



First Quarter 2022 Financial Results*

* Limited financial results for the first quarter 2022 are based on unaudited standalone financial statements and do not include the financial position and performance of the two subsidiaries, which represent less than 2% of the consolidated balance sheet



Disclaimer

Presented results are based on unaudited standalone first quarter (1Q) of 2022 financial statements. They do not include the results, the financial performance and the financial positions of two subsidiaries, which combined do not exceed 1% of the consolidated balance sheet. The balance sheet and income statement within these results are prepared based on International Financial Reporting Standards (“IFRS”), as adopted by IASB. Limited disclosure notes, including financial and non-financial information, accompany the results. Standalone results from the fourth quarter (4Q) of 2021 and the first quarter (1Q) of 2021 are used for comparison.

Additional Information Disclosure

The following materials are disclosed on our Investor Relations website <https://ir.maib.md/> under Investors section:

- 1Q 2022 Financial Results
- 1Q 2022 Financial Results presentation

Report 1Q 2022 Financial Results

Financial Highlights

1Q 2022 P&L Highlights

- Net Profit for the period amounted to MDL 261.4 million (1Q 2021: MDL 148.5 million), up by 76.1% YoY and up by 20.8% QoQ
- Return on average equity (ROE) stood at 18.8% (1Q 2021: 11.8%)
- ROE before expected credit losses (ECL) stood at 20.7% (1Q 2021: 13.5%)
- Return on average assets (ROA) stood at 2.8% (1Q 2021: 1.9%)
- Cost to income stood at 53.8% (1Q 2021: 60.6%)
- Cost of risk stood at -0.72% (1Q 2021: -0.12%)
- Net interest margin (NIM) stood at 4.84% (1Q 2021: 3.85%)
- Basic quarterly earnings per share (EPS) stood at MDL 252 MDL (1Q 2021: 143 MDL)

Balance Sheet Highlights as of 31 March 2022

- Total assets amounted to MDL 38,694 million, up by 4.0% QoQ and by 24.9% YoY
- Gross loans and advances to customers stood at MDL 20,505 million, up by 3.8% QoQ and up by 30.5% YoY
- Net loans to deposits stood at 73%, up by 8pp QoQ and up 12 pp YoY
- Non-performing loans (NPL) were 2.2%, down by 1.7 pp QoQ and down by 2.4 pp YoY
- NPL ECL coverage and total ECL coverage ratios stood at 191.2% and 3.9%, respectively on March 31, 2022, compared to 141.7% and 4.5% as of March 31, 2021
- Total customers deposits amounted to MDL 26,644 million, down by 6.8% QoQ and up by 10% YoY
- The Bank's Capital Adequacy Ratio and Tier 1 capital stood at 20.1% and 18.8%, respectively;

Our market share in Moldova

- Market share by total assets reached 32.7%, up by 3.1 pp YoY
- Market share by total loans was 35.4%, up by 1.8 pp YoY
- Market share of total deposits reached 31.7%, up by 1.1 pp YoY

Operating highlights

- MAIBank users reached 324k (up from 297k)
- Monthly Active Users (MAU%) – Retail 73%; MSME – 96%.
- 33% of Daily Active Retail Users to Monthly Retail Active Users (DAU/MAU%)
- 29% of number of retail deposits and 34% of number of retail loans originated online
- 82% of number of retail transactions are cashless (performed via cards)
- 9K new MAIBank users connected every month (average 1Q 2022)

Economic and Country Updates

- Moldova submitted candidacy to European Union in March 2022
- Moldovan projected economic growth for 2022 – ranging from contraction by 0.4% up to growth by 1.0% due to Ukrainian war (according to projections of IMF, World Bank, EBRD and local Ministry of Economy)
- Amendments to the Law on Banking regarding consumer loans (*please refer to Subsequent Events Chapter*)
- Increase in base rate and required reserves ratio in May 2022 in response to high inflation (*please refer to Subsequent Events Chapter*)

1Q 2022 Financial Results

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Maib at a glance

Maib is the largest bank in Republic of Moldova, with total assets amounting to MDL 38.7 billion, representing 33% of market share by total assets as March 31, 2022. Maib is a leader in the Moldovan market by loans, deposits, distribution network, brand perception and most other key indicators.

Our more than 2,300 employees serve just under one million retail customers, MSME and corporate customers across nationwide distribution network.

The Bank's gross loan portfolio totaled MDL 20.5 billion as of March 31, 2022, out of which 35% is represented by retail clients and 65% across legal entities (44% Corporate and 21% MSME).

The Bank's funding is mainly via customers' deposits and equity. Some additional funding is obtained via contracting subordinated loans from international financial institutions and REPO agreements.

Maib shareholder structure is spread between HEIM Partners Limited (41.1%, being a consortium of EBRD, Horizon Capital GP and INVALIDA INVL), 14 individual shareholders with over 1% shareholding (26.3%) and 3000+ other shareholders (32.6%).

According to dividend policy set in 2021, the Bank's dividend payout is within 30-50% of net profit. The Bank's dividend distribution decisions are aligned with NBM recommendations for dividend distribution. According to latest communication of NBM Governor, the NBM's decision for banks' dividend distribution will focus on resilience of the banking sector.

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Economic outlook

GDP downgrade as a result of regional turbulence.

The Moldovan economy is open and deeply integrated in the regional and global flow of goods, products and services, people and capital. All global and regional trends and economic events have a direct impact on the Moldovan economy, society and business. First quarter of 2022 was not an exception. Moldovan economy grew significantly in 2021, by 13.9%, but faced shocks in 1Q 2022, such as the war in Ukraine, accelerating inflation, reduced consumer and business confidence. These have had an impact on expected economic growth, which, according to latest forecasts, was downgraded to a range from a contraction by 0.4% up to a growth by 1.0% in 2022. The economic growth is expected to rebound in 2023 and 2024.

2022 Real GDP latest forecasts:

- **World Bank:** Contraction by 0.4% in 2022 (revised from initially forecasted growth by 3.8%) and growth by 2.7% and 4.2% in 2023 and 2024, respectively, according to recent update in April 2022;
- **IMF:** Growth by 0.3% in 2022 (revised from initially forecasted growth by 5.2%) and growth by 2.0% in 2023, according to latest update in April 2022;
- **EBRD:** Growth by 1.0% in 2022 (revised from growth of 4.0% in 2022) and 3.5% in 2023, according to recent update in May 2022;
- **Local Ministry of Economy:** Growth by 0.3% in 2022 (revised from growth of 4.2%) and by 3.0% in 2023, according to update in March 2022

NBM raises rates in response to high inflation.

High inflationary pressures are expected to persist throughout 2022, with the inflation remaining significantly above the upper bound of the target corridor of 5 percent (+/-1.5%). According to the latest NBM forecasts, the inflation will reach the maximum level of 31% in 3Q 2022 on the back of general economic downside and elevated commodity prices. Starting 4Q 2022, the projected inflation has a downward trend, reaching its target corridor of 6.5% in 1Q 2024. Internal inflation is vulnerable to the evolution of the external environment manifested through supply stocks in the context of increasing international prices to energy resources and food prices. At the same time, increasing internal demand puts pressures on inflation in the context of increasing disposable income and consumption loans that support increase of prices. Based on the macroeconomic outlook, the increase of inflation rate pushes up interest rates on deposits and loans by increasing the cost of funding and narrowing net interest margin. In the medium term, this may reduce lending and encourage savings.

The current economic and geopolitical turbulences has also affected the budget deficit, which grew to MDL 19.4 billion or 7.1% of GDP (as of May 5, 2022).

Initial pressure on currency and NBM reserves has subsided.

During 1Q 2022, local currency (Moldovan Leu or MDL) has depreciated against USD by 0.58 MDL per 1 USD (3.3%), being driven by the rising demand in relation to supply of foreign currency on the foreign exchange market. However, subsequently in April 2022, the situation on the foreign exchange market has noticeably relieved, mainly due to a higher net supply of foreign currency from individuals.

The official NBM reserves decreased by approx. 12% during 1Q 2022, mainly driven to interventions on the internal exchange market through sale of currency. However, starting in April 2022, this dynamic has large subsided, with NBM reserves recording a decrease of 2.5% MoM due to depreciation of exchange rates of the component currencies of NBM official reserves and net outflows related to required reserves of local banks.

During 1Q and so far, NBM has applied a more restrictive monetary policy by increasing the base rates and required reserves ratios. As such, during 1Q 2022, the base rate increased from 6.5% to

12.5% and the required reserves ratio from financial means attracted in local currency was raised from 26% to 28%.

Several additional restrictive measures were approved by NBM subsequently, in May 2022 (for details, please refer to Subsequent Events Chapter). These decisions were made in order to alleviate the persistent inflationary pressures, anchor inflationary expectations, stimulate savings over consumption, and reduce the pressure on the depreciation of the national currency due to the widening current account deficit and capital backflow.

EU Candidacy application.

The Moldovan Parliament applied for admission to the European Union on March 3, 2022, following in the footsteps of Ukraine and Georgia. Also, in March 2022, EU Parliament consented to Frontex operational support for Moldova (including at its borders with Ukraine) and agreed to provide Moldova with €150 million in macro-financial aid to cover part of its external financing needs.

Subsequently, in May 2022, the European Parliament adopted a resolution in support of granting Moldova the status of an EU candidate. Upon the request of the European Parliament, EU shall provide more support for Republic of Moldova, i.e. via new macro-financial assistance, further transport and trade liberalization measures, and continued support for refugee management and humanitarian purposes.

Some deposits outflow in the banking sector but no impact on profitability.

Banking sector overall is stable and is characterized in 1Q 2022 by the increase in assets, loans, capital, and decrease in deposits of individuals and legal entities, coupled with reducing in liquidity levels. Net profits per system increased by 378 mil lei (+89%) driven by solid net interest and non-interest income, effects being partially offset by the growth in cost of risk.

Net fee and commission income is expected to rise in the context of increasing volumes of card transactions and increasing income from card operations. The remaining income components are forecasted mostly stable. Overall, operating income will have an upward trend. Operating expenses are expected to rise in next period, in the context of the implementation of strategic initiatives designed to strengthen the competitive position, improve customer experience, and optimize processes and digitalization along with increasing employee engagement.

The execution of **maib** strategy continues at pace implementing our strategic initiatives according to the signed off strategy and plan. This year, maib pays a critical attention to Cost to Income ratio and manages unite costs so that to keep the ratio under control and not increasing. Meanwhile, bank focuses on implementation of the strategic initiatives as they are planned, in in order to increase resiliency and be able to face not only the current headwind but also prepare for growth after the crisis is over.

Humanitarian assistance to refugees.

Also, since the Russian invasion in Ukraine, maib has been putting efforts in supporting Ukrainian citizens who have taken refuge in Republic of Moldova. So far, maib has already transferred to the special fund opened by the Government three tranches in total amount of MDL 2.4 million. On a monthly basis, maib donates a fixed amount for each transaction made with a debit or credit card issued by **maib** via POS terminal or E-commerce payment, the initiative meant to encourage maib cardholders to use cards as often as possible for a direct impact in donated amount. Also, the commission for cash withdrawals by Ukrainian citizens was cancelled.

Bank's Strategy

1

Build new level of customer experience

- Focus on the customer
- Continue sustainable growth and focus on profitability

2

Become a modern financial ecosystem provider

- Continue transformation of the e-channels
- Cooperate with the right partners to orchestrate financial ecosystems with the focus on the best customer experience

3

List shares on an International Stock Exchange (IPO)

- Realize full shareholder value
- Tap international capital markets for growing funding needs of Moldovan businesses

4

Expand in the region with digital business model

- Step by step expansion in the region using tested, profitable business models

The bank's strategy is supported by:

Agile transformation

ESG program

(ESG policy / ESG Reporting Framework/ ESG Rating)

Key selected operating milestones hit during 1Q 2022:

New level of customer experience

- 22 branches moved in 1Q 2022 to the new operating model, totaling to 38 branches operating new model as of March 31, 2022 Opening of 6 Premium Customers areas
- Launch of SmartPOS service
- Launch the modernization of mobile banking app and internet banking solution for businesses to improve customer experience
- Maib named Best Bank in Moldova in 2022 by the Global Finance Magazine
- FaceID

Become a modern financial ecosystem provider

- Continuous improvement of our ecosystem DriveHub with the rollout of the mobile app for DriveHub already done in 2Q 2022
- Continuous development of our 2nd ecosystem CasaHub which was launched in 2Q 2022

List shares on an International Stock Exchange (IPO)

- Meetings with potential investors, attendance of investors conferences and roadshows
- Corporate Governance review based on best practices has been launched

Agile

- Preparation for the frontrunners which was officially launched in Q2 2Q 2022

ESG

- Continuous development of ESG program. Fully functioning ESG program is planned in 2023, by Implementation of ESG policy, reporting and ESG rating assessment

1Q22 FINANCIAL RESULTS

INCOME STATEMENT highlights, million MDL					
	1Q 2022	1Q 2021	%YoY change	4Q 2021	%QoQ change
Net interest income	423.7	273.9	+54.7%	389.8	+8.7%
Net fee and commission income	71.4	78.1	-8.6%	106.3	-32.9%
Net foreign exchange gains (losses)	114.7	67.4	+70.1%	89.2	+28.6%
Other operating income	13.4	12.1	+10.3%	24.0	-44.1%
Operating income	623.1	431.5	+44.4%	609.3	+2.3%
Operating expenses	(335.2)	(261.6)	+28.1%	(348.1)	-3.7%
Operating profit before credit loss allowance	288.0	169.9	+69.5%	261.1	+10.3%
Impairment allowances and provisions	5.1	(1.2)	-520.8%	(16.1)	-131.8%
Profit before tax	293.1	168.7	+73.7%	245.0	+19.6%
Income tax expense	(31.7)	(20.2)	+56.4%	(28.6)	+10.6%
Net profit	261.4	148.5	+76.1%	216.4	+20.8%

FINANCIAL POSITION STATEMENT highlights, million MDL			
	31 March 2022	31 December 2021	% change
Cash and balances with banks	13,089	12,486	+4.8%
Financial assets at fair value through OCI and investments in subsidiaries	3,941	4,196	-6.1%
Net loans and advances to customers, including:	19,538	18,665	+4.7%
Corporate customers	6,839	8,475	-19.3%
MSME customers	4,056	3,615	+12.2%
Retail customers	8,643	6,575	+31.5%
Premises and equipment, intangible assets, other assets	2,126	1,850	+14.9%
Total assets	38,694	37,197	+4.0%
Due to banks and borrowings	2,581	2,478	+4.2%
Due to customers, including:	26,644	28,596	-6.8%
Corporate customers	3,473	3,696	-6.0%
MSME customers	5,913	5,835	+1.3%
Retail customers	17,258	19,065	-9.5%
REPO	3,002	-	+100.0%
Lease and other liabilities	799	676	+18.2%
Total liabilities	33,026	31,750	+4.0%
Total equity	5,668	5,447	+4.1%
Total liabilities and equity	38,694	37,197	+4.0%

KEY FINANCIAL RATIOS	March 31, 2022	December 31, 2021	March 31, 2021
ROE %	18.80%	13.80%	11.80%
ROE less cost of risk %	20.70%	17.70%	13.50%
ROA %	2.80%	2.10%	1.90%
ROA less cost of risk %	3.00%	2.90%	2.20%
NIM %	4.84%	4.20%	3.85%
Loan yield %	8.72%	8.43%	8.31%
Cost of funding %	1.60%	1.32%	1.36%
Cost of deposit %	0.95%	1.15%	1.30%
Cost to income ratio %	53.8%	55.0%*	60.6%
LTD ratio %	73.3%	65.3%	61.1%
NPL ratio %	2.2%	3.9%	4.6%
CAR %	20.13%	21.0%	19.08%

*calculated with elimination of impairment charges from revaluation of property and equipment

Highlights of financial performance

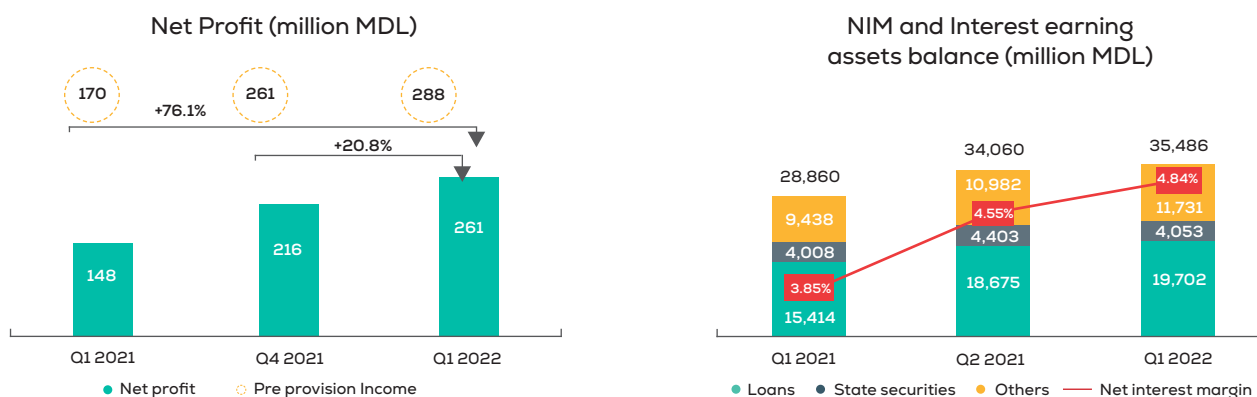
In the first quarter 2022, maib has recorded robust financial results.

Net profit amounted to MDL 261 million (YoY increase by over 76%), while our return on equity and on assets stood at 18.8% and 2.8%, respectively. Our performance improvement is due to organic growth and balanced growth in all segments and across all products in the Bank's portfolio. Our profitability was driven by resilient net interest income generation and foreign currency trading and exchange operations.

Net interest margin (NIM) increased by 0.29 pp driven by higher volumes coupled with higher yields of earning assets.

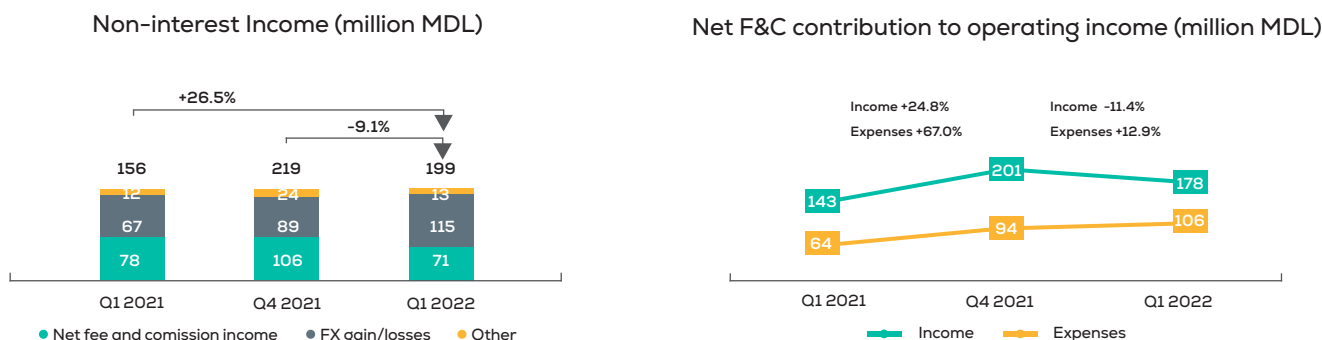
The 55% YoY increase was determined by a 23% of earning assets balance and yield of loans (by 5%) and securities (by 67%). Net interest margin improved to 4.84% in 1Q 2022 vs. 3.85% in 1Q 2021, reflecting the change in mix of loan portfolio towards local currency which earn a higher yield, as well as increased yield on state securities and remuneration of required reserves.

The net interest margin was slightly offset by the increased cost of funding, determined by use of REPO facility, which is being decreasing since then to a more comfortable levels. Concurrently, the cost of deposits' cost decreased to 0.8% in March 2022 from 1.0% as of 2021 year end.



Foreign exchange gains in the light of foreign exchange market turbulences

Non-interest income share in total operating income is 32% as of 1Q 2022. In 1Q 2022, non-interest income totaled MDL 199 million, up by 27% YoY and down by 9% QoQ. The YoY increase was mainly driven by increase in net foreign exchange (FX) gains by 72%, the result of high volatility in exchange rates and high volumes of trading operations. The fluctuations in exchange rates and net demand for foreign exchange on the local foreign exchange market was consequential to the emerged invasion in Ukraine on Feb 24, 2022. The 9% YoY decrease of net fees and commission (F&C) income as result of a partial lockdown in January 2022.

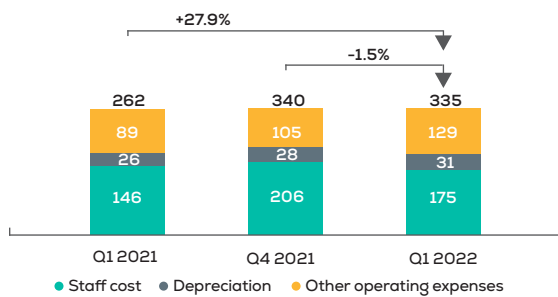


Higher operating expenses driven by increase of staff cost and continued investment in strategic projects to reinforce competitive position

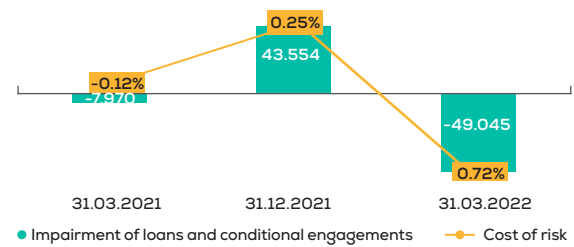
Operating expenses increased by 28% YoY to MDL 335 million mostly due to a 20% increase in personnel costs, as result of application of a new grading system in 2022, in line with the maib's HR strategy and trend in banking market. Other operating expenses were 44% higher YoY to MDL 129 million driven by increasing utilities expenses, transportation, insurance, consulting fees and others among other things related to the increase in the inflation and energy prices. Cost to income ratio was 53.8%, lower by 6.8 pp YoY, as a result of improvement in operating income by 44%, partially offset by growth in operating expenses by 28%.

Bank manages actively Cost to Income ratio to keep it stable despite inflationary and economic activity shocks.

Total Operating Expenses (million MDL)



Cost of risk of loan portfolio (%)



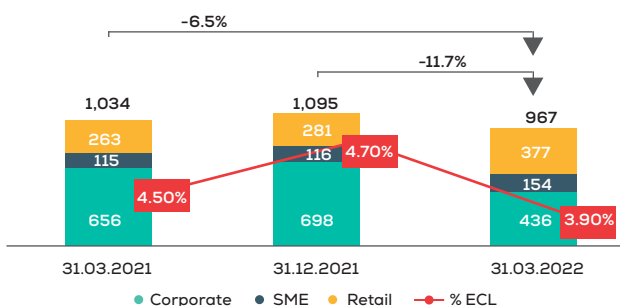
Maintaining a prudent approach for expected credit losses in relation to current economic and geo-political developments

In 1Q 2022, the cost of risk stood at -0.72%, 0.97 pp lower as compared to previous quarter. The expected credit loss allowances release in 1Q 2022 is attributable to a significant amount of recoveries from corporate non-performing loans (NPL). Overall, excluding the significant NPL recovery, the cost of risk in 1Q 2022 stood at annualized 1% which was created by the bank using proactive approach related to the regional geo-political instability and economical turbulences (pro-inflationary pressure, rise in energy prices etc.). ECL charges in 1Q 2022 were attributable mainly to retail and MSME segments, picking up the cost by risk to 6.1% and 4.1%, respectively. The quality of loan portfolio shows a positive trend vs 2021 YE, driven by noticeable recoveries from non-performing loans.

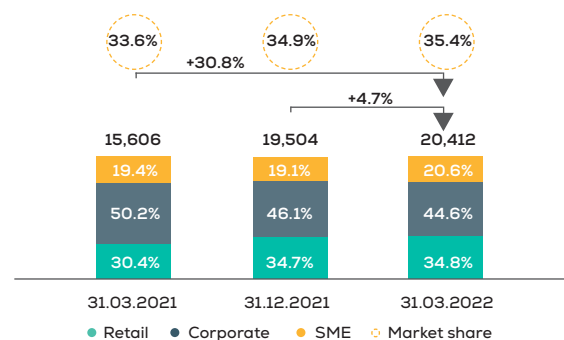
Uptick in lending driven by MSME and Retail segments

As at 1Q 2022, the gross loan portfolio reached MDL 20.4 billion (principal only), up by 30.8% YoY and 4.7% QoQ. The YoY increase was spread mainly across Business Banking and Retail segments, mainly in mortgages, while new consumer loans decreased significantly after the crisis start. The decrease in amount and share of corporate portfolio was a result of NPL recoveries (see above), however the downward trend is generally in line with seasonal trend. Despite the regional crisis and economical turbulences, which slow down the lending activity, maib maintains a strong position on the market, covering a 35.4% of market share.

ECL reserve (million MDL)



Loan portfolio (million MDL)



Deposits outflow in the light of Ukraine conflict

Customers deposits stood at MDL 26.6 billion at March 31, 2022, up by 10% YoY and down by 6.8% QoQ. The portfolio of deposits denominated in local currency (with a share of 53% as of March 31, 2022) has decreased by over 10% QoQ. The outflow of deposits denominated in foreign currency is moderate – by 2.2% QoQ. Having regard to the regional conflict, the general outflow of deposits in maib is in line with the market trends. Deposit withdrawals slowed down in March with a slight pick in April, returning mostly to back to normal in May. Maib has maintained its market share of 31.7% and has been taking all necessary steps to continuously increase its customers' deposits portfolio.

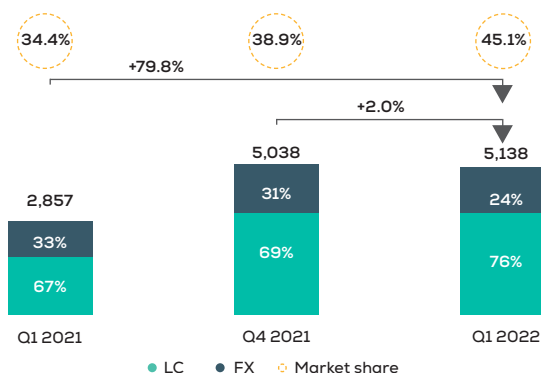
During 1Q 2022, maib maintained a robust level of liquidity

Despite the deposits outflow trend (see above), maib has maintained a strong liquidity position. Right before the Russian invasion in Ukraine, the maib's current liquidity ratio was 43% (i.e. share of liquid assets in balance sheet), slightly decreasing to 36% as of March 31, 2022. Nevertheless, maib has been continuously reinforcing its liquidity position, also by contracting loans, including subordinated, from other financial institutions and specialized finance providers (e.g. EUR 50 million loan with EBRD, EUR 10 million EFSE subordinated loan drawdown in 2Q 2022), which together with another loans in the pipeline, total up to EUR 100 million. Additionally, maib optimized its liquidity by tactically entering in REPO to keep up with short-term needs, but also keeping flat Treasury and Government bonds portfolio, which offer attractive yields during latest months. Liquidity Coverage Ratio (LCR) as of March 31, 2022 stood at a comfortable level of 143%, being significantly above the local regulatory level (80%).

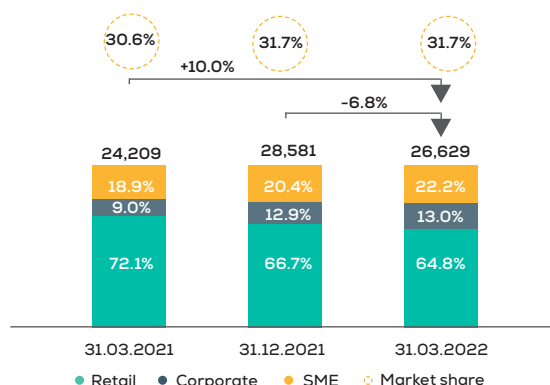
Maib has a solid capital cushion, with ratios comfortably above minimum requirements

Maib is solidly capitalized. Capital Adequacy Ratio and Tier 1 stood at of 20.1% and 18.75%, respectively, as of March 31, 2022, being above minimum requirements. Capital position is continuously strengthened by contracting subordinated loans from other financial institutions, which define Tier 2 capital, as well as by means of growing profitability of the business across all segments (included in Tier 1 capital, which also stand for a stronger capital position of maib).

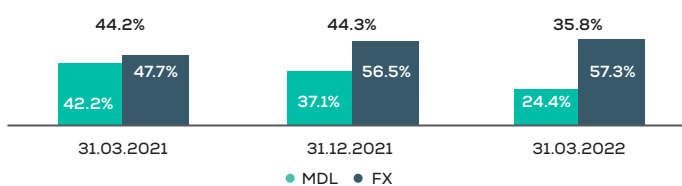
New granted loans (million MDL)



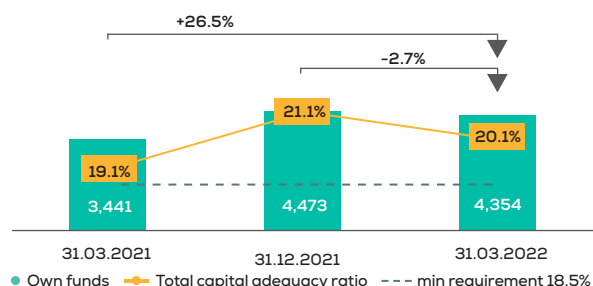
Deposit portfolio (million MDL)



Current liquidity (%)



Regulatory capital (million MDL)



SEGMENT REPORTING

Retail banking

Key business highlights

Retail banking provides consumer loans including credit cards facilities and mortgage loans, as well as funds transfers and handling of customers' accounts and deposits.

Loan portfolio:

7.1 billion

(+5%) or +337 mio MDL
in 1Q 2022

Market share:

30.77%

+0.54 p.p

Maibank users:

324k

In 1Q 2022 +27k
new users or +9%

Cards portfolio:

788k

+43k or +6% for 1Q 2022

POS portfolio:

9,703

+533 or 5.8%
increase in 1Q 2022

Our Retail Banking business continued to deliver strong results across key strategic pillars, as demonstrated by the following indicators:

- over 800K customers, up by 7.7% YoY, out of which 60% being active customers;
- 18% of active customers have contracted loan facilities;
- Expansion of retail customers database by 20K in 1Q 2022;
- Increase of online operations performed through maib's online banking application: number of retail users of the bank's internet banking application – up by 57% YoY, online payments through bank's application up by 64% YoY, share of online lending – up to 33.7%;

Our digital ecosystems comprise so far two verticals: real estate marketplace (CasaHub) and auto marketplace (DriveHub). Throughout the quarter, we launched these businesses and are still continuing developing them.

Financial performance

RETAIL Banking STATEMENT OF PROFIT OR LOSS		1Q 2022	1Q 2021	YoY change %	4Q 2021	QoQ change %
1	NET INTEREST INCOME	215,008	110,116	+95.3%	189,682	+13.4%
2	NON-INTEREST INCOME, out of which:	79,899	70,311	+13.6%	126,660	-36.9%
2.1	Net fee and commission income	26,308	34,327	-23.4%	78,960	-66.7%
2.2	Foreign exchange gains, net	40,794	25,216	+61.8%	31,852	+28.1%
2.3	Other operating income	12,798	10,767	+18.9%	15,848	-19.2%
3	OPERATING INCOME, NET	294,908	180,427	+63.5%	316,342	-6.8%
4	DIRECT OPERATING EXPENSES, out of which:	(124,636)	(89,113)	+39.9%	(114,342)	+9.0%
4.1	Staff costs	(60,867)	(40,041)	+52.0%	(70,141)	-13.2%
4.2	Depreciation	(12,346)	(15,303)	-19.3%	(7,525)	64.1%
4.3	Other operating expenses, including:	(51,423)	(33,770)	+52.3%	(36,676)	40.2%
	<i>Deposits Guarantee Fund</i>	(4,350)	(4,123)	+5.5%	(3,676)	+18.3%
	<i>Resolution Fund</i>	(22,555)	(12,378)	+82.2%	-	+100.0%
5	INDIRECT ALLOCATED EXPENSES	(88,703)	(56,163)	+55.4%	(87,693)	-0.5%
6	PRE-PROVISION OPERATING PROFIT	81,569	35,151	+136.1%	114,308	-27.4%
7	Impairment and provisions charges	(97,455)	(21,408)	+355.2%	48,623	-300.4%
8	PROFIT / (LOSS) BEFORE INCOME TAX (PBT)	(15,886)	13,743	-205.3%	162,930	-112.7%
9	Income tax expense	1,716	(1,649)	-118.7%	(19,542)	-101.6%
10	NET PROFIT / (LOSS)	(14,170)	12,094	-217.2%	143,389	-109.9%

KEY FINANCIAL RATIOS	March 31, 2022	December 31, 2021	March 31, 2021
Cost of deposit %	1.45%	1.29%	1.56%
Cost to income ratio %	68.0%	63.3%	80.5%
Cost of risk %	4.62%	0.02%	1.46%
Loan-to-deposit ratio %	50.1%	34.5%	27.2%
NPL ratio %	3.0%	2.7%	3.6%

- Retail Banking generated strong operating income of MDL 295 million in 1Q 2022 (up to 63.5% YoY and down by 6.8% QoQ). Strong net interest income together with higher net foreign currency gains were the main contributors to the YoY increase in operating income, while the decrease in net fee and commission income drove the QoQ decrease in the operating income. The outstanding YoY growth in volume of cards' transactions and emissions was offset by decrease in commission rates for several types of cards operations (e.g. commissions for cash withdrawal from ATM/POS, commission for salary projects, governmental e-payments etc.).
- Retail Banking net interest income (NIM) was up by 95.3% YoY and 13.4% QoQ. The increased in NIM was mainly driven by higher loan yield (by 0.4 pp) coupled with 48.8% YoY growth in retail loan portfolio.
- Despite the remarkable operating results obtained in 1Q 2022 by the retail segment, the cost of risk was higher than in previous periods. High cost of risk was the main factor determining net loss in 1Q 2022. The increase in expected credit losses was a result of the bank's prudent approach towards managing credit risk associated to retail portfolio in the context of current economic turbulences and geo-political uncertainties.
- Retail banking loan portfolio was MDL 7.3 billion as of March 31, 2022, up by 50% YoY and up by 5% QoQ. The outstanding increase in loan portfolio was evenly spread in absolute values between consumer and mortgage loans, however the relative increase was bolder in the mortgage portfolio. Maib has increased its retail market share by 2.3 pp during one year, reaching the highest market share of 30.8% as of March 31, 2022. During last year, maib has expanded its market share in consumer lending by 1.9 pp (up to 34.5%) and in mortgage lending by 2.7 pp (up to 26.7%).
- Retail banking deposit portfolio stood at MDL 17.2 billion as of March 31, 2022, down by 1.2% YoY and down by 9.5% QoQ. Having regard to the regional conflict, the general outflow of deposits in maib is in line with the market trends. Maib has been taking all necessary steps to continuously increase its customers' deposits portfolio.

MSME Banking

Key business highlights

MSME Banking serves Micro, Small and Medium sized enterprises which satisfy cumulatively a certain set of conditions: a turnover of less than MDL 50 million and average yearly balance of loans less than MDL 30 million.

A Micro enterprise is the one with a turnover less than MDL 9 million or with an average yearly balance of loans less than MDL 3 million. The remainder pool represent SMEs (which do not qualify for criteria of Micro). SME represent over 98% of total number of companies in Republic of Moldova as reported by National Bureau of Statistics in 2020.

Market share increased to 26.7% (by 0.4 p.p since beginning of the year). More than 51% of loans issued in 1Q by banking system were issued by maib

MSME portfolio increased by 477 mln lei (+13%) and reached 4209 mln MDL

MSME is a quite new segment with a strong development prospective. Maib has ambition goals in respect of market share and quality of services provided to its SME customers. The growth of this segment is underpinned by the following indicators:

- Over 28.5K active MSME customers as of 1Q 2022, up by 6.5% YoY
- 70% MSME customers use internet banking, up by 9 pp YoY
- 83% share of active users of internet banking
- 96% MSME customers retention rate

Financial performance

MSME Banking STATEMENT OF PROFIT OR LOSS		1Q 2022	1Q 2021	YoY change %	4Q 2021	QoQ change %
1	NET INTEREST INCOME	93,503	72,451	+29.1%	100,501	-7.0%
2	NON-INTEREST INCOME, out of which:	68,604	53,867	+27.4%	58,739	+16.8%
2.1	Net fee and commission income	39,015	34,636	+12.6%	31,320	+24.6%
2.2	Foreign exchange gains, net	29,346	18,895	+55.3%	23,557	+24.6%
2.3	Other operating income	243	336	-27.7%	3,862	-93.7%
3	OPERATING INCOME, NET	162,108	126,317	+28.3%	159,240	+1.8%
4	DIRECT OPERATING EXPENSES, out of which:	(51,117)	(37,151)	+37.6%	(52,297)	-2.3%
4.1	Staff costs	(24,449)	(17,093)	+43.0%	(28,567)	-14.4%
4.2	Depreciation	(3,593)	(2,934)	+22.5%	(6,647)	-45.9%
4.3	Other operating expenses, including:	(23,075)	(17,123)	+34.8%	(17,083)	+35.1%
	Deposits Guarantee Fund	(1,105)	(1,116)	-1.0%	(1,099)	+0.5%
	Resolution Fund	(12,398)	(12,378)	+0.2%	-	+100.0%
5	INDIRECT ALLOCATED EXPENSES	(47,198)	(33,505)	+39.2%	(47,702)	-2.2%
6	PRE-PROVISION OPERATING PROFIT	63,793	55,661	+15.6%	59,241	+8.6%
7	Impairment and provisions release / (charge)	(38,039)	(12,480)	+204.8%	(14,150)	+168.8%
8	PROFIT BEFORE INCOME TAX (PBT)	25,754	43,181	-39.1%	45,090	-41.7%
9	Income tax expense	(2,782)	(5,181)	-35.9%	(5,090)	-34.7%
10	NET PROFIT	22,972	38,000	-39.5%	40,001	-42.6%

KEY FINANCIAL RATIOS	March 31, 2022	December 31, 2021	March 31, 2021
Cost of deposit %	0.27%	0.28%	0.42%
Cost to income ratio %	55.8%	62.0%	55.9%
Cost of risk %	3.68%	0.66%	1.10%
Loan-to-deposit ratio %	68.6%	62.0%	66.1%
NPL ratio %	1.3%	1.8%	2.7%

- MSME Banking has generated a strong operating income of MDL 162 million, up by 28.3% YoY and by 1.8% QoQ. Contributing to YoY uptick was the substantial increase in net interest income by 29.1%, prompted by the growth of loan portfolio by 39.0% combined with a solid interest margin, as well as net foreign currency gains during the quarter, while QoQ increase in operating income was propelled by the non-interest income in form of fees and commissions and net foreign currency gains in the first quarter of 2022.
- The quarterly increase in net foreign exchange (FX) gains by 24.6% was the result high volatility in exchange rates and high volumes of trading operations with MSME clients. During 1Q 2022, MSME customers performed over 19 thousands transactions, by 87% higher than in 1Q 2021.
- In 1Q 2022, cost of risk associated to MSME portfolio stood at 3.7%, being noticeably higher than in previous periods. Despite a quite low default rate of MSME customers, the Bank has adopted a prudent approach in estimating expecting credit losses in the light of current economic turbulences and regional crisis.

- MSME loan portfolio was MDL 4.2 billion as of March 31, 2022, up by 39.0% YoY and up by 13% QoQ. The share of MSME portfolio in total maib portfolio has increased by 1.5 pp YoY, up to 20.6%. The value of new loans subscribed in 1Q 2022 was by 58.5% higher than similar period of 2021.
- The spread of investment and working capital loans in MSME portfolio has slightly changed if compared to 1Q 2021, with propensity to investment lending (44% of MSME portfolio in 1Q 2022). The concentration of MSME portfolio is mainly into agriculture and trading industries, which represent over 72% of this portfolio.

Also, a substantial positive development for maib's MSME loan portfolio was owing to subordinated loan agreements signed with international funds and institutions, intended for financing certain categories of customers (e.g. micro, small and medium sized enterprises etc.). This resulted in over 37% of MSME loans being financed by other financial institutions of 1Q 2022.

- MSME deposit portfolio amounted 5.9 billion MDL as of March 31, 2022, up by 29.1% YoY and by 1.3% QoQ. MSME deposits funding represents over 22% in total deposit portfolio. The portfolio is mainly made up of current (on demand) accounts (approx. 90%). 63% of the portfolio is denominated in local currency.

CORPORATE Banking

Key business highlights

Corporate Banking provides loans and other credit facilities to Moldovan's large corporate clients and other legal entities (excluding MSMEs), as well as services covering payments and other needs of corporate customers.

Corporate loans portfolio achieved the 50.2% of the market share in the corporate segment (increased from 48.5% on 31.12.2021 to 50.2% on 31.03.2022)

**Corporate clients' portfolio has been supplemented with 15+ new clients
Retention rate - 100%**

Corporate Banking showed a sustainable growth in 1Q 2022 in terms of new customers attracted and volume of transactions performed with support of maib. A snapshot of the corporate achievements is presented below:

- 10% YoY of large customers
- 90% of corporate customers use maib internet banking
- 99% of corporate payments are online
- increase by 85% YoY of forex operations with corporate customers
- increase by 99% YoY of the volume of payments through salary projects

Financial performance

CORPORATE Banking		1Q 2022	1Q 2021	YoY change %	4Q 2021	QoQ change %
STATEMENT OF PROFIT OR LOSS						
1	NET INTEREST INCOME	115,202	91,370	+26.1%	102,587	+12.3%
2	NON-INTEREST INCOME, out of which:	50,611	34,009	+48.8%	36,434	+38.9%
2.1	Net fee and commission income	5,982	9,730	-38.5%	(1,124)	-632.3%
2.2	Foreign exchange gains, net	44,535	23,290	+91.2%	33,765	+31.9%
2.3	Other operating income	94	989	-90.5%	3,792	-97.5%
3	OPERATING INCOME, NET	165,813	125,380	+32.2%	139,021	+19.3%
4	DIRECT OPERATING EXPENSES, out of which:	(22,360)	(20,133)	+11.1%	(14,700)	+52.1%
4.1	Staff costs	(5,620)	(6,016)	-6.6%	(5,687)	-1.2%
4.2	Depreciation	(462)	(316)	+46.2%	(579)	-20.1%
4.3	Other operating expenses, including:	(16,278)	(13,801)	+17.9%	(8,434)	+93.0%
	Deposits Guarantee Fund	(811)	(513)	+58.1%	(697)	+16.4%
	Resolution Fund	(12,682)	(12,378)	+2.5%	-	+100.0%
5	INDIRECT ALLOCATED EXPENSES	(26,052)	(24,188)	+15.9%	(28,177)	-0.5%
6	PRE-PROVISION OPERATING PROFIT	117,401	81,059	+42.4%	96,144	+20.1%
7	Impairment and provisions release	168,101	34,298	+390.1%	(51,111)	-428.9%
8	PROFIT BEFORE INCOME TAX (PBT)	285,502	115,357	+145.8%	45,033	+529.6%
9	Income tax expense	(30,839)	(13,840)	+108.5%	(4,842)	+496.1%
10	NET PROFIT	254,663	101,517	+150.9%	40,191	+533.6%

KEY FINANCIAL RATIOS	March 31, 2022	December 31, 2021	March 31, 2021
Cost of deposit %	0.55%	0.49%	0.66%
Cost to income ratio %	24.9%	30.3%	35.3%
Cost of risk %	-7.38%	0.25%	-1.77%
Loan-to-deposit ratio %	196.9%	229.3%	360.2%
NPL ratio %	2.0%	5.68%	6.0%

- Corporate banking operating income was MDL 165.8 million in 1Q 2022, up by 32.2% YoY and 19.3% QoQ. The YoY increase was driven by strong interest income and higher net foreign currency gains, while QoQ increase was driven by the same income streams, including net fee and commission income.
- Corporate net interest income increase by 26.1% YoY and by 12.3% QoQ in the first quarter of 2022. The increase was mainly by the loan portfolio growth (by 16.1% YoY) coupled with a higher net interest margin.
- Non-interest income is mainly made up of foreign exchange gains, having a significant contribution to corporate segment's net operating income - up to 27% in total as of 1Q 2022. Corporate customers (that include also large importers/exporters) generally operate with high volumes of foreign currency, which, in conjunction with exchange rates volatility recorded in 1Q 2022, generated a generous contribution to the bank's operating income.
- A low cost of risk is associated to Corporate portfolio. In 1Q and Q4 2021, as well as in 1Q 2022, the Bank has recorded a net release of impairment allowance associated to corporate loans. The releases in the profit or loss account resulted from successful workout actions undertaken by the bank which resulted in high recoveries from corporate non-performing.
- Corporate loan portfolio amounted to MDL 9.1 billion as of March 31, 2022, being up by 16.1% YoY and up by 1.0% QoQ. The quarterly increase was partially offset by the significant recoveries (repayments) from non-performing loans. The amount of newly subscribed corporate loans in 1Q 2022 is by 88% higher than in similar period of previous year. More than a half of corporate loans granted in 1Q 2022 are for the supply of the companies' working capital
- Corporate deposit portfolio totaled MDL 3.5 billion as of March 31, 2022, being up by 59.8% YoY and down by 6% QoQ, in line with the general trend on the market in the analyzed period. However, the decrease was partially compensated by new deposits in foreign currency. The structure of corporate deposit portfolio has not changed significantly overtime, term deposits representing on average 22-25%.

Subsequent events

Following the Russia military invasion of Ukraine from 24 February 2022, the Moldovan authorities declared a State of Emergency for 60 days until 24 April 2022, which then was prolonged for another 60 days starting from April 25 2022. After March the military situation in the Republic of Moldova continued to be stable with some minor signs of escalation including the break-away region of Transnistria at the end of April – beginning of May, but with no signs of any military movements, including break-away region of Transnistria.

At the level of the banking system, on 5 May 2022 the Executive Committee of the NBM, adopted the following decisions:

- To increase the base rate applied to major short-term monetary policy operations by 3pp, from 12.50% to 15.50% per year.
- To increase interest rates:
 - on overnight loans by 3pp, from 14.50% to 17.50% per year; and
 - on overnight deposits by 3pp, from 10.50% to 13.50% per year.
- To increase the required reserves ratio from the financial resources attracted in local and freely convertible currency
 - on local currency by 2pp, from 28% to 30%
 - on freely convertible currency by 3pp, from 30% to 33%

As a result of the NBM decision maib took actions and increased interest rate on deposits, and proactively slightly rebalanced its treasury bonds and repo portfolio

NBM carefully monitors the situation in the banking system, reiterating that it is stable and viable, and has enough instruments for reacting in the event of a sign of decline in the financial stability of the Moldovan banks.

Based on the current publicly available information related to ongoing conflict in the neighboring country, the management of the Bank did an assessment over the possible impact on the Bank's activity, liquidity, financial stability and performance and the results of the assessment show that the current situation will not affect the Bank's going concern assumptions.

The Bank's exposure towards Russian, Ukrainian, and Belorussian banks continues to be gradually reduced. Less than 10% of legal entities serviced by the Bank have business relations with Russia, Ukraine, or Belorussia. At the date of approving this report, the situation of the Russia's military invasion in Ukraine is still evolving. The management of the Bank closely monitors any developments and is prepared to take appropriate actions to mitigate the current and future potential effects on the Bank. These possible future measures, adopted by the Bank, could cover the areas of accounting estimates, calculation methods and assumptions considered for determining the expected credit losses for financial assets and other provisions.

In 1Q 2022, Moldovan Parliament debated the changes to the Law on Banking Activity. These changes related to responsible lending and protecting Moldovan consumers from predatory lending practices. The changes were adopted by the Parliament in April of 2022, subsequent to quarter end and are expected to come into effect on 29 May 2022. The bill will impose minimum standards for responsible lending by banning the application of floating interest rates on loans of less than three average salaries per economy. These provisions will regulate the debt-to-income and loan-to-value ratios, which will ensure that right quality loans will be subscribed. Concurrently, the provisions may lead to a lower market penetration, therefore still leaving enough room in the medium to long term for a healthy and organic growth.

At the same time, some provisions of the Civil Code are to be amended, so that credit institutions are required to notify the debtor consumer in case of reduction of the interest rate applied by the bank for new loans. Thus, loans beneficiary could renegotiate the credit agreement, depending on the fluctuations of the average interest rate on the banking sector. Maib, as a champion of responsible lending practices, could benefit from changes in competitive landscape that these amendments could bring about.

National Bank of Moldova is preparing to issue the secondary legal framework, which is applicable specifically to the banks. Maib has been working closely on the published draft and already started the implementation of new regulatory requirements .

Important legal information: forward-looking statements

This document contains forward-looking statements, such as management expectations, outlook, forecasts, budgets and projections of performance, as well as statements concerning strategy, objectives and targets of the Bank, as well as other types of statements regarding the future. The management of the Bank believes that these expectations and opinions are reasonable, and based on the best knowledge, however, the management of the Bank would like to underline that no assurance can be given that such expectations and opinions will prove to have been correct. As such, these forward-looking statements reflecting expectations, estimates and projections are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond the control of the Bank, include, among other things: macroeconomic risk, including currency fluctuations and depreciation of the Moldovan Leu; regional and domestic instability, including geopolitical events; loan portfolio quality risk; regulatory risk; liquidity risk; capital risk; financial crime risk; cyber-security, information security and data privacy risk; operational risk; COVID-19 pandemic impact risk; climate change risk; and other key factors that indicated could adversely affect our business and financial performance, which are contained elsewhere in this document. No part of this document constitutes, or shall be taken to constitute, an invitation or inducement to invest in Maib shares, and must not be relied upon in any way in connection with any investment decision. Maib undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this document should be construed as a profit forecast.

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Upcoming investor events

15 June | Annual General Shareholders Meeting in Chisinau

