2Q and 1H 2022 Financial Results

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Content:

maib Report 2Q and 1H 2022 Financial Results

2Q 2022 P&L Highlights

- **Net Profit** for Q2 2022 amounted to MDL 252.8 million (2Q 2021: MDL 125.6 million), up by 101.29% YoY and down by 3.3% QoQ
- **Return on** average **equity**[1] (ROE) stood at 17.4% (2Q 2021: 9.7%)
- **ROE before expected credit losses**[1] (ECL) stood at 26.4% (2Q 2021: 16.1%)
- **Return on** average **assets**[1] (ROA) stood at 2.6% (2Q 2021: 1.6%)
- **Cost to income** stood at 46.4% (2Q 2021: 57.1%)
- **Cost of risk** (at period-end) stood at 0.3% (2Q 2021: 0.2%)
- **Net interest margin**[1] (NIM) stood at 5.7% (2Q 2021: 4.0%)
- Basic **quarterly earnings per share** (EPS) stood at MDL 244 MDL (2Q 2021: 121 MDL)

1H 2022 P&L Highlights

- **Net Profit** for 1H 2022 amounted to MDL 514.2 million (1H 2021: MDL 274.1 million), up by 87.6% YoY
- **Return on** average **equity**[2] (ROE) stood at 18.1% (1H 2021: 10.7%)
- **ROE before expected credit losses**[2] (ECL) stood at 23.6% (1H 2021: 14.8%)
- **Return on** average **assets**[2] (ROA) stood at 2.7% (1H 2021: 1.7%)
- **Cost to income** stood at 49.9% (1H 2021: 58.8%)
- **Cost of risk** (at period-end) stood at 0.3% (1H 2021: 0.2%)
- **Net interest margin**[2] (NIM) stood at 5.3% (1H 2021: 3.9%)
- **Basic quarterly earnings per share** (EPS) stood at MDL 496 MDL (1H 2021: 264 MDL)

Balance Sheet Highlights as of 30 June 2022

- Total **assets** amounted to MDL 38,973 million, up by 0.7% QoQ and by 17.4% YoY
- **Loans and advances to customers** (principal) stood at MDL 21,193 million, up by 3.8% QoQ and up by 25.1% YoY
- **Net loans to deposits ratio** stood at 72.4%, down by 1.0 pp QoQ and up 12.3 pp YoY
- **Non-performing loans** (NPL) were 2.5%, up by 0.2 pp QoQ and down by 1.8 pp YoY
- NPL ECL coverage and **total ECL coverage** ratios stood at 191.2% and 3.9%, respectively, on June 30, 2022, compared to 150.2% and 4.6% as of June 30, 2021
- Total **customers deposits** amounted to MDL 28,017 million, up by 5.2% QoQ and up by 9.6% YoY
- The Bank's **Capital Adequacy Ratio** and Tier 1 capital stood at 22.1% and 19.88%, respectively

Our market share in Moldova as of 30 June 2022:

- Market share **by total assets** was 32.4%, up by 2.1 pp YoY
- Market share **by total loans** was 35.5%, up by 1.3 pp YoY
- Market share of **total deposits** reached 32.7%, up by 1.9 pp YoY

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[1] Calculated based on annualized 2Q (3 months) financial results
[2] Calculated based on annualized 1H (6 months) financial results

Operating highlights

- MAIBank users reached 355 thousands (up by 10% QoQ and up by 52% YoY)
- 73% Monthly Retail Active Users (MAU%);
- 33% of Daily Active Retail Users to Monthly Retail Active Users (DAU/MAU%)
- 41% of number of retail deposits and 32% of number of retail loans originated online during 1H 2022 compared to 7% and 25%, correspondingly, originated in 1H 2021
- 82% of number of retail transactions are cashless (performed via cards)
- 125 K cards issued in 2Q 2022, 44% more than in 1Q 20202
- 10K new MAIBank users connected every month (average 2Q 2022)

Economic and Country Updates

- Republic of Moldova has been granted the **EU candidate status** in June 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)
- Two **decisions of monetary policy** in May and June 2022, according to which base rate increased to 15.5% and 18.5%, correspondingly, coupled with increase in required reserve ratio for both means attracted in local currency (up to 34%) and in freely convertible currency (up to 39%).
- Subsequent (in August 2022) **decision of monetary policy**: increase in base rate up to 21.5% and required reserves ratio, as a tightening monetary policy measure, taken in order to reduce the inflation to the target level of 5% (*see Subsequent Events Chapter*)
- Amendments to the Law on Banking Activity to promote **responsible lending**, including cap on interest rate, penalties, increase in requirements for various categories of consumer loans
- **Legal initiative regarding cap on interest rate increase** for “Prima Casa” (“First Home”) mortgage holders (*see Subsequent Events Chapter*)
- **Compensation for borrowers** under “Prima Casa” programme of 50% of the interest rate increase, approved by the Government (*see Subsequent Events Chapter*)

Additional Information Disclosure

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

- 2Q and 1H 2022 Financial Results
- 2Q and 1H 2022 Financial Results presentation

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Maib at a glance

Maib is the largest bank in Moldova, with total assets of MDL 39.0 billion, representing over 32% of market share by total assets as of June 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, SMEs and corporate customers across nationwide distribution network.

The Bank's gross loan portfolio totaled MDL 21.2 billion as of June 30, 2022, out of which 34% is represented by retail clients and 66% across legal entities (43% Corporate and 23% SMEs). **Maib** loan portfolio covers 35.5% of the market as of June 30, 2022.

The Bank's funding is mainly via customers' deposits and equity. Some additional funding is received via loans from international financial institutions and specialized finance providers.

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

In June 2022, **maib** shareholders gathered for its **Annual General Shareholder Meeting** (AGM). Regarding the distribution of the Bank's annual profits for the year 2021, the shareholders voted in favor of the proposed distribution of 35% profits at a later date (but no later than December 15, 2022), the decision being subject to the approval of the National Bank of Moldova (NBM), contingent upon the stabilization of the economic conditions in the country. The remainder 65% of the Bank's 2021 profit shall be used for a further capitalization of the Bank.

Additionally, **maib** shareholders voted the profit distribution policy for the 2022 year – dividend payout of 30% to 50% of net profit, subject to approval of NBM.

Disclaimer

Presented results are based on unaudited standalone second quarter (2Q) and half-year (1H) 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. The results are accompanied by limited disclosure notes, including financial and non-financial information. Standalone results from the second quarter (2Q) and first half-year (1H) of 2021 and the first quarter (1Q) and half-year (1H) of 2022 are used for comparison.

Economic outlook

GDP downgrade, then stabilization, outlook still uncertain.
Moldovan economy has been deeply affected by the war in Ukraine. After a robust increase in the GDP of 13.9% in real terms driven by deferred consumption and increase in consumer lending, Moldovan economy faced a series of shocks in 1H 2022: the war in Ukraine, accelerating inflation, reduced consumer and business confidence. These have had an impact on expected economic growth, which, according to the 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;
- L**ocal 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.

1Q 2022 saw an increase of GDP by 1.1% in real terms. A bright spot was a 55% year on year increase in exports, driven by substantial increase in agricultural exports. 1H 2022 GDP is not yet officially available at the time of writing of this report, but **maib** estimates 0.4% growth in real terms for the first half of 2022.

NBM raises rates in response to high inflation.
In first half of 2022 Moldova saw the highest rates of inflation in Europe as it reached 32% in June. The factors behind such high inflation are as follows:
- disruption of supply chains of imports into Moldova due to the war in Ukraine
- a fourfold increase in the price of gas and twofold increase in the price of fuel,
- 30% increase in the price of groceries which make up a disproportionately high share of consumption in the low-income economy.

High inflationary pressures are expected to persist throughout 2022 and 2023, with the inflation peaking in 3Q 2022, according to the latest National Bank of Moldova (NBM) forecasts. The inflation will reach the maximum level of 37% 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. High uncertainty to the forecasts exists due to unpredictable prices of gas and fuel. High inflation puts pressure on disposable income and consumer 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.

The current economic and geopolitical turbulences have also affected the budget deficit, which according to latest available data is around 6.1% of GDP. In May 2022, Parliament has approved amendments to the 2022 State Budget, which assume a deficit of 19.4 billion or 7.1% of GDP .

Initial pressure on currency and NBM reserves has subsided.
During 1H 2022, local currency (Moldovan Leu or MDL) has declined by 8.5% against the USD and was up by 0.5% against the EUR, reflecting a broader trend in the global currency markets of strong USD following aggressive hiking of interest rates by the Federal Reserve. During the first quarter MDL experienced a brief moment of turbulence immediately after the start of the war in Ukraine with elevated demand for the hard currency on behalf of retail customers and savers. The NBM supported the MDL by interventions in the currency market to the tune of USD 0.4 billion in 1Q.

However, subsequently in April 2022, the situation on the foreign exchange market has markedly changed, and net demand turned into net supply of hard currency.

The official NBM reserves decreased by 8% during 1H 2022, from USD 3.9 billion at the end of 2021 to USD 3.6 billion at the end of 1H 2022. However, during the period official reserves were down to as much as USD 3.3 billion reflecting the need for interventions on the foreign exchange market through sale of hard currency to support MDL.

During 1H 2022 NBM has applied a more restrictive monetary policy by increasing the base rates and required reserves ratios. As a result, the base rate was gradually increased from 6.5% to 18.5% and the required reserves ratio from financial means attracted in local currency was raised from 26% to 32 %, raising up to 34% applicable starting July 2022. The ratio for the required reserves from financial means attracted in freely convertible currency was raised from 33% to 36%, with subsequent raise up to 39% applicable starting July 2022.

In addition to increasing the base rate and required reserves to relieve the inflationary pressure, the NBM has applied restrictions on lending, in line with amendments to the Law on Banks adopted by the Parliament. These came into force at the end of May and are expected to result in marked slowdown in consumer lending.

Amendments to the Law on Banking Activity to promote responsible lending.
In April 2022 the Parliament voted to adopt a series of amendments to the Law regulating the activity of commercial banks. These changes promote responsible lending and are designed to combat predatory lending practices. The changes came into effect on 29 May 2022. The bill imposes 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 were 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 issued the secondary legislation applicable specifically to the banks. **Maib** has been working closely on the published draft and already started the implementation of new regulatory requirements.

Initial outflow of deposits, but returned to growth in Q2.
Due to the regional conflict, 1Q 2022 was characterized by the overall deposits outflow in the market (8% reduction of deposits system wide), including maib. However, this saw a reversal in 2Q 2022 with May and June recording exceptional inflows primarily due to newly attracted deposits. As base rate saw substantial increases during the period, banks competed to attract deposits by raising interest rates on deposits. System wide deposits are on the way to recovering to to the level before the war. Despite the current economic uncertainty, banking sector remains resilient with a healthy loan to deposit ratio of 70 %. As compared to 2021 year end, banking sector recorded a 2% and 7% increase in total assets and loans, respectively, and over 57% YoY increase in net profits. Banking sector remains solidly capitalized, with a capital adequacy ratio of 29.3% as of June 30, 2022, which is by 3.4 pp higher than in December 2021.

Anticipated lending slowdown as rates rise and lending policy gets tougher.
There is a reasonable expectation lending activity will face a drop in the coming quarters, as the monetary policy measures to reduce inflation is getting more restrictive. Higher interest rates are likely to reduce the lending activity and transaction levels in all segments. The retail lending is expected to face the greatest challenge, considering the blend of high interest rates and responsible lending measures, in the light of overall economic instability, which would potentially discourage consumption and excessive lending. Additionally, the portfolio quality may be negatively impacted, however, the mortgages within the State programme "Prima Casa", may be the least affected, due to Government compensations of half of interest rate increase (see Subsequent Events Chapter). In the commercial lending sector, slowdown is also expected in the second half of the year. This is due to interest rate increases coming through on floating rate loans in Q3. The agricultural sector experienced the drought and crops are predicted to be 20 to 30% lower in certain subsectors. This is partially compensated by elevated commodity prices. Overall, maib does not expect material deterioration in the quality of the commercial portfolio.

Moldova receives EU Candidate status.
The Moldovan Parliament applied for admission to the European Union on March 3, 2022, following in the footsteps of Ukraine and Georgia. On 23 June the European Council decided to grant EU candidate status to Moldova and Ukraine, following the recommendations of the European Commission on 17 June. Both countries applied for EU membership in early March 2022, and were granted EU candidate status in record short time. Previously both Moldova and Ukraine were the parties to the EU Association agreement.

Conclusions of the European Commission and steps ahead.
On 17 June the European Commission (EC) recommended that Moldova be given the status of EU candidate country. In its memorandum the EC cited that Moldova has a "…solid foundation in place to reach the stability of institutions guaranteeing democracy, the rule of law, human rights…" and that the country "…has pursued reasonably sound macroeconomic policies, significantly strengthened financial sector stability, and improved the business environment", however, "…Moldova needs to address inefficiencies to attract more foreign private investment and enhance public and private investments in strategic infrastructure, education and innovation". A report outlined a number of areas requiring specific attention: judicial reform, fight against corruption and organized crime, continuation of public administration reforms and strengthening of protection of human rights among others. In addition, the harmonization of legislation and conditions in many spheres of life would need to be brought to a level necessary to fulfil EU membership requirements. Please see in more detail at this address. A detailed assessment of the status of implementation will be made by the EC and published by end of 2022. It will contain a roadmap for Moldova to achieve conditions that satisfy EU membership requirements. In order to implement required reforms Moldova will be able to use special EU pre-accession funds to finance necessary initiatives. It is not expected for EU accession to take less than ten years.

Foreign aid covering both economic and humanitarian needs.

Humanitarian assistance to refugees.
Since the start of the war Moldova took in over 500,000 Ukrainian refugees, with around 80,000 remaining in the country (over 3% of the population). Due to the severe economic impact of the war in Ukraine over Moldovan economy group of donors including the EU, IMF, the USA, developed countries of Europe and the world pledged nearly EUR 700 million to Moldova in addition to their existing commitments. Moldova has a neutral status and is not seeking membership in NATO. It has not joined in the sanctions against Russia, but is respecting the sanctions imposed by the EU and the US.

Operating highlights in detail

Proposed appointment of new Chief Financial Officer.
In February maib's Supervisory Board has appointed Macar Stoianov to serve as maib's new Chief Financial Officer and vice-president of the Management Board, subject to approval by the National Bank of Moldova (NBM). He will be responsible for all finance areas of the Bank, including financial planning, reporting and accounting, treasury, asset and liability management and relationships with financial institutions, if and when his candidacy is approved by the NBM.

Prior to maib Macar Stoianov has been with McKinsey, the leading global strategy consultancy. During his seven years there he was involved in projects in the areas of business strategy, finance and risk, as well as digital transformation and core operations. Earlier in his career he held posts with KBC and ING, the leading European banking groups, where among other things he gained diverse experience in finance, risk management, including budgeting and pricing. Macar holds an MBA from Vlerick Business School, MSc and BA from Academy of Economic Studies in Bucharest Romania, Financial Risk Management (FRM) from GARP and is a CFA charter holder.

Maib involved in humanitarian assistance to Ukrainian refugees.
In February as the war began maib announced that it would donate an amount estimated at MDL 10 million to the fund providing assistance to Ukrainian refuges in Moldova. In addition maib was a partner of UN Refugee Agency in its humanitarian mission. As part of the partnership, maib issued and distributed bank cards to refugees. This enabled the recipients to secure their finances and access financial products as well cash for their day-to-day needs.

Maib recognized as Best Bank in Moldova.
In March maib was awarded Best Bank in Moldova by Global Finance Magazine. In its 29th annual Best Bank Awards, together with banks from 21 other countries of Central and Eastern Europe, maib was recognized by the magazine for its progress and achievements as the best bank in the country. In the past year maib managed to great performance across the board: growth in assets, profitability, geographic reach, strategic relationships, new business development and innovation in products. Furthermore, bank's achievements were recognized by banking industry specialists and other experts from the field. Additionally, in August, subsequent to quarter end, maib was recognized as the Best Bank in Moldova by EMEA Finance magazine.

Continuous digitalization transformation focused on the needs of customers.
Acquiring and issuing have been on top during 2Q 2022. This fact is endorsed by a record number of POS installed (+9% QoQ) and a significantly higher (by 30% QoQ) volume of accepted POS payments. Cards issuing has been also in high-speed during 2Q 2022. The number of cards issued in 2Q 2022 increased by 44% QoQ, which expanded our cards in circulation portfolio by over 10%. **Maib** new payment solutions, coupled with acquiring and issuing expansion, increased the number of cashless transactions by over 17% QoQ and their weight in total number of transactions.

The popularity of digital channels is remarkable and continues to grow. During 2Q 2022, the number of users of the mobile banking app, MAIBank, increased by over 10% QoQ. The retail online lending and deposits placement is also moving ahead at a great pace. As such, during 2Q 2022, 41% of retail deposits and 32% of retail loans were granted though MAIBank.

Auto ecosystem is in full expansion.
In 1Q 2021, maib has launched DriveHub, a digital platform for buyers of cars, which also offers car-related services (e.g. maintenance and repairs, car-wash). During 2Q 2022, maib has launched the mobile app DriveHub, which recorded a significant number of installs on mobile devices. Although recently deployed, there are already over 7 thousand of cars placed on DriveHub marketplace and over 30 thousand of monthly site visitors. **Maib** is being continually developing this ecosystem, improving the customer experience by extending the range of services available in the ecosystem.

Real estate ecosystem launch.

In April maib launched CasaHub, a digital platform dedicated to real estate, where buyers can find a home, while sellers and intermediaries can place listings and advertise their services. Launch of CasaHub is a key part of maib digital strategy to become the orchestrator of financial ecosystems. The platform is aimed at facilitating the real estate transactions in Moldova. Monetization of the ecosystem comes from lead generation of potential mortgage borrowers. Every listing will have a built-in mortgage calculator, and an ability for the visitor to request a mortgage consultation over the phone, or an appointment online at the maib mortgage center. Another important piece of functionality is a map of listings, which facilitates the targeted search. Most leading real estate developers and agencies have signed up to the platform already. Further services are planned to be added to the platform later. Also planned is mobile app version of the platform.

Apple Pay, Garmin Pay available to maib customers.

In April **maib** clients started using Apple Pay for contactless payments using just mobile phone. Furthermore, Apple Pay can also be used to make payments in apps on Apple Watch. Apple Pay is widely used for payments around the world. **Maib** is proud to be one of the three banks from Moldova to introduce Apple Pay to Moldovan bank customers. The additional convenience of Apple Pay is an important step for maib in its strategy to become more relevant for its clients and create a new level of customer experience. Later that month maib also made Garmin Pay available to its customers.

First agile teams started operating.

In May first agile teams were launched. After a month, during which around 70 employees trained with international experts and consultants, maib employees were put into practice the agile techniques in their areas of responsibility. They already have the roadmap to work on the first products and services which are meant to make customers' lives simpler, better and more mobile. First seven teams were focused on developing products for Retail and SME segments. This is a first step in a significant transformation for maib to agile way of working.

EBRD loan agreement signed.

A €50 million finance package provided by European Bank for Reconstruction and Development (EBRD) to maib for sustaining the national economy in the face of neighboring war in Ukraine was signed in May. The first loan consists of €35 million within the EBRD Resilience and Livelihoods Framework pledged to support the countries and companies directly or indirectly affected by the war in Ukraine. The financial package will strengthen and diversify maib's funding base for sustaining the local business. The second loan of €15 million extends maib's participation in the EU4Business-EBRD Credit Line intended to finance the small and medium-sized enterprises (SMEs). The EU4Business-EBRD Credit Line is supported by the EU grants and free-of-charge assistance to borrowers. Under the agreement maib's will support SME clients to upgrade their products and services in line with the EU standards, to increase competitiveness locally and to realize international trade opportunities. **Maib** has previously received €30 million and financed about 50 SME clients under this program. The EU is supplementing the EBRD financing with grants and free-of-charge technical assistance to borrowers under its EU4Business initiative. The agreement follows maib's already signed EUR 30 million under the program over the past 2 years.

Annual General Shareholder Meeting.

In June **maib** held its AGM. The required quorum was present and all resolutions were passed by a requisite majority. The shareholders voted to accept the Annual Financial Report for 2021 and to approve the Bank's Supervisory Board Annual Report for 2021, as well as voted in favor of accepting the estimated costs of the Supervisory Board activity in 2022. The shareholders voted in favor of the proposed distribution, whereby 65% of the profits are retained for continued activity. Remainder (35%) of the Bank's profit is allocated to a potential dividend distribution at a later date. The Bank intends to seek the approval of the National Bank of Moldova for the dividend payment at a date no later than 15 December 2022, subject to stabilization of the economic conditions in the country. The shareholders voted to accept the proposed profit distribution policy whereby 30% to 50% of the Bank's 2022 profits is allocated to dividend payment subject to the approval by the National Bank of Moldova. The shareholders adopted the proposed share buyback of up to 5% of outstanding shares (51,880 shares) at a fair price. The term of the buyback is up to one year from adoption of the resolution. The buyback is subject to the approval of the National Bank of Moldova.

New premium banking service Alto.

In July **maib** launched alto – premium-banking service, a premiere for the Moldovan market. Soft rollout of alto started in March. Alto offers a range of exclusive benefits aimed at the emerging affluent customer segment which values convenience and status. Alto clients will benefit from premium cards, personal manager, exclusive wait-free area in branches, special travel offers, including international VIP airport lounges, concierge services and travel insurance, higher interest rate on deposits, a credit line of up to 350 thousand lei and other services available only to alto customers. **Maib** offers two packages of premium cards to alto clients: MasterCard Platinum or Visa Platinum + American Express Gold and MasterCard World Elite + American Express Gold. With alto **maib** saw an opportunity to address specific needs of the high value segment. Alto represents a strategic move to attract mass affluent clients, who value exclusivity and status, and a more personalized service. The bank's response to clients' personalized needs and aspiration to exclusivity represents the cornerstone of brand loyalty. Being the first such offering on the local market, it opens a new door for **maib** to acquire market share and increase margin, as well as increase brand loyalty in a key market segment.

Bank's Strategy

1

Build new level of customer experience

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

2

Focus on Digital Banking. First Steps for Super App for Non Banking Services

- Continue transformation of the e-channels
- Development of ecosystems with the focus on the best customers 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 at a later stage

The bank's strategy is supported by:

Agile transformation

ESG program
(ESG policy / ESG Reporting Framework/ ESG Rating)

Key selected operating milestones hit during 1H 2022:

New level of customer experience

- 41 branches and 23 agencies moved in 1H 2022 to the new operating model (out of which 19 branches and 8 agencies during 2Q 2022), totaling to 57 branches and 25 agencies branches operating new model as of June 30, 2022
- Opening of 8 Premium Customers areas in 1H 2022 (out of which 2 during 2Q 2022)
- Launch of SmartPOS service
- **Maib** named Best Bank in Moldova in 2022 by the Global Finance Magazine
- **Maib** named Best Bank in Moldova according to EMEA Finance: Europe Banking Awards 2021
- Apple Pay and Gamin Pay Visa
- Kids App
- FaceID
- Alto premium banking service
- One-click payments (in mobile app and on website) for the local mobile provider Orange Moldova using **maib** card
- e-Invoice tool for sending payment links (for small merchants)
- First Payment facilitator registration and integration in **maib** - Paynet
- On-going activities for modernization of mobile banking app and internet banking solution for businesses to improve customer experience

Focus on Digital Banking. First Steps for Super App for Non Banking Services

- Rollout of the mobile app for DriveHub ecosystem in 2Q 2022
- Ecosystem CasaHub (launched in 2Q 2022)
- Start of development of 3 new ecosystems: PayHub / AgroHub / MerchantHub. Planned launch by the end of the year
- Start of development of a super app for non-banking services

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
- Preparation for investors' meetings scheduled in 3Q 2022

Agile

- Frontrunner teams launched in 2Q 2022
- Agile scaled up to Wave teams: Wave 1 teams designed, selected and boot camps launched
- Agile Center of Competence launched (subsequently in July 2022)

ESG

- **Maib** is working with two International Financial Institutions on a large consulting project aiming to set up a fully functioning best-in-class ESG programme expected in first half of 2023

2Q FINANCIAL RESULTS

INCOME STATEMENT highlights, million MDL	2Q 2022	1Q 2022	2Q 2021	% QoQ change	% YoY change
Net interest income	498.0	423.7	301.8	+17.5%	+65.0%
Net fee and commission income	86.8	71.4	84.7	+21.5%	+2.4%
Net foreign exchange gains	111.2	114.7	73.5	-3.1%	+51.2
Other operating income	18.3	13.4	26.7	+36.5%	-31.6%
Operating income	**714.3**	**623.1**	**486.8**	**+14.6%**	**+46.7%**
Operating expenses	**(331.6)**	**(335.2)**	**(278.0)**	**-1.1%**	**+19.3%**
Operating profit before credit loss allowance	**382.6**	**288.0**	**208.8**	**+32.9%**	**+83.3%**
Impairment allowances and provisions	(96.8)	5.1	(68.1)	-1,997.4%	+42.1%
Profit before tax	**285.9**	**293.1**	**140.7**	**-2,5%**	**+103.2%**
Income tax expense	(33.1)	(31.7)	(17.5)	+4.3%	+89.1%
Net profit	**252.8**	**261.4**	**125.6**	**-3.3%**	**+101.3%**

FINANCIAL POSITION STATEMENT highlights, million MDL	30 June 2022	31 March 2022	30 June 2021	% QoQ change	% YoY change
Cash and balances with banks	13,059	13,089	10,375	-0.2%	+25.9%
Financial assets at fair value through OCI and investments in subsidiaries	3,237	3,941	5,001	-17.9%	-17.9%
Net loans and advances to customers, including:	20,285	19,538	16,092	+3.8%	+26.1
Corporate customers	8,667	8,643	7,560	+0.3%	+14.6%
SME customers	4,684	4,056	3,392	+15.5%	+38.1%
Retail customers	6,934	6,839	5,140	-1.4%	+34.9%
Premises and equipment, intangible assets, other assets	2,392	2,126	1,716	+12.5%	+39.4%
Total assets	**38,973**	**38,694**	**33,183**	**+0.7%**	**+17.4%**
Due to banks and borrowings	2,991	2,581	1,679	+15.9%	+78.2%
Due to customers, including:	28,017	26,644	25,565	+5.2%	+9.6%
Corporate customers	4,110	3,473	2,173	+18.3%	+89.1%
SME customers	6,058	5,913	5,153	+2.4%	+17.6%
Retail customers	17,850	17,258	18,239	+3.4%	-2.1%
REPO	1,303	3,002	-	-56.6%	+100.0%
Lease and other liabilities	729	799	677	-8.8%	+7.6%
Total liabilities	**33,040**	**33,026**	**27,921**	**0.0%**	**+18.3%**
Total equity	**5,934**	**5,668**	**5,262**	**+4.7%**	**+12.8%**
Total liabilities and equity	**38,973**	**38,694**	**33,183**	**+0.7%**	**+17.4%**

KEY FINANCIAL RATIOS	30 June/2Q 2022	31 March/1Q 2022	30 June/2Q 2021
ROE* %	17.42%	18.80%	9.70%
ROE* less cost of risk %	26.40%	20.70%	16.09%
ROA* %	2.60%	2.76%	1.57%
ROA* less cost of risk %	3.94%	3.04%	2.60%
NIM* %	5.72%	4.80%	4.01%
Loan yield* %	9.92%	8.72%	8.28%
Cost of funding %	2.48%	1.60%	1.2%
Cost of deposit %	1.35%	0.95%	1.12%
Cost to income ratio %	46.43%	53.80%	57.11%
LTD ratio %	72.40%	73.33%	62.94%
NPL ratio %	2.50%	2.20%	4.29%
CAR %	22.10%	20.13%	19.30%

*Indicators calculated based on annualized 2Q (3 month¬s) financial results

1H FINANCIAL RESULTS

INCOME STATEMENT highlights, million MDL	1H 2022	1H 2021	% YoY change
Net interest income	921.7	575.7	+60.1%
Net fee and commission income	158.2	162.8	-2.9%
Net foreign exchange gains	225.9	140.9	+60.3%
Other operating income	31.7	38.8	-18.4%
Operating income	**1,337.5**	**918.3**	**+45.7%**
Operating expenses	**(666.8)**	**(539.6)**	**+23.6%**
Operating profit before credit loss allowance	**670.6**	**378.7**	**+77.1%**
Impairment allowances and provisions	(91.7)	(66.9)	+37.0%
Profit before tax	**579.0**	**311.8**	**+85.7%**
Income tax expense	(64.8)	(37.7)	+71.5%
Net profit	**514.2**	**274.1**	**+87.6%**

FINANCIAL POSITION STATEMENT highlights, million MDL	30 June 2022	31 December 2021	% YTD change
Cash and balances with banks	13,059	12,486	+4.6%
Financial assets at fair value through OCI and investments in subsidiaries	3,237	4,196	-22.8%
Net loans and advances to customers, including:	20,285	18,665	+8.7%
Corporate customers	8,667	8,475	+2.3%
SME customers	4,684	3,615	+29.6%
Retail customers	6,934	6,575	+5.5%
Premises and equipment, intangible assets, other assets	2,392	1,850	+29.3%
Total assets	**38,973**	**37,197**	**+4.8%**
Due to banks and borrowings	2,991	2,478	+20.7
Due to customers, including:	28,017	28,596	-2.0%
Corporate customers	4,110	3,696	+11.2%
SME customers	6,058	5,835	+3.8%
Retail customers	17,850	19,065	-6.4%
REPO	1,303	-	+100.0%
Lease and other liabilities	729	676	+7.8%
Total liabilities	33,040	31,750	+4.1%
Total equity	5,934	5,447	+8.9%
Total liabilities and equity	38,973	37,197	+4.8%

KEY FINANCIAL RATIOS	30 June/1H 2022	30 June/1H 2021
ROE* %	18.07%	10.72%
ROE* less cost of risk %	23.60%	14.83%
ROA* %	2.70%	1.73%
ROA *less cost of risk %	3.53%	2.39%
NIM* %	5.26%	3.93%
Loan yield* %	9.92%	8.28%
Cost of funding %	2.48%	1.23%
Cost of deposit %	1.35%	1.12%
Cost to income ratio %	49.86%	58.76%
LTD ratio %	72.40%	62.94%
NPL ratio %	2.50%	4.29%
CAR %	22.10%	19.30%

* Indicators calculated based on annualized 1H (6 months) financial results

Highlights of financial performance of 2Q and 1H 2022

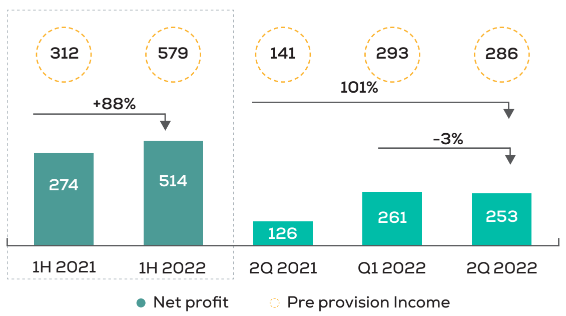
Maintaining vector of strong financial performance.

In the 2nd quarter of 2022, **net profit** amounted to MDL 253 million, doubling year-on-year, while the Bank's return on equity and return on assets stood at 17.4%[1] and 26.4%[1], respectively. The Bank's profitability was driven by a strong interest income generation by the loan and treasury bills portfolio, coupled with remuneration of the required reserves held in NBM, which altogether has almost doubled the half-year profits and increased the operating income by 15% quarter-on-quarter.

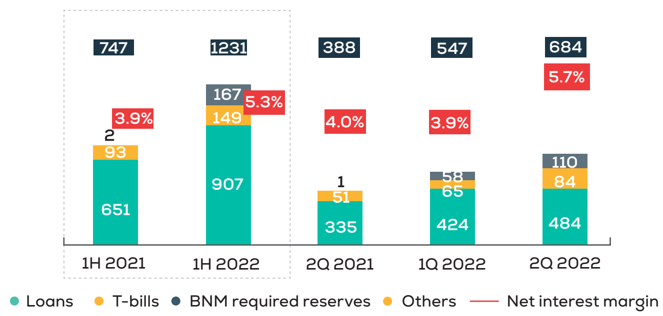
However, despite the good loan portfolio quality and lack of any significant triggers of the portfolio quality worsening, in order to be on a prudent side, the Bank revised its expected credit losses model and macro-economic forecasts, given also the pressure of current economic conjuncture. As such, the Bank booked significantly higher impairment allowances in the 2nd quarter of 2022 as compared to 1st quarter same year, which noticeably offset the Bank's growing operating performance.

As compared to the 1st half of 2021, the current half-year operating income was also driven by the foreign currency trading and exchange operations, as result of volatilities in exchange rates and increased demand recorded in the 1st quarter of 2022. The year-on-year growth of half-year operating expenses was offset by the resilient increase in operating income, also transposed in the Bank's improved cost-to-income ratio.

Net Profit (million MDL)



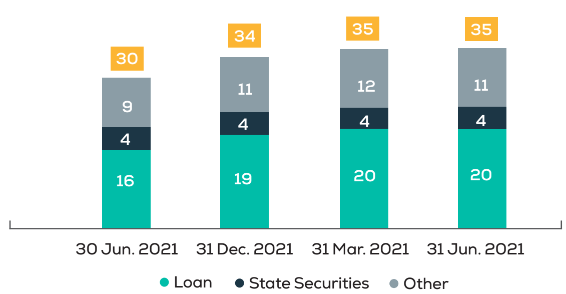
NIM and Interest earning (million MDL)



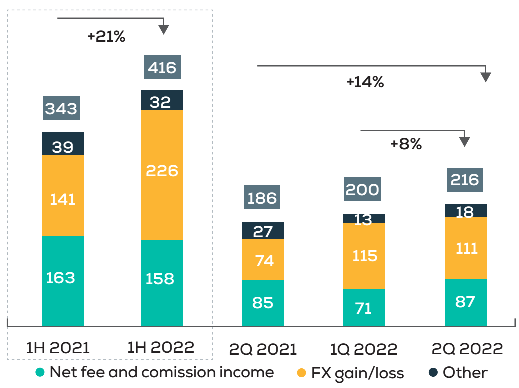
Increase in Net interest margin (NIM) despite the increased funding costs, driven by higher yields and volume of earning assets

In 2Q 2022, the Bank's NIM stood at 5.7%[1], up by 0.9 pp quarter-on-quarter and by 1.7 pp on year-on-year basis. The overall increase in funding costs, as result of higher deposits rates and use of REPO facility, was entirely offset by higher remuneration rates for keeping the required reserves,

Interest earning assets balance (million MDL)



Non-interest Income (million MDL)



[1] Calculated based on annualized 2Q (3 months) financial results
[2] Calculated based on annualized 1H (6 months) financial results
[3] Calculated based on principal amount of loans and deposits without adjustment for accrued interest and amortized commission

coupled with the general increase in balance of reserves (due to uptick of required reserves ratio), as well as increase in loan interest income. The effect of increased deposits rate was outweighed by the decrease in balance of deposits, resulting ultimately into a positive effect on the general NIM. The improvement of NIM was secondly generated by the loan portfolio, which expanded by 3.8% quarter-on-quarter and 9.3%[3] year-to-date and is generating higher yields, in line with the general market trend.

Non-interest income: Rebound of fee and commission income in 2Q 2022. Foreign exchange gains in light of foreign currency market pressure

The largest contribution to the growth of non-interest income in 2Q 2022 as compared to 1Q 2022 was of fee and commission (F&C) income, in particular those related to card operations. A significantly higher volume of card transactions and number of cards in circulation (by 17% and 11%, respectively) has offset the increased interchanges fees and generated a 22% higher F&C income in 2nd quarter of 2022 as compared to the previous quarter.

At the same time, the year-on-year increase of 2Q and 1H 2022 non-interest income was boosted by higher net foreign exchange (FX) gains, resulting from volatility in exchange rates and high volumes of trading operations as compared to similar periods of 2021. As such, 2Q and 1H 2022 FX gains reached a generous year-on-year growth by 51.2% and 60.3%, respectively. The quarter-on-quarter light decrease in 2Q 2022 (by 3%) of FX gains has a seasonal nature.

The fluctuations in exchange rates and net demand for foreign currency on the local market was consequential to the emerged invasion in Ukraine in February 2022.

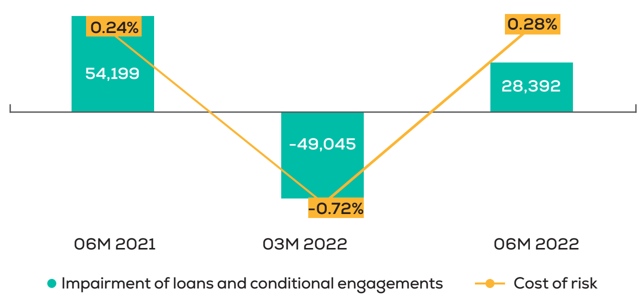
Sustainable improvement of cost to income ratio, given the operating income higher growth rates in relation to operating expenses. Increase in operating expenses have been driven by the bank's investment in staff related strategic projects during 2022

In 2Q 2022, operating expenses (OPEX) incurred a drop by 1% quarter-on-quarter, though on a year-on-year basis, OPEX has expanded by 19%. The outstanding increase in operating income, coupled with slight optimization of OPEX in 2Q 2022 has resulted in better a cost-to-income ratio, reducing it from 53.8%[1] (in 1Q 2022) to 46.4%[1] in 2Q 2022.

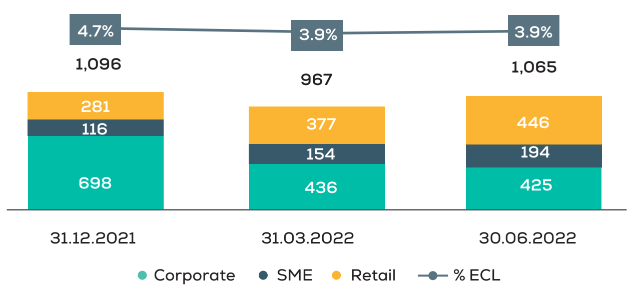
The year-on-year increase of OPEX (both quarterly and half-year figures) was around halfway determined by increase in staff costs, as result of application of a new grading system in 2022, in line with the **maib's** HR strategy and trend in the banking market. Other operating expenses (6-month figures) were 36% higher YoY driven by increase in consulting, auditing and advertising fee expenses, as well as contribution to the Resolution Fund, consequent to the increase in deposits.

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

Cost of risk of loan portfolio (%)



ECL reserve (million MDL)



[1] Calculated based on annualized 2Q (3 months) financial results
[2] Calculated based on annualized 1H (6 months) financial results
[3] Calculated based on principal amount of loans and deposits without adjustment for accrued interest and amortized commission

No signs of loan portfolio quality worsening, but maintains a prudent approach to mitigate any potential increase in credit risk

In 1H 2022, **the cost of risk for loan portfolio stood at 0.28%**, which is by 1 pp higher as compared to the cost of risk reported in 1Q 2022. The increase in cost of risk was mainly driven by the **revised expected credit loss (ECL) methodology**, in particular the model itself and macro-economic forward-looking assumptions used, updated and aligned to current economic realities and latest forecasts. At the same time, despite the economic turbulences (i.e. pro-inflationary pressures, disruption of logistic chains, continuously tightening monetary policy etc.) the quality of the Bank's portfolio has not worsened, recording even **a positive dynamics in PAR30 indicator** - 2.3% in June 2022 versus 2.4% at the end of March 2022 and 3.5% at the end of 2021 year. The share of **non-performing loans** (NPL) in total portfolio has slightly increased by 0.2 pp up to 2.5%, though the increase was mainly driven by one default in SME segment. Q2 2022 showed some insignificant signs of increasing defaults share, though this is explained by a moderate growth pace of portfolio in 2Q neither by increasing NPL in absolute values. At the same time, the ECL impairment charges in 2022 were offset by a significant amount of recovery from corporate NPL portfolio. If excluding the effect of the corporate NPL recovery, the cost of risk would stand at 2.60% as of June 2022. 1H 2022 showed positive dynamics in the quality of loan portfolio as compared to 2021 year-end, however there are reasonable expectations that signs of quality worsening would be captured in the second half of the year, aligned with the macro-economic development (inflationary peak forecasted in 3Q 2022 alongside with the start of heating season, putting altogether a heavier burden on population, agricultural season etc.). In this respect, the Bank is closely monitoring the portfolio in order to spot any potential triggers of increase in credit risk.

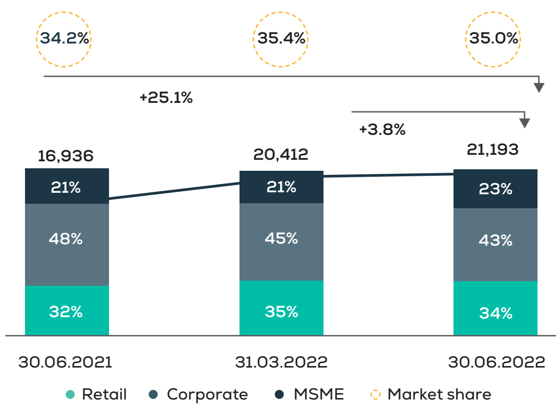
Loan portfolio: exceptional growth pace in SME and a mild growth pace in retail

Maib maintained and increased its current leading position on the market of 35.5% (by loan portfolio), increasing it by 0.1 pp during 2Q 2022.

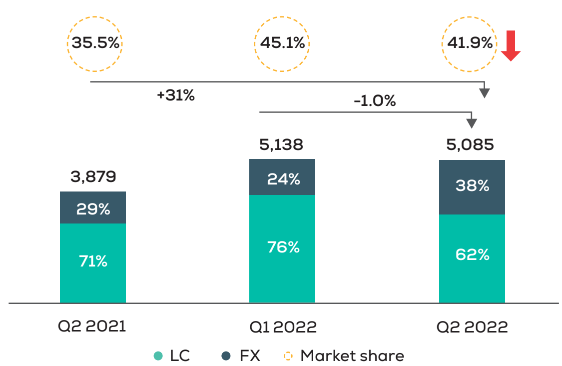
As of June 30, 2022, the gross loan portfolio reached MDL 21.2 billion3, up by 3.8% QoQ, up by 9.3% year-to-date and by 25.1% on a YoY basis. The QoQ increase was largely boosted by increase in SME portfolio, recording a 15.2% growth[3] on a QoQ basis and an outstanding 30% growth[3] year-to-date. **Maib's** market share in the SME segment has also expanded noticeably during the 2Q 2022, increasing from 26.7% up to 30.9% at the end of June 2022.

The **retail portfolio** continues its growing trend, though at a moderate pace and propensity for decline in consumer lending. The consumer lending downward trend was determined by a set of discouraging factors, as uncertainties related to crisis emerged following the invasion in Ukraine in February 2022 (inflationary pressures, energy growing prices), overall growth in interest rates as result of more restrictive monetary policy, as well as legislative amendments related to responsible lending. The latter factor even though may be potentially impeding for high paces of retail portfolio growth, in the medium to long term, shall improve the quality of the respective portfolio. On the contrary, the mortgage lending is still in the wave of expansion, increasing by 5%[3] on a QoQ basis.

Loan portfolio (million MDL)



New granted loans (million MDL)



[1] Calculated based on annualized 2Q (3 months) financial results
[2] Calculated based on annualized 1H (6 months) financial results
[3] Calculated based on principal amount of loans and deposits without adjustment for accrued interest and amortized commission

Despite the expected seasonal decrease of the **corporate** portfolio, it has recorded a slight increase by 0.1% QoQ, keeping its strong position on the market – 46% as of June 30, 2022.

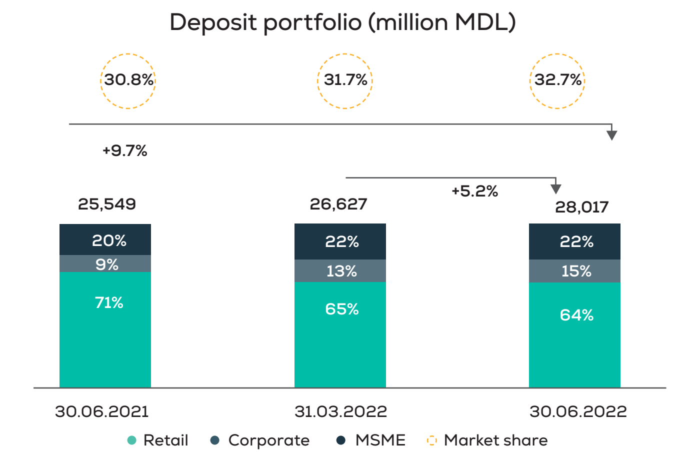
In the short and medium term we expect a moderate growth of loan portfolio.

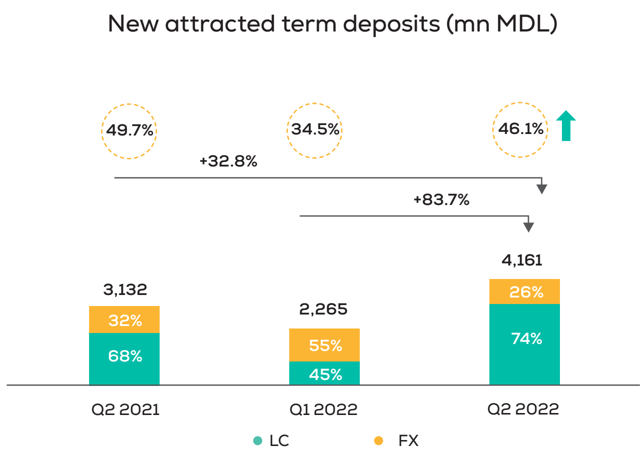
Deposit portfolio almost fully recovered in 2Q 2022, after a noticeable drop in 1Q 2022

Customers' deposits stood at MDL 28.0 billion at June 30, 2022, up by 5.1%[3] QoQ and by 9.6%[3] on a YoY basis.

The deposits portfolio denominated in local currency (with a share of 54% as of June 30, 2022) contributed mostly to the QoQ growth in deposits, recording an increase by 7.8% on a QoQ basis. The overall QoQ increase is spread almost evenly between retail and corporate deposits, in particular those denominated in local currency.

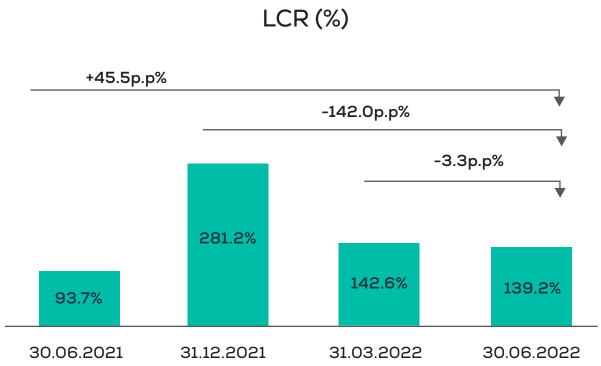
1Q 2022 was characterized by an outflow of deposits in **maib**, in line with the market trend, in the light of the emerged regional conflict. The withdrawals slowed down by the end of 1Q 2022, followed by a subsequent upward trend. The proactive actions took by **maib** has ensured a lingering growth of the deposits portfolio in 2Q 2022, bringing it back almost to the level before the crisis. **Maib** will continue to closely monitor the market evolution to spot any alarming dynamics to keep ahead and take all necessary steps and corrective actions to keep and expand the deposits book.

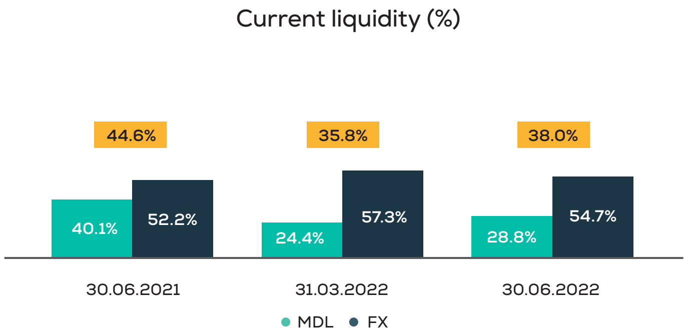




Liquidity maintained at a comfortable level

As of June 30, 2022, total **liquidity coverage ratio** (LCR) stood at a **comfortable level of 139.2%**, being slightly lower (by 3.4 pp) on QoQ basis, though still significantly above the local regulatory level of 80%. The drop was mainly determined by the necessity to increase the balance of required reserves maintained in NBM (resulting from uptick in required reserve ratio in 2Q 2022).





[1] *Calculated based on annualized 2Q (3 months) financial results*
[2] *Calculated based on annualized 1H (6 months) financial results*
[3] *Calculated based on principal amount of loans and deposits without adjustment for accrued interest and amortized commission*

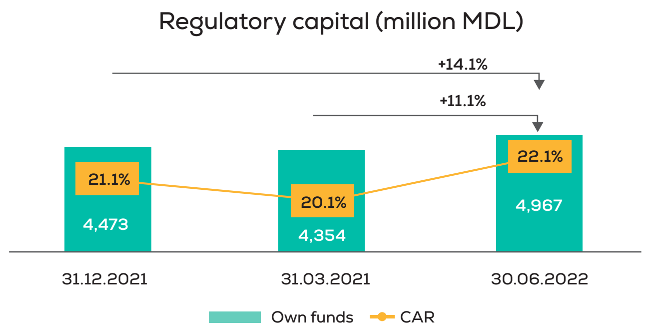
At the same time, total current liquidity has increased on a QoQ basis, mainly due to improvement of the Bank's liquidity position in local currency, from 24.4% in March up to 28.8% in June 2022.

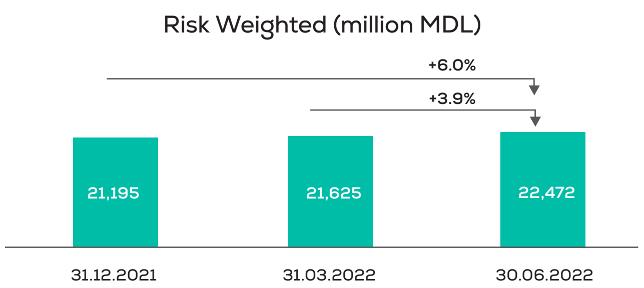
Maib's liquidity position has been continuously reinforced by contracting subordinated loans from financial institutions in 2Q 2022, e.g. EUR 50 million loan with EBRD, as well as drawdown from existing loan facilities, e.g. EUR 10 million from EFSE. Additionally, during 1H 2022, **maib** has been optimizing 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.

Continuous strengthening of capital position

Maib is solidly capitalized. Capital Adequacy Ratio (CAR) and Tier 1 stood at of 22.1% and 19.9%, respectively, as of June 30, 2022, being above minimum requirements. The Bank's regulatory capital has been boosted in 2Q 2022 by the previous year retained earnings and subordinated loan (Tier 2) drawdown, coupled with a small increase in risk-weighted assets as result of by increasing balances of the correspondent accounts and exposures of corporate clients derived from credit lines secured by real estate (which are weighted 100%).

Capital position is continuously strengthened by means of profitability organic growth and contracting subordinated loans from other financial institutions (defined as Tier 2 capital).





[1] *Calculated based on annualized 2Q (3 months) financial results*

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.

Market share retail loans:	Loan portfolio[1]:	Term deposits[1] in local currency:
31%	**MDL 7.2 bn**	**MDL 6.1 bn**
Up by 2% YoY	Up by 2% QoQ Up by 35% YoY	Up by 5% QoQ Down by 3.8% YoY

Maibank users:	Cards portfolio:	POS portfolio:
355k	**871k**	**10,540**
Up by 9% QoQ Up by 51% YoY	Up by 10% QoQ Up by 28% YoY	Up by 9% QoQ Up by 31% YoY

Maib Retail Banking business continued to do well across key strategic areas, as shown by the following indicators:

- Expansion of customers database by **29K** during 2Q 2022 (being an outstanding quarterly result) totaling over **911K customers**, up by 9.5% YoY, out of which 59% being active customers;
- over **871K cards** in circulation as of 2Q 2022, up by 28% YoY;
- 18% of active customers have contracted loan facilities;
- Expansion of retail customers database by 29K in 2Q 2022 (vs 1Q 2022);
- Additional over 1.5K partnerships (salary projects, Liber Card, Gama Card etc.) concluded during 2Q 2022, totaling almost 8K partnerships at the end of 2Q 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 52% YoY
  - over 32% of new loans granted and 41% of all new deposits attracted were through MAIBank

The Bank's digital channels are constantly evolving, in 2Q we managed to implement and launched Apple Pay, launched Kids app, implemented and launched Garmin Pay Visa.

[1] *Calculated based on principal amount of loans and deposits without adjustment for accrued interest and amortized commission*

2Q Financial performance

STATEMENT OF PROFIT OR LOSS, million MDL	2Q 2022	1Q 2022*	2Q 2021	% QoQ change	% YoY change
NET INTEREST INCOME	276.0	241.2	131.1	+14.4%	+110.6%
NON-INTEREST INCOME, **out of which:**	95.7	75.9	87.0	+26.0%	+10.0%
Net fee and commission income	32.3	22.3	35.3	+44.6%	-8.6%
Foreign exchange gains, net	47.9	40.8	31.0	+17.5%	+54.5%
Other operating income	15.4	12.8	20.6	+20.4%	-25.2%
OPERATING INCOME, NET	371.7	317.1	218.1	+17.2%	+70.4%
DIRECT OPERATING EXPENSES, out of which:	(125.5)	(126.5)	(92.9)	-0.8%	+35.1%
Staff costs	(67.8)	(60.9)	(57.4)	+11.4%	+18.2%
Depreciation	(16.7)	(12.3)	(11.0)	+35.6%	+52.3%
Other operating expenses, including:	(41.0)	(53.3)	(24.6)	-23.1%	+66.9%
Deposits Guarantee Fund	(3.1)	(4.3)	(4.1)	-29.6%	-25.2%
Resolution Fund	(0.3)	(24.3)	(0.6)	-98.8%	-50.7%
INDIRECT ALLOCATED EXPENSES	(68.2)	(90.2)	(77.6)	-24.4%	-12.2%
PRE-PROVISION OPERATING PROFIT	178.0	100.4	47.6	+77.3%	+274.3%
Impairment and provisions charges	(59.6)	(97.5)	(21.1)	-38.9%	+181.9%
PROFIT / (LOSS) BEFORE INCOME TAX (PBT)	118.4	2.9	26.4	+3,928.1%	+348.2%
Income tax (expense) / economy	(13.3)	(0.3)	(3.2)	+4,036.8%	+312.6%
NET PROFIT / (LOSS)	105.1	2.6	23.2	+3,914.8%	+353.1%

* updated as result of the FTP policy applied. Please refer to Annex 1.

1H Financial performance

STATEMENT OF PROFIT OR LOSS, million MDL	1H 2022	1H 2021	% YoY change
NET INTEREST INCOME	517.2	241.2	+114.4%
NON-INTEREST INCOME, out of which:	171.6	157.3	+9.1%
Net fee and commission income	54.6	69.7	-21.6%
Foreign exchange gains, net	88.7	56.2	+57.8%
Other operating income	28.2	31.4	-10.1%
OPERATING INCOME, NET	688.8	398.5	+72.9%
DIRECT OPERATING EXPENSES, out of which:	(252.1)	(182.0)	+38.5%
Staff costs	(128.7)	(97.4)	+32.1%
Depreciation	(29.1)	(26.3)	+10.6%
Other operating expenses, including:	(94.3)	(58.3)	+61.7%
Deposits Guarantee Fund	(7.4)	(8.2)	-10.1%
Resolution Fund	(24.5)	(16.1)	+52.7%
INDIRECT ALLOCATED EXPENSES	(158.4)	(133.8)	+18.4%
PRE-PROVISION OPERATING PROFIT	278.4	82.7	+236.6%
Impairment and provisions charges	(157.0)	(42.5)	+269.1%
PROFIT / (LOSS) BEFORE INCOME TAX (PBT)	121.3	40.2	+202.2%
Income tax (expense) / economy	(13.6)	(4.9)	+179.2%
NET PROFIT / (LOSS)	107.8	35.3	+205.4%

	2Q Financial performance[1]			1H Financial performance[2]	
KEY FINANCIAL RATIOS	30 June/2Q 2022	31 March/1Q 2022	30 June/2Q 2021	30 June/1H 2022	31 December / 1H 2021
Cost of deposit % (at period-end)	2.12%	1.45%	1.38%%	2.12%	1.56%
Cost to income ratio %	52.12%	68.34%	78.19%	59.59%	79.25%
Cost of risk % (at period-end)	3.80%	4.62%	0.72%	3.80%	1.46%
Loan-to-deposit ratio % (at period-end)	38.85%	50.08%	28.18%	38.85%	28.18%
NPL ratio % (at period-end)	3.30%	3.00%	3.10%	3.30%	3.60%

[1] Indicators calculated based on annualized 2Q (3 month) financial results
[2] Indicators calculated based on annualized 1H (6 month) financial results

- In 2Q 2022, the retail net profit amounted to MDL 105.1 million, up by 353% YoY and 3,915% QoQ. The recorded high profitability was driven by **strong operating performance**, driven by both net interest and non-interest income, though offset by **expected credit loss (ECL) charges** booked during both 1Q and 2Q 2022, being the result of prudency measures associated to significant uncertainties related to credit risk in 1Q 2022 and revision of impairment model during 2Q 2022.

- If comparing 1H 2022 to similar period of 2021, a noticeably stronger operating income was generated, mainly due to doubling of **net interest income**, coupled with foreign exchange gains, though at a lesser extent. This outstanding increase is associated to increase of loan portfolio by 41% YoY, and higher yields associated to the retail loan portfolio.

- The decrease of **net fee and commission** (F&C) income was mostly determined by increase in F&C expenses, in particular card related expenses (issuing, interchange and other) on the background of strong growth in number of cards issued and expansion of **maib** cards in circulation (which doubled on a YoY basis). A higher amount of expenses related to issuing generated timing mismatch to the income resulted from the card operations, though this income-expense gap is expected be recovered during the next quarters. Additionally, some specific F&C expenses were incurred in 1Q 2020, e.g. higher fees for the Bank's correspondent accounts, as result of higher volume and number of clients transactions, cash management operations etc.

- **Cost of risk** for retail segment in 2Q 2022 stood at 3.80%, down by 0.82 pp QoQ and up by 3.08 pp YoY. The QoQ release was determined by the revision of the ECL model and assumptions used in ECL charged in 1Q 2022. During 2Q 2022, the Bank has revised its impairment model, in particular the forward-looking macroeconomic forecasts, which determined a more prudent approach in relation to ECL, in the light of current economic turbulences and geo-political uncertainties.

- During 2Q 2022, the Bank has frozen for a period its expenditure in a few of its IT related projects, dedicated to improvement of currently used apps and core banking, postponing them for a later period and concentrating on its core activities and maintaining its strong capital and liquidity position in times of economic turbulences. Also, 1Q 2022 is characterized by specific one-off expenses related to the effects of emerged war in Ukraine e.g. expenses related to import of cash in foreign currency, due to a short-term shortage and significant outflow of foreign currency in the first days after start of war in Ukraine, impairment allowance for interbank exposure to Russian and Ukrainian banks. However, due to stabilization of foreign currency market and fully assured necessity of foreign currency, the Bank does not incurred such expenses in 2Q 2022. As such, enhanced by the growth in operating income, the cost-to-income ratio recorded a significant improvement in 2Q 2022, lower by 16.2 pp QoQ. The YoY decrease of cost-to-income ratio is bolder - by 26.1 pp, mostly due to a lower operating performance recorded in the 1st semester of 2021.

- Retail banking **loan portfolio** amounted to MDL 7.2 billion (principal only) as of June 30, 2022, up by 33% YoY and slightly compressed by 0.02% QoQ. The decrease in the loan portfolio was evenly spread (in absolute values) between consumer and mortgage loans, but the relative decrease was higher in the consumer loan portfolio. The downtrend in the portfolio of retail loans, was triggered by the impact of macro-economic factors (invasion in Ukraine, inflationary pressures, energy crisis) and the decisions of NBM monetary policies to increase interest rates. **Maib** continues to maintain its market leadership position on 30 June 2022, while the retail market share amounted to 30.5%, down by 0.3pp QoQ, while consumer lending market share stood at 33.7%, (down by 0.8 pp QoQ) and mortgage lending stood at 27.0% (up by 0.3pp QoQ).

- Retail banking **deposit portfolio** totaled MDL 17.9 billion as of June 30, 2022, down by 1.2% YoY and down by 4.1% QoQ. The increase in QoQ was determined by the increase in the interest rate for deposits in national currency in line with market increasing and bank policy of attracting new deposits. The main share of the portfolio of deposits at the **maib** is the term deposits in local currency 63% or MDL 6.1 billion. Decrease in YoY was attributable to the regional conflict. As of 30 June 2022, **maib** market share in retail deposits stood at 33.9%, up by 0.3pp QoQ. Maib has been taking all necessary steps to continuously increase its deposit portfolio.

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[1] *Calculated based on principal amount of loans and deposits without adjustment for accrued interest and amortized commission*

SME Banking

Key business highlights

SME 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 represents classic SMEs, which do not qualify for criteria of Micro and have less than 250 employees and an annual turnover not exceeding MDL 50 million.

Market share SME loans:

31%

Up by 4% QoQ
Up by 5% YoY

Loan portfolio[1]:

MDL 4.8 billion

Up by 15% QoQ
Up by 46% YoY

Internet Banking users:

21.1K

Up by 7% QoQ
Up by 23% YoY

Deposits portfolio[1]:

MDL 6.1 billion

Up by 2% QoQ
Up by 15% YoY

SME is a fairly new segment and has strong development prospective. **Maib** has ambitious goals in terms of market share and quality of service to SME clients. Growth in this segment is supported by the following indicators:

- Over 28.9K **active SME customers** as of 2Q 2022, up by 1.7% QoQ;
- 81% share of **active users** of Internet Banking;
- 93.7% SME customers **retention rate**;
- 22.9% share of total maib loan portfolio, up by 2.3pp QoQ;
- 61% share on deposits in **national currency**;
- **Portfolio** generated by OFI lending programs increased by 29% or +456 mio MDL reaching the share of 42% of total loan balance as of 2Q 2022.

[1] Calculated based on principal amount of loans and deposits without adjustment for accrued interest and amortized commission

2Q Financial performance

STATEMENT OF PROFIT OR LOSS, million MDL	2Q 2022	1Q 2022*	2Q 2021	% QoQ change	% YoY change
NET INTEREST INCOME	115.8	90.5	80.5	+28.0%	+44.0%
NON-INTEREST INCOME, out of which:	72.1	68.5	65.2	+5.3%	+10.6%
Net fee and commission income	42.8	38.9	42.7	+10.0%	+0.2%
Foreign exchange gains, net	28.1	29.3	19.2	-4.2%	+46.6%
Other operating income	1.2	0.2	3.3	+392.9%	-63.5%
OPERATING INCOME, NET	**187.9**	**159.0**	**145.6**	**+18.2**	**+29.0%**
DIRECT OPERATING EXPENSES, out of which:	**(54.9)**	**(50.9)**	**(31.2)**	**+7.9%**	**+76.2%**
Staff costs	(29.9)	(24.4)	(20.1)	+22.2%	+48.4%
Depreciation	(6.9)	(3.6)	(2.2)	+93.1%	+211.6%
Other operating expenses, including:	(18.1)	(22.8)	(8.8)	-20.7%	+105.4%
Deposits Guarantee Fund	(1.4)	(1.1)	(1.1)	+30.8%	+34.8%
Resolution Fund	(0.2)	(12.2)	(0.1)	-98.4%	+67.6%
INDIRECT ALLOCATED EXPENSES	**(45.8)**	**(47.0)**	**(40.6)**	**-2.6%**	**+12.7%**
PRE-PROVISION OPERATING PROFIT	**87.3**	**61.1**	**73.9**	**+42.8%**	**+18.1%**
Impairment and provisions charges	(41.2)	(38.0)	2.6	+8.4	-1,696.0%
PROFIT / (LOSS) BEFORE INCOME TAX (PBT)	**46.1**	**23.1**	**76.5**	**+99.4%**	**-39.7%**
Income tax (expense) / economy	(5.2)	(2.5)	(9.3)	+109.9%	-43.7%
NET PROFIT / (LOSS)	**40.8**	**20.6**	**67.2**	**+98.1%**	**-39.2%**

* updated as result of the FTP policy applied. Please refer to Annex 1.

1H Financial performance

STATEMENT OF PROFIT OR LOSS, million MDL	1H 2022	1H 2021	% YoY change
NET INTEREST INCOME	206.3	152.9	+34.9%
NON-INTEREST INCOME, out of which:	140.6	119.1	+18.1%
Net fee and commission income	81.7	77.3	+5.6%
Foreign exchange gains, net	57.5	38.1	+50.9%
Other operating income	1.4	3.6	-60.2%
OPERATING INCOME, NET	**347.0**	**272.0**	**+27.6%**
DIRECT OPERATING EXPENSES, out of which:	**(105.7)**	**(68.3)**	**+54.8%**
Staff costs	(54.3)	(37.2)	+45.9%
Depreciation	(10.5)	(5.2)	+104.1%
Other operating expenses, including:	(40.9)	(25.9)	+57.7%
Deposits Guarantee Fund	(2.6)	(8.2)	-69.1%
Resolution Fund	(12.4)	(16.1)	-23.1%
INDIRECT ALLOCATED EXPENSES	**(92.7)**	**(74.1)**	**+25.2%**
PRE-PROVISION OPERATING PROFIT	**148.5**	**129.6**	**+14.6%**
Impairment and provisions charges	(79.3)	(9.9)	+700.8%
PROFIT / (LOSS) BEFORE INCOME TAX (PBT)	**69.2**	**119.7**	**-42.2%**
Income tax (expense) / economy	(7.7)	(14.5)	-46.6%
NET PROFIT / (LOSS)	**61.5**	**105.2**	**-41.6%**

	2Q Financial performance[1]			1H Financial performance[2]	
KEY FINANCIAL RATIOS	30 June/2Q 2022	31 March/1Q 2022	30 June/2Q 2021	30 June/1H 2022	31 December / 1H 2021
Cost of deposit % (at period-end)	0.51%	0.27%	0.40%	0.51%	0.42%
Cost to income ratio %	53.55%	55.80%	49.26%	57.21%	55.90%
Cost of risk % (at period-end)	3.12%	3.68%	0.56%	3.12%	1.10%
Loan-to-deposit ratio % (at period-end)	77.32%	68.59%	65.83%	77.32%	63.80%
NPL ratio % (at period-end)	2.60%	1.30%	2.20%	2.60%	2.70%

[1] Indicators calculated based on annualized 2Q (3 month) financial results
[2] Indicators calculated based on annualized 1H (6 month) financial results

- SME Banking has generated a strong operating income of MDL 188 million in 2Q 2022, up by 29.0% YoY and by 18.2% QoQ. The YoY increase in interest income was primarily related to an increase in the gross loan portfolio by MDL 1.4 billion or 39.4% combined with net interest margin (corroborated by the increased loan-to-deposit ratio). Over the same period, net fee and commission income totaled MDL 42.8 million, up by 0.2% YoY and 10.0% QoQ. The quarterly decrease in net foreign exchange (FX) gains by 4.2% was due to return of foreign exchange market to an overall stability after the economic turbulence caused by emerged invasion in Ukraine in February 2022. The 51% YoY increase of 1H net foreign exchange (FX) market was in contrast related to the emerged war in 1Q 2022, which determined a high volatility in exchange rates and volumes of trading operations. The amount of FX transactions performed during 2Q 2022 was 80% higher than in the similar quarter of previous year.

- Compared to H1 2021, salary expense increase resulted from the application of new grading systems, supported by noticeable growth in lending activity. The increase in indirect expenses was driven by development of new ecosystems, new services and expanding partnerships to increase the portfolio of SME clients.

- 1H 2022 cost of risk associated to SME portfolio stood at 3.7%, being noticeably higher than in previous periods. The increase in cost of risk is associated to the revised ECL methodology, both modelling and macro-economic forward-looking assumptions used, as well as was significant increase in credit risk associated to a greater number of exposures (and consequent classification in Stage 2), all of these determining additional impairment charges in 2Q 2022. The increase in NPL ratio was mainly determined by a default of one client in SME portfolio with greater exposure which increased the ratio.

- Recording the highest growth rate of all segments, SME loan portfolio reached MDL 4.8 billion[1] as of June 30, 2022, up by 46% YoY and up by 15% QoQ. The share of SME portfolio in total maib portfolio has increased by 2.3 pp YoY, up to 23%. The concentration of SME portfolio is spread mainly between agriculture and trading, which represent over 73% of this portfolio. During 2Q 2022, almost 60% of new loans subscribed are for filling the working capital needs. However, 2Q 2022 showed a bolder growing trend for investment loans, balance of which increased by over 39% YoY.

- Also, a substantial positive impact to maib's SME loan portfolio growth is owed to subordinated loan agreements signed with specialized financing organizations, intended for financing certain categories of customers (e.g. micro, small and medium sized enterprises etc.). The proportion of SME loan portfolio financed by other financial institutions increased by 28.9% (up by MDL 456 million) reaching the share of 42% of the total loans balance as of June 30, 2022.

- As of June 30, 2022, SME deposit portfolio reached MDL 6.1 billion1, up by 15% YoY and 2% QoQ. SME deposits funding represents over 22% in total deposit portfolio. The portfolio is mainly made up of current (on demand) accounts (approx. 90%). 61% of the portfolio is denominated in local currency. The proportion of deposits denominated in foreign currency was up by 6.9% QoQ and accounted 39% of total SME deposits.

[1] *Calculated based on principal amount of loans and deposits without adjustment for accrued interest and amortized commission*

CORPORATE Banking

Key business highlights

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

Market share Corporate loans:
46%
Down by 4% QoQ
Down by 3% YoY

Corporate client's portfolio:
+24 new clients
Retention rate – 100%

Loan portfolio[1]:
MDL 9.1 billion
Up by 0.1% QoQ
Up by 13% YoY

Deposits portfolio[1]:
MDL 4.1 billion
Up by 18% QoQ
Up by 89% YoY

Corporate Banking showed a sustainable growth in 2Q 2022 in terms of new customers attracted and volume of new loans, deposits and transactions performed with support of maib. A snapshot of the corporate achievements is presented below:

- 90% of corporate customers use maib Internet-Banking;
- 99% of corporate clients payments were online
- Volume of FOREX transactions for Corporate clients up by 56% YoY;
- Increase of payroll projects by 83% in 2Q 2022 (vs 2Q 2021);
- Over 420 business cards in circulation as of 2Q 2022, up by 123% YoY

[1] *Calculated based on principal amount of loans and deposits without adjustment for accrued interest and amortized commission*

2Q Financial performance

STATEMENT OF PROFIT OR LOSS, million MDL	2Q 2022	1Q 2022*	2Q 2021	% QoQ change	% YoY change
NET INTEREST INCOME	105.7	92.0	91.0	+14.9%	+16.2%
NON-INTEREST INCOME, out of which:	47.7	54.7	33.7	-12.7%	+41.6%
Net fee and commission income	11.5	10.1	8.6	+14.7%	+33.9%
Foreign exchange gains, net	35.1	44.5	23.3	-21.1%	+50.8%
Other operating income	1.1	0.1	1.8	+1,028.6%	-40.8%
OPERATING INCOME, NET	**153.5**	**146.7**	**124.7**	**+4.6%**	**+23.1%**
DIRECT OPERATING EXPENSES, out of which:	**(15.6)**	**(20.7)**	**(7.4)**	**-25.0%**	**+110.8%**
Staff costs	(9.2)	(5.6)	(4.9)	+64.2%	+87.2%
Depreciation	(0.7)	(0.5)	(0.2)	+45.5%	+182.3%
Other operating expenses, including:	(5.7)	(14.7)	(2.2)	-61.3%	+155.5%
Deposits Guarantee Fund	(0.8)	(0.8)	(0.5)	-4.6%	+51.9%
Resolution Fund	0.5	(11.2)	0.7	-104.7%	-23.2%
INDIRECT ALLOCATED EXPENSES	**(21.4)**	**(24.8)**	**(29.0)**	**-13.6%**	**-26.4%**
PRE-PROVISION OPERATING PROFIT	**116.5**	**101.2**	**88.3**	**+15.1%**	**+32.0%**
Impairment and provisions charges	7.7	168.1	(43.9)	-95.4%	-117.4%
PROFIT / (LOSS) BEFORE INCOME TAX (PBT)	**124.2**	**269.3**	**44.4**	**-53.9%**	**+179.9%**
Income tax (expense) / economy	(14.9)	(29.1)	(5.5)	-48.7%	+171.4%
NET PROFIT / (LOSS)	**109.3**	**240.2**	**38.9**	**-54.5%**	**+181.1%**

* updated as result of the FTP policy applied. Please refer to Annex 1.

1H Financial performance

STATEMENT OF PROFIT OR LOSS, million MDL	1H 2022	1H 2021	% YoY change
NET INTEREST INCOME	197.7	182.4	+8.4%
NON-INTEREST INCOME, out of which:	102.4	67.7	+51.3%
Net fee and commission income	21.6	18.3	+17.8%
Foreign exchange gains, net	79.7	46.6	+71.0%
Other operating income	1.2	2.8	-58.5%
OPERATING INCOME, NET	**300.1**	**250.1**	**+20.0%**
DIRECT OPERATING EXPENSES, out of which:	**(36.3)**	**(27.5)**	**+31.9%**
Staff costs	(14.8)	(10.9)	+35.7%
Depreciation	(1.1)	(0.6)	+104.6%
Other operating expenses, including:	(20.3)	(16.0)	+26.9%
Deposits Guarantee Fund	(1.6)	(1.0)	+54.5%
Resolution Fund	(10.7)	(10.1)	+6.0%
INDIRECT ALLOCATED EXPENSES	**(46.1)**	**(53.2)**	**-13.3%**
PRE-PROVISION OPERATING PROFIT	**217.7**	**169.3**	**+28.6%**
Impairment and provisions charges	175.8	(9.6)	-1,929.5%
PROFIT / (LOSS) BEFORE INCOME TAX (PBT)	**393.5**	**159.7**	**+146.3%**
Income tax (expense) / economy	(44.0)	(19.3)	+127.6%
NET PROFIT / (LOSS)	**349.5**	**140.4**	**+148.9%**

	2Q Financial performance[1]			1H Financial performance[2]	
KEY FINANCIAL RATIOS	30 June/2Q 2022	31 March/1Q 2022	30 June/2Q 2021	30 June/1H 2022	31 December / 1H 2021
Cost of deposit % (at period-end)	1.26%%	0.55%	0.40%	1.26%	0.66%
Cost to income ratio %	24.07%	24.90%	29.20%	27.46%	35.30%
Cost of risk % (at period-end)	-3.92%	-7.38%	0.20%	-3.92%	-1.77%
Loan-to-deposit ratio % (at period-end)	210.90%	196.92%	347.83%	210.90%	347.83%
NPL ratio % (at period-end)	1.94%	2.00%	6.00%	1.94%	6.00%

1 Indicators calculated based on annualized 2Q (3 month) financial results

2 Indicators calculated based on annualized 1H (6 month) financial results

- In 1H 2022, Corporate net profit amounted to MDL 350 million, up by 149% YoY. The Corporate segment profitability was driven by income generation both in the interest and non-interest income categories. At the same time, 2Q 2022 net profit down by 54.5% QoQ and up by 181.1%. Even though the pre-provision profit recorded a quarterly increase by 15.1%, the net profit is significantly lower than 1Q 2022. The generous net profit of 1Q 2022 was the result of a significant recovery from NPL (which generated a significant release in profit or loss account) due to successful workout actions undertaken by the Bank.

- In 2Q 2022, Corporate net interest income amounted to MDL 105.7 million, up by 16.2% YoY and 14.9% on a QoQ basis. The YoY rise in net interest income was mainly driven by the increase in loan balance and the increase in the interest rate of loans, driven by a different pricing policy in terms of reference rate.

- Non-interest income is mainly made up of foreign exchange gains (73.6% of total income) and fee and commission income (26.4%), having a significant contribution to corporate segment's net operating income. 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 2Q 2022, generated a generous contribution to the bank's operating income. During 2Q 2022, volume of FOREX transactions for Corporate clients increased by 56% YoY. In 1H 2022, net fee and commission increased by 17.8% YoY amounted to MDL 21.6 million. The YoY increase was driven by growth of customer base, up by 27% YoY base.

- In 2Q 2022, NPL ratio down by 0.06 pp QoQ and down by 4.1pp YoY. The decrease was driven by improving the quality of corporate loan portfolio as of 30 June 2022 and noticeable recoveries from non-performing loans.

- Corporate loan portfolio stood at 9.1 billion as of June 30, 2022, being up by 12.7% YoY and up by 0.1% QoQ. The amount of newly subscribed corporate loans in 2Q 2022 up by 11.6 QoQ and up by 64% compared to similar period of previous year. The increase on a YoY basis was attributable to increasing of working capital and investment loans. As of 30 June 2022, the Bank's market share in corporate lending amounted to 46%.

- As of 30 June 2022, the Corporate deposit portfolio reached MDL 4.1 billion, up by 89% YoY and 11.2% QoQ, in line with the general trend on the market in the analyzed period. The structure of corporate deposit portfolio has not changed significantly in 2Q 2022, term deposits representing on average 18-20%.

[1] *Calculated based on principal amount of loans and deposits without adjustment for accrued interest and amortized commission*

Subsequent events

Following the Russia military invasion of Ukraine from 24 February 2022, the Moldovan authorities declared a **State of Emergency** in the Republic of Moldova, which was prolonged several times so far, the latest decision was prolongation for 45 days starting 24 June 2022, which was subsequently prolonged for another 60 days, until October 5, 2022. Since the start of military invasion so far, there were no critical signs of military escalation in Republic of Moldova, however the military invasion in the neighboring country is still in full swing.

Legal initiatives related to cap on interest rate increase for the mortgage loans "Prima Casa". In July 2022, Government submitted to the Parliament a draft law regarding the cap on interest rate increase for the mortgage loans within the State Program "Prima Casa". According to this draft law, the increase in interest rates for the loans within this Program cannot exceed 4 pp during a six-month period and 6 pp during one-year period. In this respect, maib took proactive approach and capped the interest rate increase for both mortgage loans within and out of the "Prima Casa" Program.

Mortgages interest rise compensated by Government. In July 2022, the Government approved the compensation policy for the beneficiaries of mortgage loans within the governmental project "Prima Casa" (who has "beneficiary" status as of June 30, 2022) in amount of 50% of the interest rate increase. This decision would have a positive impact on the loan portfolio quality, mitigating the potential increase in credit risk.

Latest Monetary Policy decision. In relation to the tightening monetary policies, on August 4, 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 18.50% to 21.50%.
- To increase interest rates for:
  - overnight loans by 3pp, from 20.50% to 23.50%
  - overnight deposits by 3pp, from 16.50% to 19.50%
- To increase in two-step the required reserves ratio from the financial resources attracted in local and freely convertible currency for the next two application periods:
  - on local currency - by 3pp, from 34% to 37% (16 August – 15 September), by 3pp, from 37% to 40% (16 September – 15 October);
  - on freely convertible currency - by 3pp, from 39% to 42% (16 August – 15 September), by 3pp, from 42% to 45% (16 September – 15 October);

Thus, by this measure NBM seeks to slow down the growth pace of consumer prices, mitigate the side effects of supply shocks, stimulate financial intermediation in local currency, discourage consumption, equilibration of trade balance and anchoring inflationary expectations. In this respect, NBM assumes there is a high probability the latest measures of monetary policy will conclude the cycle of monetary policy tightening, in the absence of any unexpected major pro-inflationary shocks and pressures in the following period.

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.

Annexes:

Annex 1

Segment report – reclassification of costs in 1Q 2022

Following the changes on deposits market, during 2Q 2022 the Bank has adjusted its funds transfer pricing (FTP) assumptions. New FTP assumptions were applied retrospectively, starting 1 January 2022. As a result of this change, net interest income, some of other operating expenses and indirect allocated expenses have been reallocated between segments, but this change did not have any impact the Bank's performance as a whole. The comparative figures for segment reporting for 1Q 2022 were presented in this report using the adjusted FTP assumptions, which differ from figures reported in the "First Quarter 2022 Financial results" report.
The table below outlines the differences for segment reporting 1Q 2022 – as initially reported vs reported now:

SEGMENT	RETAIL			SME			Corporate		
STATEMENT OF PROFIT OR LOSS, million MDL	1Q 2022 as initially reported	Reclassification	1Q 2022 reported now	1Q 2022 as initially reported	Reclassification	1Q 2022 reported now	1Q 2022 as initially reported	Reclassification	1Q 2022 reported now
NET INTEREST INCOME	**215.0**	**26.2**	**241.2**	**93.5**	**(3.0)**	**90.5**	**115.2**	**(23.2)**	**92.0**
NON-INTEREST INCOME, out of which:	**79.9**	**(4.0)**	**75.9**	**68.6**	**(0.1)**	**68.5**	**50.6**	**4.1**	**54.7**
Net fee and commission income	26.3	(4.0)	22.3	39.0	(0.1)	38.9	6.0	4.1	10.1
Foreign exchange gains, net	40.8	-	40.8	29.3	-	29.3	44.5	-	44.5
Other operating income	12.8	-	12.8	0.2	-	0.2	0.1	-	0.1
OPERATING INCOME, NET	**294.9**	**22.2**	**317.1**	**162.1**	**(3.1)**	**159.0**	**165.8**	**(19.1)**	**146.7**
DIRECT OPERATING EXPENSES, out of which:	**(124.6)**	**(1.9)**	**(126.5)**	**(51.1)**	**0.3**	**(50.9)**	**(22.4)**	**1.6**	**(20.7)**
Staff costs	(60.9)	-	(60.9)	(24.4)	-	(24.4)	(5.6)	-	(5.6)
Depreciation	(12.3)	-	(12.3)	(3.6)	-	(3.6)	(0.5)	-	(0.5)
Other operating expenses, including:	(51.4)	(1.9)	(53.3)	(23.1)	0.3	(22.8)	(16.3)	1.6	(14.7)
Deposits Guarantee Fund	(0.8)	-	(0.8)	(1.1)	-	(1.1)	(4.4)	-	(4.4)
Resolution Fund	(12.7)	-	(12.7)	(12.4)	-	(12.4)	(22.6)	-	(22.6)
INDIRECT ALLOCATED EXPENSES	**(87.3)**	**(2.9)**	**(90.2)**	**(46.7)**	**(0.3)**	**(47.0)**	**(28.0)**	**3.3**	**(24.8)**
PRE-PROVISION OPERATING PROFIT	**83.0**	**17.4**	**100.4**	**64.3**	**(3.2)**	**61.1**	**115.4**	**(14.2)**	**101.2**
Impairment and provisions charges	(97.5)	-	(97.5)	(38.0)	-	(38.0)	168.1	-	168.1
wPROFIT / (LOSS) BEFORE INCOME TAX (PBT)	**(14.5)**	**17.4**	**2.9**	**26.3**	**(3.2)**	**23.1**	**283.5**	**(14.2)**	**269.3**
Income tax (expense) / economy	0.3	(0.6)	(0.3)	(3.3)	0.8	(2.5)	(28.9)	(0.2)	(29.1)
NET PROFIT / (LOSS)	**(14.2)**	**16.8**	**2.6**	**23.0**	**(2.4)**	**20.6**	**254.7**	**(14.4)**	**240.2**

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Upcoming investor events

13 September | Moldova – Romania: Capital Bridges Forum in Bucharest
15-16 September | WOOD & Co. Frontier Markets Conference