its activity through its head office, 19 branches and 14 local mobile representatives:



At the end of 2024, Patria IFN SA had **115** active employees, of which:

a. Total number of employees by employment contracts (permanent or temporary) by gender:

- **75** women, of which **65** on permanent contracts and 10 on fixed-term contracts (of which 3 on agency contracts);
- **40** men, including **2** with fixed-term employment contracts and 38 with permanent contracts.

Image 5 - Territorial distribution of Patria Credit units



b. Total number of employees by type of employment relationship (full-time or part-time) by gender.

- **67** full-time employees, of which 46 women and 21 men
- **48** part-time employees, of which 29 women and 19 men

To these are added - 2 inactive employees with temporarily suspended employment contracts.

Table 7 - Number of Patria Credit employees (territorial distribution and by type of contract)

Permanent employment contracts		Fixed-term employment contracts	
County	Activ Employee number	County	Activ Employee number
BOTOSANI	1	BOTOSANI	1
BUCURESTI	43	BUCURESTI	2
BUZAU	2	BUZAU	1
DAMBOVITA	2	CARAS-SEVERIN	1
DOLJ	3	DAMBOVITA	1
GALATI	3	GORJ	1
GORJ	1	IALOMITA	1
IALOMITA	1	IASI	1
IASI	3	SALAJ	1
ILFOV	1	VALCEA	1
MARAMURES	3	Total fixed-term employment contracts	12
MEHEDINTI	1	Total activ employees	115
MOBIL	26		
OLT	8		
SALAJ	1		
SUCEAVA	1		
VALCEA	2		
Total permanent employment contracts	103		

SAI Patria

At the end of 2024, SAI Patria had **6 active employees**, of which:

a. Total number of employees by employment contracts (permanent or temporary) by gender:

- fixed-term contracts: **0** active employees, respectively 0 women and 0 men
- permanent contracts: **6** active employees, with 3 women and 3 men

b. Total number of employees by type of employment relationship (full-time or part-time) by gender.

- full-time contracts: **4** employees, 2 women and 2 men
- part-time contracts: **2** employees, 1 female and 1 male

c. Total number of employees by employment contracts (permanent or temporary) by region:

Table 8- Number of employees of SAI Patria (territorial distribution and by type of contract)

Type of employment contract	County	No active employees
for a fixed period	BUCURESTI	0
Fixed-term Total		0
Permanent Total	BUCURESTI	6
Open-ended Total		6
TOTAL active employees		6

DR 40 (a - iv)

There are no products and services of the Patria Bank Group that are prohibited in certain markets.

DR 41

In accordance with the provisions of ESRS 2 SBM-1 paragraph 40(b) (breakdown of total income by ESRS significant sector) and 40(c) (list of additional ESRS significant sectors), based on the breakdown by NACE codes of loans and advances, other than assets held for trading, held for trading or held for sale, to non-financial corporations, we mention the following sectors as significant for the Group, as reported in the consolidated financial statements at the Patria Bank and Patria Credit levels: Agriculture, Forestry and fishing, Construction , Wholesale and retail trade, Real estate activities.

DR 42(a-b)

Patria Bank's business model considers all 4 business lines (Individuals, Micro, Agro and SME&Corporate), creating a mix that aims to sustain a solid and profitable growth of the customer portfolio, loans and deposits with a balanced dispersion, thus avoiding the generation of concentrations that may become vulnerable in certain situations.

To sustain its lending activity, the Bank relies on funding from several sources - Capital Providers (Shareholders and External Financial Institutions) as well as Individual and Corporate Clients (through funds held with the Bank in the form of term deposits or cash on accounts), as described in the value chain, under section SBM-2 - Stakeholder Interests and Views, **paragraph DR 45(a - ii-v), DR 45(b).**

The added value comes from the use of funds attracted to support customers with financing facilities, as well as the operational activity, which involves customer transactions through open accounts and the use of products and services provided by the Bank.

It is envisaged to develop and grow particularly in areas where the Bank has proven expertise and experience over time together with the continuation and intensification of guaranteed agreements, participation in government programs and collaboration with external partners.

Details on Patria Bank's business model are described in the Main achievements of the Bank in 2024 section of the Annual Report of the Board of Directors, which contains information on the objectives set by the activity plan and budget, achievements in the commercial activity on the operational and IT level, treasury activity, trading of government securities, collection and workout activity, marketing and communication activity.

Patria Credit's business model is based on attracting financing from various capital providers as described in the value chain, under section **SBM-2 - Stakeholder Interests and Views, paragraph DR 45(a - ii-v), DR 45(b)**, with the objective of lending to rural and small urban companies. For this purpose, it relies on the portfolio of products dedicated to customers in the field of agriculture, including loans with external guarantees, loans for land investment and working capital, and the geographical distribution of the territorial units comprises small urban and rural localities with a tradition in vegetable growing and livestock farming in the vicinity of the main commercial hubs.

As regards the business model of SAI Patria, it manages open-ended investment funds with the objective of increasing the amounts invested in them by investing in stocks, bonds and other financial instruments.

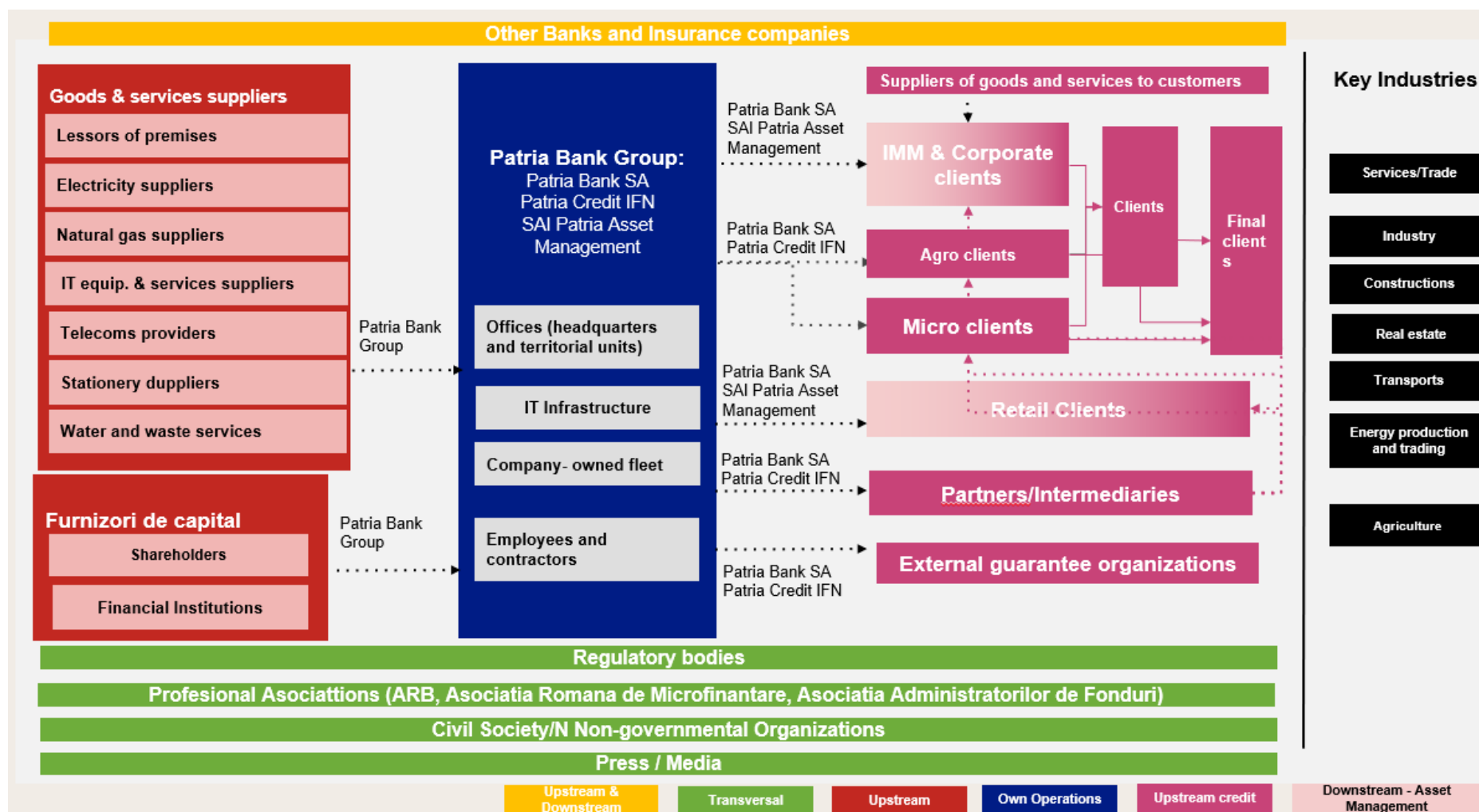
The Patria Bank Group offers a wide range of products and services that contribute to the smooth management of liquidity, banking operations and access to various forms of financing. For retail customers, the Group offers various savings banking products, personal loans and mortgages, as well as access to digital products through the Patria Anywhere platform. These products lead to the fulfillment of needs in terms of access to financial services. For SME & Corporate customers, Patria Bank offers dedicated lending products and solutions in the transactional area, which have benefits in the form of sustaining their current activity and developing their investment capacity. The Group also serves Agro and Micro clients with products and services customized to the specifics of their activity that help to develop their production capacity, increase cultivated areas and provide the necessary equipment. For investors, SAI Patria manages investment funds with different risk levels. The mechanism of operation of the funds is secure, precisely regulated and the operations and assets of each fund are certified by its depositary bank.

DR 42(c)

We have identified the value chain of the Patria Bank Group, starting from the main activities carried out by the Bank and its subsidiaries, and its stakeholders, together with their position (upstream/own operations/ downstream). The 2022 Voluntary Sustainability Report. and the 2023 Non-Financial Statement of the Patria Bank Group were consulted to capture information on the portfolios of the Group entities and their specificities. Based on additional industry knowledge and examples of value chains in the financial sector, the value chain for the Patria Bank Group, upstream, own operations and downstream, was determined. The identified value chain was validated at the Sustainability Team level.

The map of the value chain and business relationships is presented below, with information on the categories of key stakeholders considered as stakeholder groups of the Patria Group is detailed in section **SBM-2 - Stakeholder Interests and Views**.

Image 6 - value chain of Patria Bank group



SBM-2 - Interests and views of stakeholders

DR 45(a - i-v), DR 45(b), DR 45(c)i-ii

Dialogue with stakeholders to obtain information on sustainability issues relevant to them ensures good communication and transparency in the Group's operations, an essential aspect for collaboration on the sustainability projects we are planning. The views of stakeholders have been considered in developing the Sustainability Statement for the reporting year 2024. In 2025-2026 the views of stakeholders will be considered in the development of the Sustainability Strategy. Material stakeholder interests, as appropriate, are set out in **DR 42(b)**.

Table 9 - Stakeholder groups and collaboration arrangements

(i) Stakeholder Group	(iv) Purpose of the collaboration	(ii,iii, ,v) Mode of collaboration	The interests and perspectives of key stakeholders
Employees of Patria Bank Group (Patria Bank, Patria Credit, SAI Patria)	Internal stakeholder group, falling into the category of own operations within the value chain, which is both a user of the information in the sustainability statement and a stakeholder directly affected by the significant impacts, risks and opportunities in the Group strategy	The sustainability team, which also validated the value chain, made up of experts in various fields, employed by the Bank, Patria Credit and SAI Patria, assessed the significance of the impacts, risks and initial opportunities in dedicated workshops. In parallel, a consultation action was initiated with the Group's employees, through an online questionnaire, sent with an invitation to complete it to all employees within the Group, in order to obtain their opinion on the preliminary sustainability issues identified. Both the results of the assessment carried out by the Sustainability Team - as well as the results of the questionnaires - were evaluated to determine the material impacts, risks and opportunities at Group level.	Professional development and recognition

Customer	External stakeholder Group, positioned downstream in the value chain, comprising entities in all business segments addressed at Group level, which benefit from the products and services offered by the Group, as defined in Chapter 3 of this Directors' Report - About the company and the Group , affected stakeholder	External online questionnaires were developed for clients in all segments of the Bank to obtain input from them on the magnitude, scope and, where appropriate, likelihood of impacts, as well as the likelihood of occurrence and potential magnitude, in the case of pre-identified risks and opportunities. The clients were contacted in advance by the portfolio manager who manages the relationship with them, in order to explain the purpose of this approach, as well as details on how to fill in the questionnaire. The results of the questionnaires were evaluated to determine the material impacts, risks and opportunities at Group level. Note: only Bank clients were contacted, not Patria Credit and SAI Patria.	Quality Products and Services in line with their needs
Partners/intermediaries	External stakeholder group, positioned downstream in the value chain, comprising entities with which the group collaborates in various areas of activity, in order to provide products and services to its customers	External online questionnaires were developed for partners to obtain input from them in order to obtain their views on the preliminary sustainability themes identified. The results of the questionnaires were evaluated to determine material impacts, risks and opportunities at Group level.	Cooperation
External guarantee organizations	External stakeholder Group, positioned downstream in the value chain, represented by local and international financial institutions, which facilitate access to finance by providing guarantees, including through governmental/international programs to increase access to finance	The views of the representatives of external guarantors, in relation to the Group, on the preliminary significant issues identified were solicited by means of a questionnaire sent to them following their approach by the Group's contact person. The results of the questionnaires were assessed to determine material impacts, risks and opportunities at Group level.	Increasing access to finance and compliance with working agreements.
Regulatory Body	External stakeholder Group, positioned transversally in the value chain, which represents a user of the information in the sustainability statement, with which the group collaborates in order to ensure continuous compliance with the legal framework for the conduct of business	The opinion of the regulators was partially obtained for one institution, as it was not considered appropriate to communicate with the other regulators, by means of a questionnaire sent to them after their approach by the contact person within the Group. The results of the questionnaires were evaluated to determine the material impacts, risks and opportunities at Group level.	Fulfill the legal requirements

Professional Associations	External stakeholder Group, positioned across the value chain, representing a user of the information in the Sustainability Statement, with which the Group works to collaborate at community level (banking, microfinance, fund management) and to ensure a common representation of priorities in the field	The opinion of the professional associations on the sustainability topics identified at the Sustainability Team level was obtained through an online questionnaire submitted by the contact person. Questionnaire results were evaluated to determine material impacts, risks and opportunities at Group level.	Collaboration, aiming at developing the field (banking, microfinance, asset management),
Non-Governmental Associations/ Civil Society	External stakeholder Group, positioned across the value chain, representing both a user of the information in the sustainability statement and a stakeholder directly affected by the group's ESG impacts, risks and opportunities, focused on the needs of the community and aiming at social development These associations are representatives of the affected communities, i.e., the environment, civil society and clients of Patria Bank Group.	Representatives of civil society, with whom the Group has recently collaborated, were contacted by the group's contact person with an invitation to complete an online questionnaire in order to obtain their opinion on the identified sustainability issues.	Development of society, through actions to develop financial education and support local entrepreneurship,
Press/Media	External stakeholder Group, positioned transversally in the value chain, which represents the user of the information in the Sustainability Statement, with which the group collaborates in order to communicate information of interest regarding the products and services offered, the strategy adopted and the commercial actions undertaken	Representatives of the media, with which the Group collaborates, were contacted by the Group's contact person, with an invitation to fill in an online questionnaire in order to obtain their opinion on the sustainability issues identified.	Informing society
Utility providers	External stakeholder Group, positioned upstream in the value chain, which is the stakeholder directly affected by the Group's ESG impacts, risks and opportunities, through the lens of ongoing utility contracts and consumption/goods used	The main suppliers of goods and services were contacted by the Group's contact person, with an invitation to complete an online questionnaire, in order to obtain their opinion on the sustainability issues identified.	Meeting payment commitments and ensuring compliance with contractual conditions
Suppliers of goods and services	External stakeholder Group, positioned upstream in the value chain, which is both a user of the information in the Sustainability Statement and a stakeholder directly affected by the Group's ESG impacts, risks and opportunities, through the goods offered to the group and the services provided for it, in various domains	The main suppliers of goods and services were contacted by the contact person within the internal structure to which they deliver goods/services, with an invitation to fill in an online questionnaire, in order to obtain their opinion on the identified sustainability	The Group takes into account the respect of payment commitments and ensuring compliance with contractual

	(Marketing, IT/Telecom, Security Systems, Postal Services, etc.)	issues.	conditions
Capital providers	A mixed internal and external stakeholder Group, positioned upstream in the value chain, consisting of the Group's shareholders and international financial institutions, in their capacity as creditors	The opinion of the majority shareholder and creditors - international financial institutions, on the significant issues, was solicited through an online questionnaire sent to them by the Sustainability Team contact person. Note: in view of the relevant legal provisions, bondholders have not been contacted for this purpose	Respecting payment commitments and ensuring compliance with contractual conditions
Banks and Insurance Companies	An external stakeholder Group, positioned upstream in the value chain, which is both a user of the information in the Sustainability Statement and a stakeholder directly affected by the Group's ESG impacts, risks and opportunities,	The opinions of other banks and insurance companies on the significant issues were solicited through an online questionnaire sent to them by the Sustainability Team contact person.	Collaboration in accordance with contractual provisions and compliance with related commitments
Nature	"Silent" stakeholder Group, positioned across the value chain	The consultation was carried out, strictly in order to define the preliminary list of Impacts, Risks and Opportunities and in the framework of their assessment, internally carried out by the Sustainability Team, by analyzing reports published by environmental NGOs such as WWF (World Wildlife Fund) and risk reports such as WEF (World Economic Forum)	Care for the environment

DR 45(d)

Management Committee and the Board of Directors were informed in 2024 of the views and interests of affected stakeholders regarding our sustainability-rel

ated impacts by communicating the results of the double materiality analysis and related methodology.

SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

Information related to the management of the Patria Bank Group's significant impacts, risks and opportunities resulting from the double materiality analysis for FY 2024 is included in each ESRS thematic chapter and is linked to the minimum disclosure requirements for policies, actions and targets set at the Patria Bank Group level.

DR 48((a)(c - i-iv)(g)(h)) Material impacts for the group resulting from the double materiality analysis:

Table 10 - Description of material impacts by group

No.	ESRS - Theme - Sub-theme - Sub-sub-theme	Categori es	Name and brief description, including impacts on people and environment	Location in the value chain and nature of activities or relationships	Time horizon
1	ESRS E1 - Climate Change - Climate Change Mitigation	Current, negative impact	GHG emissions in own operations Climate change is partly caused by anthropogenic greenhouse gas (GHG) emissions. Patria Bank Group's internal operations depend on GHG-emitting activities such as fossil-fuel-generated gas and electricity consumption in offices, employee travel by car (including	Upstream, Own operations	Current impact

			the company's own fleet of cars) and business air travel.		
2	ESRS E1 - Climate Change - Climate Change Mitigation	Current, negative impact	Financed GHG emissions associated with loan and investment portfolios Climate change is partly caused by anthropogenic greenhouse gas (GHG) emissions. For the Patria Bank Group, significant indirect emissions result from financing activities, particularly in sectors such as agriculture, industry/manufacturing and construction. These emissions occur in facilities owned or controlled by companies financed by the Group. Being facilitated including through the Bank's lending and investment activities, they need to be accounted for in order to ensure a complete emissions inventory.	Downstream	Current impact
3	ESRS E1 - Climate Change - Energy	Current, negative impact	Energy use in own operations Energy consumption has a significant impact on the environment (accounting for over 75% of GHG emissions in the EU), contributing to climate change and pollution, especially when it comes from fossil fuels. Patria Bank Group's operations depend on energy for lighting, powering IT systems, heating and cooling.	Upstream, Own operations	Current impact
4	ESRS E1 - Climate Change - Energy	Current, negative impact	Energy consumption associated with loan and investment portfolios Energy consumption has a significant impact on the environment (accounting for over 75% of GHG emissions in the EU), contributing to climate change and pollution, especially when it comes from fossil fuels. For the Patria Bank Group, the impact on indirect energy consumption stems from financing activities, especially in sectors such as industry/manufacturing, which consumes about 17% of the energy consumed in the EU. Among the most energy-intensive	Downstream	Current impact

			industries are the chemical industry, the non-metallic minerals industry, the paper industry, the food industry and the iron/steel industry.		
5	ESRS E1 - Climate Change - Climate Change Mitigation	Positive, impact	Agricultural GHG sequestration associated with the loan portfolio According to the FAO, agricultural soils can sequester about 20 petagrams (gigatons) of carbon in 25 years, equivalent to more than 10% of anthropogenic emissions. By financing the agricultural sector in general, the Patria Bank Group can mitigate climate change.	Downstream	Medium-long term
6	ESRS S1 - Own workforce - Equal treatment and equal Opportunities for all - Gender equality and equal pay for Equal Value Work and Diversity	Positive, current impact	Equal career opportunities and workforce diversity Equal opportunities for men and women are covered by Directive 2006/54/EC on equal treatment for men and women in employment and occupation and are included in international labor conventions. Diversity is regulated by the EU Racial Equality Directive and encouraged in Romania through the Diversity Charter, which is aligned with the European Diversity Platform. Organizations that ensure equal treatment and equal opportunities, such as establishing diversity and anti-discrimination policies, inclusive recruitment practices and action plans aimed at closing the gender pay gap, can create a motivating work culture and increase employee retention. Ensure positive, current impact through the Human Resources policies and procedures implemented at group level	Own operations	Current impact

7	ESRS S1 - Own workforce - Equal treatment and equal opportunities for all - Training and skills development	Positive, current impact	Training and skills development for your own workforce The Romanian Labor Code stipulates that employers are responsible for providing training for their employees and may organize training programs or allow employees to attend external training courses. Organizations that are perceived not to provide training and skills development for employees can lead to stagnant skills and productivity and low employee morale and motivation. We ensure positive, current impact through the Human Resources policies and procedures implemented at group level and the professional training actions carried out.	Own operations	Current impact
8	ESRS S2 – Workers in the value chain - Working conditions - Health and safety	Potential negative impact	Health and safety of workers in the value chain associated with credit and investment portfolios Companies in agriculture, construction and industry have a high rate of occupational hazards. The agricultural products industry has occupational hazards such as equipment-related injuries and occupational diseases, among others. Fatality and injury rates in the engineering and construction services industry are high compared to other industries due to exposure of the workforce to motorized transportation and heavy machinery accidents, fall accidents, exposure to hazardous chemicals. In the industrial sector, employees may also be exposed to toxic or carcinogenic emissions from operations. Agriculture, construction and industry are the main client sectors for the Patria Bank Group, indirectly involving the group as a financier.	Downstream	Long term

9	ESRS S3 - Affected communities - Economic, social and cultural rights of communities	Positive, current impact	The impact of financial services on the local economy By offering financial products, such as loans, savings accounts and investment products, the Patria Bank Group supports economic growth and financial stability, supporting local businesses, creating jobs and improving the financial situation of the communities it serves.	Downstream	Current impact
10	ESRS S4 - Consumers and end-users - Impacts related to information for consumers and/or end-users - Confidentiality	Current, negative impact	Customer data privacy Customers rely on banks to protect their personal and financial information. With the increased use of mobile banking, cloud storage, and cybersecurity attacks, banks are having to prioritize data privacy and security to maintain trust and provide secure financial services. If the Patria Bank Group fails to effectively manage data privacy and security, customers can suffer significant impacts (e.g., identity theft, financial fraud, and severe personal financial loss).	Downstream	Current impact
11	ESRS S4 - Consumers and end users - Social inclusion of consumers and/or end users - Access to products and services	Positive, current impact	Financial inclusion and access to financial services Through policies and programs designed to facilitate access to financial services, promote financial inclusion and develop financial literacy, the Patria Bank Group can enable individual and business customers to save, invest for the future and achieve their financial goals.	Downstream	Current impact

12	ESRS S4 - Consumers and end-users - Social inclusion of consumers and/or end-users - Responsible marketing practices	Current, negative impact	Transparent communication with customers Clear information and accurate guidance provided by banks helps customers make informed decisions about the financial products available, leading to better financial outcomes. If Patria Bank Group practices transparency in communicating its products and provides ethical guidance, customers can benefit from financial solutions that fit their needs. On the other hand, unclear or misleading communications, driven by hidden interests or lack of transparency, can lead to the choice of unsuitable financial products, thus increasing financial pressure on customers.	Downstream	Current impact
13	ESRS S4 - Consumers and end users - Personal safety of consumers and/or end users - Health and safety	Current, negative impact	Food safety linked to the loan portfolio For the agricultural sector, maintaining product quality and safety is essential because contamination with pathogens, chemicals or spoilage poses serious risks to human and animal health. Contamination can result from improper farming, transportation, storage or handling practices. Agriculture is a high priority sector for the Patria Bank Group, indirectly involving the group as a financier.	Downstream	Current impact
14	ESRS G1 - Business Conduct	Current, negative impact	The effects of business ethics on society Money laundering, tax evasion, fraud, insider trading and labor exploitation can have profound negative effects on society. Tax evasion reduces government revenues, undermining public services and infrastructure. Fraud and insider trading distort financial markets, erode investor confidence and can lead to significant financial losses for individuals and institutions. Labor exploitation, including unsafe working conditions and unfair wages, violates human rights and perpetuates inequality. The Patria Bank Group can fight to prevent these risks to society by implementing robust compliance measures, conducting rigorous checks and reporting suspicious activities.	Downstream, in own operations, upstream	Current impact

15	Entity specific - Risk management - Financial risk management	Current, negative impact	Impact of financial risk management on stakeholders Banks are central to the financial system, acting as intermediaries between savers and lenders. Inefficient capital risk management can contribute to market disruption because of the interconnectedness of the global financial system. Such failures can destabilize the economy as a whole, leading to job losses, lower consumer confidence and reduced economic growth.	Downstream, in own operations, upstream	Current impact
16	Entity specific - Risk Management - ESG Risk Management	Current, negative impact	Impact of ESG risk management on stakeholders Climate change poses risks to physical assets and business activities, while social inequalities can lead to economic instability and governance failures can diminish trust and corporate integrity. By integrating ESG considerations into the risk management framework, Patria Bank Group can better identify and mitigate such risks and promote responsible business practices.	Downstream, in own operations, upstream	Current impact
17	Entity specific Sustainable financing	Positive, current impact	Integrating ESG criteria in the loan portfolio Credit institutions have a significant positive and negative impact on the environment and society through their lending practices. By directing financing towards sustainable projects (e.g. reforestation, direct carbon capture and storage, renewable energy projects and green buildings) and avoiding financing harmful activities (e.g. extraction and burning of fossil fuels, high-emission industrial activities, construction of unsustainable buildings), Patria Bank Group can help reduce negative environmental impacts and promote sustainable development.	Downstream	Current impact

There were no changes compared to the previous year, as is the first reporting for CSRD purposes, based on ESRS requirements.

DR 48((a)(b)(c - iii-iv)(d)(e)(g)(h)) The material risks and opportunities for the group resulting from the double materiality analysis

Table 11 - Description of material risks and opportunities for the group

No.	ESRS Theme Sub-theme - Sub-sub- theme	Categ ories	Name and brief description, including effects on business model, strategy and decisions	Current/ estimated financial impact	Location in the value chain and nature of activities or relationships	Time horizon
1	ESRS E1 - Climate change Adapting to climate change	Risc	Effects of extreme weather events associated with the loan portfolio Extreme weather events such as hurricanes and floods are among the top global risks over the next two years. Their frequency and intensity is enhanced by climate change. As a financier, the Patria Bank Group is affected by changes in the financial performance and market value of its clients. Extreme weather events can damage clients' buildings and other assets, thus leading to risks of late payments, defaults or decreases in the value of collateral assets. Measures identified to mitigate risk: Institutions that integrate climate risks into their lending practices may be better positioned for long-term value creation.	Financial impact: Equity >2%; Net interest income >5%; Pre-tax profit >20%	Downstream	Long Term

2	ESRS E1 - Climate Change Mitigation	Opportunity	Net zero transition financing The European Union's objective of achieving climate neutrality by 2050, which is central to the European Green Pact and legally enshrined in the European Climate Act, aims for a net-zero greenhouse gas emitting economy. Measures identified to capitalize on the opportunity: Patria Bank Group financings directed to projects that facilitate the green transition, such as green buildings, renewable energy facilities, and sustainable agriculture, can result in greater stability in collateral values over the long term. These projects are better positioned to maintain or even appreciate in value in the context of net-zero regulations, tax exemptions, subsidies, and reduced restrictions or penalties.	Financial impact: Equity 0.75-1%; Net interest income 3-4%; Pre-tax profit 10-15%	Downstream	Short Term
3	ESRS E1 - Climate Change Mitigation	Risk	Financing sectors with significant GHG emissions As a financier, Patria Bank Group is affected by changes in the financial performance and market value of its customers. Clients with high GHG emissions, particularly in agriculture (especially methane and nitrous oxide), manufacturing and construction, are more vulnerable to GHG emissions taxation, fuel efficiency regulations and other policies derived from the EU Green Pact. Measures identified to mitigate risk: Entities that measure and report their funded emissions are better positioned to understand and manage their exposure to such risks.	Financial impact: Equity 1-2%; Net interest income 4-5%; Pre-tax profit 15-20%	Downstream	Medium term

4	ESRS S1 – Own workforce - Equal treatment and equal opportunities for all	Opportunity	Promoting equal career opportunities and diversity Equal opportunities for men and women are regulated under Directive 2006/54/EC on equal treatment for men and women in employment and occupation and are included in international labor conventions. This has often been identified as a significant issue in the financial industry. Measures identified to capitalize on the opportunity: Organizations that fail to provide equal treatment and opportunity risk creating a discriminatory work culture and low employee morale, which can lead to litigation, damage to brand reputation, high employee turnover, and difficulty attracting top talent. On the other hand, the implementation of anti-discrimination policies, inclusive recruitment practices and action plans aimed at reducing the gender pay gap can be an opportunity to create a fair and attractive work environment, thereby enhancing the organization's reputation and ability to attract and retain talented employees.	Financial impact: Equity <0.5%; Net interest income <1%; Pre-tax profit <5%	In own operations	Current Opportunity
5	ESRS S1 – Own Workforce - Equal treatment and equal opportunities for all	Opportunity	Effects of professional development for Bank staff The Romanian Labor Code stipulates that employers are responsible for providing vocational training for their employees, and may organize training programs or allow employees to attend external training courses. Measures identified to capitalize on the opportunity: Organizations that do not provide employee skills training and development risk low employee morale and demotivation, which can lead to litigation, damage to brand reputation, high employee turnover, and difficulty attracting top talent. On the other hand, investing in employee training and skills development can be an opportunity to create a motivating and productive work environment, thereby enhancing the organization's reputation and ability to attract and retain talented employees.	Financial impact: Equity <0.5%; Net interest income <1%; Pre-tax profit <5%	In own operations	Current Opportunity

6	ESRS S2 - Workers in the value chain - Working conditions	Risc	Regulatory requirements on health and safety of the workforce that affect the client's business In the European Union, companies must comply with key human and labor rights standards, including Directive 89/391/EEC, which obliges employers to assess risks and implement preventive measures for workers' health and safety. Measures identified to mitigate risk: Patria Bank Group, as a funder, is influenced by the financial performance and market value of its clients, which can be affected by human and labor rights regulations. Violations of health and safety standards in various industries can result in penalties and corrective costs, suggesting weak governance and poor safety culture, which can damage reputation. Conversely, effective occupational health and safety management can improve company image, worker morale, productivity, reduce staff turnover and community relations.	Financial impact: Equity 0.75-1%; Net interest income 3-4%; Pre-tax profit 10-15%	Downstream	Current risk
7	ESRS S4 - Consumers and end users - Personal safety of consumers and/or end users	Risc	The effects of food safety regulatory requirements on customers' business Agricultural companies in the European Union must comply with strict food safety regulations to protect human health and maintain high standards in the production and supply chain. Regulation (EC) No 178/2002 lays down fundamental requirements for food and feed safety, including traceability, risk assessment and crisis management. Companies are responsible for recalling unsafe products and notifying the authorities. European Union policy also includes provisions for food hygiene, animal and plant health, contaminant monitoring and animal and plant movement controls to prevent disease. Measures identified to mitigate risk: Patria Bank Group, as a funder, is influenced by the financial performance of its clients, who are affected by food safety regulations. Failure to comply with these regulations can lead to significant financial and reputational damage. Conversely, regulatory compliance is crucial to maintaining food quality, protecting public health and preventing food safety incidents.	Financial impact: Equity 0.5-0.75%; Net interest income 1-3%; Pre-tax profit 5-10%	Downstream	Current risk

8	ESRS S4 - Consumers and end-users - Impacts related to information for consumers and/or end-users	Risc	Ensuring customer data privacy protection Ensuring the privacy and security of personal financial data is essential for banks. With the growth in mobile banking and cloud storage, robust data security management becomes crucial. For Patria Bank Group, breaches in customer data can lead to a loss of consumer trust, decreased revenue and high employee turnover. These incidents can create significant legal and financial risks, including costly litigation and fines. Measures identified to mitigate risk: Improved reporting of data management strategies can mitigate these risks, reassuring stakeholders and increasing investor confidence in the bank's commitment to protecting sensitive information.	Financial impact: Equity 1-2%; Net interest income 4-5%; Pre-tax profit 15-20%	Downstream	Current risk
9	ESRS S4 - Consumers and end-users - Social inclusion of consumers and/or end-users	Risc	Marketing and sales practices related to lending and investing Financial institutions are evaluated on product stewardship and transparency, including efforts to mitigate reputational and regulatory risks. Banks that engage in unethical lending or fail to provide transparent disclosures risk significant reputational damage, loss of consumer confidence, negative media coverage and reduced customer loyalty. These practices can attract heightened regulatory scrutiny and costly litigation. Poorly structured incentive policies that promote inappropriate financial products can increase the rate of non-performing loans. Measures identified to mitigate risk: On the other hand, banks have the opportunity to build trust and develop long-term relationships by improving transparency, providing accurate guidance and clear disclosure of information on lending practices.	Financial impact: Equity 0.5-0.75%; Net interest income 1-3%; Pre-tax profit 5-10%	Downstream	Current risk

10	ESRS G1 - Business Conduct	Risc	General regulatory requirements concerning the group and its activity The regulatory environment for commercial banks and asset managers continues to evolve internationally. These entities must comply with complex rules on performance and conduct, including insider dealing, anti-competitive behavior, price fixing and market manipulation. Commercial banks are subject to strict requirements against tax evasion, fraud, money laundering and corruption. In the EU, AML regulations and the Anti-Corruption Directive mandate rigorous sanctions and the promotion of transparency. Measures identified to mitigate risk: Entities that ensure compliance through strong internal controls can enhance customer confidence, increase revenues and protect shareholder interests by minimizing legal losses. Failure to prevent tax evasion, fraud, money laundering and corruption can lead to severe penalties and reputational damage, reducing the operational viability of the group.	Financial impact: Equity >2%; Net interest income >5%; Pre-tax profit >20%	Downstream, in own operations, upstream	Current risk
11	Entity specific - Sustainable financing	Risc	Reduce exposure to certain types of clients and industries by integrating ESG factors into lending Companies in sectors with a negative impact on the environment, such as extractive industries or fossil fuel energy production, as well as those that fail to respect human rights and other social issues, are exposed to an increased risk of strict regulation, litigation, or the cost of remedying environmental and social damage. Measures identified to mitigate risk: Identification and assessment of ESG risks in the loan portfolio, in order to avoid potentially suffering considerable financial losses due to the lack of performance of the loans granted to these companies.	Financial impact: Equity 0.5-0.75%; Net interest income 1-3%; Pre-tax profit 5-10%	Downstream	Short deadline

There were no changes compared to the previous year, as is the first reporting for CSRD purposes, based on ESRS requirements.

DR 48(b)

Actual and anticipated effects of significant impacts, risks and opportunities on the business model have not yet been assessed at this time. The Sustainability Team has considered estimating the financial effects of significant risks and opportunities as outlined in **DR 48(d)**.

DR 48(c - i)

The identified impacts on people and the environment are described in **Table no.10** above. In addition, specific measures and related targets are to be set in the Group Sustainability Strategy.

DR 48(c - ii)

The impacts identified are, to some extent, connected to the day-to-day operations of the Group entities. For the most part, however, they arise from the Group's business relationships, predominantly from the activities of the Group entities' portfolios, as described in the table above and in the thematic chapters of the statement.

DR 48(d)

With respect to the ongoing financial effects of significant risks and opportunities in this first ESRS reporting exercise, these have been estimated as part of the double materiality analysis at the Sustainability Team level, based on the professional judgment of the team members, and are not based on a calculation, as follows:

- The potential magnitude of the financial effects of each risk and opportunity has been calculated on a scale of 1 to 5, based on the financial impact on total equity, net interest income and profit before tax, as shown in the table below;
- Each risk and opportunity has been framed within an estimated time horizon - short (1 year), medium (1-5 years), or long (over 5 years).

Table 12 - Impact framing criteria

Definition / Criteria	Score
Financial impact: Equity <0.5%; Net interest income <1%; Pre-tax profit <5%	1
Financial impact: Equity 0.5-0.75%; Net interest income 1-3%; Pre-tax profit 5-10%	2
Financial impact: Equity 0.75-1%; Net interest income 3-4%; Pre-tax profit 10-15%	3
Financial impact: Equity 1-2%; Net interest income 4-5%; Pre-tax profit 15-20%	4
Financial impact: Equity >2%; Net interest income >5%; Pre-tax profit >20%	5

The results of this analysis are included next to each risk or opportunity in the table describing the Risks and Opportunities resulting from the double materiality analysis (**Table no. 11**).

DR 48(e - i-ii)

No detailed quantification of the anticipated financial effects in monetary terms has been carried out so far.

DR 48(f)

There was also no quantitative analysis of the resilience of the Group's strategy and business model in terms of its ability to address the significant impacts and risks identified and to seize opportunities.

As a next step, the aim is to develop an integrated approach to identifying and managing significant negative impacts and risks as part of the risk management process, as well as integrating material positive impacts and opportunities into the Group's business strategy, with action planned to be initiated during 2025.

IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities**DR 53((a)(b))**

The Patria Bank Group conducted its first ESRS-aligned double materiality analysis in FY 2024. One of the starting points in this process was the materiality analysis according to GRI standards conducted in 2022. The double materiality analysis process involved the following main steps:

1. Defining the value chain, including portfolio, activities, and specific business relationships in own, downstream and upstream operations;
2. Definition of the list of stakeholders and consultation arrangements;
3. Defining the list of sustainability issues;
4. Formulating impacts, risks and opportunities;
5. Assess and determine significant impacts, risks, and opportunities.

1. Defining the value chain

DR 53((a)(b - i-ii))

The value chain is described in more detail in section **SBM-1 - Strategy, Business Model and Value Chain** of this chapter. The Patria Bank Group's business model and value chain have been considered in defining sustainability issues and subsequently impacts, risks and opportunities, as reflected in the list of IROs presented in **section SBM-3 - Significant impacts, risks and opportunities and their interaction with strategy and business model**.

Given the specificity of the financial sector, it was determined that impacts, risks, and opportunities are concentrated in the portfolio. Following the analysis, a selection of the key sectors with the highest weight in the portfolio (i.e. agriculture, real estate and construction, heavy industry) was made.

2. Defining the list of stakeholders and consultation arrangements

DR 53(b - iii)

As a next step in the double materiality analysis process, a list of stakeholders of the Patria Bank Group was drawn up for consultation with them to identify impacts, risks, and opportunities.

Three categories have been differentiated: affected stakeholders, users of the Sustainability Statement and stakeholders belonging to both groups.

For each stakeholder a consultation method and selection parameters were established. The consultation modalities included the organization of a working session with internal stakeholders (department managers) to validate and assess the impacts, risks and opportunities, and the sending of customized questionnaires to different groups of external stakeholder categories to assess the list of significant impacts, risks, and opportunities, and are reflected in **DR 45(a - ii-v), DR 45(b), Stakeholder groups and collaboration modalities**.

3. Defining the list of sustainability issues

DR 53((a)(b - i-ii)(g))

To optimize the process of determining impacts, risks and opportunities and validating them with internal stakeholders through a working group, the ESRS list of sustainability issues was consulted in advance and compared with corresponding themes in the following sources:

- Patria Bank Group's business model and value chain;
- Patria Bank's FY 2022 Sustainability Report and FY 2023 Non-Financial Statement; Sustainability reports of similar institutions at European and local level;
- Reports from organizations that set international sustainability standards for specific industries (Sustainability Accounting Standards Board - SASB);
- Reports from ESG rating agencies (Morgan Stanley Capital International - MSCI);
- Reports from organizations working in the field of sustainability (WWF - Biodiversity Filter, WEF, UN);
- Universal Declaration of Human Rights;
- EU legislation on key topics (greenhouse gas emissions, circular economy, gender equality);
- Applicable national legislation.

This has resulted in a list of ESRS sustainability issues potentially relevant for the Patria Bank Group: ESRS E1 - Climate Change, ESRS E2 - Pollution, ESRS E3 - Water and Marine Resources, ESRS E4 - Biodiversity and Ecosystems, ESRS E5 - Resource Use and Circular Economy, ESRS S1 - Own Work Force, ESRS S2 - Workers in the value chain, ESRS S3 - Affected Communities, ESRS S4 - Consumers and End Users and ESRS G1 - Business Conduct.

In addition, using the sources listed above, the identified relevant themes that could not be mapped to the ESRS list of sustainability issues have been presented as entity-specific sustainability themes, namely ESG Risk Management and Sustainable Finance.

4. Formulating impacts, risks, and opportunities

DR 53((b - i-ii)(c - i))

For each of the ESRS sustainability aspects identified above, potentially relevant positive and negative impacts, risks and opportunities have been identified, considering a range of elements:

- Patria Bank Group's business model and value chain;
- Analysis of the local and European financial sector, including similar institutions;
- Materials published by international standard-setting organizations and rating agencies;
- Publications of European or international regulatory authorities and bodies.

By analysing reports published by international environmental organizations such as the World Wildlife Fund (WWF) and risk reports such as the World Economic Forum (WEF), nature as a silent stakeholder has been considered in the formulation of potential impacts, risks and opportunities.

In a first step, potentially relevant impacts were identified through the process described above. In a second step, the identified impacts were used to determine the related risks and opportunities. In addition, risks and opportunities not arising from these impacts were identified.

5. Assessing and determining significant impacts, risks, and opportunities

DR 53(b - ii-iv)

The assessment of impacts, risks and opportunities from the internal stakeholder perspective has been carried out in the Sustainability Team working meetings.

To assess the impacts, the following aspects were considered:

- whether the impact is positive or negative, actual or potential;
- time horizon as defined using the ESRS guidelines;
- the magnitude of impact, from 0 (no impact) to 5 (absolute impact);
- applicability of from 0 (no applicability) to 5 (full/global applicability);;
- irremediability from 0 (very easy to remedy) to 5 (irremediable/ irreversible)
- probability of materialization from 0 (rare, <10%) to 5 (current, 100%).

To calculate the final impact scores, formulas have been developed following the ESRS requirements, using the criteria of magnitude, scope, irreparability of the impact (in the case of negative impacts) and likelihood (in the case of potential impacts). In calculating the potential negative human rights impacts, if the severity of the impact (the average of magnitude, scope, irreparability) is greater than the likelihood of the impact, the final score assigned is given by the severity of the impact.

DR 53(c - ii)

In assessing the risks and opportunities, the following aspects have been considered:

- whether the subject presents a risk or an opportunity;
- time horizon as defined using the ESRS guidelines;
- magnitude of risk or opportunity, from 1 (Financial impact on: Net Assets <0.5%; Net Interest Income <1%; Gross Profit <5%) to 5 (Financial Impact on: Net Assets >2%; Net Interest Income >5%; Gross Profit >20%)
- The probability of the risk or opportunity, from 1 (Rare; Remote probability of the event occurring (less than once in 10 years) The assessment of impacts, risks and opportunities from the internal stakeholder perspective has been carried out in the Sustainability Team working meetings.

DR 53(c - ii)

In assessing the risks and opportunities, the following aspects have been considered:

- whether the subject presents a risk or an opportunity
- time horizon as defined using the ESRS guidelines
- magnitude of risk or opportunity, from 1 (Financial impact on: Net Assets <0.5%; Net Interest Income <1%; Gross Profit <5%) to 5 (Financial Impact on: Net Assets >2%; Net Interest Income >5%; Gross Profit >20%)
- The probability of the risk or opportunity, from 1 (Rare; Remote probability of the event occurring (less than once in 10 years) to 5 (Actual; 100%; Event has occurred/will occur).

To calculate the final risk and/or opportunity scores based on the criteria defined above, formulas following the ESRS requirements have been developed, using the criteria of magnitude and likelihood.

In a second step, after consulting internal stakeholders in the Sustainability Team, the Group's employees and external stakeholders were consulted. For this purpose, single response scale questionnaires (-5 to 5) were developed for the stakeholder categories mentioned in step 2 above. Defining the list of stakeholders and the consultation modalities. The single response scale approach aimed to obtain as many responses from stakeholders as possible. Five questionnaires were developed, customized in number and question type based on the nature of the relationship with each stakeholder, as described in SBM-2 - Stakeholder Interests and Views, **Table no. 9: Stakeholder groups and ways of collaboration, column (iv) Purpose of collaboration.**

As a matter of principle, affected stakeholders were consulted on impacts only, while users of the sustainability statements and those falling into both categories were consulted on both impacts and risks and opportunities (apart from NGOs, media and providers of goods and services, where for efficiency reasons we only addressed questions related to impacts). These questionnaires were addressed to Patria Bank Group employees and its external stakeholders.

The result was a final external score for each IRO assessed. The weighting of the assessment by the Sustainability Team in the result was 35%, Group employees 15%, external stakeholders 50%, with each category of external stakeholders receiving the same weighting.

To avoid reciprocal invalidation of responses from employees and external stakeholders, the absolute value of the score given was considered. The decision on the positive/negative nature of the impacts and the separation of risks from opportunities was entirely up to the Sustainability Team. It was decided to use a single threshold of significance for both impacts, risks, and opportunities. This was set at the mean of the absolute value of the scores (2.82), resulting in a list of 28 significant IROs and 7 significant themes.

Subsequently, the list of material issues published in the sustainability reports of the main banks and insurance companies that are present in

Romania, at branch or group level, was checked. Only one of the consulted reports was elaborated based on ESRS, using the interdependence with GRI. The topics have been grouped based on the ESRS topic they refer to to get a picture of the most important ESRS topics for the industry. The final list of material IROs, resulting from the internal (working group level) and external (questionnaire) assessment, was cross-referenced with the IROs identified for companies in the banking/finance sector.

The conclusions following comparative analysis on the indicative ESRS themes, material for the financial institutions compared, were the following:

- ESRS E1 Climate Change, material was available both for the group and for the main banks and insurance companies that are present in Romania, at branch or Group level, for which the information was available for public consultation.
- ESRS E4 (Biodiversity) and E5 (Circular Economy) emerged as material themes for more than 50% of the analyzed entities, for which the information was available for public consultation, justified by their size and the volume / complexity of activities and portfolios funded / managed; taking this into account, the group will take further steps to assess the materiality of these themes in the next **double materiality** analysis.
- ESRS S1 (Own Work Force) was material for all the entities analyzed as well as for the Patria Group, reconfirming the relevance of the topic for the financial sector.
- ESRS S2 (Workers in the value chain) is not considered material by any of the institutions, but it is in line with the Group's business strategy and the continuous development of Microfinance activity, both through the bank and Patria Credit.
- ESRS S3 (Affected Communities) was material both for all entities analyzed and for the Group, reconfirming the relevance of the topic for the financial sector.
- ESRS S4 (Consumers and End Users) was material for 80% of the comparators, representing all banking institutions in the analysis.
- ESRS G1 (Governance) is a material theme for all the Romanian banking institutions analyzed.

DR 53(d)

Our decision-making process for identifying and assessing impacts, risks and opportunities, as well as the control environment are detailed in **DR 36(a), DR 36(b-e)**.

DR 53(e)

Our process for identifying, assessing, and managing impacts and risks is not yet integrated into the overall enterprise risk management process as discussed in **SBM-3 - Significant Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model**.

DR 53(c - iii)

We do not prioritize sustainability risks against other types of risks, including market risk, settlement risk, operational risk, non-trading book interest rate risk, liquidity and funding risk, reputational risk, strategic risk, compliance risk, risk associated with excessive leverage, with plans to integrate sustainability risks into the existing risk management framework over the period 2025-2026. At the reporting date, the methodology for assessing environmental and social risks in accordance with the ESMS, as described in **GOV-1 - Role of administrative, management and supervisory bodies, DR 22(a)**, is in place.

DR 53(f)

On the other hand, our process for identifying, evaluating, and managing opportunities will be incorporated into our overall enterprise management process by updating the Business Strategy, as it was not included in 2024.

DR 53(h)

Being the first sustainability statement aligned with the ESRS, there is no basis for comparison of the process of assessing double materiality.

IRO-1 requirements specific to thematic standards

The full process by which material impacts, risks and opportunities were defined for the Group is described in **Section IRO-1 - Description of Processes for Identifying and Assessing Significant Impacts, Risks and Opportunities**, of this chapter.

IRO-1 - E1 - Climate change

DR E1 IRO-1 20(a)

In the process of identifying and assessing the impacts, risks and opportunities related to E1 - Climate Change, the Sustainability Team considered the activities of Group's own operations and of the financial sector in general.

Heating, workspaces, purchased electricity and heat, vehicle fleet emissions and fugitive emissions (in the Group's case, refrigerant losses from air conditioners) are the main sources of GHG emissions of categories 1 and 2, which contribute to climate change. Scope 1 and 2 GHG emissions have been calculated for the financial year 2024 and are presented **in Chapter 2 ESRS E1-6**. For the results of the double materiality analysis on this topic, please refer to data points **DR 48((a) (c - i-iv)(g)(h)) and DR 48((a)(b)(c - iii-iv)(d)(e)(g)(h))** in the **SBM-3 - Significant Impacts, Risks and Opportunities** and their interaction with the strategy and business model section in this chapter.

Given the composition of the portfolio, i.e., that it mainly finances sectors such as agriculture and construction, which are subject to both physical and transitional climate risks, the Group has identified relevant IROs related to climate change mitigation and adaptation. Following the assessment of the IROs associated with the portfolio, only those related to climate change mitigation, outlined in **chapter 2 ESRS 2 SBM-3 - Significant impacts, risks and opportunities and their interaction with strategy and business model in chapter 2 ESRS E1 - Climate Change**, were identified as material. Regarding Scope 3 emissions, given the nature of the Patria Bank Group's business, they are mainly represented by funded emissions from the portfolios of the 3 entities. In addition, the energy transition is a key issue, resulting in a material negative impact, which the Group aims to address by supporting clients in switching to renewable energy sources and reducing carbon emissions. Our analysis was not based on the use of climate scenarios and was not explicitly aligned with the 1.5°C global warming limit set under the Paris Agreement. Patria Bank Group's plan is to include such an analysis in the transition plan to be developed by 2027. The physical and transition risks to which Patria Bank Group is subject are presented in section **Chapter 2 SBM-3, - Significant Impacts, Risks and Opportunities and their interaction with the strategy and business model of Chapter 1 ESRS 2 - General information presentations**.

DR 20(b)(c), 21

In terms of identifying the exposure of the Group's assets and activities to climate-related physical and transition risks, a scenario-based climate vulnerability analysis has not been conducted to date. The Patria Bank Group's plan is to include such an analysis in the transition plan to be developed over the next 2 years.

Regarding the Bank's client portfolio, this aspect has been assessed by the Sustainability Team, in the light of their experience with the specifics of the Bank's and NFI's loan portfolio, also identifying impacts, risks and opportunities for theme **E1 - Climate Change**.

IRO-1 - E2 - Pollution**DR E2 IRO-1 11(a) (AR 9)**

As the Patria Bank Group's portfolio comprises industrial sectors that are subject to control by EU regulators in terms of pollution (industry, real estate and construction, agriculture), the E2 - Pollution theme was fully addressed to identify potential impacts, risks, and opportunities. Following the analysis carried out by the Sustainability Team and stakeholder consultation, no IROs crossed the significance threshold.

DR 11(b)

Affected communities have been considered, by sending questionnaires to Non-Governmental Associations/ Civil Society.

IRO-1 - E3 - Water and marine resources**DR E3 IRO-1 8(a)**

The Patria Bank Group's portfolio also includes industrial sectors that depend to a significant extent on the withdrawal and consumption of freshwater resources (real estate and construction, agriculture, industry), according to environmental studies conducted by organizations such as WWF and sector standards such as SASB. Thus, theme E3 - Water and Marine Resources was fully addressed to identify potential impacts, risks, and opportunities. Following the analysis carried out by the Sustainability Team and through stakeholder consultation, no specific IROs for theme E3 crossed the significance threshold.

AR (6-7)

For this first exercise, no analyses were performed at the watershed level.

DR 8(b)

Affected communities have been considered by sending questionnaires to Non-Governmental Associations/ Civil Society.

IRO-1 - E4 - Biodiversity and ecosystems**DR E4 IRO-1 17(a-b)**

Another environmental theme analyzed by the Patria Bank Group was E4 - Biodiversity and Ecosystems. Patria Bank Group's portfolio includes industrial sectors that can have a significant impact on biodiversity and ecosystems (real estate and construction, agriculture), according to environmental studies conducted by organizations such as WWF and sector standards such as SASB. Thus, this theme has been fully addressed to identify potential impacts, risks and opportunities. At the level of the checks carried out, no dependencies on biodiversity and ecosystems were identified. Following the analysis carried out by the Sustainability Team and stakeholder consultation, no IROs crossed the significance threshold.

DR 17(c-d)

No analysis of physical and transition risks and opportunities related to biodiversity and ecosystems, or systemic risks, was undertaken in this first exercise. Own operations, which are largely in office buildings in urban areas, were not considered a source of significant impacts on biodiversity and ecosystems.

DR 17(e)

For this first exercise, the affected communities have been considered, by sending questionnaires to Non-Governmental Associations/ Civil Society.

DR 19(a)

The Group's own sites have not been assessed in terms of their location in or near biodiversity hotspots, taking into account that they are located in urban areas. At the portfolio level, after analyzing the E&S risks in accordance with the ESMS, as described under **DR 22(a), in Chapter 1 - ESRS 2, Section GOV-1 - Role of administrative, management and supervisory bodies**, it was determined for the Bank's loan portfolio granted/modified starting 2022 that it is not listed with sites located in or near biodiversity sensitive areas. For Patria Credit no such analysis has yet been conducted.

IRO-1 - E5 - Resource use and circular economy

DR E5 IRO-1 11(a)

In terms of impacts in the area of its own operations, in line with the results of the market analysis of reports of other similar companies in the industry and materiality analyses conducted according to GRI in previous years. The impacts have been defined in terms of resource use such as water and paper and waste management. The assessment found them not to be significant.

With regard to the Bank's client portfolio, this aspect has been assessed by the Sustainability Team, in the light of its experience with the specifics of the Bank's and NFI's loan portfolio, also identifying impacts, risks and opportunities for theme **E5 - Resource use and circular economy**.

DR 11(b)

For this first exercise the affected communities have been taken into account, by sending questionnaires to Non-Governmental Associations/ Civil Society.

IRO-1 - G1 - Business Conduct

DR G1 IRO-1 6

Theme G1- Business Conduct was significant for the Patria Bank Group and is fully addressed in the separate chapter dedicated to the negative impact of the effects of business ethics on society and the risk of non-compliance with the legislative requirements for the Group's activities. The analysis considered the specifics of the financial sector as a highly regulated industry to prevent systemic risks of destabilization of the economy and affecting the financial security of the clients served, including in the economic environment in Romania, where the Group operates. With these industry characteristics in mind, the Group has assessed the possibility that the negative impact on stakeholders and the financial risk to its operations in the event of an incident is significant and needs to be addressed in the Sustainability Strategy.

IRO-2 - Disclosure requirements in ESRS covered by the undertaking's sustainability statement

DR 56 The list of reporting requirements for this statement is detailed in the **"Contents"** section at the beginning of the document.

DR 56 Data points deriving from other EU legislation

Table 13 - Data points deriving from other EU legislation

Submission requirement and related data point	SFDR reference ³	Pillar 3 reference ⁴	Reference in the Regulation on benchmarks ⁵	EU Reference from Climate Act ⁶	Page where they can be found in the statement	Marked if data point is not significant
ESRS 2 GOV-1 Gender diversity in governing bodies point 21(d)	Indicator No 13 in Table 1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 ⁷ ,		DR 21(d) Page 30	

³ Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019 on sustainability reporting in the financial services sector (OJ L 317, 9.12.2019, p. 1).

⁴ Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation, 'CRR') (OJ L 176, 27.6.2013, p. 1).

⁵ Regulation (EU) 2016/1011 of the European Parliament and of the Council of June 8, 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

⁶ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Act') (OJ L 243, 9.7.2021, p. 1).

⁷ Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).

			Annex II			
ESRS 2 GOV-1 Percentage of members of the governing bodies who are independent point 21(e)			Delegated Regulation (EU) 2020/1816, Annex II		DR 21(e) Page 31	
ESRS 2 GOV-4 Declaration on the due diligence process paragraph 30	Indicator No 10 in Table 3 of Annex 1				DR 30, 32 Page 40	
ESRS 2 SBM-1 Involvement in fossil fuel activities paragraph 40(d)(i)	Indicator No 4 in Table 1 in Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453 ⁸ Table 1: Qualitative environmental risk information and Table 2: Qualitative social risk information	Delegated Regulation (EU) 2020/1816, Annex II			Not significant
ESRS 2 SBM-1 Involvement in activities related to the manufacture of chemicals point 40(d)(ii)	Indicator No 9 in Table 2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II			Not significant
ESRS 2 SBM-1 Involvement in activities related to	Indicator No 14 in Table		Delegated Regulation			Not significant

⁸ Commission Implementing Regulation (EU) No 2022/2453 of November 30, 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) No 2021/637 as regards the disclosure of environmental, social and governance risk information (OJ L 324, 19.12.2022, p. 1).

controversial weapons paragraph 40(d)(iii)	1 of Annex 1		(EU) 2020/1818 ⁹ , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II			
ESRS 2 SBM-1 Involvement in activities related to tobacco growing and production paragraph 40(d)(iv)			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II			Not significant
ESRS E1-1 Transition plan for achieving climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	DR 17 Page 101	
ESRS E1-1 Undertakings excluded from the application of the benchmarks aligned to the Paris Agreement point 16(g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Model 1: Banking book - Climate change transition risk: credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 12(1)(d) to (g) and 12(2)			Not significant

⁹ Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU benchmarks for climate transition activities and EU benchmarks aligned to the Paris Agreement (OJ L 406, 3.12.2020, p. 17).

ESRS E1-4 Greenhouse gas emission reduction targets paragraph 34;	Indicator No 4 in Table 2 in Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453 Model 3: Banking Portfolio - Climate Change Transition Risk: Alignment Indicators	Delegated Regulation (EU) 2020/1818, Article 6		the Group utilizes the transitional provisions under Annex C of ESRS 1, which allows omitting the reporting for the first reporting year greenhouse gas emission reduction targets to be set during 2025	
ESRS E1-5 Consumption of fossil energy by source disaggregated by source (only high climate impact sectors) paragraph 38	Indicator No 5 in Table 1 and indicator No 5 in Table 2 in Annex 1					Not significant
ESRS E1-5 energy consumption and energy mix point 37	Indicator No 5 in Table 1 of Annex 1				DR 37 AR 34, Page 106	
ESRS E1-5 Energy intensity associated with activities of sectors with high climate impact Paragraphs (40)-(43)	Indicator No 6 in Table 1 of Annex 1					Not significant
ESRS E1-6 Gross values of 1, 2, 3 and total GHG emissions paragraph 44	Indicators 1 and 2 in Table 1 in Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU)			DR 44-52 AR 39-51, Page 108	

		2022/2453 Model 1: Banking book - Climate change transition risk: credit quality of exposures by sector, emissions and residual maturity				
ESRS E1-6 Gross GHG emission intensity Paragraphs (53)-(55)	Indicator No 3 in Table 1 of Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453 Model 3: Banking Portfolio - Climate Change Transition Risk: Alignment Indicators	Delegated Regulation (EU) 2020/1818, Article 8(1)		DR 53-55 AR 53-55 - The Group uses transitional provisions in accordance with Annex C of ESRS 1, which allows omitted reporting for the first reporting year Page 109	
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)		Not significant
ESRS E1-9 Exposure of the benchmark portfolio to physical climate-related risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		The Group utilizes transitional provisions in accordance with Annex C of ESRS 1, which allows the omission of information for the first reporting year	
ESRS E1-9 Disaggregation of		Article 449a of			The Group utilizes the	

monetary values according to acute and chronic physical risk paragraph 66(a) ESRS E1-9 Location of significant assets subject to significant physical risk paragraph 66(c).		Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453, paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: exposures subject to physical risk.			transitional provisions in accordance with Annex C of ESRS 1, which allows the omission of disclosures for the first reporting year	
ESRS E1-9 Breakdown of the book value of buildings assets by energy efficiency classes point 67(c).		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453 point 34; Form 2: Banking Portfolio - Climate Change Transition Risk: Loans Secured against Real Estate - Energy Efficiency of Collateral.			The Group utilizes the transitional provisions in accordance with Annex C of ESRS 1, which allows the omission of disclosures for the first reporting year	
ESRS E1-9 Exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		The Group uses the transitional provisions in accordance with Annex C of ESRS 1, which allows the omission of information for the first reporting year	

ESRS E2-4 The quantity of each pollutant listed in Annex II of the European Pollutant Release and Transfer Register (E-PRTR) Regulation emitted to air, water and land, point 28	Indicator No 8 in Table 1 in Annex 1 Table 1 in Annex 1 Indicator No 2 in Table 2 in Annex 1 Indicator No 1 in Table 2 in Annex 1 Indicator No 3 in Table 2 in Annex 1					Not significant
ESRS E3-1 Water and marine resources paragraph 9	Indicator No 7 in Table 2 of Annex 1					Not significant
ESRS E3-1 Dedicated policy paragraph 13	Indicator No 8 in Table 2 of Annex 1					Not significant
ESRS E3-1 Sustainable oceans and seas paragraph (14)	Indicator No 12 in Table 2 of Annex 1					Not significant
ESRS E3-4 Total water recycled and reused point 28(c)	Indicator No 6.2 in Table 2 of Annex 1					Not significant
ESRS E3-4 Total consumption of water consumed in m ³ per net revenue from own operations paragraph 29	Indicator No 6.1 in Table 2 of Annex 1					Not significant
ESRS 2- SMB 3 - E4 point 16(a)(i)	Indicator No 7 in Table 1 of Annex 1					Not significant

ESRS 2- SBM 3 - E4 point 16(b)	Indicator No 10 in Table 2 of Annex 1					Not significant
ESRS 2- SBM 3 - E4 point 16(c)	Indicator No 14 in Table 2 of Annex 1					Not significant
ESRS E4-2 Sustainable practices or policies on land/agriculture point 24(b)	Indicator No 11 in Table 2 of Annex 1					Not significant
ESRS E4-2 Sustainable oceans/seas policies or practices paragraph 24(c)	Indicator No 12 in Table 2 of Annex 1					Not significant
ESRS E4-2 Policies to combat deforestation paragraph 24(d)	Indicator No 15 in Table 2 of Annex 1					Not significant
ESRS E5-5 Non-recycled waste point 37(d)	Indicator No 13 in Table 2 of Annex 1					Not significant
ESRS E5-5 Hazardous waste and radioactive waste point 39	Indicator No 9 in Table 1 of Annex 1					Not significant
ESRS 2- SBM3 - S1 Risk of incidents of forced labor point 14(f)	Indicator No 13 in Table 3 of Annex I					Not significant
ESRS 2- SBM3 - S1 Risk of child labor incidents point 14(g)	Indicator No 12 in Table 3 of Annex I					Not significant

ESRS S1-1 Human rights policy commitments paragraph 20	Indicator No 9 in Table 3 and indicator No 11 in Table 1 of Annex I				The Group utilizes the transitional provisions in accordance with Annex C of ESRS 1, which allows the omission of disclosures for the first reporting year	
ESRS S1-1 Due diligence policies with regard to the issues addressed by the fundamental Conventions 1-8 of the International Labor Organization paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		The Group utilizes the transitional provisions in accordance with Annex C of ESRS 1, which allows the omission of disclosures for the first reporting year	
ESRS S1-1 Processes and measures to prevent trafficking in human beings paragraph 22	Indicator No 11 in Table 3 of Annex I					Not significant
ESRS S1-1 Workplace accident prevention policy or management system point 23	Indicator No 1 in Table 3 of Annex I				The Group uses the transitional provisions in accordance with Annex C of ESRS 1, which allows the omission of disclosures for the first reporting year	
ESRS S1-3 Complaints/ grievance mechanisms point 32(c)	Indicator No 5 in Table 3 of Annex I				DR 10(a) – Page 122	

ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88(b) and (c)	Indicator No 2 in Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II			Not significant
ESRS S1-14 Number of days lost due to injury, accident, death or sickness paragraph 88(e)	Indicator No 3 in Table 3 of Annex I					Not significant
ESRS S1-16 Gender pay disparity in unadjusted form point 97(a)	Indicator No 12 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		The Group utilizes the transitional provisions in accordance with Annex C of ESRS 1, which allows the omission of disclosures for the first reporting year	
ESRS S1-16 An excessive level of the ratio between the remuneration of the chief executive and that of the employees point 97(b)	Indicator No 8 in Table 3 of Annex I				The Group uses the transitional provisions in accordance with Annex C of ESRS 1, which allows to omit the presentation of information for the first reporting year	
ESRS S1-17 Incidents of discrimination paragraph 103(a)	Indicator No 7 in Table 3 of Annex I				The Group uses the transitional provisions in accordance with Annex C of ESRS 1, which allows the omission of disclosures for the first reporting year	

ESRS S1-17 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines paragraph 104(a)	Indicator No 10 in Table 1 and indicator No 14 in Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12(1)		The Group utilizes the transitional provisions in accordance with Annex C of ESRS 1, which allows the omission of disclosures for the first reporting year	
ESRS 2- SBM3 - S2 Significant risk of child labor or forced labor in the value chain point 11(b)	Indicators 12 and 13 in Table 3 of Annex I					Not significant
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator No 9 in Table 3 and indicator No 11 in Table 1 in Annex 1				The Group utilizes the transitional provisions in accordance with Annex C of ESRS 1, which allows the omission of disclosures for the first reporting year	
ESRS S2-1 Workers in the value chain - Policies paragraph 18	Indicators 11 and 4 in Table 3 in Annex 1				The Group uses the transitional provisions in accordance with Annex C of ESRS 1, which allows the omission of information for the first reporting year	
ESRS S2-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD	Indicator No 10 in Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU)		The Group uses the transitional provisions in accordance with Annex C of ESRS 1, which allows	

Guidelines point 19			2020/1818, Article 12(1)		the omission of disclosures for the first reporting year	
ESRS S2-1 Due diligence policies with regard to the issues addressed by the fundamental Conventions 1-8 of the International Labor Organization paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		The Group uses the transitional provisions in accordance with Annex C of ESRS 1, which allows the omission of disclosures for the first reporting year	
ESRS S2-4 Human rights issues and incidents in its upstream and downstream value chain paragraph 36	Indicator No 14 in Table 3 of Annex 1				The Group utilizes the transitional provisions in accordance with Annex C of ESRS 1, which allows the omission of disclosures for the first reporting year	
ESRS S3-1 Human Rights Policy Commitments, paragraph 16	Indicator No 9 in Table 3 in Annex 1 and indicator No 11 in Table 1 in Annex 1				The Group uses the transitional provisions in accordance with Annex C of ESRS 1, which allows for the omission of the first reporting year information	
ESRS S3-1 Non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Principles and/or the OECD Guidelines point 17	Indicator No 10 in Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12(1)		The Group utilizes the transitional provisions in accordance with Annex C of ESRS 1, which allows the omission of disclosures for the first	

					reporting year	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator No 14 in Table 3 of Annex 1					Not significant
ESRS S4-1 Consumer and end-user policies paragraph 16.	Indicator No 9 in Table 3 and indicator No 11 in Table 1 in Annex 1				DR 17 (a), Page 17	
ESRS S4-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines paragraph 17	Indicator No 10 in Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II to Delegated Regulation (EU) 2020/1818, Article 12(1)		The Group utilizes the transitional provisions in accordance with Annex C of ESRS 1, which allows the omission of disclosures for the first reporting year	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator No 14 in Table 3 of Annex 1					Not significant
ESRS G1-1 United Nations Convention against Corruption, paragraph 10(b)	Indicator No 15 in Table 3 of Annex 1				DR 10(b), Page 124	
ESRS G1-1 Protection of warnings point 10(d)	Indicator No 6 in Table 3 of Annex 1				DR 10(c - i), Page 124	
ESRS G1-4 Fines for violation of anti-corruption and bribery	Indicator No 17 in Table 3 of Annex 1		Delegated Regulation (EU) 2020/1816,		DR 24(a), Page 133	

laws paragraph 24(a)			Annex II			
ESRS G1-4 Standards against corruption and bribery paragraph 24(b)	Indicator No 16 in Table 3 of Annex 1				DR 24(b), Page 133	

DR 59

The material information to be disclosed in relation to impacts, risks and opportunities assessed as material was determined through the double materiality analysis (where an IRO was found to be material, all requirements related to the standard were disclosed, on a case-by-case basis the Group assessed whether the data points were applicable based on the specifics of the activity) . The Group decided to disclose information on optional data points in exceptional cases where the information was available without additional effort.

Chapter 2: ESRS E1 - CLIMATE CHANGE

GOV-3 - Integrating sustainability performance into incentive schemes

DR 13

As presented in section **GOV-3 - Integrating sustainability performance into incentive schemes in ESRS 2 - General Disclosures**, the remuneration policy for members of the administrative, management and supervisory bodies does not currently include sustainability considerations and therefore climate considerations.

E1-1 - Strategy - Transition Plan for Climate Change Mitigation

DR 17

As of the publication of this Sustainability Statement, the Patria Bank Group has not defined a climate transition policy and has not set any targets in this regard. The Group's objective is to develop and adopt a transition plan by 2027 to ensure that its strategy and business model are compatible with the transition to a sustainable economy.

SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

DR 18

Climate change impacts, risks and opportunities were identified as part of the double materiality analysis process. These were further assessed within the Sustainability Team and an external stakeholder consultation process, resulting in the findings detailed in section ***SBM-3 - Significant Impacts, Risks and Opportunities and their interaction with the Strategy and Business Model of ESRS Chapter 2.***

Strictly in terms of the significant risks identified and their categorization into transition risks or physical risks, the information is presented in the table below.

Table 14 - Significant physical and transition risks related to climate change

Subtopic	Categories	Value chain	Description
Climate change mitigation	Transition risk	Downstream	Financing greenhouse gas (GHG intensive sectors) As a financier, Patria Bank Group is affected by changes in the financial performance and market value of its customers. Clients with high GHG emissions, particularly in agriculture (methane and nitrous oxide), manufacturing and construction (carbon dioxide), are more vulnerable to GHG emissions taxation, fuel efficiency regulations and other policies derived from the EU Green Pact. Entities that measure and report on funded emissions are better positioned to understand and manage exposure to such risks.
Adapting to climate change	Physical risk	Downstream	The effects of extreme weather on the loan portfolio Extreme weather events such as hurricanes and floods are among the top global risks over the next two years. Their frequency and intensity is exacerbated by climate change. As a financier, the Patria Bank Group is affected by changes in the financial performance and market value of its clients. Extreme weather events can damage the Group's and customers' buildings and other assets, thus leading to risks related to late payments, default or a decrease in the value of assets representing collateral for loans and other investments. Institutions that integrate climate risks into their lending practices may be better positioned for long-term value creation.

DR 19(a-c)

As mentioned in **Chapter 1 ESRS 2, Section SBM-3 - Significant impacts, risks and opportunities and their interaction with strategy and business model**, a quantitative analysis of the resilience of the Group's strategy and business model in terms of Group's ability to address climate change has not been undertaken to date. As such, climate scenarios have not yet been considered.

IRO-1 - Description of the processes to identify and assess material pollution-related impacts, risks, and opportunities

DR 20(a,b,c) AR 9(a)

The process for the identification and assessment of significant impacts, risks and opportunities, including those related to climate change, as well as the climate vulnerability analysis, is described in detail in **Chapter 1 ESRS 2, Section IRO-1 - Description of the processes for the identification and assessment of significant impacts, risks and opportunities**.

E1-2 - Policies related to climate change mitigation and adaptation

DR 22 DR 25

For the reporting year, the Group had no policies in place related to climate risk mitigation and adaptation. The Bank will develop a sustainable lending policy, which will seek to integrate sustainability principles and requirements into its lending strategy and processes. Regarding

environmental factors, including climate change, the Sustainable Lending Policy will take into account the standards required by the European Taxonomy.

The Bank is also considering the development and implementation of a climate risk assessment policy, using climate risk data and analytic tools, to assess the exposure of its own and its customers' and other partners' operations to relevant extreme weather events. An internal procedure has been implemented at the Bank's level in to manage E&S risks, related to the downstream value chain, as described in under **Chapter 1 ESRS 2, section GOV-1 - Role of administrative, management and supervisory bodies, data point, DR 22(a)**

The approach detailed above is applicable to the Bank, and the appropriateness of taking over and adapting it will be analyzed for the Group entities - Patria Credit and SAI Patria.

Actions and Targets

E1-3 – Actions and resources in relation to climate change policies

E1-4 – Targets related to climate change mitigation and adaptation

DR 26 DR 29((a)(b)) DR 33 ESRS 2 MDR-A DR 68(a-e) ESRS 2 MDR-T DR 80(a-j)

In the process of double materiality analysis, a number of significant impacts, risks and opportunities in the area of climate change have been determined, for which reference values have been calculated in a first stage, and a series of objectives, policies, actions and targets will be defined in the next two years (2025-2026) within the framework of the Sustainability Strategy.

DR 80(j) DR 29(b)

Being the first year of ESRS reporting, this is also the first year of setting actions and targets in line with the standards. Thus, there are currently no reportable outcomes.

DR 81(a) DR 34(a-f)

Once finalized and implemented, Patria Bank Group's Sustainability Strategy will include policies, actions and quantitative targets. In 2024, the Group has calculated baselines for GHG Scope 1 and 2 emissions and will develop and adopt reduction targets in 2025 in line with ESRS requirements.

E1-5 - Energy consumption and mix**DR 37**

In the year 2024 the total energy consumption from processes owned or controlled by the Group was **6,890 Mwh**.

DR 37 AR 34

The table below shows the amounts of energy consumed by energy source:

Table 15 - Energy consumption and mix

	Energy consumption and energy mix	The year 2024
1	Total fossil energy consumption (MWh)	5,538
2	Share of fossil fuels in total energy consumption (%)	80.4%
3	Consumption from nuclear sources (MWh)	452
4	Share of nuclear in total energy consumption (%)	6.6%
5	Fuel consumption from renewable sources, including biomass (including industrial and municipal bio-waste, biogas, hydrogen from renewable sources, etc.) (MWh) (MWh)	0
6	Consumption of electricity, heat, steam and cooling purchased or from renewable energy sources (MWh)	0

7	Consumption of energy from renewable sources other than own produced fuels (MWh)	0
8	Total renewable energy consumption (MWh)	900
9	Share of renewables in total energy consumption (%)	13%
10	Total energy consumption (MWh)	

DR 37(c-iii)

Renewable electricity consumption during 2024 does not include self-generated noncombustible renewable energy.

AR 32(h) AR 32(i)

The Group also did not benefit from steam, heat or cooling received as "waste energy" from a third party's industrial processes as part of "purchased or acquired" energy, taking into account its activity. Renewable hydrogen was also not used.

E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions

DR 44-52 AR 39-51

To be able to set GHG emission reduction targets aligned with the ESRS standards and to monitor the evolution of these emissions, Patria Bank decided that 2024 will be the baseline year. Thus, Patria Bank has calculated the direct GHG emissions (of categories 1 and 2) for the financial year 2024.

The Patria Bank Group utilizes the transitional provisions under Appendix C of ESRS 1, which allow omitting reporting for the first reporting year and will calculate Scope 3 emissions, for classes determined to be significant, beginning in FY 2025.

Table 16 - Gross emissions of GHG categories 1, 2

Scope 1 GHG emissions	Value (2024)
Gross emissions of GHG Scope 1 emissions (tCO2 equivalent)	1,074.39
Percentage of Scope 1 GHG emissions from regulated emissions trading (%)	0%
Scope 2 GHG emissions	Value (2024)
Gross Scope 2 site-based GHG emissions (tCO2 equivalent)	339.26
Market-based gross emissions of Scope 2 GHG (tCO2 equivalent)	325.51

To perform the calculations for Scope 1 and 2 greenhouse gas emissions, estimates/ approximations have been made as detailed in **DR 11 (a-b)**.

Following the identification of the consumptions realized at Group level, emission factors have been applied to each fuel type, resulting in the emission value at the purpose level. By summing all the components of GHG emission categories 1 and 2, the total values were determined, as shown in **Table no. 16**.

Milestone targets in relation to the target years were not set during 2024, this being the reporting period during which the first GHG emission inventory was determined, with targets to be set in 2025.

AR 43(c)

Within the Group, we do not report biogenic CO2 emissions from the combustion or biodegradation of biomass.

DR 53-55 AR 53-55

Once total GHG emissions will be calculated, starting with 2025 Patria Bank will also calculate and present the gross GHG emissions intensity (total GHG emissions/net revenues).

E1-7 - GHG removals and GHG mitigation projects financed through carbon credits**DR 56 DR 58 DR 59 DR 60 DR 61 AR 56-64**

In FY 2024, no analysis has been conducted on GHG emissions removals or storage within Patria Bank Group operations or to which Patria Bank Group has contributed within its upstream and downstream value chain, or outside of Patria Bank Group's value chain.

E1-8 - Internal carbon pricing**DR 62-63 AR 65-66**

The Patria Bank Group does not have internal carbon price tracking systems in place to be included in the financial statements as risks related to the purchase cost of energy. No specific carbon price tracking system was considered to be implemented in 2024.

E1-9 - Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

DR 64-70 AR 67-81

The anticipated financial impacts of significant physical and transition risks and potential climate-related opportunities have not been assessed and quantified in detail. However, their relevance and significance were noted within the double materiality analysis. As also mentioned under **Chapter 1 ESRS 2 - GENERAL DISCLOSURES section Disclosures Relating to Specific Circumstances**, as the average number of employees of the Group did not exceed 750 during the financial year, we have decided to use the transitional provisions under Annex C of ESRS 1, which allows the omission of qualitative disclosures in the first reporting year and quantitative disclosures for the first 3 reporting years.

Presentation of key performance indicators under Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

Applicable legislation

Regulation (EU) 2020/852 aims to establish the legislative framework to support financing dedicated to environmentally sustainable activities at EU level, as these types of activities have a contribution to the transition towards climate neutrality.

This section contains information on how and to what extent the group's activities are associated with economic activities that qualify as environmentally sustainable, and has been compiled on the basis of the following legislative provisions:

- + **Article 8 of Regulation 2020/852 of the European Parliament and of the Council** on establishing a framework to facilitate sustainable investments (referred to in this section as the "EU Taxonomy"), i.e. the transparency requirements in the non-financial disclosures;
- + **Commission Delegated Act** (referred to in this section as the "Delegated Regulation - Taxonomy") **No 2021/2178** supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of the information to be provided by undertakings subject to Article 19a or 29a of Directive 2013/34/EU with regard to environmentally sustainable economic activities and by specifying the methodology for complying with this information provision obligation;
- + **Commission Delegated Regulation (EU) No 2022/1214** (referred to in this section as the "Delegated Regulation - Energy Activities"), amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards the publication of specific information relating to those economic activities.

Reporting perimeter

The reporting scope of this statement is identified with the prudential consolidation scope, including Patria Bank S.A. and its subsidiary Patria Credit IFN SA, in accordance with the provisions of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment

firms and Commission Implementing Regulation (EU) 2021/451, laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council as regards reporting for supervisory purposes by institutions.

Applicable methodology

The Patria Group's EU Taxonomy report for the financial year ending December 31, 2024 has been prepared in accordance with the requirements of the EU Taxonomy regarding the classification system for sustainable economic activities and hence the criteria for determining these activities.

The Group reports quantitative information for the financial year 2024, in accordance with the EU Taxonomy requirements, in respect of the six environmental objectives, namely:

-  Climate Change Mitigation (CCM),
-  Climate Change Adaptation (CCA),
-  Sustainable use and protection of water and marine resources (WTR),
-  Transition to a circular economy (CE),
-  Pollution Prevention and Control (PPC),
-  Protection and restoration of biodiversity and ecosystems (BIO).

However, we mention that the publicly available counterpart data related to the WTR, EC, PPC and BIO objectives are limited, as the reporting for 2024 is not yet available, therefore the reporting is mostly limited to the first two objectives.

In presenting quantitative data, the requirements related to:

- **eligibility in terms of the Taxonomy** (i.e. identifying the potential of an economic activity to contribute to one of the six environmental objectives);
- **alignment with the Taxonomy**, in accordance with Article 3.

In order to determine alignment - i.e. the degree of environmental sustainability of an economic activity, the assessment of the applicable criteria is considered, i.e. environmentally sustainable activities must:

- **contribute substantially** to one or more of the 6 environmental objectives;

- **not significantly harm** any of the 6 environmental objectives as required by the Regulation;
- **provide minimum guarantees** as required by the Regulation;
- **comply with the technical examination criteria** related to the environmental objectives, as required by the Regulation.

In order to prepare the report, the following steps have been completed:

1. Identification of Covered/Included Assets, in accordance with Annex V of the Delegated Regulation: in order to identify the economic activities eligible and aligned with the Taxonomy for the six environmental objectives, the Patria Bank Group considered the following categories of counterparties included in the scope: Financial and non-financial enterprises subject to the NFRD and CSRD disclosure obligations, individual customers (households), local governments, as well as collateral obtained by entry into possession representing residential and commercial real estate, as defined in Article 7 and Annex X of the Delegated Regulation (EU) 2021/2178.
2. Identification of Assets for eligibility/alignment analysis in order to calculate the GAR:
 - All loans to households (individuals) secured on residential real estate are included in the GAR. However, only those in which the use of proceeds is linked to sections 7.2, 7.3, 7.4, 7.5, 7.6 and 7.7 of Annex I to the Climate Delegated Act, as per Annex V point 1.2.1.3 of the Commission Delegated Regulation (EU) 2021/2178, are eligible;
 - **Mention:** *within the Group, loans secured on residential real estate for reporting purposes are represented by the portfolio of mortgage loans for real estate purchase at the bank level. For the 2024 reporting year, the eligibility check was strictly performed, as the bank did not have all the tools at its disposal to identify the degree of environmental sustainability. As regards loans and advances and other exposures to financial and non-financial enterprises, the Delegated Regulation - Taxonomy excludes from the GAR, exposures that are not subject to an obligation to publish a non-financial statement in accordance with Articles 19a and 29a of Directive 2013/34/EU (i.e. not subject to the NFRD/ CSRD - considering companies subject to the non-financial reporting requirements (under the NFRD/CSRD), as transposed into national law by Order of the Ministry of Finance no. 1802/2014, as subsequently amended and by NBR Order no. 1/2024, having regard to the mentions below;*

Mention: *Within the Group, the exposures to financial and non-financial corporates that are not included in the GAR counter are represented by exposures to SMEs and financial corporations, outside the NFRD/CSRD reporting scope, or registered in a non-EU jurisdiction; the verification of the above mentioned inclusion criteria has been performed, on a best efforts basis, by analyzing internally available data for the portfolio, in conjunction with publicly available financial information for the last completed financial year, i.e. December 2023 (as of the date of analysis: February-March 2025);*

- For the exposures of entities subject to non-financial reporting requirements (as per NFRD/CSRD) , two reporting models have been used to calculate the GAR Covered Assets indicator, namely on a CAPEX basis and on a Turnover basis (following information collected on counterparty Key Performance Indicators (KPIs));

Mention: *In order to identify the exposures aligned to the related Taxonomy that are subject to non-financial reporting requirements (according to the NFRD/CSRD), following the application of the criteria for the application of the NFRD/CSRD transposition in Romania by the specific regulatory bodies for each sector (financial and non-financial), a mechanism was established to take reported KPIs, depending on the availability of reporting (as of December 2023), and to weight the Bank's exposures to these entities by the KPI value; In addition, a minimum materiality threshold of 50. 000 RON (year-end exposure value), in order to perform the data collection exercise. Although on purpose exposures were identified for non-financial entities, in their case the KPI takeover mechanism could not be applied, due to unavailability of data; Unidentifiable internal counterparties, with a total balance of approx. RON 1 million as at 31.12.2024, were excluded from the analysis.*

- In the case of exposures related to entities subject to the obligation to publish non-financial statements, the available information on the use of proceeds was assessed;

Mention: *following the analysis of the information on the analyzed exposures, we did not identify situations where the use of proceeds was known in order to verify eligibility for one of the six environmental objectives;*

3. As regards the presentation of the Information by Sector section, it is prepared on the basis of the CAEN code of the counterparties for CSRD/NFRD purposes to which the Group has exposure as at December 31, 2024 and December 31, 2023, respectively. The values included are based on the eligibility criteria at the CAEN code level, where the reported KPI percentage has been applied to the exposure.

4. In order to perform the GAR KPI flow calculation, due to data access limitations, the gross values of new exposures related to 2024 were not used, but the difference of the balances (t versus t-1). We consider this approach acceptable, as both the percentage of the Patria Group's total exposure to NFRD/CSRD entities and the change in volumes from 2024 versus 2023 were minimal.

5. The exposure to the "Nuclear and Gas" sectors was verified based on the information available at loan portfolio level, starting from the identification of the activities carried out by the financed entities, based on their main CAEN code (as found in the CAEN Section D - Electricity, heat, gas, hot water and air conditioning production and supply, CAEN Division 35 - Electricity, heat, gas, hot water and air conditioning production and supply).

6. According to Note 2 of Annex VI, Model 0 (Article 8), the group is not required to provide quantitative information on transaction exposures.

Green Assets Ratio (GAR) at 31.12.2024:

- ***The total amount of aligned exposures, calculated on a turnover basis, is RON 205,184 and fully comprises exposures with an unknown utilization of proceeds to financial undertakings. They generate a green asset ratio, based on Turnover of 0.0063%, to Total GAR Assets as of December 31, 2024.***
- ***The total amount of aligned exposures, calculated on a CaPex basis, is RON 343,419 and fully comprises exposures with unknown utilization of funds to financial undertakings. These generate a green asset ratio, based on CaPex of 0.0105%, reported to Total GAR Assets as of December 31, 2024.***

In analyzing the GAR ratio as of December 31, 2024, the following will be considered:

- As of the reporting date (December 31, 2024), the Bank records marginal exposures in the portfolio of loans granted to entities subject to non-financial reporting requirements (as per NFRD/CSRD), as a result this has influenced the amount of exposures to the relevant sectors in terms of Taxonomy.
- We do not own any assets related to entities for CSRD purposes, for which we have identified the use of proceeds in accordance with the EU Taxonomy.
- Extremely low KPIs for institutions with exposures for CSRD purposes above the materiality threshold, with no non-financial information available related to 2024.

Considering these aspects, the Bank is considering, in the period 2025-2026, in conjunction with the development of the Sustainability Strategy and the Sustainable Lending Policy, defining green lending products targeted to non-financial enterprises and households, which will ensure, through the established characteristics and eligibility criteria, the granularity of the related exposures to sustainability objectives. These are to be developed by defining a specific methodology, with the support of specialists in the field.

In order to carry out these assessments, we will expand our non-financial entity data collection capabilities and improve our internal framework to be able to accurately determine the compliance of eligible clients. We note, however, that the bulk of the Group's exposures, as described in Chapter 1 - General disclosures of this Sustainability Statement, are to micro, agricultural and small and medium sized enterprises, counterparties that are outside the scope of the CSRD, and for which the collection of any non-financial information is an element of increased difficulty and unlikely to be feasible in the short to medium term.

The Group presents quantitative information, following the models identified in the legislation, the key performance indicators, in accordance with the provisions of Annex VI to Delegated Regulation (EU) 2021/2178 are set out in Annex 1 to this statement:

Table 17 - Contents of Annex 1 to this Declaration - EU Taxonomy reporting templates

Model identification	References Legislation	Annex
Template 0. Summary of KPIs for which credit institutions have to provide information under Article 8 of the Taxonomy Regulation (year 2024)	Regulation 2020/852, Annex VI	Annex 1.1
Template 1. Assets for the calculation of GAR (Turnover)	Regulation 2020/852, Annex VI	Annex 1.2
Template 1. Assets for the calculation of GAR (CapEx)	Regulation 2020/852, Annex VI	Annex 1.3
Template 2. GAR sector information (Turnover)	Regulation 2020/852, Annex VI	Annex 1.4
Template 2. GAR sector information (CapEx)	Regulation 2020/852, Annex VI	Annex 1.5
Template 3. KPI GAR stock (Turnover)	Regulation 2020/852, Annex VI	Annex 1.6
Template 3. KPI GAR stock (CapEx)	Regulation 2020/852, Annex VI	Annex 1.7
Template 4. KPI GAR flow (Turnover)	Regulation 2020/852, Annex VI	Annex 1.8
Template 4. KPI GAR flow (CapEx)	Regulation 2020/852, Annex VI	Annex 1.9
Template 5. KPI off-balance sheet exposures	Regulation 2020/852, Annex VI	Annex 1.10
Template 1. Nuclear and fossil gas activities	Commission Delegated Regulation (EU) No 2022/1214, having regard to Annex XII - Standard format for providing the information referred to in Article 8 (6) and (7)	Annex 1.11
Template 0. Summary of KPIs which credit institutions have to provide information under Article 8 of the Taxonomy Regulation (Restatement for 2023)	Regulation 2020/852, Annex VI	Annex 1.12

Reclassifications on green asset ratio reporting (GAR) December 31, 2023

For the 2023 reporting year, the initial reporting considered Taxonomy-eligible exposures to include both the bank's mortgage loan portfolio and exposures for which the use of funds is known, and meet the criteria of making a substantial contribution to at least one of the six environmental objectives

The reclassifications below have been applied to the information presented by the Patria Group in its EU Taxonomy reporting for the fiscal year ending December 31, 2023

- A portfolio of loans secured on residential real estate, granted to Households, for which the use of proceeds is linked to sections 7.2, 7.3, 7.4, 7.5, 7.6 and 7.7 of Annex I to the Climate Delegated Act, as set out in Annex V, point 1.2.1.3 of the Commission Delegated Regulation (EU) 2021/2178, totaling RON 334.53 million
- A portfolio of loans granted to legal entities, non-financial enterprises, representing the financing of investment projects for the generation of electricity (through photovoltaic, wind or biogas systems/power plants), totaling RON 54.41 million as of December 2023 (RON 43.09 million related to the climate change mitigation objective and RON 11.32 million related to the climate change adaptation objective) were classified as of December 31, 2023 as eligible, although they were granted to counterparties not subject to non-financial reporting requirements (as per NFRD). The amounts reported as eligible as of December 31, 2023 related to these exposures have been restated to zero.

Also, in the December 31, 2023 reporting, exposures related to financial entities with KPI reporting requirements were not identified, which has been remedied by applying the KPI takeover mechanism detailed in the Methodology for the December 31, 2024 reporting year to ensure consistency. **Green Asset Ratio (GAR) as at December 31, 2023, restated:**

- The total amount of aligned exposures, calculated on a Turnover basis, is **RON 168,303** and fully includes exposures with an unknown utilization of proceeds to financial undertakings. These generate a green asset ratio, based on Turnover of **0.0057%**, to Total Assets GAR

The total amount of aligned exposures, calculated on a CapEx basis, is **RON 182,555** and fully comprises exposures with an unknown use of proceeds to financial undertakings. They generate a green asset ratio, based on CaPex of the financed entities of **0.0061%**, in relation to the Total GAR Assets.

Chapter 3: ESRS G1 PROFESSIONAL CONDUCT

ESRS 2 GOV-1 – Role of administrative, supervisory and management bodies

DR 5(a)

The role of the administrative, supervisory and management bodies with regard to business conduct is described in *GOV-1 - Role of administrative, management and supervisory bodies, DR 22(a)*. Both the Bank's Board of Directors and the Boards of Directors of the two subsidiaries approve the internal regulations regarding business conduct, i.e.: policies or codes of ethics for the conduct of business, respectively internal rules of procedure and sets of internal regulations, the policy on the business governance framework Group-wide, and the policy on conflicts of interest, which identify the relationships, services, activities or transactions in which conflicts of interest may arise and how to manage such conflicts. The Board of Directors oversees the implementation and following of the Code of conduct and other similar policies to identify, manage and mitigate actual and potential conflicts of interest. At the same time, the Risk Management and Sustainability Committee, oversees the process of developing and reviewing, internally reconciling and submitting for approval the subsequent regulatory framework - policies, processes and systems for identifying, measuring, managing and monitoring short, medium and long-term ESG risks, including at the subsidiary level.

DR 5(b)

The expertise of the bank's administrative, management and supervisory bodies on business conduct issues is ***presented in Chapter 4.1. of this Annual Board Directors' Report: Corporate Governance Structures, section Information on Directors, and in data points DR 21 (c), DR 23 (a), DR 23 (b) in section GOV-1 - Role of administrative, management and supervisory bodies, Chapter 1: ESRS 2 - GENERAL INFORMATION PRESENTATIONS.***

ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks, and opportunities

DR 6

The process for the identification and assessment of significant impacts, risks and opportunities, including those related to business conduct, is described in detail in ***ESRS Chapter 2, Section IRO-1 - Description of the processes for identifying and assessing significant impacts, risks and opportunities.***

Professional conduct is a material issue for the group, and the **double materiality** analysis identified a current negative impact of the effects of business ethics on the company and a risk arising from general regulatory requirements relating to the group and business.

G1-1 – Business conduct policies and corporate culture

DR 7 DR 9

We establish and develop our corporate culture through a regulatory framework that includes:

Table 18 - Regulatory Framework for Corporate Culture

Regulatory denomination	Short description
Code of Ethics	It defines the fundamental ethical principles and values by which Patria Bank (the Bank) and the entities within the consolidation perimeter (hereinafter referred to as the Bank Group) aim to realize the Group's Vision and Mission. This Code forms the basis of a corporate culture that inspires legitimate, professional, fair and humane conduct and behavior, which develops and promotes a climate of trust, transparency, innovation and efficiency. Good corporate governance means operating in an ethical model in every component of the Bank Group and at the level of every employee of the Bank Group. The provisions of the Code are binding for the Bank's employees, respectively for all entities within the Bank Group in accordance with their object of activity and the applicable legislation.
Rules of Organization and Functioning of the Bank	It establishes, in accordance with banking regulations and corporate governance principles, the framework for the management of the Bank's activities and contains a description of the main duties and responsibilities, details the Bank's organizational structure in terms of operational units and lines of management and reporting, the role, responsibilities and competences of the Bank's managers; the internal control culture; risk culture; transparency requirements; the objectives and attributions of the Bank's central structures (divisions, directorates, departments, teams) as well as the attributions of the Bank's territorial units (agencies, working points).
Bank's Internal Rules and ' Rules of Internal Order in the case of Patria Credit Internal Rules in the case of SAI Patria	It regulates interdisciplinary relations between the group and its employees and contains mandatory provisions in the relationship between the administrative management - employees, their rights and obligations, in order to carry out activities in good conditions, in strict compliance with the law and its own regulations.

Conflict of Interest Policy and Procedure	The policy defines the principles and rules of proper conduct with regard to conflict of interest, identifies the areas of the institution exposed to the risk of conflict of interest and sets out general measures to prevent/reduce this risk. The procedure regulates the process regarding the identification, assessment, monitoring, control and reporting of conflict of interest identified both at the institutional level and at the level of employees, including members of the Management Body, in order to prevent / mitigate the risk of conflict of interest, and within this process, the obligations of employees, including members of the Management Body in terms of disclosure of conflict of interest situations.
Procedure on employees' right to be alerted, as well as Instructions for handling internal complaints in the case of subsidiaries)	Establishing appropriate internal alert procedures for communicating staff concerns about the business management framework

These are supplemented at the bank's level with the provisions of the Anti-Fraud, the Policy for managing and mitigating the risk of money laundering/terrorist financing, the Regulation on Know Your Customer and Prevention and Combating Money Laundering/Terrorist Financing, the Procedure for recruiting and selecting personnel, Policy and the Procedure on insiders and market abuse.

We promote the provisions of the regulatory framework, the requirements regarding employees' responsibilities and the consequences of non-compliance through internal training courses. At the same time, each internal structure develops its own procedures and internal controls to carry out its activities in compliance with the legislative provisions in force (level 1 control).

We assess the effectiveness of the above-mentioned regulatory framework through level 2 control actions (Compliance controls) and level 3 control actions (internal audit controls).

DR 10(a)

In relation to the Group's policies on business conduct issues, we have established mechanisms for identifying, reporting and investigating concerns about illegal behavior or behavior that contravenes the Code of Conduct, policies for managing and mitigating significant risks through compliance controls, controls and internal audit missions, established, in accordance with the policies of the Compliance Department and the Internal Audit Department, through the Annual Activity and Control Plans approved by the Bank's Board of Directors, and with the Internal Rules of Procedure in the case of Patria Credit / Internal Regulations in the case of SAI Patria Asset Management.

Complaints from internal stakeholders: In addition to the activities and controls carried out by the internal control functions indicated above, both the Bank, Patria Credit and SAI Patria have been implementing mechanisms for alternative internal reporting of concerns (by employees) and investigation of violations regarding illegal behavior or behavior that violates the provisions of the Code of Conduct, conflict of interest regulations, and we are currently accommodating reporting from internal stakeholders as regulated under the procedure on employees' right to alert (in the case of Patria Bank and SAI) and the Instruction for Resolving Internal Complaints (in the case of Patria Credit).

The above procedures and instructions regulate how to receive internal referrals, which refer to any possible violation of any legal provisions and/or internal standards, including alleged irregularities of a general, operational and financial nature or in the nature of criminal offenses under criminal law, by employees and managers of the Group, administrative irregularities and irregularities relating to accounting and tax obligations; anti-money laundering, market abuse and other irregularities in investment services and activities; breaches of confidentiality, breaches of the Code of Ethics or Internal Regulations, cases of possible conflict of interest.

In the case of the bank, a whistleblower is any employee of the entity who makes a whistleblowing complaint under the provisions of the Employee Whistleblowing Procedure. It is not necessary for the whistleblower to have evidence of wrongdoing, but the whistleblower must have a sufficient level of certainty to provide sufficient grounds for initiating an investigation. The Whistleblower reports the complaint to the dedicated internal e-mail address, or to the dedicated postal address, regulated by procedure, with or without declaring his/her identity, the information being available to the designated persons within the Compliance and Internal Audit Departments.

In case the Whistleblower's complaint concerns one of the employees of the control functions and/or the Director of the Compliance Department/Internal Audit Department, it is reported to the Board of Directors directly by the Whistleblower using any of the communication channels below, the decision on the competent structure to resolve the investigation being taken in compliance with the principles of prevention of conflicts of interest. The policy is to encourage the whistleblower to declare his or her identity, as otherwise the whistleblower cannot be protected, feedback cannot be obtained, and investigations will be more difficult to conduct.

The Director of the Compliance Department, the Director of the Internal Audit Department, their replacements, as well as the persons involved in analyzing the issues reported through the whistleblowing channel, are responsible for maintaining the confidentiality of all information found/used in the investigations carried out as well as for protecting the identity of the whistleblower and other persons involved in the investigations unless the other other legal requirements are applicable.

For the reporting year, we detail below the number of internal referrals:

Table 19 - Evidence of internal Whistleblower complaints

Number of reported events (year 2024)	Number of events investigated (year 2024)	Number of confirmed events (year 2024)
3	3	0

Complaints from external stakeholders: if complaints are received from clients on issues concerning business conduct issues, they are handled by the dedicated team at the level of the bank and subsidiaries.

Complaints form authorities are handled in this way. They are registered and a detailed investigation is carried out by studying the reasons for the complaint, cross-checking with the information, data and documents available internally and, where necessary, obtaining the specialized opinion of experts from the internal departments concerned.

The response to this type of complaints is issued in compliance with the legal provisions, within the deadline requested by the authorities. At the level of the internal structure for the management of customer complaints (Complaints Team), the management is informed monthly about the previous month's activity in order to manage the requests received through the authorities. The Board of Directors is informed on a quarterly basis of the number of such requests and the reasons behind the complaints**DR 10(b)**

Currently the Bank has regulated through its Code of Ethics, Conflict of Interest Policy and Operating Procedures, the institution's non-acceptance of corruption and/or bribery. We do not have and there are no plans to develop a policy against corruption or bribery in accordance with the United Nations Convention against Corruption.

As stated, both in the internally developed Code of Ethics and in the subsidiaries' regulations, the Group does not tolerate corruption in any form. By signing the provisions of the applicable internal regulations, the employees undertake to comply with the rules of conduct, conflict of interest

regulations and the obligation to act on behalf of the entity, in business dealings, in relations with customers or the public, without committing acts of corruption (bribery, influence peddling, buying influence, etc.), abuse of office or misconduct - acts which are offenses that will entail the application of the sanctions provided for by the Internal Regulations and the legislation in force.

DR 10(c - i)

In accordance with the provisions of the Procedure on the employees' right to alert above-mentioned, and with the provisions of the Regulation on Know Your Customer and Prevention and Combating Money Laundering (AML Regulation) as well as the Instruction for internal complaints resolution (in the case of Patria Credit) and the Internal Regulations of SAI Patria, the Group protects whistleblowers through alternative internal reporting channels, the "whistleblowing" channel, the process for receiving and handling whistleblowing is described above, with reference to the procedures/instructions on the right to alert employees/internal complaints (DR 10 a).

DR 10(c - ii)

We have implemented safeguards against retaliation for our own workers who are whistleblowers, in accordance with the applicable legislation transposing Directive (EU) 2019/1937 of the European Parliament and of the Council through Law 361/2022, through the Procedure on the right to alert of employees, the Instruction for resolving internal complaints (in the case of Patria Credit) and the Internal Regulations of SAI Patria as described above, as well as through the Know Your Customer and Prevention and Combating Money Laundering/Terrorist Financing Regulations. Protection mechanisms include:

- specific procedures for receiving reports on violations of any kind of violations of specific legislation and taking follow-up action in accordance with the procedures in place;
- adequate protection of employees or persons in a similar position to compliance officers and designated persons with implementation responsibilities who report violations of any kind of violations of the law committed within the Bank;
- adequate protection of employees who have responsibilities in enforcing legislative and internal regulations;
- the protection of personal data of the person reporting any breach of any kind of specific legislation, as well as of the natural person suspected of being responsible for the breach;

- clear rules ensuring that confidentiality is guaranteed in all cases regarding the identity of the person reporting violations of any kind of specific legislation committed within the Bank unless disclosure is required by other legal provisions.

DR 10(e)

In addition to procedures for the subsequent follow-up of whistleblower reports in accordance with applicable legislation transposing Directive (EU) 2019/1937, we have procedures in place for the prompt, independent and objective investigation of incidents of professional misconduct, including incidents of corruption and bribery (such as: a person's interest in disproportionately presenting the Group's products and services, soliciting and/or receiving improper consideration). These follow-up procedures are governed by the Conflicts of Interest Procedure/ Internal Complaints Resolution Working Instruction and are based on the following incident identification tools: whistleblower alerts, internal verification reports and compliance controls aimed at continuously monitoring compliance with the conflict of interest policy, the remuneration policy and the regulations in force applicable to the provision of investment services, as well as referrals made by employees of the Bank/Patria Credit and SAI Patria regarding situations of a conflict of interest nature in which other employees find themselves.

DR 10(g)

We have developed training policies within all the organizations of the group on business conduct and we plan annual training sessions for the employees, in accordance with the Annual Plan issued in accordance with the Compliance Policy and approved by the Governing Body, for 2024, a training session has been carried out, attended by more than 85% of the existing employees of the Bank, as well as Patria Credit employees in accordance with the Internal Rules, and SAI Patria, in accordance with the Internal Regulations, on topics such as:

- Fundamental ethical values;
- Practices considered unacceptable;
- Conflict of interest - concept, typologies, employee responsibilities;
- Consequences and implications for non-compliance with the rules set out in the Code of Ethics and Conflict of Interest Policy;
- Internal system for reporting legitimate concerns (Whistleblowing channel) - types of breaches reported through the channel WhistleBlower, breach reporting flow.

In terms of initial professional training of new employees in terms of business conduct, the Bank provides professional training during the training sessions organized upon hiring, on the same topics mentioned above.

DR 10(h)

The functions within the Patria Bank Group that are most at risk regarding corruption and giving or taking bribes are the departments within the Commercial Area, that interact directly with the Bank's customers and business partners, and the Administrative and Investment Division, which interacts with the Bank's suppliers, as well as all staff involved in direct sales activities within Patria Credit.

Policies MDR-P- Policies adopted to manage sustainability issues

DR 65

The management of issues related to corporate culture and business conduct is set out in the policies and procedures detailed in **DR 7 DR 9, DR 10(a)** of this section.

MDR-A - Actions and resources on significant sustainability issues

DR 68

The necessary actions outlined to date to address issues of corporate culture and business conduct are detailed in **DR 10(e)** and **DR 10(g)** regarding procedures for subsequent follow-up on whistleblower reports and employee training sessions.

Indicators and targets

MDR-M Indicators - Indicators on significant sustainability issues

DR 75-77

The indicators needed to address are represented by **G1-3 - Prevent and detect corruption and bribery**, which functions as a metric for **G1-1**.

MDR-T - Tracking effectiveness of policies and actions through targets.

DR 80-81

To assess the effectiveness of the planned actions to manage the significant impacts, risks and opportunities identified in relation to business conduct, the Patria Bank Group will set a series of targets starting in 2025, not yet set in 2024. These will be monitored based on the assumed periodicity and by reporting results in the Sustainability Statement.

G1-2 – Management of relationships with suppliers**DR 14**

To prevent delays in making payments, especially to SMEs, we have implemented a Procurement procedure at the Bank level, which provides for the designation of a person who signs and manages operationally both contracts and orders necessary for the performance of the activity, called Contract Responsible. This is the initiator of the request for the procurement of goods/works and services and is responsible for the execution of the project and for the purchases to be made as a result/necessity within the project. The Contract Responsible has the obligation to obtain approvals from the competent body and to keep a record of the expenditures and volumes purchased under ongoing contracts/orders, with the support of the Procurement Team. At both Patria Credit and SAI Patria, taking into account the size of the organizations and the volume of operations, the management of relations with suppliers is carried out by the designated structures/responsibles. There are no alerts in the accounting system for overdue invoices but starting from 2024 the Group has been making payments according to the E-Factura system, which ensures double-checking of payment obligations related to suppliers of goods and services (at the level of the Contract Responsible and the Accounting Department, which automatically receives through SPV all invoices issued by suppliers of goods and services).

As regards to the relationship with capital providers - i.e., external creditors, payments are made without delay, in accordance with the contractual provisions.

DR 15(a)

Our approach to dealing with suppliers, considering the risks to the Bank related to its supply chain, establishes that there is transparency and traceability throughout the procurement process and that the responsible internal structure is the Bank's interface with potential suppliers and is accountable for the actions arising from this process.

If an irregularity is detected in the procurement process (unfair competition, collusion between suppliers, etc. - based on the expertise), it will be forwarded, depending on the improper situation identified, to the departments responsible for managing the risks identified.

The staff with specific duties and responsibilities within the procurement activity is forbidden to establish and / or maintain any personal relationships with suppliers of goods, works and / or services that could create conflicts of interest and to receive any benefits, goods, or advantages from the Suppliers with which the Bank collaborates.

The Contract Responsible, who draws up the Specifications, has the obligation to ensure that the requirements concerning compliance with national and/or European Union regulations (directives, regulations, opinions, guidelines) that refer to the subject of the procurement and to which it is subject/has to comply with are included in the Specifications, comply with and take all due diligence to ensure that the goods, works and/or services that are the subject of the Bank's procurement comply with the legal requirements on environmental protection, are not harmful to human beings, animals or the environment, and can be operated in safe conditions for them.

It verifies whether the execution of the contract/order for the purchase of goods/works and/or services is carried out in compliance with the stipulated clauses, i.e., whether the contract/order is within the delivery/performance deadline in correlation with the contractual deadline, the amounts invoiced as advance payment are within the amounts established by the contract/order, some special clauses are respected, etc.

In addition, a procedure has been defined at the Bank's level in order to establish a uniform working methodology in terms of commitment, approval, liquidation/disbursement (payment) of operational and investment expenses. The operations of approval and settlement of operational and investment related expenses are performed centralized at the level of the Head Office. For the payment of the financial obligation, the supporting documents are sent to the dedicated internal structure at least 2 working days before the proposed date of payment of the financial obligation or at least 2 working days before the due date stipulated in the contract.

DR 15(b)

We have not yet developed a process to select suppliers based on social and environmental criteria. We plan to update the procurement procedure with provisions in this regard in 2025-2026.

Policies MDR-P- Policies adopted to manage sustainability issues

DR 65 The management of relationships with suppliers is set out in the policies and procedures detailed in data point **DR 14** of this section.

MDR-A Actions - Actions and resources on significant sustainability issues

DR 68 There are no necessary actions outlined so far to address supplier relationship management issues.

Indicators and targets

MDR-M Indicators - Indicators on significant sustainability issues

DR 75-77 The indicators needed for addressing are represented by **G1-6 - Payment practices**.

MDR-T targets - Tracking the effectiveness of policies and actions through targets

DR 80-81 In order to assess the effectiveness of planned actions to manage the significant impacts, risks and opportunities identified in relation to supplier relationships, the Patria Bank Group will set targets starting in 2025, not yet set in 2024. They will be monitored based on the assumed periodicity and by reporting the results in the Sustainability Statement.

G1-3 – Prevention and detection of corruption and bribery

DR 18(a)

We have developed procedures for the prevention, detection and resolution of allegations or incidents of corruption and bribery which are set out in the Code of Ethics, Conflict of Interest Policy and Procedure, Employee Whistle Blower Procedure, both at the bank and subsidiary levels.

In order to prevent corruption and bribery, rules of conduct are laid down in the Conflict of Interest Policy and internal regulations of the subsidiaries, which must be followed by all employees. As they act on behalf of the Group, in business contacts, customer or public relations, they are prohibited from committing any acts of corruption (bribe-taking, bribe-giving, influence peddling, influence-buying, etc.), abuse of office or misconduct - acts which are offenses that will attract the sanctions provided for by the Internal Regulations and the legislation in force.

Holding a position within the Group may not be used by an employee/member of the management body as a pretext for claiming and/or accepting, for personal purposes or in the interest of an affiliated person, any business opportunity, or any favor or benefit, which the person could not have received, had the person not been in the position of Group employee.

All employees must avoid any actions that may influence the decisions of public authorities. In this context, employees are prohibited from offering any gifts, money, or other favors or benefits on behalf of the Bank to staff or representatives of government, the public sector, charitable organizations, NGOs, foundations, regulatory and supervisory authorities, or other authorities. If employees are approached for such payments or have knowledge of such payments, they must report this immediately in accordance with internal alert procedures.

The detection of corruption and bribery is conducted similar to the procedure for business conduct incidents as described ***under DR10(e) of Section G1 -1, Corporate Culture and Policies on Business Conduct and Corporate Culture.***

For resolution, mechanisms are in place to investigate allegations or incidents of corruption and bribery through ad hoc and planned compliance controls, internal audit missions control missions, established in accordance with applicable internal policies, through the Annual Activity and Control Plans approved by the Board of Directors of the Group entities.

In addition to the activities and controls carried out by the above-mentioned internal control functions, the Group has implemented mechanisms for alternative reporting of concerns and investigation of violations regarding illegal or behavior in breach of the Code of Conduct, Conflicts of Interest Regulations, through the Employee Alert Procedures.

DR 18(b)

In accordance with the Bank's Rules of Organization and Operation, as well as the regulations applicable to subsidiaries, the Internal Audit Department and the Compliance Department are separated from the management chain involved in the matter.

DR 18(c)

A report, containing information in accordance with internal regulations, shall be prepared at the conclusion of each investigation and submitted to the attention of the Board of Directors / senior management of the subsidiaries for approval of measures to mitigate the risk or to avoid the repetition of the same types of misconduct in the future.

DR 20 The policies issued by the Bank with respect to its system for preventing and detecting, investigating, and responding to allegations or incidents of corruption and bribery shall be communicated to those to whom they are relevant as follows:

- by publication on the Bank's intranet, Internal Regulations section
- periodic, at least annual, training sessions by the Compliance Directorate.

DR 21(a)

The nature, scope, and depth of anti-corruption and bribery training programs offered or required by the Group are described as follows:

In terms of the nature of training programs, various methods of professional training are used, which can be finalized by tests, in accordance with the provisions of the internal rules in human resources, the main methods used are:

- face-to-face or online courses/seminars (internal/external trainers);
- intranet/e-learning platform postings of information materials;
- providing permanent advice based on requests received;
- sending information by e-mail.

Annual anti-corruption and anti-bribery and corruption training programs are carried out within the framework of the **Bank's Annual Compliance Plan and the plans developed at the level of the subsidiaries**, and cover:

- overall strategic objectives and priority areas of activity
- the knowledge and skills necessary at staff level to comply with legal compliance obligations
- increasing the level of existing compliance training of the group's staff.

DR 21(b)

The percentage of functions at risk of corruption and bribery covered by training programs is 100%.

DR 21(c)

We have implemented training programs for members of the administrative, management and supervisory bodies on all relevant aspects of governance, similar to those for all Group employees.

Policies MDR-P- Policies adopted to manage sustainability issues

DR 65 The way matters related to the prevention and detection of corruption and bribery and bribery shall be handled shall be established in the policies and procedures detailed in **DR 18(a)** of this section.

MDR-A - Actions and resources on significant sustainability issues

DR 68 The necessary actions outlined so far to address issues related to the prevention of corruption and bribery are detailed under **DR 21(a)** and **DR 21(c)** of this section, through staff training programs on these issues.

Indicators and targets

MDR-M Indicators - Indicators on significant sustainability issues

DR 75-77 The indicators needed to address are represented by **G1-3 - Prevent and detect corruption and bribery**, which functions as a metric for **G.1-1**

MDR-T - Tracking effectiveness of policies and actions through targets

DR 80-81 In order to assess the effectiveness of planned actions to manage the significant impacts, risks and opportunities identified with respect to business conduct, the Patria Bank Group will set a series of targets starting in 2025, not yet set in 2024. These will be monitored based on the assumed periodicity and by reporting results in the Sustainability Statement.

G1-4 – Incidents of corruption or bribery

DR 24(a)

During the reporting period, there were no convictions, and no fines were imposed at the Group level for violations of anti-corruption and bribery laws.

DR 24(b)

To address violations of procedures and standards in the fight against corruption and bribery, we have developed a policy that defines clear procedures and standards.

First, we have implemented ad-hoc and planned compliance controls, controls, and internal audit assignments, established, in accordance with the policies of the Compliance Department and the Internal Audit Department, through the Annual Activity and Control Plans approved by the Board of Directors of the Bank and its subsidiaries.

Secondly, the Bank and its subsidiaries have specific Procedures for dealing with violations. Within this framework, the first step is to analyze and investigate complaints, followed by reporting. This process is fully described in ***Section G1-1 - Corporate Culture and Policies on Business Conduct and Corporate Culture, 10 (a)***.

DR 25(a)

There were no confirmed incidents of corruption or bribery or bribery at Group level during the reporting period.

Note: the information presented is based on the definition of corruption in the FRAMEWORK DECISION 2003/568/JHA OF THE COUNCIL OF THE EUROPEAN UNION of July 22, 2003, in force at the date of the statement.

DR 25(b)

There have been no confirmed incidents in which own employees have been dismissed or have been subject to disciplinary proceedings for incidents of corruption or incidents of bribery or bribery at Group level.

DR 25(c)

No confirmed incidents of contracts with business partners that were terminated or not renewed due to corruption or bribery or bribery violations at group level. were identified during the reporting period.

DR 25(d)

There have been no public cases of corruption or bribery brought against the Group and its employees during the reporting period.

Policies MDR-P- Policies adopted to manage sustainability issues

DR 65 The way matters related to the prevention and detection of corruption and bribery are managed is set out in the policies and procedures detailed in **DR 18(a)** in section **G1-3 Prevention and detection of corruption and bribery**.

MDR-A - Actions and resources on significant sustainability issues

DR 68 The necessary actions outlined so far to address issues related to the prevention of corruption and bribery are detailed under **DR 21(a)** and **DR 21(c)** of this section, through staff training programs on these issues.

Indicators and targets

MDR-M Indicators - Indicators on significant sustainability issues

DR 75-77 The indicators needed to address are represented *by G1-3 - Prevent and detect corruption and bribery*, which functions as a metric for **G1-1**.

MDR-T - Tracking the effectiveness of policies and actions through targets

DR 80-81 In order to assess the effectiveness of the planned actions to manage the significant impacts, risks and opportunities identified in relation to business conduct, the Patria Bank Group will set a series of targets starting in 2025, not yet set in 2024. These will be monitored based on the assumed periodicity and by reporting results in the Sustainability Statement.

G1-5 – Political influence and lobbying activities

DR 29(a)

There are no responsible representatives in the administrative, management and supervisory bodies for the supervision of activities related to the exercise of political influence or lobbying.

DR 29(b - i) Political contributions are not allowed and have not been recorded at the credit institution and Group level.

DR 29(c)

In line with the position adopted by the group on the non-exercise of political influence or lobbying activities, it does not cover issues related to these topics and is not applicable to the Group's activities.

DR 30

Members of the administrative, managerial, and supervisory bodies have not held a comparable position in the public administration (including regulatory authorities) in the two years preceding their appointment and there have been no new appointments during this period.

As this type of activities are not present within the Group, these issues are addressed in the Code of Ethics in force at Group level, no policies, actions, indicators, and targets are applied in this respect.

G1-6 – Payment practices

DR 33(a) The average time taken for the enterprise to pay an invoice from the date on which the contractual or statutory payment period starts to run is correlated with the due date of the invoice, with the mention that the average number of days it takes to make payment cannot be precisely identified. Subsidiaries currently monitor compliance with the payment term through designated internal structures/responsibles.

DR 33(b) Our standard payment terms by main categories of suppliers meet the final due date for payment of invoices issued, and our percentage of payments related to these standard terms is close to 100%, with any delays being minimal and caused by operational errors. We do not keep a separate record of delays in the payment of invoices relating to suppliers of goods and services.

DR 33(c) In 2024, were no pending legal proceedings for late payments.

DRAGOS HORIA MANDA
CHAIRMAN OF THE BOARD OF DIRECTORS

ANNEX 1 to the Sustainability Statement of Patria Bank Group as of 31.12.2024

Annex 1.1 - Template 0. Summary of KPIs for which credit institutions have to provide information under Article 8 of the Taxonomy Regulation (year 2024)

Total environmentally sustainable assets		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	205.18	0.0063%	0.0105%	68.9%	43.3%	31.10%
		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	36.88	0.0171%	0.0746%	61.14%	64.29%	38.86%
	Trading book	n/a	n/a	n/a			
	Financial guarantees	n/a	n/a	n/a			
	Assets under management	n/a	n/a	n/a			
	Fees and commissions income	n/a	n/a	n/a			

Annex 1.2 Template 1. Assets for the calculation of GAR (Turnover) - December 2024

		Disclosure reference date 2024																													
			(Climate change mitigation - CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Total [gross] carrying amount (K RON)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environment ally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transition al	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environment ally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environment ally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environment ally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environment ally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environment ally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environment ally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling
K RON																															
	GAR - Covered assets in both numerator and denominator																														
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	1,218,114	300,590	191	-	43	95	35	14	-	7	-	-	-	54	-	-	-	-	-	-	-	1	-	-	-	300,680	205	-	43	102
2	Financial undertakings	120,028	1,321	191	-	43	95	35	14	-	7	-	-	-	54	-	-	-	-	-	-	1	-	-	-	1,411	205	-	43	102	
3	Credit institutions	111,270	1,321	191	-	43	95	35	14	-	7	-	-	-	54	-	-	-	-	-	-	1	-	-	-	1,411	205	-	43	102	
4	Loans and advances	74,568	1,321	191	-	43	95	35	14	-	7	-	-	-	54	-	-	-	-	-	-	1	-	-	-	1,411	205	-	43	102	
5	Debt securities, including UoP	36,702	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	8,758	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	8,266	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	8,266	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	492	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	492	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial undertakings	78,988	91	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	91	-	-	-	-	-
21	Loans and advances	42,952	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	36,035	91	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	91	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Households	907,826	296,271	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	296,271	-	-	-	-	-
25	of which loans collateralised by residential immovable property	316,232	296,271	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	296,271	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Annex 1.2 Template 1. Assets for the calculation of GAR (Turnover) - December 2023

		Disclosure reference date 2023																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
		(Climate change mitigation - CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
		Total (gross) carrying amount (K RON)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
	GAR - Covered assets in both numerator and denominator																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					

Annex 1.3 Template 1. Assets for the calculation of GAR (CapEx) December 2024

			(Climate change mitigation - CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)					Circular economy (CE)					Pollution (PPC)					Biodiversity and Ecosystems (BIO)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Total (gross carrying amount (K RON))	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling						
	GAR - Covered assets in both numerator and denominator																																				
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	1,218,114	300,216	293	-	51	111	92	50	-	21	-	-	-	-	55	-	-	-	-	-	-	1	-	-	-	-	300,364	343	-	51	133					
2	Financial undertakings	120,028	880	293	-	51	111	92	50	-	21	-	-	-	-	55	-	-	-	-	-	-	1	-	-	-	-	1,028	343	-	51	133					
3	Credit institutions	111,270	880	293	-	51	111	92	50	-	21	-	-	-	-	55	-	-	-	-	-	-	1	-	-	-	-	1,028	343	-	51	133					
4	Loans and advances	74,568	880	293	-	51	111	92	50	-	21	-	-	-	-	55	-	-	-	-	-	-	1	-	-	-	-	1,028	343	-	51	133					
5	Debt securities, including UoP	36,702	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
7	Other financial corporations	8,758	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
8	of which investment firms	8,266	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
10	Debt securities, including UoP	8,266	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
12	of which management companies	492	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
15	Equity instruments	492	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
20	Non-financial undertakings	78,988	158	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	158	-	-	-	-	-					
21	Loans and advances	42,952	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
22	Debt securities, including UoP	36,035	158	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	158	-	-	-	-	-					
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
24	Households	907,826	296,271	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	296,271	-	-	-	-	-					
25	of which loans collateralised by residential immovable property	316,232	296,271	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	296,271	-	-	-	-	-					
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					

Annex 1.3 Template 1. Assets for the calculation of GAR (CapEx) December 2023

		Disclosure reference date 2023																															
		(Climate change mitigation - CCM)						Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Total (gross carrying amount (K RON))	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling		
	GAR - Covered assets in both numerator and denominator																																
1	Loans and advances, debt securities and equity instruments not HT eligible for GAR calculation	1,143,770	340,414	174	-	129	20	16	8	-	4	-	-	-	-	13	-	-	-	-	-	0	-	-	-	-	340,444	183	-	129	23		
2	Financial undertakings	98,598	2,604	174	-	129	20	16	8	-	4	-	-	-	-	13	-	-	-	-	-	0	-	-	-	-	2,633	183	-	129	23		
3	Credit institutions	89,997	2,604	174	-	129	20	16	8	-	4	-	-	-	-	13	-	-	-	-	-	0	-	-	-	-	2,633	183	-	129	23		
4	Loans and advances	33,921	2,604	174	-	129	20	16	8	-	4	-	-	-	-	13	-	-	-	-	-	0	-	-	-	-	2,633	183	-	129	23		
5	Debt securities, including UoP	56,076	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
7	Other financial corporations	8,601	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
8	of which investment firms	8,147	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
10	Debt securities, including UoP	8,147	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
12	of which management companies	454	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
15	Equity instruments	454	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
20	Non-financial undertakings	32,534	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
21	Loans and advances	727	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
22	Debt securities, including UoP	31,808	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
24	Households	877,863	334,539	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	334,539	-	-	-	-	-	-	
25	of which loans collateralised by residential immovable property	354,663	334,539	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	334,539	-	-	-	-	-	-	
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

Annex 1.4 Template 2. GAR sector information (Turnover)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	Breakdown by sector - NACE 4 digits level (code and label)	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		K RON	Of which environmentally sustainable (CCM)	K RON	Of which environmentally sustainable (CCM)	K RON	Of which environmentally sustainable (CCA)	K RON	Of which environmentally sustainable (CCA)	K RON	Of which environmentally sustainable (WTR)	K RON	Of which environmentally sustainable (WTR)	K RON	Of which environmentally sustainable (CE)	K RON	Of which environmentally sustainable (CE)	K RON	Of which environmentally sustainable (PPC)	K RON	Of which environmentally sustainable (PPC)	K RON	Of which environmentally sustainable (BIO)	K RON	Of which environmentally sustainable (BIO)	K RON	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	K RON	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	CAEN 0620 - Natural gas extraction	91.30	-				-				-				-				-				-			91.30	-		

Annex 1.5 Template 2. GAR sector information (CapEx)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	Breakdown by sector - NACE 4 digits level (code and label)	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		K RON	Of which environmentally sustainable (CCM)	K RON	Of which environmentally sustainable (CCM)	K RON	Of which environmentally sustainable (CCA)	K RON	Of which environmentally sustainable (CCA)	K RON	Of which environmentally sustainable (WTR)	K RON	Of which environmentally sustainable (WTR)	K RON	Of which environmentally sustainable (CE)	K RON	Of which environmentally sustainable (CE)	K RON	Of which environmentally sustainable (PPC)	K RON	Of which environmentally sustainable (PPC)	K RON	Of which environmentally sustainable (BIO)	K RON	Of which environmentally sustainable (BIO)	K RON	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	K RON	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	CAEN 0620 - Natural gas extraction	158.26	-				-				-				-				-				-			158.26	-		

Annex 1.6 Template 3. KPI GAR stock (Turnover) December 2024

% (compared to total covered assets in the denominator)		Disclosure reference date 2024																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling					
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HTF eligible for GAR calculation	24.68%	0.02%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	24.68%	0.02%	0.00%	0.00%	0.01%	25.63%	
2	Financial undertakings	1.10%	0.16%	0.00%	0.04%	0.08%	0.03%	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.18%	0.17%	0.00%	0.04%	0.08%	2.53%	
3	Credit institutions	1.19%	0.17%	0.00%	0.04%	0.09%	0.03%	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.27%	0.18%	0.00%	0.04%	0.09%	2.34%	
4	Loans and advances	1.77%	0.26%	0.00%	0.06%	0.13%	0.05%	0.02%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.89%	0.28%	0.00%	0.06%	0.14%	1.57%	
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.77%	
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.18%	
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.17%	
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	
0	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.17%	
1	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	
2	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01%	
3	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	
4	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	
5	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01%	
6	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	
7	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	
8	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	
9	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	
0	Non-financial undertakings	0.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.12%	0.00%	0.00%	0.00%	0.00%	1.66%	
1	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.90%	
2	Debt securities, including UoP	0.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.25%	0.00%	0.00%	0.00%	0.00%	0.76%	
3	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
4	Households	32.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%	0.00%	0.00%	0.00%									32.64%	0.00%	0.00%	0.00%	0.00%	19.10%	
5	of which loans collateralised by residential immovable property	93.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%	0.00%	0.00%	0.00%									93.69%	0.00%	0.00%	0.00%	0.00%	6.65%	
6	of which building renovation loans	-	-	-	-	-	-	-	-	-				-	-	-	-									-	-	-	-	-	0.00%	
7	of which motor vehicle loans	-	-	-	-	-	-	-	-	-				-	-	-	-									-	-	-	-	-	0.00%	
8	Local governments financing	-	-	-	-	-	-	-	-	-				-	-	-	-									-	-	-	-	-	0.53%	
9	Housing financing	-	-	-	-	-	-	-	-	-				-	-	-	-									-	-	-	-	-	0.00%	
0	Other local government financing	-	-	-	-	-	-	-	-	-				-	-	-	-									-	-	-	-	-	0.53%	
1	Collateral obtained by taking possession: residential and commercial immovable properties	3.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.38%	0.00%	0.00%	0.00%	0.00%	1.81%		
2	Total GAR assets	9.179%	0.006%	0.000%	0.001%	0.003%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	9.182%	0.0063%	0.000%	0.001%	0.003%	68.80%		

Annex 1.6 Template 3. KPI GAR stock (Turnover) December 2023

		Disclosure reference date 2023																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PG)				Biodiversity and Ecosystems (BG)			TOTAL (CCM + CCA + WTR + CE + PG + BG)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000	1001	1002	1003	1004	1005	1006	1007	1008	1009	1010	1011	1012	1013	1014	1015	1016	1017	1018	1019	1020	1021	1022	1023	1024	1025	1026	1027	1028	1029	1030	1031	1032	1033	1034	1035	1036	1037	1038	1039	1040	1041	1042	1043	1044	1045	1046	1047	1048	1049	1050	1051	1052	1053	1054	1055	1056	1057	1058	1059	1060	1061	1062	1063	1064	1065	1066	1067	1068	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104	1105	1106	1107	1108	1109	1110	1111	1

Annex 1.7 Template 3. KPI GAR stock (CapEx) December 2024

		Disclosure reference date 2024																															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
% (compared to total covered assets in the denominator)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered	
GAR - Covered assets in both numerator and denominator																																	
1	Loans and advances, debt securities and equity instruments not HTF eligible for GAR calculation	24.65%	0.02%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	24.66%	0.03%	0.00%	0.00%	0.01%	25.63%
2	Financial undertakings	0.73%	0.24%	0.00%	0.04%	0.09%	0.08%	0.04%	0.00%	0.02%	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.86%	0.29%	0.00%	0.04%	0.11%	2.53%
3	Credit institutions	0.79%	0.26%	0.00%	0.05%	0.10%	0.08%	0.04%	0.00%	0.02%	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.92%	0.31%	0.00%	0.05%	0.12%	2.34%
4	Loans and advances	1.18%	0.39%	0.00%	0.07%	0.15%	0.12%	0.07%	0.00%	0.03%	0.00%	0.00%	0.00%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.38%	0.46%	0.00%	0.07%	0.18%	1.57%
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.77%
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.18%
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.17%
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.17%
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01%
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01%
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
20	Non-financial undertakings	0.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.20%	0.00%	0.00%	0.00%	1.66%
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.90%
22	Debt securities, including UoP	0.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.44%	0.00%	0.00%	0.00%	0.00%	0.76%
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	Households	32.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	32.64%	0.00%	0.00%	0.00%	0.00%	19.10%
25	of which loans collateralised by residential immovable property	93.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	93.69%	0.00%	0.00%	0.00%	0.00%	6.65%
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.53%
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.53%
31	Collateral obtained by taking possession: residential and commercial immovable properties	3.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.81%
32	Total GAR assets	9.168%	0.009%	0.000%	0.002%	0.003%	0.003%	0.002%	0.000%	0.001%	0.000%	0.000%	0.000%	0.002%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	9.173%	0.0105%	0.000%	0.002%	0.004%	68.80%

Annex 1.7 Template 3. KPI GAR stock (CapEx) December 2023

		Disclosure reference date 2023																															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	On care finantari specialize	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered					
% (compared to total covered assets in the denominator)																																	
	GAR - Covered assets in both numerator and denominator																																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0.00%	0.02%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	29.77%	0.02%	0.00%	0.01%	0.00%	26.51%			
2	Financial undertakings	2.64%	0.18%	0.00%	0.13%	0.02%	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.87%	0.19%	0.00%	0.13%	0.02%	2.29%			
3	Credit institutions	2.89%	0.19%	0.00%	0.14%	0.02%	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.93%	0.20%	0.00%	0.14%	0.03%	2.09%			
4	Loans and advances	7.68%	0.51%	0.00%	0.38%	0.06%	0.05%	0.02%	0.00%	0.01%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.76%	0.54%	0.00%	0.38%	0.07%	0.79%			
5	Debt securities, including UoP																												1.30%				
6	Equity instruments																												0.00%				
7	Other financial corporations																												0.20%				
8	of which investment firms																												0.19%				
9	Loans and advances																												0.00%				
10	Debt securities, including UoP																												0.19%				
11	Equity instruments																												0.00%				
12	of which management companies																												0.01%				
13	Loans and advances																												0.00%				
14	Debt securities, including UoP																												0.00%				
15	Equity instruments																												0.01%				
16	of which insurance undertakings																												0.00%				
17	Loans and advances																												0.00%				
18	Debt securities, including UoP																												0.00%				
19	Equity instruments																												0.00%				
20	Non-financial undertakings																												0.75%				
21	Loans and advances																												0.02%				
22	Debt securities, including UoP																												0.74%				
23	Equity instruments																												0.00%				
24	Households	38.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			0.00%	0.00%	0.00%	0.00%										38.11%	0.00%	0.00%	0.00%	0.00%	20.35%		
25	of which loans collateralised by residential immovable property	94.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			0.00%	0.00%	0.00%	0.00%										94.33%	0.00%	0.00%	0.00%	0.00%	8.22%		
26	of which building renovation loans																													0.00%			
27	of which motor vehicle loans																													0.00%			
28	Local governments financing																													1.14%			
29	Housing financing																													0.00%			
30	Other local government financing																													1.14%			
31	Collateral obtained by taking possession: residential and commercial immovable properties	3.83%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		3.83%	0.00%	0.00%	0.00%	1.98%			
32	Total GAR assets	11.449%	0.006%	0.000%	0.004%	0.001%	0.001%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	11.450%	0.0061%	0.000%	0.004%	0.001%	68.92%			

Annex 1.8 Template 4. KPI GAR flow (Turnover)

		Disclosure reference date 2024																														
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
% (compared to total covered assets in the denominator)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HTF eligible for GAR calculation	0.000%	0.034%	0.000%	0.000%	0.104%	0.038%	0.016%	0.000%	0.008%	0.000%	0.000%	0.000%	0.056%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.001%	0.000%	0.000%	0.000%	0.000%	0.050%	0.000%	0.000%	0.112%	21.07%		
2	Financial undertakings	0.000%	0.116%	0.000%	0.000%	0.362%	0.131%	0.056%	0.000%	0.028%	0.000%	0.000%	0.000%	0.194%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.003%	0.000%	0.000%	0.000%	0.000%	0.172%	0.000%	0.000%	0.390%	6.07%		
3	Credit institutions	0.000%	0.117%	0.000%	0.000%	0.365%	0.132%	0.056%	0.000%	0.028%	0.000%	0.000%	0.000%	0.195%	0.000%	0.000%	0.000%	0.000%	0.000%	0.003%	0.000%	0.000%	0.000%	0.000%	0.173%	0.000%	0.000%	0.393%	6.03%			
4	Loans and advances	0.000%	0.086%	0.000%	0.000%	0.191%	0.069%	0.029%	0.000%	0.015%	0.000%	0.000%	0.000%	0.102%	0.000%	0.000%	0.000%	0.000%	0.000%	0.002%	0.000%	0.000%	0.000%	0.000%	0.115%	0.000%	0.000%	0.206%	11.52%			
5	Debt securities, including UoP	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%		
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Non-financial undertakings	0.197%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.197%	0.000%	0.000%	0.000%	0.000%	13.16%		
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	Debt securities, including UoP	2.160%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	2.160%	0.000%	0.000%	0.000%	0.000%	1.20%		
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Households	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	8.49%		
25	of which loans collateralised by residential immovable property	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%		
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.17%		
32	Total GAR assets	0.000%	0.012%	0.000%	0.000%	0.036%	0.013%	0.006%	0.000%	0.003%	0.000%	0.000%	0.000%	0.019%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.017%	0.000%	0.000%	0.039%	61.14%		

Annex 1.9 Template 4. KPI GAR flow (CapEx)

		Disclosure reference date 2024																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered				
% (compared to total covered assets in the denominator)																																
GAR - Covered assets in both numerator and denominator																																
1	Loans and advances, debt securities and equity instruments not HTF eligible for GAR calculation	#####	0.160%	0.000%	0.000%	0.123%	0.102%	0.056%	0.000%	0.024%	0.000%	0.000%	0.000%	0.057%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.216%	0.000%	0.000%	0.147%	21.07%
2	Financial undertakings	0.000%	0.556%	0.000%	0.000%	0.425%	0.354%	0.195%	0.000%	0.084%	0.000%	0.000%	0.000%	0.199%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.003%	0.000%	0.000%	0.000%	0.000%	0.751%	0.000%	0.000%	0.509%	6.07%
3	Credit institutions	0.000%	0.560%	0.000%	0.000%	0.429%	0.356%	0.196%	0.000%	0.084%	0.000%	0.000%	0.000%	0.201%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.003%	0.000%	0.000%	0.000%	0.000%	0.756%	0.000%	0.000%	0.513%	6.03%	
4	Loans and advances	0.000%	0.293%	0.000%	0.000%	0.224%	0.186%	0.103%	0.000%	0.044%	0.000%	0.000%	0.000%	0.105%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.002%	0.000%	0.000%	0.000%	0.000%	0.396%	0.000%	0.000%	0.268%	11.52%	
5	Debt securities, including UoP	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04%
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.03%
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.03%
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01%
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01%
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
20	Non-financial undertakings	0.341%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.341%	0.000%	0.000%	0.000%	0.000%	13.16%
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11.97%
22	Debt securities, including UoP	3.743%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	3.743%	0.000%	0.000%	0.000%	0.000%	1.20%
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
24	Households	#REF!	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	8.49%
25	of which loans collateralised by residential immovable property	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.17%
32	Total GAR assets	0.000%	0.055%	0.000%	0.000%	0.042%	0.035%	0.019%	0.000%	0.008%	0.000%	0.000%	0.000%	0.020%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.075%	0.000%	0.000%	0.051%	61.14%

Annex 1.10 Template 5. KPI off-balance sheet exposures

% (compared to total eligible off-balance sheet assets)		Disclosure reference date 2024																																		
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)					Circular economy (CE)					Pollution (PPC)					Biodiversity and Ecosystems (BIO)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling					
1	Financial guarantees (FinGuar KPI)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%					
2	Assets under management (AuM KPI)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%				

Annex 1.11 Template 1. Nuclear and fossil gas activities

Nuclear and fossil gas related activities		
Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Annex 1.12 Template 0. Summary of KPIs which credit institutions have to provide information under Article 8 of the Taxonomy Regulation (Restatement for 2023)

Total environmentally sustainable assets		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	168.303	0.0058%	0.0061%	66.9%	42.4%	31.1%
		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)						
	Trading book*	n/a	n/a	n/a			
	Financial guarantees	n/a	n/a	n/a			
	Assets under management	n/a	n/a	n/a			
	Fees and commissions income**	n/a	n/a	n/a			

List of Abbreviations

IRO	Impacts, Risks and Opportunities
AGM	General Meeting of Shareholders
AML	Anti-money laundering
ANAF	National Agency for Fiscal Administration
APIA	National Agency for Payments and Inspection in Agriculture
AR	Application Requirements
BoD	Board of Directors
CARS	Risk Administration and Sustainability Committee
CaPex	Capital Expenditure
CEB	Council of Europe Development Bank
CFO	Chief Financial Officer
DSRD	Corporate Sustainability Reporting Directive
DR	Disclosure Requirement
E&S	Environment & Social matters
EMN	European Microfinance Network
ESG	Environmental, social and governance matters
ESMS	Environmental and social Management System
ESRS	European Sustainability Reporting Standards
FAO	Food and Agriculture Organisation of the United Nations
GHG	Greenhouse Gases
KPI	Key Performance Indicators
NFI	Non Financial Institution
IFRS	International Financial Reporting Standards
MDR-P	Minimum Disclosure Requirements
MFC	Microfinance Centre
ONRC	National Agency of Commerce Registry
SAI	Assets Management Company
SPV	Private Virtual Space
EU	European Union