

PATRIA BANK SA

Quarterly report for Q3 2017

In accordance with the FSA Regulation no. 1/2006

Report date: **15.11.2017**

Company name: **PATRIA BANK S.A. (the former Banca Comerciala Carpatica SA)**

Registered office: **Bucharest, district 1, 31 Ion Brezoianu Actor Street, floors 1, 2 and attic**

Actual office: **42 Pipera Road, Globalworth Plaza, floors 7, 8 and 10, district 2, Bucharest**

Phone/fax: **0269-803771 / 021-3133044**

Tax identification number: **RO 11447021**

Trade Register number: **J40/9252/2016**

Issued and paid-in share capital: **Lei 227,121,731.30**

Regulated market on which the issued shares are traded: **Bucharest Stock Exchange - Premium category**

Patria Bank S.A. – Registered office: Bucharest, District 1, 31 Brezoianu Ion Actor Street, floors 1,2 and attic; Headquarters office: Bucharest, District 2, Globalworth Plaza Building, Pipera no 42, floors 7, 8 and 10; ORC: J40/9252/2016, C.I.F. RO 11447021, RB-PJR-32-045/15.07.1999. Share Capital social: 227,121,731.30 lei; Patria Bank is registered by the National Supervisory Authority for Personal Data Processing – ANSPDCP – with the notification no. 753. Tel: 0800 410 310 | Fax: +40 372 148 273 | info@patriabank.ro | www.patriabank.ro

I. Executive summary

The first nine months of 2017 were a mixed period for Patria Bank, the bank resulted from the merger in May 2017 between the former Banca Comerciala Carpatica (BCC) and the former Patria Bank, in which the two banks operated separately for 4 months before the merger and the next 5 months together as a merged bank.

During this 5-month period following the merger, Patria Bank pursued and managed to accomplish its main strategic post-merger objectives, namely:

- (i) Implementing Patria Bank's commercial model and extending it to the entire territorial network, a model that has already produced the rebound of its bank lending activity at the level expected through its approved annual budget, which was achieved 102% for the first 9 months of the year;
- (ii) The implementation of the bank's restructuring plan and the achievement of the merger synergies was completed in September, restructuring that has already produced results starting September 2017, however the full impact of the synergies and cost savings will occur starting Q4 of this year.

Patria Bank continues to pursue merger and acquisition opportunities that may arise in the Romanian banking sector in order to increase its market share, utilize the bank's excess liquidity and increase its productive assets, while preparing a process of capital increase, process announced this year with the occasion of the budget approval.

Financial results - 5 months after merger

Net result at the bank level: The net cumulative loss for the first nine months of the year (LEI 26.3 million) remained almost at the same level as the loss for the first six months of the year (LEI 26.15 million), the net result for the 3rd quarter 2017 being a loss of LEI 0.2 million, mostly due to the positive result of **LEI 3.8 million realized in September 2017**. The loss in Q3 has decreased compared to the first two quarters of this year (LEI 15.0 million loss in Q1 - before the merger and LEI 11.1 million loss in Q2 - one month before the merger and two months post-merger), which shows a substantial reduction in the level of recurrent losses recorded by the Bank (on an individual basis) as a result of the merger and the cost-cutting measures applied.

Total operating income of LEI 108.6 million is 2% above the budgeted level and the operating income for Q3 2017 shows a 24% increase versus Q1 of this year. Compared to the same period of the previous year, operating income is down 26% due to the decline of the TBonds portfolio revenues on the basis of declining interest rates in the market. Commission income had only a marginal decrease despite the reduction of the branch network with 45 branches compared to the same period of the previous year.

Operational expenditures of LEI -120.6 million, with 9% savings versus the budget, decreased by 19% compared to the same period of the previous year and Q3 2017 OPEX has decreased by 22% compared to Q1 of 2017, mainly due to the reorganization process and to the optimization of the branch network.

Lending activity has been relaunched, the credit portfolio registering a 6% advance from to the beginning of the year and is 3% above the budgeted level, thus creating the conditions for an increase of net interest income in future periods.

Capital adequacy rate as of September 2017 was of **11.85%**, above the regulatory applicable level for the bank, on a slightly decreasing trend from the 12.80% at the end of the previous year, mostly due to losses accumulated in the first half of 2017 but also due to capital requirements related to the new loan production.

II. Analysis of the Bank's financial position

Presentation of interim financial statements - particularities during the year of the merger

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.

In this context, the statement of financial position of Patria Bank SA presented in this report (as of 30.09.2017) represents the separate interim financial statements of the bank resulting from the merger for the third quarter of 2017 and, from the perspective of the statement of comprehensive income, these separate financial statements are prepared as if the merger were performed from the beginning of the reporting period (January 2017), this being the Bank's accounting policy choice adopted for the presentation of the financial statements of the entity resulting from this merger.

In the same time, the comparatives in the statement of Comprehensive income for to the same period of the previous year (Q3 2016) and the statement of financial position as of the end of 2016, they were prepared as consolidated¹ amounts for the two banks for periods before before the merger. In this report the comparatives as of September 2016 in the statement of Comprehensive income incorporate a consolidation of the financial result of the former Patria Bank SA for the first 9 months of 2016 with the financial result of the former Banca Comerciala Carpatica for the 6 months period starting with March 31st, 2016 (the date of the acquisition of control by former-Patria Bank SA over former-Banca Comercial Carpatica SA) and ending to September 30th, 2016.

The below financial analysis is made for the Bank's individual financial statements prepared in accordance with International Financial Reporting Standards prepared for the period ended September 30, 2017 and for the comparative period of the previous year.

¹ Patria Bank Group prior to the merger, controlled by EAAF - the majority shareholder of Patria Bank SA, included the two banks: Patria Bank SA and Banca Comerciala Carpatica SA, as well as their subsidiaries Patria Credit IFN, SAI Patria Asset Management, SAI Carpatica and the 3 Investment funds controlled by SAI Carpatica, SAI Globinvest, as well as other entities in voluntary dissolution (which are not significant in the assets and the results of the Group). The highest level of consolidated financial statements before the merger were Patria Bank's consolidated financial statements, given that the Group's controlling entity, EAAF, is an investment firm that does not consolidate its investments according to IFRS 10.

In order to ensure the comparability of the position and financial performance of PBK resulting from the merger, the accounting policy adopted by the bank is that for the periods prior to the merger, to use as comparative the accounting values recorded in the highest consolidated financial statements prepared at the level of Patria Bank, but not for the entire Patria Bank Group as it was defined in the accounting consolidation perimeter, but only for the two banks involved in the merger. This level, which aggregates the book values of the two banks in the highest consolidated financial statements prepared by Patria Bank (for the periods prior to the merger of the financial years 2016 and 2017) is referred to in this report as the "sub-consolidated level" or "sub-consolidated statement" of the two banks before the merger.

FINANCIAL POSITION - BANK

ASSETS (thousands RON)	30 September 2017	31 December 2016	Δ 2017/ 2016 (abs.)	Δ 2017/ 2016 (%)	Budget 30 Sep 2017	Actual / Budget	Actual / Budget (%)
Liquid assets	1,885,766	2,015,243	-129,477	-6%	1,803,890	81,876	5%
Equity investments	31,408	31,400	8	0%	30,705	703	2%
Loans and advances to customers, net	1,266,026	1,199,507	66,519	6%	1,227,385	38,641	3%
Other assets	366,508	372,942	-6,434	-2%	376,494	-9,986	-3%
Total ASSETS	3,549,708	3,619,092	-69,384	-2%	3,438,474	111,234	3%

LIABILITIES (thousands RON)	30 September 2017	31 December 2016	Δ 2017/ 2016 (abs.)	Δ 2017/ 2016 (%)	Budget 30 Sep 2017	Actual / Budget	Actual / Budget (%)
Due to customers	3,210,015	3,221,691	-11,676	0%	3,016,668	193,347	6%
Borrowings and other liabilities	84,820	115,228	-30,408	-26%	161,601	-76,781	-48%
Total Liabilities	3,294,835	3,336,919	-42,084	-1%	3,178,270	116,566	4%
Total Equity	254,873	282,173	-27,300	-10%	260,205	-5,332	-2%
Total LIABILITIES AND EQUITY	3,549,708	3,619,092	-69,384	-2%	3,438,474	111,234	3%

- On September 30, 2017, **the total assets** were lower by only 2% compared to December 31, 2016, the reasons for the decline being analyzed below.
- **Liquid assets** (cash in hand, accounts with the Central Bank, credit institutions, portfolio of financial assets - held for trading, available for sale and held-to-maturity investments) decreased by 6% compared to the level recorded on December 31, 2016, due to the decrease in the level of deposits attracted from the non-banking clients, as well as due to the redirection of the liquidity surplus in the commercial activity (The new credit sales budget was 102% achieved for the first nine months of the year).
- Net value of **Loans and advances to customers** increased by 6% compared to the beginning of the year, the positive evolution being the result of the sales force's efforts on all business lines: Retail, MICRO, Agro and SMEs, which generated new loans in the first 9 months of 2017 worthing LEI 467 million.
- **The deposits attracted from non-banking clientele** recorded a 2% drop on September 30, 2017 compared to the beginning of the year, a positive fact as the decrease is 6% lower than expected (in the budget) in the context of the network optimization process through the bank closed in December 2016 a number of 18 territorial units and 27 units during 2017.

Liquidity position of the bank

The liquidity indicator at September 30, 2017 is comfortably above the regulated limits as follows:

Date	<= 1 month	1 -3 months	3-6 months	6-12 months	>12 months
30.06.2017	3,37	12,81	15,97	13,06	35,62
30.09.2017	3,07	11,62	14,10	13,91	21,61
Statutory limit	>= 1	>= 1	>= 1	>= 1	-

* The liquidity indicator calculated for all currencies, in LEI equivalent

The bank keeps a high level of liquid assets on the balance sheet (53%).

The Loan / Deposits ratio recorded in September 2017 the level of 43%, well below the average of the banking system of 75% (according to data provided by the National Bank of Romania for June 2017), which indicates that the liquidity reserves needed for lending increase are still very high, well above the market level.

III. The financial performance of Patria Bank SA for the first 9 months of 2017

Comparative statements for the same period of the last year (2016) presented in Profit or Loss incorporate the former Patria Bank SA financial results for the first 9 months of 2016 and the former Banca Comerciala Carpatica SA financial result for the 6 months period starting March 31st, 2016 (the date of control of former Patria Bank SA over the former Banca Comerciala Carpatica SA) and ending September 30th, 2016.

III.1. The main elements of the individual Income Statement compared to the same period of the last year and the Budget

FINANCIAL PERFORMANCE STATEMENT - BANK (thousands RON)	30 September 2017	30 September 2016 9 mths PBK +6 mths BCC	Δ 2017/ 2016 (abs.)	vs previous year (%)	Budget 30 Sep 2017	Actual / Budget (abs.)	Actual / Budget (%)
Net interest income	76,150	77,689	-1,539	-2%	74,278	1,872	3%
Net fees and commission income	17,371	13,239	4,132	31%	15,952	1,419	9%
Net gains from financial activity & other income	15,106	29,596	-14,490	-49%	16,520	-1,414	-9%
Total operating income	108,627	120,524	-11,897	-10%	106,750	1,877	2%
Net impairment of financial assets and impairments for credit commitments and	-14,354	-42,590	28,236	-66%	-2,532	-11,822	467%
Salaries and related expenses	-60,414	-58,577	-1,837	3%	-64,308	3,894	-6%
Depreciation and amortisation	-11,697	-9,347	-2,350	25%	-11,996	299	-2%
Other operating expenses	-48,488	-45,334	-3,154	7%	-56,190	7,702	-14%
Total operating expenses	-120,599	-113,258	-7,341	6%	-132,495	11,896	-9%
Gross Result	-26,326	-35,324	8,998	-25%	-28,276	1,950	-7%
Income tax	0	-212	212	-100%	-1,839	1,839	-100%
Net Result	-26,326	-35,536	9,210	-26%	-30,115	3,789	-13%

Considering the fact that for the same period of the previous year, as described in the second paragraph of this report ("*Presentation of interim financial statements - particularities during the year of the merger*"), for both actual and budgeted figures, it is presented the sub-consolidated statement on 30.09.2016 of the Profit or Loss Account, a statement that incorporates the financial result of the former Patria Bank SA for the first 9 months of 2016 and the financial result of former Carpatica Commercial Bank SA only for the 6 months of 2016 (after the date of Patria Bank SA's takeover), we consider relevant to present the evolution of the main items of the

Profit or Loss Account for 30 September 2017 compared to the sub-consolidated figures of the two banks involved in the merger for the first 9 months of 2016 to provide a relevant comparison as of September 30, 2017 results compared to the same period of the previous year, as presented below.

III.2. Comparative analysis with the same period of the last year

FINANCIAL PERFORMANCE STATEMENT - BANK (thousands RON)	30 September 2017	30 September 2016 vs previous		30 September 2016 vs previous	
		9 mths PBK +6 mths BCC	year (%)	9 mths PBK +9mths BCC	year (%)
Net interest income	76,150	77,689	-2%	88,744	-14%
Net fees and commission income	17,371	13,239	31%	17,919	-3%
Net gains from financial activity & other income	15,106	29,596	-49%	39,783	-62%
Total operating income	108,627	120,524	-10%	146,445	-26%
Net impairment of financial assets and impairments for credit commitments and	-14,354	-42,590	-66%	-42,537	-66%
Salaries and related expenses	-60,414	-58,577	3%	-73,181	-17%
Depreciation and amortisation	-11,697	-9,347	25%	-11,669	0%
Other operating expenses	-48,488	-45,334	7%	-63,318	-23%
Total operating expenses	-120,599	-113,258	6%	-148,167	-19%
Gross Result	-26,326	-35,324	-25%	-44,259	-41%
Income tax	0	-212	-100%	-212	-100%
Net Result	-26,326	-35,536	-26%	-44,471	-41%

Operating income (Net banking income) decreased by 26% compared to the same period of the previous year, the reasons for the decrease being the following:

- **Net interest income** declined by 14% (LEI 12.6 million) compared to the same period of 2016, due to the decrease of 13% in loans interest income and the decrease of 46% (LEI 9.3 million) of the interest rates on the TBonds portfolio, which were offset by a reduction of 28% in interest expenses paid to customers (in the context of the interest rates decreasing across the banking system and considering a decreasing by only 2% of the volume of deposits attracted in the same period).
- The decrease of the loans interest income is also influenced by the difference between the fair value adjustments related to the former BCC portfolio, adjustments which were resumed on revenues in 2016 in a higher proportion than in the first 9 months of 2017, the difference of LEI 6 mil., justifying a decrease of 6% in the interest income in 2017 compared to the same period of the previous year.
- As regards the decrease in the interest income on TBonds, the decline in revenues was due to a sharp decrease of yields in the market over the analysed period and to a portfolio restructuring aimed at reducing the interest rate risk of the bank;
- **Net interest income** increased by 31% in the second quarter and by 39% in the third quarter compared to Q1 2017;
- The Bank managed to keep **the net commission income** level at only 3% lower than the same period of the previous year, while reducing the number of territorial units by 18 units in December 2016 and by 27 units during the year 2017.

The operating expenses decreased by 19% (Lei 27.6 million), a result of the bank's process reorganizing both at the bank's headquarter and the operational centers, as well as from the optimization of the territorial coverage through the network of agencies as well as due to synergies resulting from the merger process.

Net (net) adjustment for impairment of credits registered a decrease of 66% (Lei 28.2 million), due to the favorable evolution of the collection and recovery process especially in Q4 2016 and in the first 9 months of the current year. In the 15 months since the recovery process for non-performing loans was re-launched, the bank recovered from the *legacy* portfolio of the former BCC aprox. LEI 120 million, both non-performing loans and written-off loans.

III.3. Economic & Financial ratios of Patria Bank SA

Main indicators - Bank		30.09.2017	31.12.2016
Total Own Funds Rate	%	11,85	12,80
Loans (gross) / Customer deposits	%	42,98	39,47
Liquid Assets / Total Assets	%	53,12	55,68
Liquidty Coverage Ratio (LCR)	%	488	725
Immediate Liquidity ¹	%	53,29	58,28

¹ Cash and deposit to banks (net values) + free T-bills / sources attracted and borrowed

IV. Important events to be reported for the period 01.07.2017 – 30.09.2017

- Starting with 30.06.2017, it has been registered at the Trade Registry the actual office of Patria Bank SA, at Pipera Road no. 42, Globalworth Plaza Building, 7th, 8th and 10th floors, Bucharest, sector 2.
- On 05.07.2017, the share capital increase process was completed, i.e. the registration in the shareholders' register of Patria Bank SA of the new shares issued as a result of the merger between Banca Comerciala Carpatica SA (as absorbing company) and Patria Bank SA (as an absorbed company), implemented on 01.05.2017.
- On 07.07.2017 Patria Bank SA received from the National Bank of Romania the notification regarding the prior approval of Mr. Bogdan Constantin Neacsu, nominated as Deputy General Manager - Risk Division, member of the Management Committee within Patria Bank SA.
- Starting with 13.07.2017, the bank changed its stock trading symbol to the Bucharest Stock Exchange, from ,BCC' to ,PBK'.
- On 26.07.2017 the Board of Directors approved the completion of the object of activity of PATRIA BANK SA with bancassurance activity (CAEN code 6622- Activities of insurance agents and brokers).
- On 28.07.2017, the Ordinary & Extraordinary General Meetings of the Shareholders took place and the following points were approved:
 - o The income and expenditure budget and the activity plan for the financial year 2017.

- o Appointing of Mr. IUGA VASILE as an independent member of the Board of Directors of Patria Bank SA.
 - o Establishing the administrators' remuneration.
 - o Appointment of the financial auditor PricewaterhouseCoopers Audit SRL; the duration of the contract is set for 3 years, respectively for the financial years 2017, 2018 and 2019.
 - o Partial coverage of the cumulative accounting loss as at 31.12.2016 with a value of 152,557,406 lei of the following items:
 - Share capital: 149,118,190 lei
 - Adjustments to inflation of the share capital: 3,439,216 lei
 - o Reducing the share capital of the bank by 149,118,190 lei, from 376,239,921.30 lei to 227,121,731.30 lei, by canceling a number of 1,491,181,900 shares having a nominal value of 0.1 lei, in the same proportion as of the participation share in the share capital of each shareholder of the bank, at the date of registration, as well as the setting of a value of 0 (zero) lei for the compensation of the share fractions resulting from the application of the algorithm and the rounding of the results, according to the legal provisions in force. The reduction of the share capital is made for the partial coverage of the cumulative losses of the bank, recorded on 31.12.2016 in the amount of 149,118,190 lei.
7. On 07.08.2017 Patria Bank SA received within the civil file no. 4435/85/2017, the payment injunction filled by Mr. Ilie Carabulea, through which the latter, in his capacity as a plaintiff, asked the court to oblige Patria Bank SA, in its capacity of defendant, jointly with its directors, to pay the sums of "*(a) 40,666,949.8 lei the price share of the shares redeemed by the company (b) the penalty interest related to the amount due, equal to the NBR reference rate increased by 4% starting with the date of the submission the payment injunction and until the effective payment date, and (c) the court fees representing the stamp duty and the lawyer's fees.*" Alternatively, the amount of 36,437,587.02 lei was requested.
 8. On 18.09.2017 Patria Bank SA received within the civil file no. 4874/85/2017, the payment injunction filled by Mr. Dican Octavian through which the latter, in his capacity as plaintiff, asked the court to oblige Patria Bank SA, acting as a defendant, jointly with its directors, to pay the sums of "*(a) 318,866.2 lei but not less than 285,704.1152 lei (b) the penalty interest related to the due amount, equal to the NBR reference rate increased by 4% starting with the date of the submission the payment injunction and until the effective payment date, and (c) the court fees representing the stamp duty and the lawyer's fee.*"
 9. On 25.09.2017 Patria Bank SA received within the civil file no. 4875/85/2017, the payment injunction filled by Mrs. Ciobanu Liliane Christine through which the latter, as a plaintiff, asked the court to oblige Patria Bank SA, in its capacity as defendant, jointly with its directors, to pay the sums of "*(a) 484,178.60 lei but not less than 433,824.0256 lei (b) the penalty interest related to the due amount, equal to the NBR reference rate increased by 4% starting with the date of the submission the payment injunction and until the effective payment date, and (c) the court fees representing the stamp duty and the lawyer's fee.*"
 10. For the litigations mentioned in paragraphs 7, 8 and 9 above, the Sibiu Tribunal declined territorial jurisdiction for settling disputes to the Bucharest Tribunal

V. Subsequent events after 30.09.2017

1. On 11.10.2017 Patria Bank SA received from the National Bank of Romania the notification regarding the approval of the share capital reduction operation with the amount of 149,118,190 lei, in order to partially cover the accumulated losses of the bank, registered on 31.12.2016, in accordance with the EGSM Decision no. 1 / 28.07.2017.
2. On 11.10.2017 Patria Bank SA received the Certificate of Recorded Amendments regarding the registration of the amendment of the bank's articles of association, following the Decision no. 616 / 26.07.2017 of the Board of Directors of the bank, regarding the completion of its activity with the bancassurance activity, which has been prior approved by the National Bank of Romania.
3. On 25.10.2017 Patria Bank SA received from the Financial Supervisory Authority the Securities Registration Certificate no. AC-3004-15 / 24.10.2017, regarding the capital reduction operation, in accordance with the EGSM Decision no. 1 / 28.07.2017.
4. On 26.10.2017 the Central Depository recorded in the Shareholders' Register the decrease of the share capital, as follows:
 - o Share capital: 227,121,731.30 lei
 - o Number of shares: 2,271,217,313 shares
 - o Nominal value: 0.1 lei / share

These Interim Financial Statements for the first 9 months of 2017 are not audited by an independent financial auditor.

VI. ANNEXES :

Statement of Financial Position as of 30.09.2017 for Patria Bank SA and for the Group

Statement of Financial Performance for the period ended 30.09.2017 for Patria Bank SA and for the Group

Deputy General Director – Financial Division,

Diana Kallos

Financial-Reporting Director

Georgiana Stanciulescu

Statement of Financial Position

RON thousands

	GROUP			BANK		
	30 September 2017	December 2017	Δ 2017/ 2016 (%)	30 September 2017	December 2017	Δ 2017/ 2016 (%)
Assets						
Cash and cash equivalents	574,183	705,346	-18.6%	563,117	676,497	-16.8%
Loans and advances to banks	5,075	6,939	-26.9%	5,075	6,939	-26.9%
Financial assets, available-for-sale	1,189,379	1,171,727	1.5%	1,189,379	1,171,727	1.5%
Financial assets held for trading	95,299	115,177	-17.3%	23,835	52,788	-54.8%
Investments held to maturity	106,935	109,966	-2.8%	106,935	109,860	-2.7%
Loans and advances to customers	1,309,361	1,236,190	5.9%	1,266,026	1,199,507	5.5%
Investment in subsidiaries	0	0		28,833	28,832	0.0%
Deffered tax assets	20,935	18,744	11.7%	21,102	19,023	10.9%
Investment property	77,960	78,271	-0.4%	74,895	75,206	-0.4%
Intangible assets	170,268	175,551	-3.0%	170,195	175,444	-3.0%
Tangible assets	45,545	44,239	3.0%	43,437	43,025	1.0%
Other assets	57,895	61,121	-5.3%	56,879	60,244	-5.6%
Total assets	<u>3,652,835</u>	<u>3,723,271</u>	<u>-1.9%</u>	<u>3,549,708</u>	<u>3,619,092</u>	<u>-1.9%</u>

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	GROUP			BANK		
	30 September 2017	December 2017	Δ 2017/ 2016 (%)	30 September 2017	December 2017	Δ 2017/ 2016 (%)
Liabilities						
Due to other banks	25,504	42,023	-39.3%	25,504	42,023	-39.3%
Customer deposits	3,185,212	3,207,531	-0.7%	3,210,015	3,221,691	-0.4%
Loans from banks and other financial institutions	47,380	47,223	0.3%	10,438	15,933	-34.5%
Current income tax	0	259	-100.0%	0	0	
Other liabilities	128,405	131,476	-2.3%	28,805	37,518	-23.2%
Subordinated debt	20,074	19,754	1.6%	20,074	19,754	1.6%
Total liabilities	<u>3,406,575</u>	<u>3,448,266</u>	<u>-1.2%</u>	<u>3,294,836</u>	<u>3,336,919</u>	<u>-1.3%</u>
Equity						
Share capital	383,979	199,218	92.7%	383,979	199,218	92.7%
Merger premium	-67,569	0		-67,569	0	
Own shares repurchased	-1,055	0		0	0	
Accumulated losses	-171,534	-70,628	142.9%	-162,177	-62,476	159.6%
Revaluation reserve	60,574	18,439	228.5%	58,775	18,440	218.7%
Other reserves	41,865	65,476	-36.1%	41,865	65,476	-36.1%
Non-controlling interests	0	62,500	-100.0%	0	61,515	-100.0%
Total equity	<u>246,260</u>	<u>275,005</u>	<u>-10.5%</u>	<u>254,873</u>	<u>282,173</u>	<u>-9.7%</u>
Total liabilities and equity	<u>3,652,835</u>	<u>3,723,271</u>	<u>-1.9%</u>	<u>3,549,708</u>	<u>3,619,092</u>	<u>-1.9%</u>

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Statement of Comprehensive Income

	GROUP			BANK		
	30 September 2017	December 2017	Δ 2017/ 2016 (%)	30 September 2017	December 2017	Δ 2017/ 2016 (%)
RON thousands						
Interest income	111,222	110,906	0.3%	100,186	102,262	-2.0%
Interest expense	(25,573)	(25,465)	0.4%	(24,036)	(24,573)	-2.2%
Net interest income	85,649	85,441	0.2%	76,150	77,689	-2.0%
Fee and commission income	21,573	17,695	21.9%	20,824	17,092	21.8%
Fee and commission expense	(4,711)	(4,625)	1.9%	(3,453)	(3,853)	-10.4%
Net fee and commission income	16,862	13,070	29.0%	17,371	13,239	31.2%
Gains /(losses) from financial trading, derivatives and foreign exchanges	9,107	8,970	1.5%	8,636	7,802	10.7%
Gains from disposals of investment securities available for sale	548	16,607	-96.7%	546	16,607	-96.7%
Other operating income	2,429	4,338	-44.0%	5,924	5,187	14.2%
Total operating income	114,595	128,426	-10.8%	108,627	120,524	-9.9%
Staff costs	(62,988)	(60,473)	4.2%	(60,414)	(58,577)	3.1%
Depreciation and amortization	(12,013)	(9,414)	27.6%	(11,697)	(9,347)	25.1%
Other operating and administrative expenses	(52,356)	(46,958)	11.5%	(48,488)	(45,334)	7.0%
Total operating expense	(127,357)	(116,845)	9.0%	(120,599)	(113,258)	6.5%
Net impairment of financial assets and impairments for credit commitments and guarantees	(15,488)	(42,337)	-63.4%	(14,354)	(42,590)	-66.3%
Loss before income tax	(28,250)	(30,756)	-8.1%	(26,326)	(35,324)	-25.5%
Expense/Income from deferred tax	(647)	(726)	-10.9%	-	(212)	-100.0%
Loss for the financial exercises	(28,897)	(31,482)	-8.2%	(26,326)	(35,536)	-25.9%

Patria Bank S.A. – Registered office: Bucharest, District 1, 31 Brezoianu Ion Actor Street, floors 1,2 and attic; Headquarters office: Bucharest, District 2, Globalworth Plaza Building, Pipera no 42, floors 7, 8 and 10; ORC: J40/9252/2016, C.I.F. RO 11447021, RB-PJR-32-045/15.07.1999. Share Capital social: 227,121,731.30 lei; Patria Bank is registered by the National Supervisory Authority for Personal Data Processing – ANSPDCP – with the notification no. 753. Tel: 0800 410 310 | Fax: +40 372 148 273 | info@patriabank.ro | www.patriabank.ro