

4Q and FY2022 Financial Results



4Q and 12M Financial Results

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maib Report 4Q and 12M 2022

Financial Results

4Q 2022 P&L Highlights

- **Net Profit** for 4Q 2022 amounted to MDL 294.1 million (4Q 2021: MDL 216.4 million), up by 35.9% YoY and down by 8.8% QoQ
- **Return on average equity**¹ (ROE) stood at 18.3% (4Q 2021: 16.2%)
- **ROE before expected credit losses**¹ (ECL) stood at 31.4% (4Q 2021: 19.5%)
- **Return on average assets**¹ (ROA) stood at 2.8% (4Q 2021: 2.4%)
- **Cost to income** stood at 44.0% (4Q 2021: 57.1%)
- **Cost of risk** (at period-end) stood at 1.41% (December 31, 2021: 0.25%)
- **Net interest margin**¹ (NIM) stood at 6.50% (4Q 2021: 4.55%)
- Basic quarterly **earnings per share** (EPS) stood at MDL 283 MDL (4Q 2021: 209 MDL)

12M 2022 P&L Highlights

- **Net Profit** for 12M 2022 amounted to MDL 1,131 million (12M 2021: MDL 721.1 million), up by 56.8% YoY
- **Return on average equity**² (ROE) stood at 18.8% (12M 2021: 13.9%)
- **ROE before expected credit losses**² (ECL) stood at 28.1% (12M 2021: 17.7%)
- **Return on average assets**² (ROA) stood at 2.8% (12M 2021: 2.1%)
- **Cost to income** stood at 45.5% (12M 2021: 55.0%)
- **Cost of risk** (at period-end) stood at 1.41% (December 31, 2021: 0.25%)
- **Net interest margin**¹ (NIM) stood at 5.88% (12M 2021: 4.20%)
- **Basic quarterly earnings per share** (EPS) stood at MDL 1,090 MDL (12M 2021: 695 MDL)

Balance Sheet Highlights as of 31 December 2022

- Total **assets** amounted to MDL 43,031 million, up by 5.9% QoQ and by 15.7% YoY
- **Loans and advances to customers** (gross) stood at MDL 22,806 million, up by 4.6% QoQ and up by 15.4% YoY
- **Net loans to deposits ratio** stood at 68.59%, down by 3.56 pp QoQ and up 3.32 pp YoY
- **Non-performing loans** (NPL) were 2.54%, up by 0.04 pp QoQ and down by 1.38 pp YoY
- **NPL ECL coverage** and total **ECL coverage ratios** stood at 198.3% and 2.5%, respectively, on December 31, 2022, compared to 133.2% and 3.9% as of December 31, 2021
- Total **customers deposits** amounted to MDL 31,388 million, up by 9.6% QoQ and up by 9.8% YoY
- The Bank's **Capital Adequacy Ratio** and Tier 1 capital stood at 22.22% and 20.17%, respectively

Market share as of 31 December 2022:

- Market share of **total assets** was 32.7%, up by 1.4 pp YoY
- Market share of **total loans** was 37.2%, up by 2.3 pp YoY
- Market share of **total deposits** reached 33.0%, up by 1.3 pp YoY

¹ Calculated based on annualized 4Q (3 months) financial results

² Calculated based on cumulative 12 months financial results

Operating highlights

- **MAIBank users** reached 430 thousands (up by 10% QoQ and up by 45% YoY);
- 72% Monthly Retail Active Users (MAU%);
- 34% of Daily Active Retail Users to Monthly Retail Active Users (DAU/MAU%)
- 55% of number of retail deposits and 23% of number of retail loans **originated online** during 4Q 2022
- 85% of number of retail transactions are **cashless** (performed via cards)
- **1 million cards issued** (in circulation) by the end of 2022, up by 8% QoQ
- 40K new **MAIBank users** connected every month (average 4Q 2022)

Economic and Country Updates

- Revised Moldovan projected economic growth for 2023 – ranging from 0% up to growth by 2.7% (according to projections of IMF, World Bank, EBRD, Vienna Institute for Economic Studies and local Ministry of Economy);
- Revised Moldovan projected economic growth for 2023-2024 – ranging from 3.6% to 5.8% in 2023 and 4.2% to 5.4% in 2024 by same range of forecasters;
- The last NBM monetary policy meeting in 2022 (December) has opened the cycle of monetary policy easing, namely: the decrease of base rate by 1.5 pp, down to 20%; required reserves ratio down by 3 pp, overnight deposits and loans – as well decreased by 1.5 pp;
- 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
- Compensation for borrowers under “Prima Casa” programme of 50% of the interest rate increase, approved by the Government

Additional Information Disclosure

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

- 4Q and 12M 2022 Financial Results
- 4Q and 12M 2022 Financial Results presentation

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Maib at a glance

Maib is the largest bank in Moldova (by total assets), with total assets of MDL 43.0 billion, representing over 32.7% of market share by total assets as of December 31, 2022. **Maib** is a leader in the Moldovan market by loans, deposits, brand perception and most other key indicators.

Maib's more than 2,400 employees serve just under one million retail, SMEs and corporate customers across nationwide distribution network.

The Bank's gross loan portfolio totaled MDL 22.8 billion as of December 31, 2022, out of which 32% is represented by retail clients and 68% across legal entities (44% Corporate and 24% SMEs). Maib loan portfolio covers 37.2% of the market as of December 31, 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%, consortium of EBRD, Horizon Capital GP and INVALIDA INVL), 14 individual shareholders with over 1% shareholding (26.3%) and 3000+ other shareholders (32.6%).

Maib shareholders gathered for **Extraordinary General Meeting of Shareholders (EGMS)** in December 2022. The decisions taken during this EGMS were:

- **to keep** MDL 252 million from the **2021 profit** in undistributed profit reserve; in order to initiate a request to the NBM for approval of a dividend payment for 2021 after an improvement of geopolitical and macroeconomic situation;
- common **stock split** in proportion of 100:1, without any changes to the share capital of the Bank;
- amendment of Bank's Charter to reflect the changes made following the stock split
- **admission of maib shares for trading** on the Regulated Market (main market), Capital Securities Sector - International Shares Category, administered by the Bucharest Stock Exchange in Romania;
- approval of the Board's Regulation, in a new wording.

Disclaimer

Presented results are based on **unaudited standalone** fourth quarter of 2022 (4Q) and year ended December 31, 2022 financial statements. They do not include the results, the financial performance and the financial positions of two subsidiaries, which combined do not exceed 2% 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. For comparison of quarterly results, standalone results from the fourth quarter of 2021 and the third quarter of 2022 are used. For comparison of annual results, standalone results of 2021 are used.

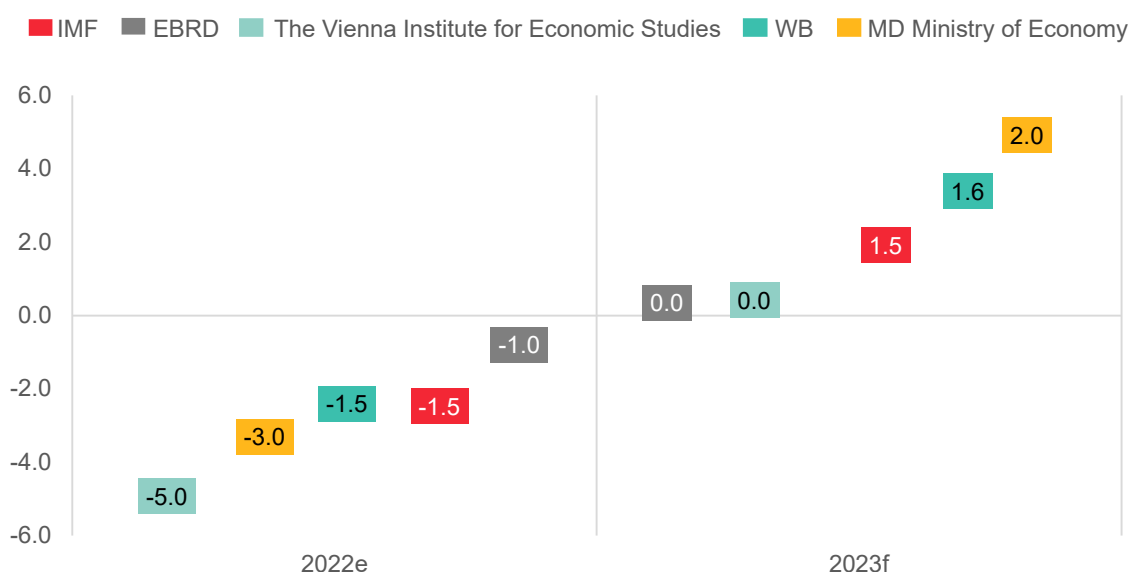
Economic outlook

GDP declined in 2022 but most forecasts predict recovery in 2023

Moldovan economy faced numerous challenges in 2022 including repercussions of the war in Ukraine along with rising gas and energy prices. Despite the challenges faced the future outlook is promising. Leading international forecasters predict that the economy will bounce back in 2023 with a growth rate ranging from 0.0% to 2.0%.

The government is taking proactive measures to support the economy's recovery by investing in infrastructure, attracting foreign investment, and empowering small and medium-sized enterprises. As the situation improves, the Moldovan economy is poised to return to a positive growth trajectory, according to the international commentators.

Real GDP - 2022 estimated and 2023 latest forecasts*:



*According to revised forecasts of: World Bank (January 2023), International Monetary Fund (January 2023), EBRD (November 2022), Vienna Institute for Economic Studies (January 2023) and local Ministry of Economy (December 2022)

The economy of Moldova experienced a decline in 3Q 2022, with a contraction of 10.3% year over year. This was a much greater decrease than the 0.9% decrease seen in the previous quarter, and the steepest contraction since the third quarter of 2020. The major factor contributing to this downturn was the impact of external demand, as a significant increase in imports outweighed a moderate increase in exports, likely due to lower volumes of agricultural shipments making up a large part of exports. Additionally, both household consumption and fixed investment also decreased. When adjusted for seasonal changes, the Moldovan economy shrunk by 11.8% on a quarterly basis.

Economic Sectors Overview

The Moldovan economy faced challenges on several fronts: energy price increase, war in Ukraine, as well as broad increase in prices, which have led to a decline in industrial production of 4.0% for the first 11 months of 2022. The automotive sector has been one of the most affected by the international value chain disruptions, with a decrease of 60% year over year. The energy sector was also in decline by 7% due to decreased consumptions caused by rising energy prices. The food industry is the only sector that has shown growth, with a cumulative increase of 20.2%.

The drought in the summer of 2022 has affected the agricultural sector. The drought has led to a decrease in overall production in all household categories from January to September 2022, totaling MDL 28.2 billion, which is 18.3% less year over year. The decrease in agricultural production is attributed to the decline in both crop production by 23.5% and animal production by 2.2%.

The drought has affected the crop and animal production negatively, which resulted in a decrease in overall agricultural production. As of September 2022, agriculture made up 8.6% of the GDP.

However, the economy recorded a significant growth in the third quarter of the year in the IT sector: up by 8.7% (representing 5.5% of GDP) and in the financial services sector by 18% (representing 2.7% of GDP). Furthermore, in the first 10 months of 2022 the transportation sector maintained an upward trend in terms of growth. Turnover in the sector increased by 49% (in nominal terms): car transport - by 49%, rail transport - by 37.8%, by 2 times and air transport by 1.5 times. Increasing trade flows, due to increased passenger flow and re-export of goods in and out of Ukraine is the key factor keeping the sector growing.

EU main trading partner for Moldova in 2022

In the 11-month period ending in November 2022, the overall value of exports increased by 41.3% compared to the previous year amounting to USD 3,985 million. When factoring out re-exports, the growth rate was 27.4 %. The agricultural, automotive, and petroleum sectors were the primary drivers of export growth, accounting for 37.8%, 12.4%, and 12.3% of total exports, respectively. The growth in the petroleum sector was largely driven by re-exports to Ukraine. The European Union continued to be a significant trading partner for the country, with exports to the EU totaling USD 2,354 million, representing 59.1% of total exports and a YoY increase of 36.2%. Imports also saw significant growth, totaling USD 8,346 million, a YoY increase of 30%. Most imports came from EU countries, accounting for 46.6% of total imports. At the time of writing this report the trade statistics were only available for 11 months of 2022.

Government Budget revenues up in 2022

As of November 30, 2022, the government's revenues stood at MDL 81.1 billion, showing a year-over-year growth of 19.4%. The rise in gas and energy prices resulted in the government introducing a financial aid package for the socially vulnerable segment of the population. As a result of this, government debt increased to MDL 90.8 billion. The European Bank for Reconstruction and Development predicts that the budget deficit will rise to 7.2% of GDP by the end of the year. The International Monetary Fund (IMF) projected a Debt-to-GDP ratio of 38.4%, which is still considered moderate compared to international peers. In terms of foreign direct investment, as of September 30, 2022, it amounted to USD 505 million, with most investments coming from the European Union, accounting for 86% of the total. The government's increased spending to support low-income households particularly led to an expansion in the deficit and government debt.

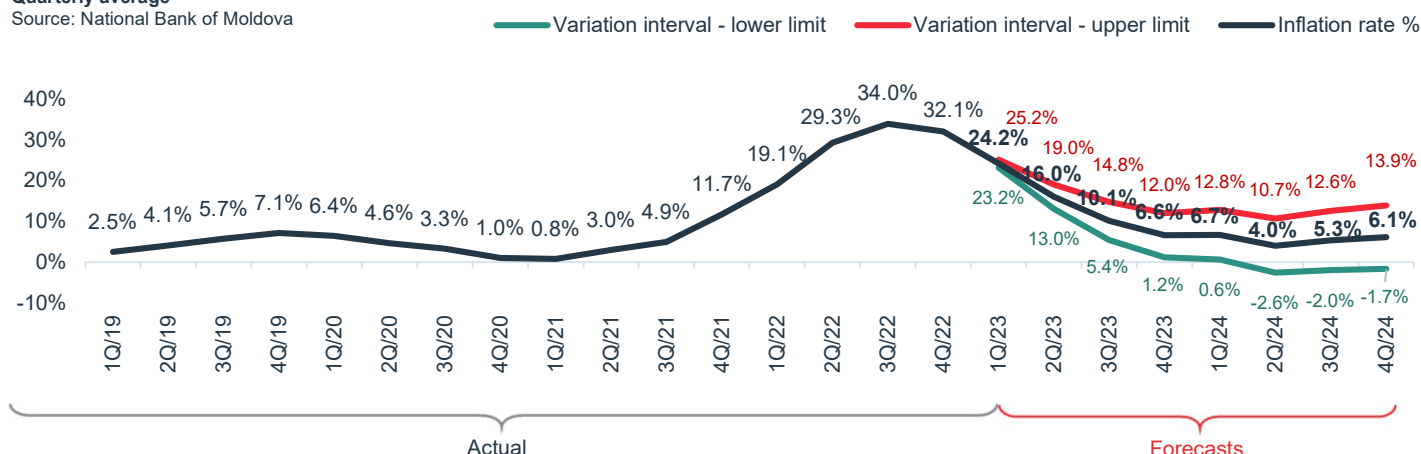
Inflation still high but expected to decline in 2023

In 4Q 2022, the Moldovan economy experienced the highest inflation in the last 15 years. The annual inflation rate in Moldova slowed to 30.2% in December 2022, following a 31.4% rise in the prior month. On a monthly basis, consumer prices increased by 0.8%, the lowest level in sixteen months, after a 1.02% gain in the previous month. Through the year of 2022, the peak of inflation was registered in Moldova in October 2022, amounting to 34.6%. The average annual inflation rate constituted 28.7%. The high inflation was a consequence of the war in Ukraine, which led to an energy crisis and drove prices up.

Annual inflation rate and forecasts

Quarterly average

Source: National Bank of Moldova



The National Bank of Moldova (NBM) implemented a tight monetary policy to combat high inflation and maintain price stability. The main monetary tools used by the NBM were the base rate and reserve requirements. Throughout the year, the NBM tended to keep both the base rate and the reserve requirements high in order to reduce money supply and investment in the economy and promote savings. In the third quarter of 2022, the base rate imposed by the NBM was 21.5%.

In December 2022, as inflation dropped to the lowest level in six months, the NBM decided to ease the contractionary policy and dropped the base rate to 20%. Additionally, the NBM also decided to reduce the required reserves ratio for financial means attracted in local currency.

The National Bank of Moldova (NBM) decreased the required reserves ratio from 40% in December to 37% in January, and then from 37% in January to 34% in February.

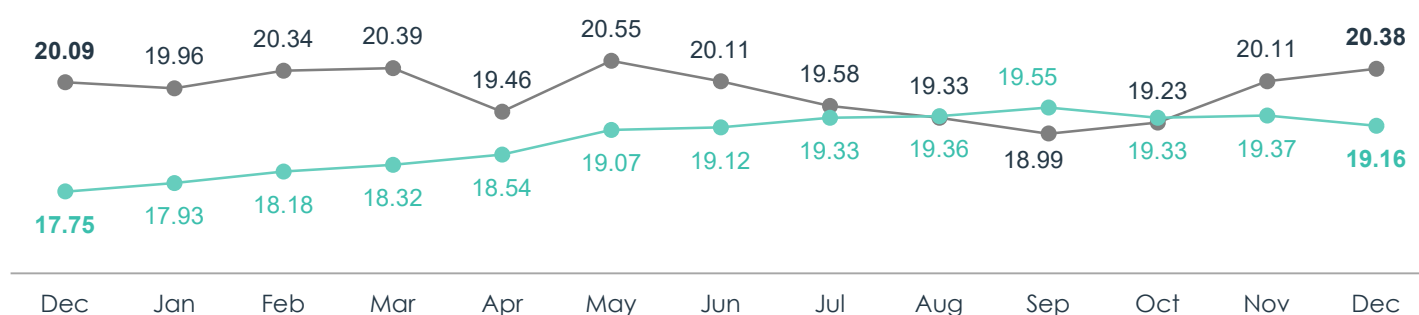
The NBM expects inflation to drop further in the absence of additional supply shocks in 2023. Therefore, the base rate has already reached its peak in 3Q 2022 and may continue to decline in further monetary policy decisions. This will help to maintain price stability and promote economic growth.

MDL exchange rate stable in 2022

In the fourth quarter of 2022, the Moldovan Leu (MDL) has seen an increase of 2.0% quarter-over-quarter against the US Dollar (USD) in nominal terms following a decline of 8.0% over the year. However, MDL has seen a decrease of 7.3% against the Euro (EUR) in the same quarter, but it gained 1.4% on a year-over-year basis. The decline in the local currency is primarily attributed to a higher demand for foreign currency in the domestic foreign exchange market in the 1H 2022, and interventions by the National Bank of Moldova to purchase foreign currency in the domestic market.

NBM has achieved a historical high in its reserves during the 4Q of 2022, with a YoY increase of 15% resulting in a total of 4.4 billion USD. The rise in reserves were primarily attributed to various factors such as the receipt of external support from international organizations like the IMF and the EU, a persistent inflow of remittances, and the NBM's implementation of restrictive monetary policy. During the first three quarters of 2022, Moldova received a total of USD 536 million in remittances from abroad. A significant portion of these remittances originated from the EU, accounting for 42% of the total.

EUR and USD exchange rates (EOM)



*Source: National Bank of Moldova

—●— EUR —●— USD

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 regulate the debt-to-income and loan-to-value ratios, which ensure that right quality loans are subscribed. Concurrently, the provisions lead to a lower market penetration, therefore still leaving enough room in the medium to long term for a healthy and organic growth. National Bank of Moldova issued the secondary legislation applicable specifically to the banks. The amendments had generated the following the results:

- increased compliance by banks with prudential borrower-based limits
- fall in the household loan growth by 15 % YoY
- prevented and limited excessive credit and debt growth.

Banking system shows resilience in 2022

The NBM's restrictive monetary policy and new law amendments during the year has led to slowdown in new loan origination but an increase in terms of profitability for the banking system. It has remained robust and well-capitalized.

Main achievements of the banking sector in 2022:

- Increase in assets by 10.9%
- Increase in profitability by 58%
- Increase in deposits by 5.4%
- Increase in loans by 9.3%

The banking sector demonstrated strong profitability in the fourth quarter of 2022, primarily due to the high interest rates on loans resulting from the NBM elevated base rate. This resulted in a 28.6% quarter-over-quarter increase in net profit from interest and fees. However, it is anticipated that this growth will plateau in 2023, as the NBM is predicted to decrease the base rate if inflation continues to decrease.

The Moldovan banking system experienced a decline in deposits during the first quarter of 2022, attributed to the uncertainty among individuals resulting from the ongoing conflict in Ukraine. However, in the latter half of the year, deposits saw an upward trend, driven by attractive interest rates. Specifically, in the fourth quarter, deposits increased by 7.9% following a 2.8% growth in the previous quarter.

NBM's implementation of a restrictive monetary policy has resulted in a slowing of lending activity. Despite this, loan growth was observed in the fourth quarter, with a quarter-over-quarter increase of 2.3% and a year-over-year increase of 9.3%. In terms of non-performing loans, the banking sector reached an NPL ratio of 6.44% at the end of 4Q 2022, lower by 0.3 pp compared to the beginning of the year. Despite the challenges posed by the energy and geopolitical crisis in the region, the Moldovan banking sector has demonstrated resilience and maintained profitability despite regulatory restrictions imposed by the NBM.

External macro-assistance and financial aid

During 2022, Moldovan government received significant financial assistance from various international organizations and institutions, including the International Monetary Fund, World Bank, and European Commission, aimed at addressing the energy crisis and maintaining economic stability. In the fourth quarter of 2022 alone, Moldovan government received approximately 150 million EUR in aid, totaling approximately 635 million EUR for the year. These funds were primarily utilized to support low-income households in coping with rising heat and energy prices through the implementation of a compensation system, which came into effect in November 2022.

In terms of macro-assistance, the EU has always been a reliable supporter for the economy of Moldova providing from a range of regional programmes covering economic development and market opportunities. Over the last 7-year period, Moldova benefitted from more than half a billion euro (€518.2 million) of grants in bilateral assistance and had access to €200 million (loans and grants) under macro-financial assistance programmes.

Operating highlights in detail

Maib - Cashless Leader and Card Industry Breakthrough awards from Mastercard

During the "Mastercard Day 2022" event, held this year in Warsaw, Poland, the **maib** team was awarded with two important distinctions, being recognized as the Cashless Leader in the Republic of Moldova and the Card Industry Breakthrough. The Mastercard Day event is held annually, bringing together commercial bank representatives, speakers, international banking experts, and development partners to discuss modern regional and international trends in the face of technological transformation. Last year, in the context of Mastercard Day 2021, **maib** won the "Leader in card performance 2021" award for developing modern, secure, and easy-to-use payment solutions.

Maib - named Bank of the Year for the fourth straight year by the Banker

For the fourth consecutive year **maib** has been awarded "Bank of the Year" in Moldova title by the prestigious international publication The Banker. **Maib's** financial performance, innovations, adaptability to the changing economic environment, strategic relationships with customers, advances in digitalization and the quality of customer experience were among the criteria that made the difference in the award decision. This year, **maib** was highly appreciated at the international level, being declared "Best Bank in Moldova" and "Best SME bank in Moldova" by Global Finance, "Market leader" in the Corporate Banking, Digital and Corporate Social Responsibility by Euromoney and "Best Bank in Moldova" in the opinion of EMEA Finance.

Capital market opportunities for Moldova highlighted at high level forum organized by maib

On 12 December **maib** together with the Bucharest Stock Exchange (BSE) held a forum titled Accessing International Capital Markets. The event was aimed at introducing Moldovan businesses and public officials to the opportunities presented by the capital markets. The forum was supported by WOOD&Co. investment bank, EBA Moldova and AmCham Moldova. The Moldovan business leaders had the opportunity to find out more about capital markets from the market participants and regulators. Event's keynote speakers included the US Ambassador to Moldova Kent D Logsdon, the Head of EU Delegation in Moldova Janis Mazeiks, Head of EBRD Office in Moldova, Angela Sax and Head Representative of IMF in Moldova, Rodgers Chawani who jointly supported the development of the capital markets in Moldova to strengthen the country in the face of the geopolitical crisis in the region. The speakers discussed about the economic potential of the country, which can be unlocked with the help of capital market access.

Results of maib's Extraordinary General Meeting of Shareholders (EGMS)

The shareholders of **maib** voted to keep the approved profit for distribution from the 2021 profit for dividend distribution in the undistributed profit reserve, and to request approval for dividend payment from the 2021 profit in 2023 after an improvement of the geopolitical and macroeconomic situation and the reduction of the risk of adverse scenarios. They also voted to replace the **maib's** Board Regulation, approved a stock split of **maib** shares in proportion 100:1, and amended the bank's charter to reflect the changes made following the stock split. Additionally, the shareholders voted to approve the admission of **maib** shares for trading on the Regulated Market (main market) and accept the registration of **maib** shares with the Romanian Financial Supervisory Authority and with the Romanian Central Depository's system.

Maib Announces 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. He is now responsible for all finance areas of the Bank, including financial planning, reporting, and accounting, treasury, asset and liability management and relationships with financial institutions. His candidacy was later approved in November by National Bank of Moldova (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.

Two more innovative ecosystems launched by maib

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.

The third quarter followed with the launch of **AgricolaHub**, a digital ecosystem aimed at farmers and dealers in agricultural goods, machinery, and equipment. **AgricolaHub** is aimed to address the needs of those working in the agricultural sector and related fields, offering a range of facilities brought together on a single platform. **AgricolaHub** lists offers in various agriculture-related fields (seeds, fertilizers, agricultural equipment etc.). The platform offers the possibility of creating a free account where the users can perform a filtered search, benefit from price tracking and comparison of agricultural products posted on the platform, and the option to send messages to traders directly via the platform.

Apple Pay, Google Pay and 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. In August, maib managed to introduce Google Pay to its customers in this way facilitating digital payments with all types of devices.

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.

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. The European Union will host its second meeting of the European Political Community in Moldova on June 1, 2023. During this gathering, European leaders will engage in discussions about joint efforts towards promoting peace, addressing crises, defending democracy, enhancing energy security, and improving the resilience of European nations.

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.

Maib Academy and Student Lab opens its doors

In August, **maib** opened doors to a specialized training center making part of **maib academy**. **Maib** is committed to investing in its human capital. Training and development are viewed to build a sustainable competitive advantage for **maib** on the Moldovan banking market. It is also a critical tool in the war for talent enabling **maib** to attract and retain quality employees, for many of whom professional development is a top priority. **Maib academy** is envisioned to achieve these objectives and is a cornerstone of **maib's** transformation. Within **maib** academy a wide range of training courses are offered to maib employees. These cover anything from sales techniques to English language to project management to SQL and other functional areas.

Later on, in September, **maib**, in partnership with the Academy of Economic Studies of Moldova (AESM), inaugurated Student Lab. The space represents an exact simulation of an actual bank branch set up on the premises of AESM, where students will do practical lessons related to banking activity. Student Lab is a "banking laboratory" equipped with modern tools and apps used daily in **maib** branches. Thus, young people will have the opportunity to test banking services and products during their studies.

Maib featured at Moldova - Romania: Capital Bridges forum

On 13 September **maib** took part in the Moldova - Romania: Capital Bridges forum in Bucharest. This event was organized by **maib** in partnership with the Bucharest Stock Exchange, WOOD&Co. and Raiffeisen Bank International. The forum aimed at Romanian and international investors and businesses to highlight the opportunities presented by the robust Moldovan economy, improved business climate, and newly acquired EU Candidate status. Event's keynote speakers included the Prime Minister of Romania Nicolae Ciuca who warmly welcomed his counterpart the Prime Minister of Moldova Natalia Gavrilita. The President of EBRD Odile Renaud-Basso addressed the audience speaking about the strong drive for reforms in Moldova and underscoring **maib's** commitment to the highest standards of corporate governance.

Maib management enrolls in Leadership Development Program offered by Stanford GSB

In September 2022 **Maib** has signed an agreement with Stanford Graduate School of Business Executive Education to develop up to 60 **maib** top and middle managers. Launching in October, the program will be a three-month online learning journey focusing on strategy, leadership, and organizational culture. The program will expose **maib** management to new ideas, challenge conventional thinking, and support leaders on a collaborative and practical learning journey that will foster an enduring community of learning and new leadership practice at maib. Key topics of the program are Strategic Leadership, Leading Organizational Culture Change, and Designing Organizations for Creativity and Innovation, Scaling Excellence through Talent & Culture.

As part of the Leadership Program, **maib** took nearly 60 of its top and middle managers to a strategic work session in Amsterdam. Organized together with the top strategy consultancy firm followed by visits and discussions with leading global banks, including ING, ABN Amro and Rabobank, set up by The Banking 50 community. The event focused on trends in global banking today and emerging challenges of the near future. Some specific discussions and sessions covered the following: customer experience and centricity; digital channel; distribution network; ecosystems; payments; international expansion of digital services. **Maib** team visited newly updated branches of ING and saw highly innovative "home" concept of banking branch being rolled out by ING across its network.

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 refugees 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 continues branch transformation aligning to new identity

In 2021, **maib** began transforming its branches to align them with its new identity. The branches continued to be transformed to reflect the customer-centric brand promise, featuring a new operational service model and a new visual identity. The innovative design of the branches aims to create a welcoming and comfortable environment for customers, with a focus on being colorful, positive, transparent, and open.

Through its new branches, **maib** aims to provide personalized assistance, speed, and a high-quality service experience by guiding customers to one of three specialized service areas: the Self Service Zone for independent transactions, the Transactional Area for streamlined multiple transactions, and the Consultation Area for personalized decision making. The implementation of the new **maib** strategy stems from the desire to be more customer-centric, resulting in the creation of intelligent solutions by transforming the appearance and operational mode of the branches.

In 2022, a total of 69 branches and 31 agencies underwent the new brand transformation. In 2023, **maib** will continue to implement its identity transformation strategy, offering its customers the best banking solutions.

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 4Q 2022:

New level of customer experience

- **Maib** named **Bank of the Year** for the fourth consecutive year by The Banker
- **Maib** named the **market leader in all key segments** by the Euromoney
- **Maib** launches **digital cards** on the banking market of the Republic of Moldova
- **Maib** named **Cashless Leader** and **Card Industry Breakthrough** by the Mastercard
- **Maib** named **Best SME Bank** in Moldova in 2022 by the Global Finance Magazine
- **Maib** launches **digital cards** on the banking market of the Republic of Moldova
- **Maib freelance** – the first card in Moldova with unique benefits dedicated to freelancers and self-employed
- **Apple Pay** is available for e-commerce at maib
- Online **maibchatbot** for support live chat and latest banking news
- The possibility of withdrawing money, **contactless**, at **maib ATMs**

Focus on Digital Banking. First Steps for Super App for non-banking Services

- Ecosystem Agricolahub (launched in 3Q 2022)
- Start of development of mobile app for CasaHub. Planned launch in 3Q 2023
- Seller's bot assistant for DriveHub. Planned launch by the end of the year

List shares on an International Stock Exchange (IPO)

- Maib continues to work towards an IPO on an international stock exchange.

Agile

- The **third wave of orchestras** has started working agile WoW
- **2023 Roadmap** for Agile Transformation

ESG

- Set up a ESG strategy in first quarter of 2023
- Engage ESG consultants in December 2022 through 2023
- Publication of the ESG Report in March - April 2023

4Q FINANCIAL RESULTS

INCOME STATEMENT highlights, million MDL

	4Q 2022	3Q 2022	4Q 2021	% QoQ change	% YoY change
Net interest income	642.1	592.1	389.8	+8.4%	+64.7%
Net fee and commission income	102.9	109.7	106.3	-6.2%	-3.2%
Net foreign exchange gains	139.8	131.0	89.2	+6.7%	+56.8%
Other operating income	16.9	36.3	24.0	-53.4%	-29.4%
OPERATING INCOME	901.8	869.1	609.3	+3.8%	+48.0%
OPERATING EXPENSES	(396.4)	(349.5)	(348.1)	+13.4%	+13.8%
OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE	505.4	519.7	261.1	-2.8%	+93.5%
Impairment allowances and provisions	(159.3)	(154.7)	(16.1)	+3.0%	+889.9%
PROFIT BEFORE TAX	346.1	365.0	245.0	-5.2%	+41.3%
Income tax expense	(52.0)	(42.5)	(28.6)	+22.4%	+81.6%
NET PROFIT	294.1	322.5	216.4	-8.8%	+35.9%

FINANCIAL POSITION STATEMENT highlights, million MDL

	31 December 2022	30 September 2022	31 December 2021	% QoQ change	% YoY change
Cash and balances with banks	14,606	14,516	12,486	+0.6%	+17.0%
Financial assets at fair value through OCI and investments in subsidiaries	4,450	3,025	4,196	+47.1%	+6.0%
Net loans and advances to customers, including:	21,530	20,654	18,665	+4.2%	+15.3%
Corporate customers	9,524	8,632	8,475	+10.3%	+12.4%
SME customers	5,201	5,173	3,615	+0.5%	+43.9%
Retail customers	6,805	6,849	6,575	-0.6%	+3.5%
Premises and equipment, intangible assets and other assets	2,445	2,431	1,850	+0.6%	+32.2%
Total assets	43,031	40,626	37,197	+5.9%	+15.7%
Due to banks and borrowings	3,542	2,629	2,478	+34.7%	+43.0%
Due to customers, including:	31,388	28,627	28,596	+9.6%	+9.8%
Corporate customers	4,536	4,235	3,696	+7.1%	+22.7%
SME customers	6,379	5,901	5,835	+8.1%	+9.3%
Retail customers	20,474	18,490	19,065	+10.7%	+7.4%
REPO	-	1,503	-	-100.0%	-
Lease and other liabilities	1,484	1,607	676	-7.6%	+119.5%
Total liabilities	36,415	34,365	31,750	+6.0%	+14.7%
Total equity	6,616	6,261	5,447	+5.7%	+21.5%
Total liabilities and equity	43,031	40,626	37,197	+5.9%	+15.7%

KEY FINANCIAL RATIOS

	31 December / 4Q 2022	30 September / 3Q 2022	31 December / 4Q 2021
ROE* %	18.3%	21.16%	16.16%
ROE* less cost of risk %	31.4%	34.09%	19.50%
ROA* %	2.81%	3.24%	2.39%
ROA* less cost of risk %	4.83%	5.22%	2.88%
NIM* %	6.50%	6.36%	4.55%
Loan yield* %	10.74%	10.57%	8.51%
Cost of funding %	4.33%	3.73%	1.42%
Cost of deposit %	3.61%	2.40%	1.05%
Cost to income ratio %	44.0%	40.21%	57.14%
LTD ratio %	68.59%	72.15%	65.27%
NPL ratio %	2.54%	2.50%	3.92%
CAR %	22.22%	22.0%	21.01%

* Indicators calculated based on annualized 4Q (3 months) financial results

12M FINANCIAL RESULTS

INCOME STATEMENT highlights, million MDL

	12M 2022	12M 2021	% YoY change
Net interest income	2,156.0	1,312.7	+64.2%
Net fee and commission income	370.8	347.6	+6.7%
Net foreign exchange gains	496.7	329.0	+51.0%
Other operating income	84.9	74.8	+13.5%
OPERATING INCOME	3,108.4	2,064.1	+50.6%
OPERATING EXPENSES	(1,412.7)	(1,142.1)	+23.7%
OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANC	1,695.7	921.9	+83.9%
Impairment allowances and provisions	(405.6)	(100.6)	+303.2%
PROFIT BEFORE TAX	1,290.1	821.3	+57.1%
Income tax expense	(159.3)	(100.2)	+58.9%
NET PROFIT	1,130.9	721.1	+56.8%

FINANCIAL POSITION STATEMENT highlights, million MDL

	31 December 2022	31 December 2021	% YoY change
Cash and balances with banks	14,606	12,486	+17.0%
Financial assets at fair value through OCI and investments in subsidiaries	4,450	4,196	+6.0%
Net loans and advances to customers, including:	21,530	18,665	+15.3%
Corporate customers	9,524	8,475	+12.4%
SME customers	5,201	3,615	+43.9%
Retail customers	6,805	6,575	+3.5%
Premises and equipment, intangible assets, other assets	2,445	1,850	+32.2%
Total assets	43,031	37,197	+15.7%
Due to banks and borrowings	3,542	2,478	+43.0%
Due to customers, including:	31,388	28,596	+9.8%
Corporate customers	4,536	3,696	+22.7%
SME customers	6,379	5,835	+9.3%
Retail customers	20,474	19,065	+7.4%
REPO	-	-	-
Lease and other liabilities	1,484	676	+119.5%
Total liabilities	36,415	31,750	+14.7%
Total equity	6,616	5,447	+21.5%
Total liabilities and equity	43,031	37,197	+15.7%

KEY FINANCIAL RATIOS

	31 December/ 12M 2022	31 December/ 12M 2021
ROE* %	18.75%	13.85%
ROE* less cost of risk %	28.12%	17.70%
ROA* %	2.81%	2.14%
ROA* less cost of risk %	4.23%	2.73%
NIM* %	5.88%	4.20%
Loan yield* %	10.74%	8.51%
Cost of funding %	4.33%	1.42%
Cost of deposit %	3.61%	1.05%
Cost to income ratio %	45.45%	55.00%
LTD ratio %	68.59%	62.57%
NPL ratio %	2.54%	3.92%
CAR %	22.22%	21.01%

* Indicators calculated based on cumulative 12 months financial results

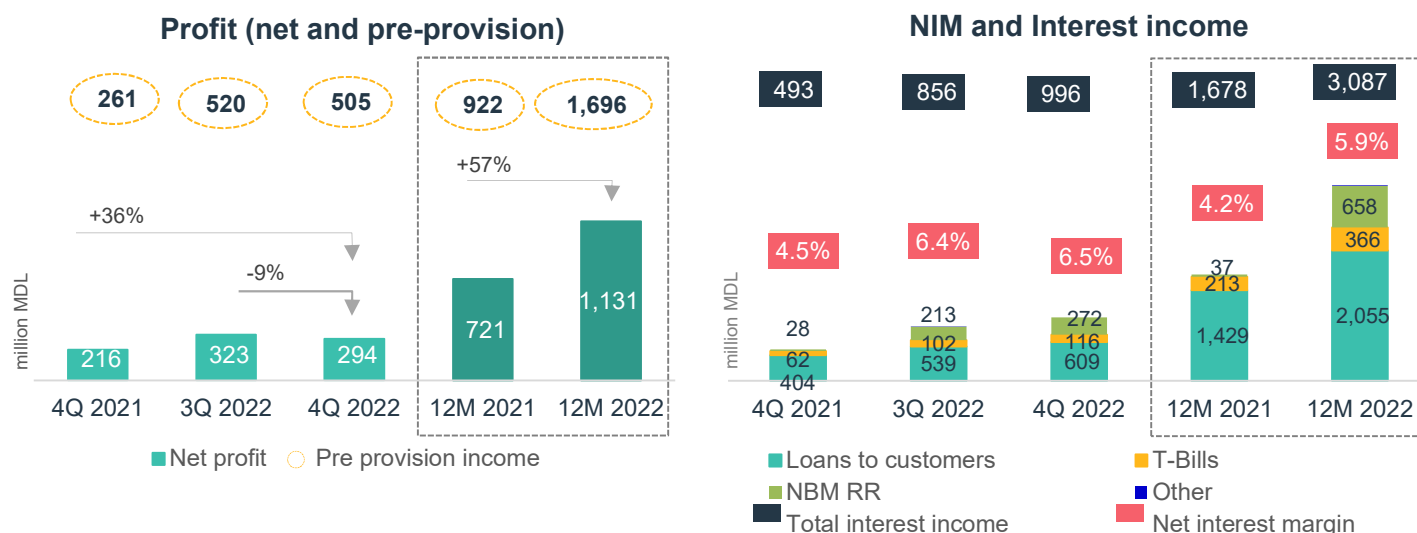
Highlights of financial performance of 4Q and 12M 2022

Maib achieves another profitable year

In the 4th quarter of 2022, **maib's net profit** amounted to MDL 294.1 million, up by 35.9% YoY and down by 8.8% on a QoQ basis. The Bank's profitability was driven by strong net interest income slightly offset by a decrease of net fee and commission income and other operating income in 4Q 2022. Almost 90% of 7.7% the quarterly growth by and 63.6% year-on-year growth of **net interest income** is attributable to the income generated by loans to customers' portfolio and interest on the required reserves.

Maib generated a **net profit** of MDL 1,130.9 million in 2022, up by 56.8% YoY. This growth was driven by strong performance across all categories, with particular increase of net interest income. As a result, bank delivered robust profitability, with ROE and ROA of 18.8% and 2.8% for the whole year 2022.

Total **non-interest income** amounted to MDL 259.6 million in 4Q 2022, higher by 18% YoY and down by 6% on QoQ basis. The largest contribution to the growth of non-interest income in 4Q 2022 as compared to same period in 2021 were foreign exchange gains, mainly related to the higher volumes and margins of retail clients transactions.

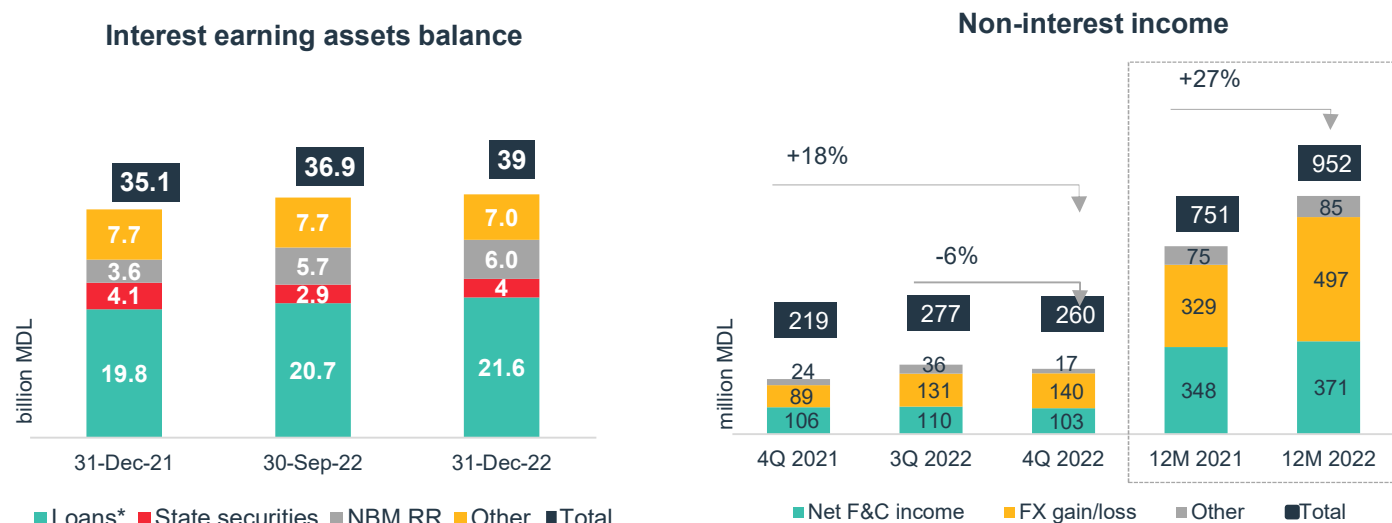


Slight improvement of Net interest margin (NIM) during 4Q 2022. Higher funding cost was offset by higher yields and volumes of interest generating assets

The increase in **NIM** in 4Q 2022 by 0.14 pp QoQ and 1.95 pp YoY was mainly driven by the increase in interest-earning assets' balance and yields, in particular, loans to customers, state securities and required reserves in NBM, partially offset by growth in cost of funding.

In 4Q 2022, income related from required reserves was up by 26.6% QoQ and multiplied exponentially vs same period of prior year, as a result of higher interest rates, coupled with higher required reserves ratios to be held with the National Bank of Moldova (NBM) (as part of the monetary policy measures taken by the NBM).

At the same time, at the end of the year, **maib's cost of funding** stood at 4.3%, up by 0.6 pp vs September 2022. The increase in funding cost during the fourth quarter of 2022 was a result of growth in cost of deposits driven by rising interest rates and volumes of deposits in line with general market trend.



*net loans and advances to customers at period-end

Despite the ongoing transformation, maib maintained key focus on its operating efficiency

Maib's **quarterly operating expenses** expanded by 13.4% and 13.8% on a QoQ and YoY basis, respectively. The QoQ increase of OPEX mostly fell to the share of expenses related to the further development of the Bank's strategic initiatives, especially in light of refreshed strategy exercise which took place in the last quarter of the year.

Since the inflationary pressure mounted in the first months of the year, maib has actively managed its operating expenses. This allowed the Bank to achieve a significant **improvement in its cost-to-income ratio** – from 55.3% in 2021 to 45.4% in 2022 (annual ratio).

Proactive credit risk management

At the end of the 2022, the **cost of risk** for loan portfolio stood at 1.41%, increasing by 0.51 pp during the last quarter of the year. The Bank's cost of risk related to the loan portfolio was approximatively MDL 159 million in the fourth quarter of 2022, representing over half of the cost of risk recorded during the year.

Higher cost of risk was driven by an extensive number of external factors (e.g. high energy prices, inflationary pressure, disruptions in supply chains etc.) which led to an insignificant deterioration of portfolio quality, as well actions undertaken by the Bank in order to proactively manage the potential increase in credit risk.

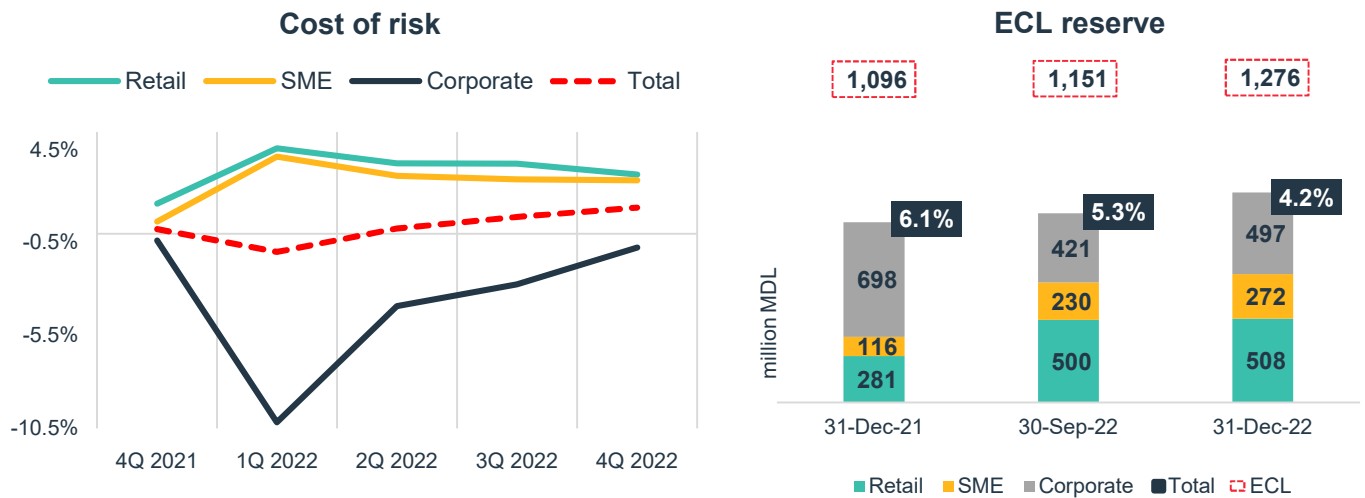
In addition to the quarterly review of macroeconomic assumptions, used in forward-looking expected credit loss (ECL) model, **maib took proactive actions** in order to incorporate the effects of any potential increase in credit risk. This has been done by reviewing and building additional allowances for specific sub-portfolios of debtors, considered mostly exposed to the credit risk.

This approach to credit risk was applied for both retail and business clients, on an individual and collective basis. As such, the Bank has closely analyzed the consumer portfolio of retail 'low-income' clients, legal entities which flagged increase in debt service or worsening of operating and financial performance (e.g. identifying early warning signals or EWS), restructured exposures or legal entities whose manufacturing process were highly dependent on energy supplies and prices. As a result of this exercise, triggers of increase of credit risk were found for a pool of clients, which prompted their migration to stage 2 (exposures with significant increase in credit risk since initial recognition), as well as review of assumptions towards more prudent scenarios for individually assessed clients.

As for the evolution of the cost of risk relating to separate business line, an overall stable trend is observed, except for the corporate portfolio, where the cost of risk was significantly offset by recoveries from non-performing loans occurred in the first quarter of the year. Cost of corporate credit has showed an upward trend mainly following the proactive measures undertaken by the bank (described above).

The share of **non-performing loans (NPL)** in total portfolio has slightly increased by 0.04 pp up to 2.54% as compared to previous quarter of the year, mostly driven by the retail and corporate loans. In 4Q 2022, despite the economic turbulences, (i.e. inflationary pressures, continuously tightening monetary policy etc.), the Bank's loan portfolio **PAR30** stood at 2.76%, down by 0.37 pp quarter-on-quarter and by 0.77 pp year-on-year basis. The QoQ improvement in the PAR30 ratio, was driven by SME and corporate portfolio.

All of the above demonstrate the Bank's **prudent approach** in relation to estimation of expected credit losses, particularly important in the light of the current economic uncertainties. The Bank is consciously challenging its current forward-looking assumptions used in ECL models and their potential impact on the portfolio quality, liquidity and capital adequacy. The stress tests performed so far did not reveal any severe impact on the Bank's profitability, liquidity and capital levels.

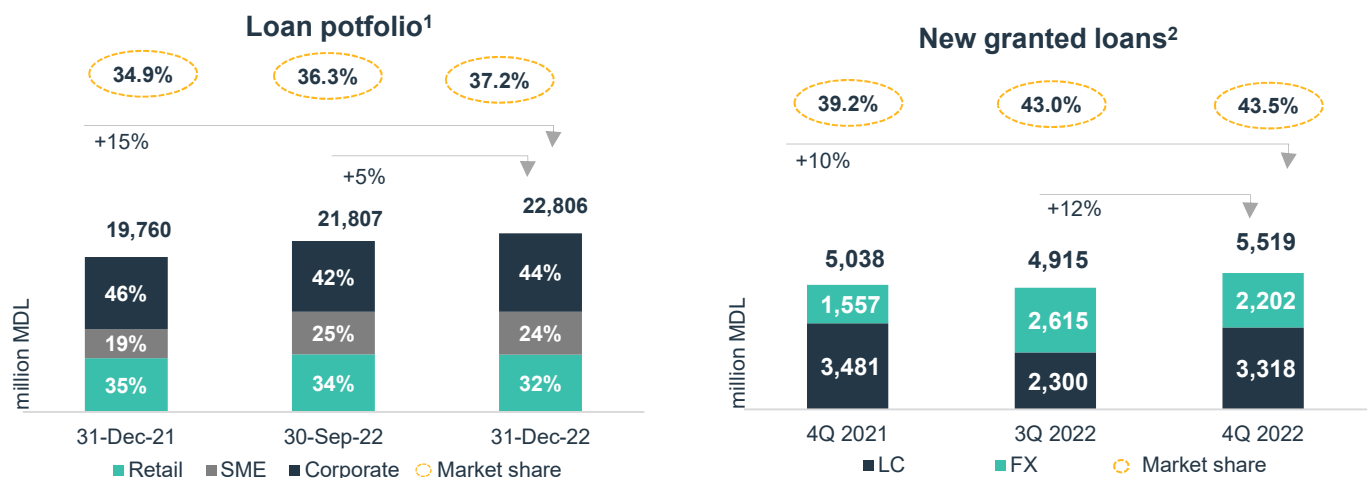


Maib maintained market leadership in lending

Maib maintained and increased its current leading position on the lending market up to 37.2% or by 0.9 pp during 4Q 2022, corroborated also by a higher share of **new loans** granted during last quarter of 2022.

As of December 31, 2022, gross **loan portfolio** reached MDL 22.8 billion, up by 4.6% QoQ and up by 15.4% on a YoY basis. In terms of segments, the QoQ increase was mainly attributable to **corporate** lending, which made up to 97% of total loan growth and whose share in the Bank portfolio has expanded from 42% to 44% during 4Q 2022. In terms of legal entities market penetration, **maib** has increased its market share from 39.8% in 3Q 2022 up to 40.7% at the end of December 2022.

In terms of **retail** lending, despite the cooling factors (e.g. inflationary pressures, higher interest rates due to more restrictive monetary policy, elevated energy and gas prices) which caused an overall lending slowdown in the market, the Bank succeeded to maintain its retail portfolio level, expanding its market share in both consumer and mortgage loans. The Bank expanded its market share in consumer lending during the last quarter of the year by almost 1 pp, up to 34.9%. In terms of mortgage lending, maib has recorded a 2.0 pp growth of market share during the year, out of which 0.5 pp of market share was gained in the last quarter.



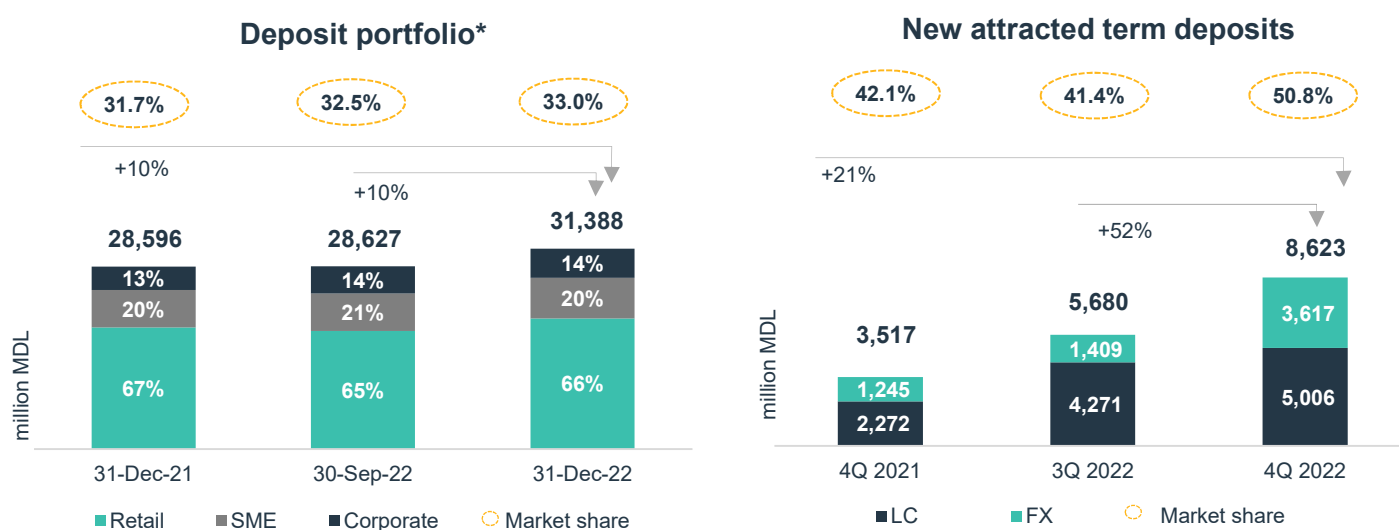
* Amounts presented in the diagram represent gross exposure, i.e. principal plus related accrued amounts of interests and commissions, adjusted with amortized cost

Deposit portfolio: exceptional growth in Retail

Customers' deposits portfolio stood at MDL 31.4 billion at December 31, 2022, up by 9.6% QoQ and 9.8% on a YoY basis. The year-on-year and quarter-on-quarter deposit portfolio growth reflected the strength of our customers and services in all segments of our business. In term of segments, **retail portfolio** accelerated the most, the retail deposits stood at MDL 20,474 million at the end of 4Q 2022, up by 10.7% or by 1,984 million in a QoQ basis. The Retail deposits portfolio denominated in local currency, especially term deposits, with a share of 56% as of December 31, 2022 contributed mostly to the QoQ growth in deposits, recording an increase by 15% on a QoQ basis. With regard to the retail market share, the penetration of retail deposits has increased by 0.1 pp up to 34.6% during 4Q 2022.

At the same time, the **SME term deposits portfolio** has continued growing during the last quarter of 2022. As of December 31, 2022, SME term deposits have exceeded the level of MDL 1 billion, being up by 60% QoQ and by 54% on a YoY basis. The growth in term deposits was bolder in deposits denominated in foreign currency, recording a 196% QoQ increase.

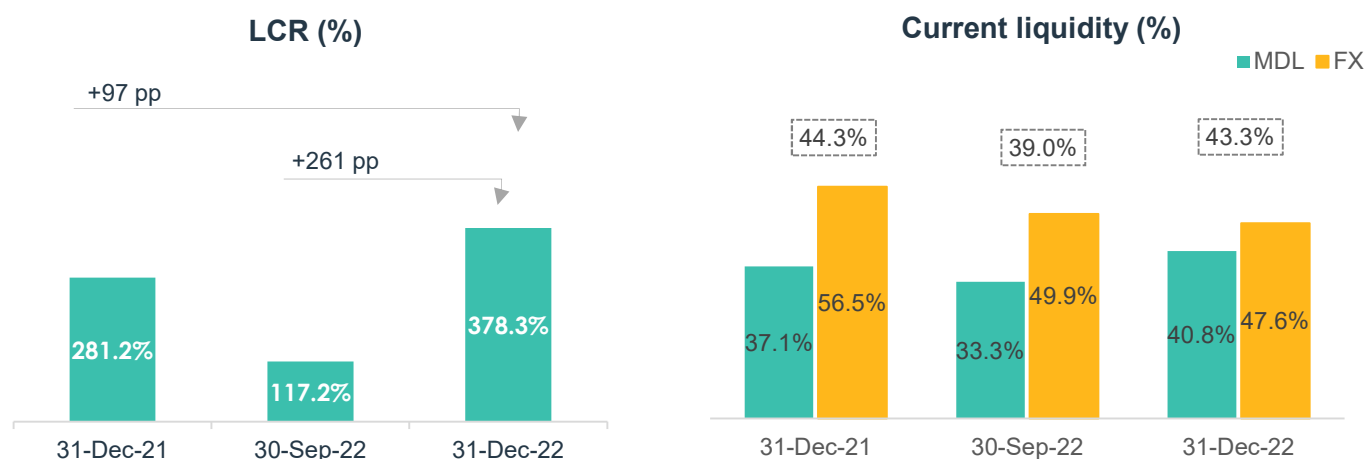
As of December 31, 2022, **maib's** market share in deposits amounted to 33.0%, up by 0.5 pp QoQ and 1.3 pp on a YoY basis, while legal entities' deposits market share increased by 0.9 pp QoQ up to 30.4%.



*including accrued interest

Improved liquidity, well ahead of requirements

As of December 31, 2022, total **liquidity coverage ratio (LCR)** stood at over 378%, which significantly exceeded the minimum required level of 80%. The largest contribution to the growth of LCR in 4Q 2022 as compared to 3Q 2022 was the increase of liquid assets balance, especially investments in Government bonds portfolio and certificates issued by the NBM.



¹ Amounts presented in the diagram represent gross exposure, i.e. principal plus related accrued amounts of interests and commissions, adjusted with amortized cost

² Amounts presented in the diagram represent principal amount of new loans disbursed during the period

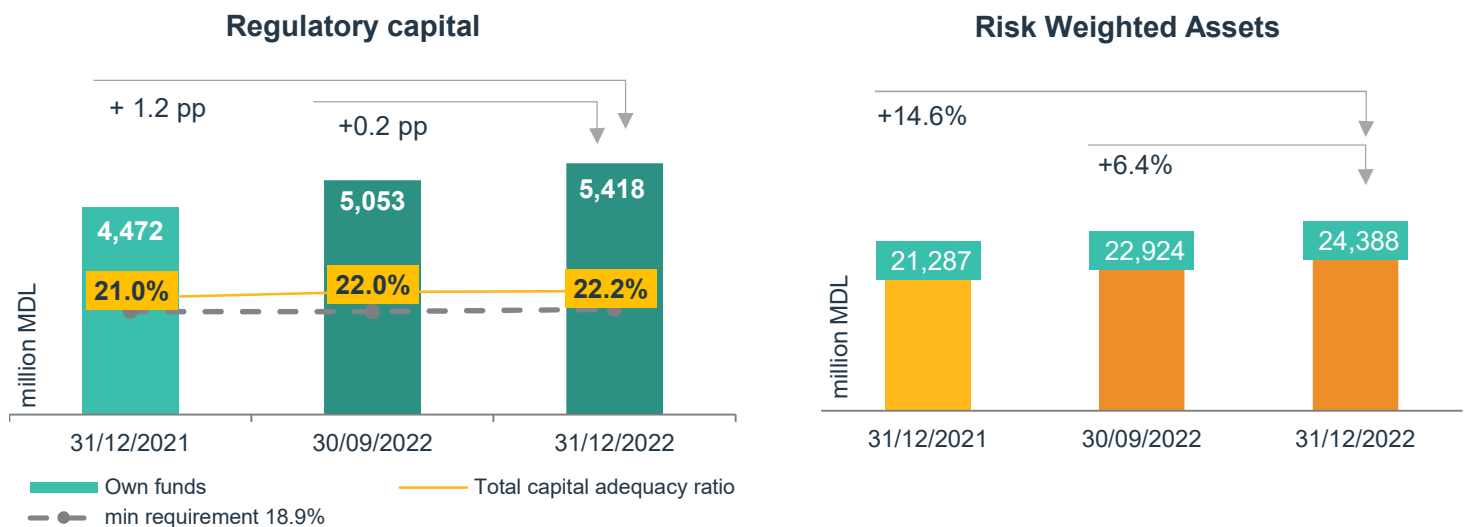
At the same time, total **current liquidity** has increased on a QoQ basis, mainly due to improvement of the Bank's liquidity position in local currency, from 33.3% in September up to 40.8% in December 2022.

The strong growth of customer deposits fostered the investments in securities and allowed the bank to quit the REPO funding facility. Additionally, maib has reinforced its liquidity position by contracting loans, including subordinated from other financial institutions (e.g. EBRD, EFSE).

Maib continues to strengthen its capital position

Capital Adequacy Ratio (CAR) and **Tier 1** stood at **22.22%** and **20.17%**, respectively, as of December 31, 2022, being above minimum requirements. The QoQ increase of own funds was driven by profits capitalization and decrease in difference between prudential provisions and expected credit loss allowances calculated according to IFRS.

At the same time, the Bank's **risk weighted assets** amounted to MDL 24,388 million, up by 6.4% QoQ and by 14.6% on a YoY basis. The QoQ rise in risk weighted assets was mostly attributable to an increase in exposure of the Bank to loans covered by real estate collaterals.



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:

31.4%

Up by 0.6 pp QoQ
Up by 1.2 pp YoY

Gross loan¹ portfolio:

MDL 7.3 bn

Down by 0.5% QoQ
Up by 6.7% YoY

Term deposits² on local currency:

MDL 8.0 bn

Up by 14.6% QoQ
Up by 26.1% YoY

MAIBank users:

430+ thousand

Up by 10 % QoQ
Up by 45 % YoY

Cards portfolio³:

1.0 million

Up by 8% QoQ
Up by 35% YoY

POS portfolio:

>12,400

Up by 6% QoQ
Up by 36 % YoY

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

- Expansion of **retail customers** database by **7K** during 4Q 2022;
- Expansion of **MAIBank community** by another **40K** users during 4Q 2022;
- Over **55%** of new **deposits** in 4Q were opened **online**;
- More than **1 million cards in circulation** reached by the end of 2022, up by 35% YoY;
- **POS network** expanded by 6% QoQ and **36%** YoY;
- **23%** of active customers have contracted **loan facilities**;
- **Cashless transactions** weighted almost **85%** out of all number of transactions made in 4Q 2022;
- Over **1K Alto clients** (premium banking), with a 100% wallet penetration of cards, 27% - loans and 23% - deposits

¹ Amount represents gross exposure, i.e. principal and related accrued amounts of interest and commissions, adjusted with amortized cost

² Amount includes principal and related accrued interest

³ Cards in circulation

Retail banking

4Q and 12M 2022 Financial performance

QUARTERLY INCOME STATEMENT highlights, million MDL

	4Q 2022	3Q 2022	4Q 2021	% QoQ change	% YoY change
NET INTEREST INCOME	328.1	315.6	189.7	+4.0%	+73.1%
NON-INTEREST INCOME , out of which:	115.1	125.1	126.7	-8.0%	-9.1%
Net fee and commission income	39.5	50.9	79.0	-22.4%	-50.0%
Foreign exchange gains, net	59.8	58.2	31.9	+2.7%	+87.6%
Other operating income	16.0	16.1	15.8	-0.7%	+0.9%
OPERATING INCOME, NET	443.4	440.7	316.3	+0.6%	+40.2%
DIRECT OPERATING EXPENSES , out of which:	(139.1)	(119.7)	(114.3)	+16.2%	+21.6%
Staff costs	(64.9)	(63.9)	(70.1)	+1.5%	-7.5%
Depreciation	(17.2)	(16.1)	(7.5)	+6.9%	+128.8%
Other operating expenses, including:	(57.0)	(39.7)	(36.7)	+43.6%	+55.4%
Deposits Guarantee Fund	(4.0)	(3.4)	(3.7)	+18.7%	+9.8%
Resolution Fund	0.5	-	-	+100.0%	+100.0%
INDIRECT ALLOCATED EXPENSES	(108.2)	(111.1)	(87.7)	-2.6%	+23.4%
PRE-PROVISION OPERATING PROFIT	196.0	210.0	114.3	-6.7%	+71.5%
Impairment and provisions charges	(36.2)	(77.9)	48.6	-53.6%	-174.4%
PROFIT BEFORE INCOME TAX (PBT)	159.8	132.1	162.9	+21.0%	-1.9%
Income tax expense	(22.2)	(15.2)	(19.5)	+46.1%	+13.7%
NET PROFIT	137.6	116.9	143.4	+17.7%	-4.0%

ANNUAL INCOME STATEMENT highlights, million MDL

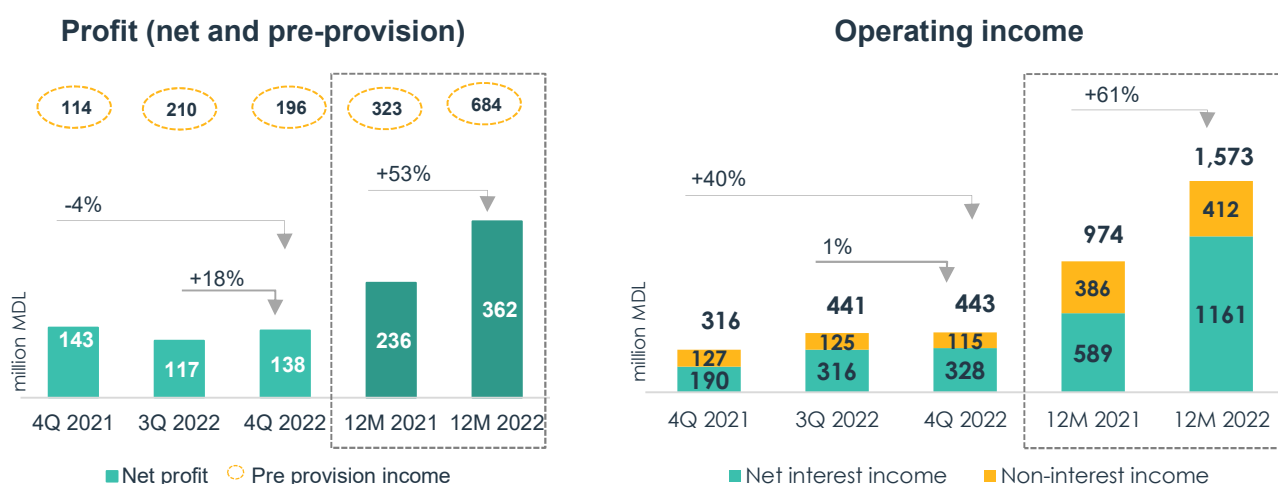
	12M 2022	12M 2021	% YoY change
NET INTEREST INCOME	1,161.1	588.6	+97.3%
NON-INTEREST INCOME , out of which:	411.8	385.7	+6.8%
Net fee and commission income	144.9	197.1	-26.5%
Foreign exchange gains, net	206.7	132.2	+56.4%
Other operating income	60.3	56.3	+7.1%
OPERATING INCOME, NET	1,572.9	974.3	+61.4%
DIRECT OPERATING EXPENSES , out of which:	(510.8)	(368.2)	+38.74%
Staff costs	(257.5)	(204.9)	+25.7%
Depreciation	(62.3)	(43.7)	+42.5%
Other operating expenses, including:	(191.0)	(119.9)	+59.2%
Deposits Guarantee Fund	(14.8)	(15.6)	-4.9%
Resolution Fund	(24.1)	(17.5)	+37.9%
INDIRECT ALLOCATED EXPENSES	(377.7)	(282.7)	+33.6%
PRE-PROVISION OPERATING PROFIT	684.4	323.4	+111.7%
Impairment and provisions charges	(271.2)	(54.0)	+402.3%
PROFIT BEFORE INCOME TAX (PBT)	413.2	269.3	+53.5%
Income tax expense	(49.2)	(33.1)	+54.2%
NET PROFIT	362.2	236.1	+53.4%

KEY FINANCIAL RATIOS	4Q Financial performance ¹			12M Financial performance ²	
	31 December / 4Q 2022	30 September / 3Q 2022	31 December / 4Q 2021	31 December / 12M 2022	31 December / 12M 2021
Cost of deposit % (at period-end)	4.76%	3.53%	1.29%	4.76%	1.29%
Cost to income ratio %	55.77%	52.35%	63.87%	56.49%	66.80%
Cost of risk % (at period-end)	3.18%	3.78%	0.02%	3.18%	0.02%
Loan-to-deposit ratio % (at period-end)	33.24%	37.04%	34.49%	33.24%	34.49%
NPL ratio % (at period-end)	3.57%	3.51%	2.71%	3.57%	2.71%

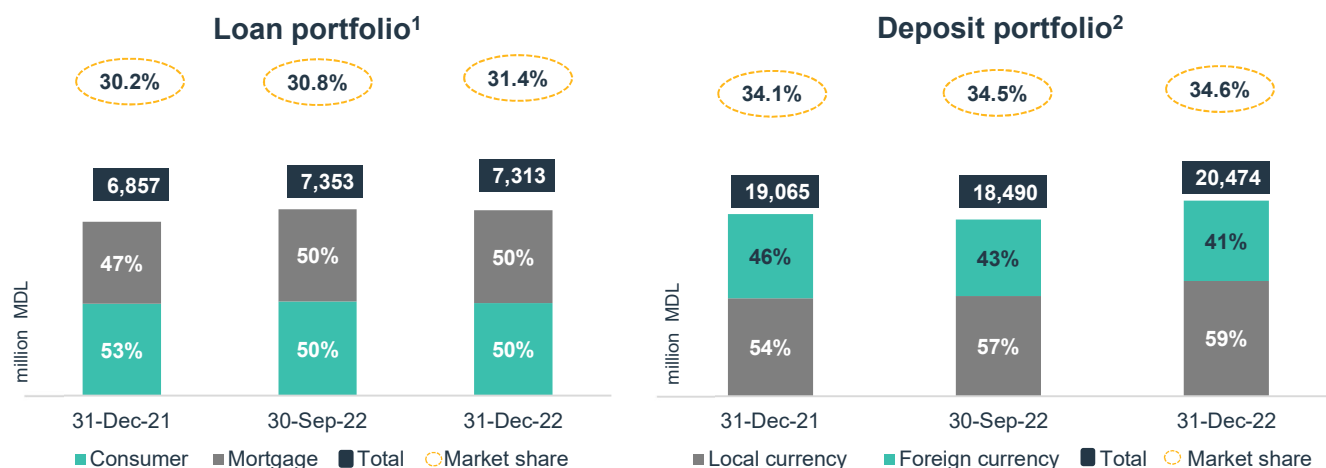
¹ Indicators calculated based on 4Q-annualized (3 months) financial results

² Indicators calculated based on cumulative 12-months financial results

- Retail Banking generated a **net profit** of MDL 137.6 million in the fourth quarter of 2022, up by 17.7% QoQ and down by 4% on a YoY basis. Strong net interest income growth was the main contributor to the increase in operating income in all periods presented.
- Retail **net interest income** was up by 4% QoQ and by 73.1% YoY in 4Q 2022 and up by 97.3% on a YoY basis for the 12-months ended December 31, 2022 year, largely reflecting the 6.7% year-on-year growth in customer lending coupled with overall increased in yields generated by the loan portfolio.
- If comparing 12M 2022 to similar period of 2021, a **strong operating performance** was mainly due to doubling of net interest income and non-interest income, though offset by expected credit loss (ECL) charges associated to the loan portfolio, as result of proactive approach adopted by the Bank to identify and capture any potential signs of significant increase in credit risk associated to retail customers.



- In 4Q 2022, **non-interest income** amounted to MDL 115.1 million, down by 8.0% QoQ and down by 9.1% on a YoY basis, but at the same time up by 6.8% on a YoY basis for the whole 2022 year. The QoQ decrease in total non-interest income was determined by decrease of net fee and commission income and other operating income. The decrease of net fee and commission (F&C) income was mostly attributable to increase on the expenses side, in particular, relating to the Bank's strong issuing and acquiring expansion during the year. The number of cards in circulation increased by 8.1% QoQ and by 34.6% on a YoY basis, driven by salary and general cards. During 2022, customers registered higher activity with cards compared with previous year, increased by 16% QoQ and by 59% on a YoY basis. Over the same time, cashless transactions weighted 85% of all transactions during 4Q, up by 0.7 pp QoQ and by 3.8 pp YoY.
- Cost of risk** for retail loan portfolio in 4Q 2022 stood at 3.18%, down by 0.6 pp QoQ and up by 3.16 pp on a YoY basis. The QoQ improvement in the cost of risk was mainly attributable to the sales during 2022 of a written-off portfolio coupled with revision of forward-looking macroeconomic forecasts used in the Bank's expected credit loss (ECL) models, with consideration of actual economic outlook.
- The Bank had more than **900 thousand retail customers** at 31 December 2022, up by 9.4% YoY reflecting the continuous improvement of clients' customer experience and the development of **maib's** digital channels, especially mobile app. The Bank continued to develop digital products and improvement of the end-to-end digital customer journey to increase the usage of these channels and move most of activity to **MAIBank**. More than 50% of total transactions of individuals were executed through MAIBank at the end of 2022. During 2022, Bank has introduced a number of innovative products and functions including 3D Secure, digital card, remittances, online lending and deposits, invoice payment and different types of transfers. As a result, the number of active users and volume of transactions have grown rapidly.



- **Retail gross loan portfolio** reached MDL 7.3 billion as of December 31, 2022, up by 6.7% YoY though lower by 0.5% on QoQ basis. The QoQ decrease in loan portfolio was mainly driven by consumer lending slightly offset by increase in mortgage lending. During 2022, the main emphasis in retail lending was maintaining and improving the quality of the portfolio, proven by the cost of risk ratio which went down by 0.60 pp on a QoQ basis. Consumer lending slowdown was a consequence of a mixture of factors, such as: monetary policies measures which picked the interest rates up, changes in regulation related to lending (responsible lending), which slightly narrowed the customers pool and eligible amounts and the last, but not the least factor was the overall economic crisis felt in the region, reflected by inflationary pressures and energy crisis. At the same, maib has recorded a remarkable trend in the mortgage lending, increasing its mortgage portfolio by 0.6% QoQ and by 13.2% on a YoY basis.
- **Maib** continued to increase its **lending market position** on 31 December 2022, expressed in a leading 31.4% market share of retail loans, up by 0.6 pp QoQ and by 1.2% on a YoY basis. The market penetration was bold in both in consumer and mortgage lending, standing at 34.9% (up by 1.0 pp QoQ and by 0.8 pp YoY) and 28.0% (up by 0.5 pp QoQ and by 2.0 pp YoY), respectively.
- **Retail deposits** stood at MDL 20,474 million as of December 2022, up by 10.7% QoQ and by 7.4% on a YoY basis. The QoQ increase of term deposits was mostly determined by the increase in the interest rate for deposits in national currency and in foreign currency, overall in line with the market trend. The proportion of deposits denominated in local currency increased by 14.9 pp QoQ and stood at 59% of total deposits. Maib has maintained a strong **market position** in retail deposits of 34.6% as of December 31, 2022, up by 0.1 pp QoQ and by 0.5 on a YoY basis.

¹ Amount represents gross exposure, i.e. principal plus related accrued amounts of interest and commissions, adjusted with amortized cost

² Amount includes principal and related accrued interest

SME Banking

Key business highlights

SME Banking serves Micro, Small and Medium sized enterprises that 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:

31.4%

Down by 0.3 pp QoQ
Up by 5.1 pp YoY

Gross Loan portfolio¹:

MDL 5.5 billion

Up by 1.3% QoQ
Up by 46.7% YoY

Internet Banking customers:

29.6K

Up by 2.2% QoQ
Up by 6.8% YoY

Deposits portfolio²:

MDL 6.4 billion

Up by 8.1% QoQ
Up by 9.3% YoY

SME is a new segment and has strong development prospective. Maib has ambitious goals in terms of market share and quality of service to SME clients. The following indicators support growth in this segment:

- Over **29.6K** active **SME customers** at 31 December 2022, 84.3% MAU; 73.4% share of active users of Internet Banking;
- **Automatically** processed MDL payments increase from 70% to **90%** (< 2 minutes);
- Launch of the pilot version of **new internet banking** for legal entities & increasing the customer experience from the maib digital and remote service;
- Upward trend for **cards** in circulation (+14.6% QoQ);
- Portfolio generated by **OFI lending programs** increased by 4.5% or MDL 78 million reaching the share of 33.3% of total loan balance as of 31 December 2022;
- Volume of **FOREX** transaction for SME clients up by 16.5% QoQ;
- Upward trend for **payments** in MDL (+11.4% QoQ).

¹ Amount represents gross exposure, i.e. principal plus related accrued amounts of interests and commissions, adjusted with amortized cost

² Amount includes principal and related accrued interest

SME banking

4Q and 12M 2022 Financial performance

QUARTERLY INCOME STATEMENT highlights, million MDL

	4Q 2022	3Q 2022	4Q 2021	% QoQ change	% YoY change
NET INTEREST INCOME	162.3	146.3	100.5	+10.9%	+61.5%
NON-INTEREST INCOME , out of which:	85.5	82.2	58.7	+4.0%	+45.5%
Net fee and commission income	49.9	46.7	31.3	+6.8%	+59.3%
Foreign exchange gains, net	35.0	35.2	23.6	-0.5%	+48.7%
Other operating income	0.6	0.4	3.9	+39.3%	-85.6%
OPERATING INCOME, NET	247.8	228.5	159.2	+8.4%	+55.6%
DIRECT OPERATING EXPENSES , out of which:	(49.0)	(44.1)	(52.3)	+11.2%	-6.3%
Staff costs	(19.5)	(25.1)	(28.6)	-22.2%	-31.7%
Depreciation	(5.6)	(3.8)	(6.6)	+48.6%	-15.0%
Other operating expenses, including:	(24.0)	(15.2)	(17.1)	+57.6%	+40.2%
Deposits Guarantee Fund	(1.4)	(1.2)	(1.1)	+17.1%	+27.8%
Resolution Fund	(0.2)	-	-	+100.0%	+100.0%
INDIRECT ALLOCATED EXPENSES	(56.6)	(43.4)	(47.7)	+30.4%	+18.7%
PRE-PROVISION OPERATING PROFIT	142.1	140.9	59.2	+0.9%	+139.9%
Impairment and provisions charges	(38.6)	(28.7)	(14.2)	+34.5%	+172.9%
PROFIT BEFORE INCOME TAX (PBT)	103.5	112.2	45.1	-7.7%	+129.6%
Income tax expense	(14.6)	(12.9)	(5.1)	+13.0%	+186.3%
NET PROFIT	89.0	99.4	40.0	-10.5%	+122.4%

ANNUAL INCOME STATEMENT highlights, million MDL

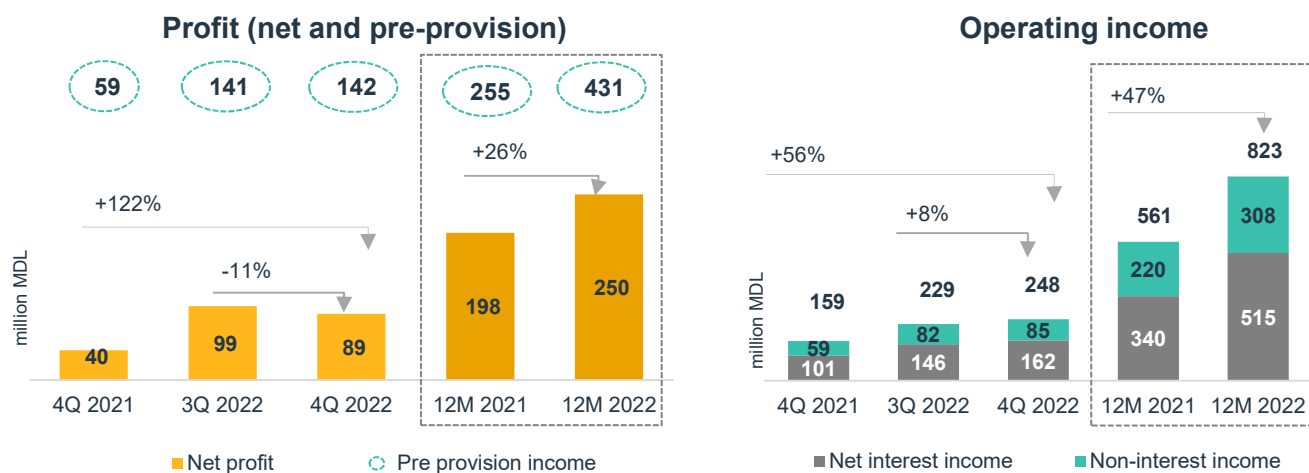
	12M 2022	12M 2021	% YoY change
NET INTEREST INCOME	514.9	340.2	+51.4%
NON-INTEREST INCOME , out of which:	308.3	220.4	+39.9%
Net fee and commission income	178.3	133.6	+33.5%
Foreign exchange gains, net	127.6	79.3	+61.1%
Other operating income	2.4	7.6	-69.0%
OPERATING INCOME, NET	823.2	560.5	+46.9%
DIRECT OPERATING EXPENSES , out of which:	(198.9)	(140.5)	+41.5%
Staff costs	(98.9)	(77.3)	+28.0%
Depreciation	(19.9)	(14.2)	+40.7%
Other operating expenses, including:	(80.1)	(48.9)	+63.7%
Deposits Guarantee Fund	(5.1)	(3.9)	+30.4%
Resolution Fund	(12.6)	(10.1)	+25.2%
INDIRECT ALLOCATED EXPENSES	(192.8)	(165.4)	+16.6%
PRE-PROVISION OPERATING PROFIT	431.4	254.7	+69.4%
Impairment and provisions charges	(146.5)	(28.9)	+406.4%
PROFIT BEFORE INCOME TAX (PBT)	284.9	225.8	+26.2%
Income tax expense	(35.2)	(27.6)	+27.6%
NET PROFIT	249.8	198.2	+26.0%

KEY FINANCIAL RATIOS	4Q Financial performance ¹			12M Financial performance ²	
	31 December / 4Q 2022	30 September / 3Q 2022	31 December / 4Q 2021	31 December / 12M 2022	31 December / 12M 2021
Cost of deposit % (at period-end)	1.02%	0.51%	0.28%	1.02%	0.28%
Cost to income ratio %	42.63%	38.31%	62.80%	47.59%	54.59%
Cost of risk % (at period-end)	2.87%	2.93%	0.66%	2.87%	0.66%
Loan-to-deposit ratio % (at period-end)	81.53%	87.66%	61.95%	81.53%	61.95%
NPL ratio % (at period-end)	2.22%	2.27%	1.81%	2.22%	1.81%

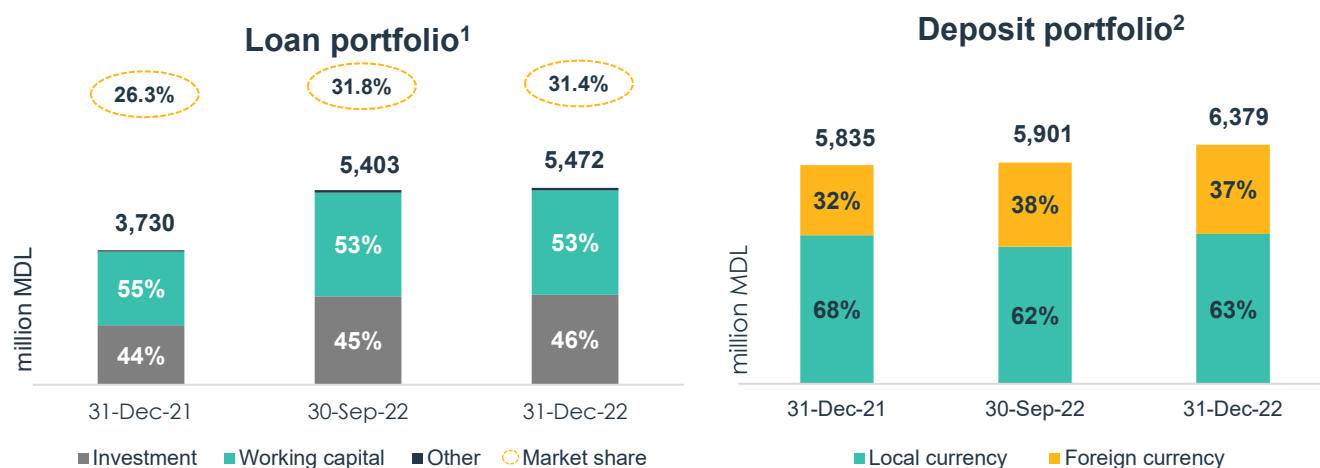
¹ Indicators calculated based on 4Q-annualized (3 months) financial results

² Indicators calculated based on cumulative 12-months financial results

- In 4Q 2022, the SME Banking **net profit** amounted to MDL 89.0 million, up by 122.4% YoY and down by 10.5% on a QoQ basis. The cumulative 12-month net interest income stood at MDL 249.8 million, higher by 26.0% on YoY basis. The quarter-on-quarter decrease in net profit was mainly triggered by the expected credit loss (ECL) charge associated to the loan portfolio, following the Bank's proactive approach taken to capture any potential increase in credit risk. Also, the increase in operating expenses was related to Bank's strategic initiatives development related, in particular, further development and improvement of ecosystems, new services and partnerships, all of them aiming to increase the SME clients' portfolio (reflecting also in slightly higher cost-to-income ratio).



- SME segment generated a quarterly **operating income** of MDL 247.8 million, up by 8.4% QoQ and by 55.6% on a YoY basis. The increase in operating income was driven by both net interest and non-interest income. The QoQ increase in **net interest income** was primarily related to higher interest margins, in line with the market trend, also coupled by a QoQ growth of loan portfolio (by 1.3%).
- At the same time, quarterly **non-interest income** totaled MDL 85.5 million, up by 4.0% QoQ and by 45.5% on a YoY basis. The QoQ increase in non-interest income was driven by net fee and commission income, generated by the higher volumes of payments processed during the last quarter of the year.
- Referring to whole 2022 year results, the Bank has recorded a noticeably stronger **net operating income**, higher by 46.9% than the same 12-month period of 2021. Over 63% of the contribution to the increase was due to net interest income, driven by an over 51% YoY growth of the loan portfolio, coupled with higher yields. 37% of contribution to the annual operating income growth was almost evenly spread between net fee and commission income and foreign exchange gains. 61.1% YoY increase of annual net foreign exchange (FX) income was determined by a high volatility in exchange rates and volumes of trading transactions.
- Cost of risk** for SME portfolio at the end of 4Q 2022 stood at 2.87%, down by 0.06 pp QoQ and up by 2.21 pp on YoY basis. Despite there have been no prominent signs of portfolio quality deterioration, the Bank took a proactive approach in managing credit risk in the light of the current economic uncertainties. The impairment charges in the last quarter (in absolute values) were slightly higher as compared to the previous quarter, this resulting from the Bank's extensive and thorough exposure quality assessment, aimed to identify any potential indicators of increase in credit risk, as well as individual assessment of certain industries and/or clients (e.g. agro segment, clients with significant consumption of energy resources etc.). Following this assessment, the Bank has reclassified some clients considered to be exposed more to risk in worse risk categories. At the same time, the share of **non-performing loans** (NPLs) in total portfolio has decreased by 0.05 pp QoQ and the coverage of NPLs has got more prudent in 4Q – up to 217%, or up by 35% QoQ.



- **SME gross loan portfolio¹** stood at MDL 5.5 billion as of December 31, 2022, being up by 1.3% QoQ and up by 46.7% on a YoY basis. The largest contribution to the growth of SME loan portfolio in 4Q 2022 as compared to 3Q 2022 was of the investment loans, these representing 61% of new loans granted in this quarter. Also, the share of investment loans in total SME portfolio has increased by 1.0 pp QoQ, up to 46%. The concentration of SME loan portfolio is spread mainly between agriculture and trading, which represent over 74% of total SME portfolio. **Maib's market share** in SME loans stood at **31.4%** at the end of last quarter of 2022, up by 5.1 pp YoY and slightly down by 0.4 pp on a QoQ basis.
- Over the same time, the growth of SME portfolio was continuously boosted by **loan agreements (subordinated and ordinary)** signed by maib with international financial institutions, intended for financing certain categories of customers, mostly SMEs. The proportion of SME loan portfolio financed by other financial institutions increased by 4.5% QoQ (up by MDL 78 million) reaching the share of one third from total loans balance as of December 31, 2022.
- **SME deposit portfolio²** has continued its growing trend, reaching the level of MDL 6.4 billion by the end of the year, representing 8.1% QoQ growth, out of 9.3% YoY growth. A significant contribution to the QoQ deposit portfolio growth was of the term deposits, the balance of which increased by 60% during the last quarter of the year. The launch of new, attractive non-lending products for SME clients (e.g. prestige deposit, green energy deposits) has boosted SMEs to keep their earnings over a period a period of time in term deposit accounts, in particular, those denominated in foreign currency. As such, term deposits in foreign currency has recorded a 196% QoQ growth. However, the overall deposits structure by currency has not changed significantly, foreign currency deposits increasing by 1 pp, up to 63%. As such, the share of SME in total bank's portfolio increased up to 16%, up by 5% during the last quarter.

¹ Amount represents gross exposure, i.e. principal plus related accrued amounts of interest and commissions, adjusted with amortized cost

² Amount includes principal and related accrued interest

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.

Loans market share:

49.8%

Up by 1.5 pp QoQ
Up by 1.3 pp YoY

Clients' portfolio:

> 450 clients

Retention rate – 100%

Gross loan portfolio¹:

MDL 10.0 billion

Up by 10.7% QoQ
Up by 9.2% YoY

Deposits portfolio²:

MDL 4.5 billion

Up by 7.1% QoQ
Up by 22.7% YoY

Corporate Banking showed a sustainable growth in 4Q 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;
- **13%** YoY increase in annual volume of **FOREX** transactions of corporate clients;
- **16%** YoY increase in number of clients with **payroll projects**;
- **400+ business cards** in circulation as of 31 December 2021, up by 10% YoY;
- Significant increase in MDL **payments** volume (annual volume is up by +32% YoY).

¹ Amount represents gross exposure, i.e. principal plus related accrued amounts of interests and commissions, adjusted with amortized cost

² Amount includes principal and related accrued interest

Corporate banking

4Q and 12M 2022 Financial performance

QUARTERLY INCOME STATEMENT highlights, million MDL

	4Q 2022	3Q 2022	4Q 2021	% QoQ change	% YoY change
NET INTEREST INCOME	147.6	130.3	102.6	+13.2%	+43.8%
NON-INTEREST INCOME , out of which:	59.2	49.9	36.4	+18.7%	+62.5%
Net fee and commission income	13.8	12.0	(1.1)	+14.7%	+1,324.4%
Foreign exchange gains, net	45.0	37.8	33.8	+19.1%	+33.3%
Other operating income	0.5	0.1	3.8	+350.2%	-88.1%
OPERATING INCOME, NET	206.8	180.1	139.0	+14.8%	+48.7%
DIRECT OPERATING EXPENSES , out of which:	(16.6)	(12.0)	(14.7)	+38.0%	+12.7%
Staff costs	(6.9)	(6.6)	(5.7)	+4.3%	+21.0%
Depreciation	(0.8)	(0.6)	(0.6)	+28.5%	+33.2%
Other operating expenses, including:	(8.8)	(4.8)	(8.4)	+84.1%	+4.8%
Deposits Guarantee Fund	(0.9)	(0.7)	(0.7)	+24.4%	+25.0%
Resolution Fund	0.2	-	-	+100.0%	+100.0%
INDIRECT ALLOCATED EXPENSES	(21.7)	(25.8)	(28.2)	-16.1%	-23.1%
PRE-PROVISION OPERATING PROFIT	168.6	142.3	96.1	+18.5%	+75.3%
Impairment and provisions (charges) / release	(85.2)	(36.5)	(51.1)	+133.4%	+66.7%
PROFIT BEFORE INCOME TAX (PBT)	83.4	105.8	45.0	-21.2%	+85.1%
Income tax expense	(15.2)	(12.7)	(4.8)	+19.9%	+214.5%
NET PROFIT	68.1	93.1	40.2	-26.8%	+69.6%

ANNUAL INCOME STATEMENT highlights, million MDL

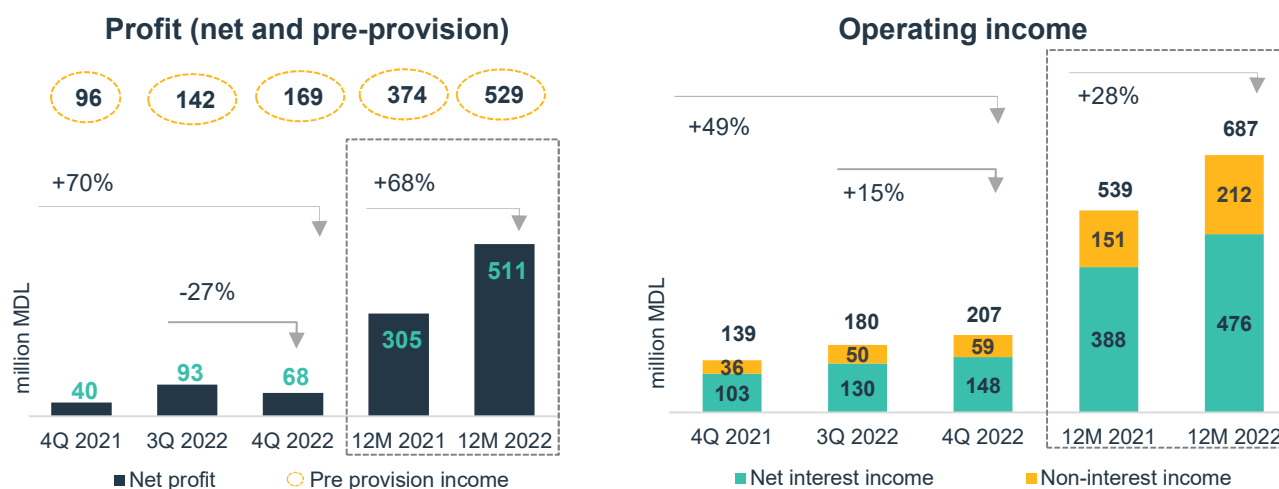
	12M 2022	12M 2021	% YoY change
NET INTEREST INCOME	475.6	387.8	+22.6%
NON-INTEREST INCOME , out of which:	211.5	150.8	+40.2%
Net fee and commission income	47.4	24.8	+90.9%
Foreign exchange gains, net	162.4	117.6	+38.2%
Other operating income	1.8	8.4	-79.1%
OPERATING INCOME, NET	687.1	538.5	+27.6%
DIRECT OPERATING EXPENSES , out of which:	(64.9)	(49.2)	+31.8%
Staff costs	(28.3)	(21.0)	+34.7%
Depreciation	(2.6)	(1.4)	+84.3%
Other operating expenses, including:	(34.0)	(26.7)	+27.3%
Deposits Guarantee Fund	(3.2)	(2.8)	+12.8%
Resolution Fund	(10.5)	(9.6)	+10.1%
INDIRECT ALLOCATED EXPENSES	(93.7)	(115.4)	-18.8%
PRE-PROVISION OPERATING PROFIT	528.6	374.0	+41.3%
Impairment and provisions release	54.1	(27.1)	-299.6%
PROFIT BEFORE INCOME TAX (PBT)	582.7	347.0	+67.9%
Income tax expense	(71.9)	(42.1)	+70.9%
NET PROFIT	510.7	304.9	+67.5%

KEY FINANCIAL RATIOS	4Q Financial performance ¹			12M Financial performance ²	
	31 December / 4Q 2022	30 September / 3Q 2022	30 September / 3Q 2021	31 December / 12M 2022	31 December / 12M 2021
Cost of deposit % (at period-end)	3.79%	2.05%	0.49%	3.79%	0.49%
Cost to income ratio %	18.48%	20.99%	30.84%	23.07%	30.57%
Cost of risk % (at period-end)	-0.75%	-2.49%	0.25%	-0.75%	0.26%
Loan-to-deposit ratio % (at period-end)	209.99%	203.81%	229.30%	209.99%	229.30%
NPL ratio % (at period-end)	1.96%	1.83%	5.68%	1.96%	5.68%

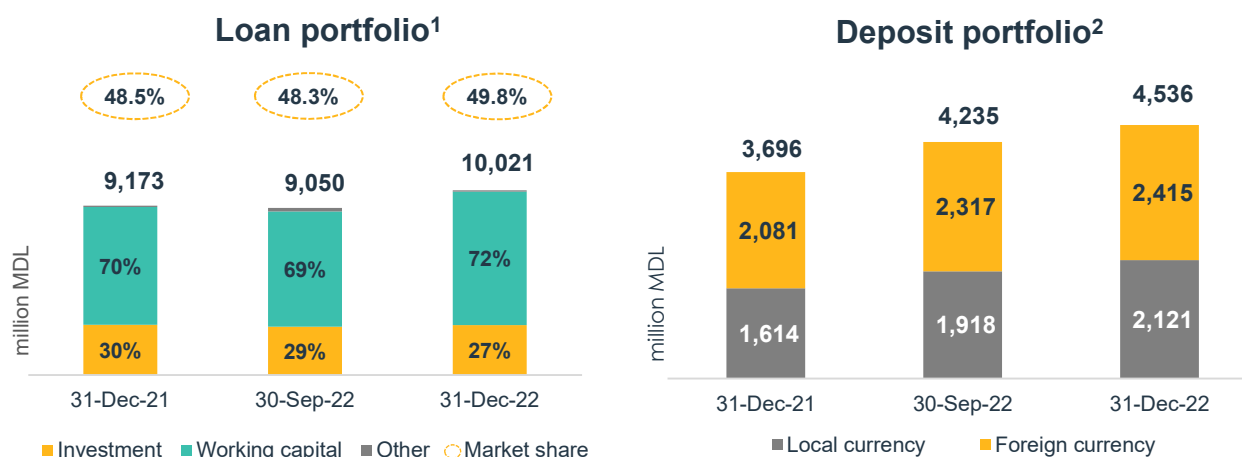
¹ Indicators calculated based on 4Q-annualized (3 months) financial results

² Indicators calculated based on cumulative 12-months financial results

- Corporate Banking quarterly **net profit** stood at MDL 68.1 million, up by 69.6% YoY and down by 26.8% on a QoQ basis. Even though the 4Q **pre-provision operating profit** recorded a noticeable QoQ and YoY growth, the impairment charges booked in 4Q had compressed the bottom profit line. At the same time, the cumulative 12-month net profit stood at MDL 510.7 million, higher by 67.5% YoY, as a result of both increase in operating income and overall optimization of expenses in the bank.
- Over the same period, quarterly **operating income** totaled MDL 206.8 million, up by 14.8% QoQ and up by 48.7% on a YoY basis. Quarterly growth was propelled by a strong net interest income generation coupled with higher foreign exchange gains in 4Q.



- Net interest income** (quarterly) amounted MDL 147.6 million, higher by 13.2% on a QoQ and by 43.8% on a YoY basis. The strong YoY growth of the 4th quarter net interest income was mainly driven by the increase in loan balance by 9.2% QoQ coupled with higher net interest margin. The whole year net interest income show 22.6% growth as compared to the previous year.
- Quarterly **non-interest income** generated by the Bank was higher by 18.7% as compared to previous quarter and higher by 62.5% YoY. The whole year result shows a 40.2% growth as compared to 2021. The QoQ increase was mainly driven by higher volumes of FOREX transactions – up by 38.5% QoQ and by 12.9% on YoY basis. Net fee and commissions' income, in particular related to settlement operations also contributed to the QoQ increase in non-interest income, due to noticeable increase in volume of payments both in national and foreign currency. The boost in net fee and commission income in 4Q 2022 was also driven by increase in volumes and related income of documentary transactions.
- 12M 2022 **cost of risk** associated to the corporate loan portfolio stood at -0.75%, being higher than at the end of 3Q 2022. The increase in cost of risk during the fourth quarter resulted from the Bank's proactive approach taken to identify potential increase in credit risk, by analyzing individually a pool of clients, in particular, those whose financial and operating performance is highly exposed to energy resources market volatility. Additionally, the Bank took a more prudent approach in relation to its assumptions of the recoverable amounts, this bringing additional charges related to the corporate portfolio. However, in terms of quality, corporate portfolio recorded a positive dynamic in **PAR 30 indicator** – 1.37% in December 2022 versus 2.06% at the end of September 2022 and 4.37% at the end of 2021.



- During 4Q 2022, the Bank increased number of active **corporate customers** by 1.7% QoQ and by 14.9% YoY, this being the result of the bank's continuous in customer experience improvement, products and development of digital channels.
- Despite the overall economic slowdown and pro-inflationary pressures, **corporate lending** noticed an upward trend, in both working capital and investment loans, reflecting the corporate clients' willingness to further expand their businesses. Corporate **gross loan portfolio¹** reached MDL 10.0 billion at 31 December, 2022, up by 10.7% QoQ and up by 9.2% on a YoY basis. The QoQ growth in Corporate loan portfolio was almost evenly spread between portfolios of working capital and investments loan, but a bolder growth was noticed in working capital loans portfolio. During the last quarter of 2022, corporate loans took over additional 2% in the share of total loans, reaching 44% in total. In terms of market share, **maib's market share** in corporate loans reached 49.8%, up by 1.5 pp QoQ and by 1.3 pp on a YoY basis.
- Corporate Banking **deposit portfolio²** reached MDL 4.5 billion as at December 31, 2022, up by 7.1% QoQ and by 22.7% YoY. The QoQ increase in Corporate deposit portfolio was mostly attributable to the term deposits denominated in foreign currency, which represent 27% of total Corporate deposits. The attractive products offered by maib propelled the clients to maintain their earnings over a longer term in term deposits, this resulting in a significant increase in share of corporate term deposits in total corporate portfolio - up to 40% in 4Q from 16% in 3Q 2022. In terms of currency concentration, a migration trend towards local currency turnover has been noticed, however the portfolio is split overall evenly between accounts in national and foreign currency (47% and 53%, respectively).

¹ Amount represents gross exposure, i.e. principal plus related accrued amounts of interests and commissions, adjusted with amortized cost

² Amount includes principal and related accrued interest

Subsequent events

Latest Monetary Policy decision. In relation to the tightening monetary policies, on February 7, 2023 the Executive Committee of the NBM, adopted the decision to decrease interest rates for the main monetary policy operations, as follows:

- the base rate applied to major short-term monetary policy operations by 4.5 pp, from 21.50% to 17%
- interest rates for overnight loans by 4.50 pp, from 23.50% to 19.00%
- interest rates for overnight deposits by 4.50 pp, from 19.50% to 15.00%

This Decision is taken in view of ensuring the continuity of incentive measures in the context of the monetary policy relaxation cycle started at the end of the previous year against the background of well-founded premises associated with the shaping of a disinflationary macroeconomic framework.

Resignation of Moldovan Prime Minister and nomination of a new candidate. On February 10, 2023, Moldovan Prime Minister, Natalia Gavrilita, announced her and her Government resignation after 18 months since appointment. Shortly after, the Moldovan President, Maia Sandu, nominated a new candidate for this role, Dorin Recean, former interior minister and defense adviser of the President. Mr. Recean will ensure continuity of Moldovan EU-integration agenda.

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.