

ANNOUNCEMENT REGARDING THE PRELIMINARY FINANCIAL RESULTS OF PATRIA BANK S.A. AS OF 31.12.2017***Completing the merger and the relaunch of the lending activity brought
Patria Bank a 10.5% increase in loans to customers in 2017 compared to 2016***

The year 2017 was for Patria Bank, the bank resulted from the merger concluded in May 2017 between the former Banca Comerciala Carpatica and the former Patria Bank, a financial exercise in which the two banks operated separately 4 months before the merger and 8 months together, as merged bank.

Through the merger, Patria Bank SA became a bigger and stronger bank with a nationwide network, a portfolio of active clients of about 180,000, present in 63 cities, through 85 banking units, consolidating its active and innovative participant position on agro, microenterprises and SMEs, and also developing the retail segment in urban areas, especially in small towns, and in rural areas. In this context, for supporting its strategic direction, to be a significant presence in the segment of the less banked clients, the year 2017 was the year of launching Patria Bank's brand, under a new slogan "Patria Bank. For all the Romanians" and the creative concept "You do a lot for the country, it's time Patria to do something for you too!", a campaign that was very renowned for its notoriety (36% being the index of notoriety 16% before the campaign) and significant increases in customer interest for products and services offered (an average of 100% increase in requests coming from the online environment and over 20% of requests in territorial branches).

Patria Bank SA positions itself as a totally different entity from the two merging banks, both in terms of strategy, size, products and market approach, and from the perspective of a new management and majority shareholding, which have a solid reputation and expertise. Being one of the few listed Romanian banks - the premium category, Patria Bank SA wants to become an active issuer on the capital market. To mark this new approach, on 13.07.2017 there was a change in the trading symbol of 'BCC' in 'PBK'.

During this period of 8 months after the merger, Patria Bank SA pursued and managed to accomplish its main strategic post-merger objectives, namely:

- (i) Implementation of the former Patria Bank's commercial model and its extension to the entire territorial network (including the branch network of ex-Banca Comerciala Carpatica), a model that has already relaunched the bank lending activity, forecasted through its business strategy and annual budget, by achieving of the very ambitious annual budget of new credits sales of 694 million LEI, out of which RON 520 million represents new loans granted after merger;**
- (ii) Highlighting the first effects of the synergies and cost savings as a result of the merger and restructuring process which led to a reduction (on an annual basis) of operational expenditures of 21.7% in 2017 compared to 2016;**
- (iii) Implementation of the Bank's Restructuring Plan, finalized in September 2017 and whose final impact on the reduction in operational expenditures will be visible in 2018 (when a 10% annualized reduction is expected as compared with 2017);**
- (iv) Achievement of the Budget by almost 100% in case of the net interest incomes and net fees and commissions incomes as well as a 3% reduction of the operational expenditures compared with the budgeted.**

The Bank aims to improve its financial performance and expects to become profitable in 2018, as long as it will be executed the efficient placement of the surplus liquidity (more than RON 700 million) and which for strategic reasons was maintained during 2017, realizing the objectives for organic growth and acquisitions, which we believe will give confidence to investors in the bank and will stimulate the participation in the bank's future operations at capital market.

Preliminary Financial Results - 8 months after merger

Total operating income of RON 142.5 million is 7.8% below the budgeted level, mainly due to not realizing the placement of a portion from the liquidity excess through a portfolio acquisition. Compared to the same period of the previous year, operating income is down 30% due to i) the decline of the TBonds portfolio revenues on the basis of declining interest rates in the market and (ii) the favorable fair value adjustments to the credit portfolio of Banca Comerciala Carpatica lower in 2017 compared to 2016, considering a low commission income decrease despite the reduction of the branch network with 27 branches compared to the same period of the previous year.

Operational expenditures of RON 165 million, are 2.9% down versus the budget, due to the reorganization process and to the optimization of the branch network.

Net result at the bank level: The net cumulative loss for 2017 is RON 42 million versus the budgeted amount of RON 20 million, the deviation from the budget being mainly due to some delays encountered in the recovery execution of some important non-performing transactions as a result of the complexity and the legal issues involved and which are estimated to be completed in 2018.

Lending activity has been relaunched, the credit portfolio registering a 10.5% advance from to the beginning of the year, thus creating the conditions for an increase of net interest income.

Capital adequacy rate as of December 2017 was of 10.66%, on a decreasing trend from the 13.32% at the end of the previous year, in the context of the losses registered in 2017 due to the increase of the risk-weighted assets from commercial activity (the new loan production) and the negative impact from mark to market process of the TBills portfolio generated by the changes of the market yields. In order to strengthen the bank's capital base in February 2018, a general meeting of shareholders was convened for raising the capital base by RON 60 million, of which the amount that will contribute to the incremental capital base is up to RON 40 million.

The integral version of the report on the preliminary financial results of Patria Bank S.A, accompanied by the Financial Position and Financial Performance as of 31.12.2017 (preliminary) shall be accessible on the bank's website at <https://www.patriabank.ro/despre-patria/investitori/rezultate-si-rapoarte/rapoarte-financiare> or on the website of the Bucharest Stock Exchange at the link below starting with 15.02.2018.