Financial Results

1Q 2023

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Content:

maib Report 1Q 2023

Consolidated Financial Results

1Q 2023 P&L Highlights

- **Net Profit** for 1Q 2023 reached MDL 341.4 million (1Q 2022: MDL 271.3 million), up by 25.9% YoY and up by 21.1% QoQ
- **Return on average equity**[1] (ROE) stood at 19.9% (1Q 2022: 19.3%)
- **ROE before expected credit losses**[1] (ECL) stood at 24.9% (1Q 2022: 21.2%)
- **Return on average assets**[1] (ROA) stood at 3.1% (1Q 2022: 2.9%)
- **Cost to income** stood at 51.7% (1Q 2022: 53.4%)
- **Cost of risk**[1] stood at 0.8% (1Q 2022: -1.0%)
- **Net interest margin**[1] (NIM) stood at 6.41% (1Q 2022: 4.83%)
- Basic **quarterly earnings per share**[3] (EPS) stood at 3.3 MDL (1Q 2022: 261.4 MDL)

Balance Sheet Highlights as of 31 March 2023

- Total **assets** amounted to MDL 44,258 million, up by 2.5% QoQ and by 14.1% YoY
- **Loans and advances to customers** (gross) stood at MDL 22,362 million, down by 1.4% QoQ and up by 9.3% YoY
- **Net loans to deposits ratio** stood at 66.5%, down by 1.8 pp QoQ and down by 6.8 pp YoY
- **Non-performing loans** (NPL) were 2.3%, down by 0.6 pp QoQ and up by 0.2 pp YoY
- **NPL coverage** and **ECL coverage ratios** stood at 218.5% and 5.1%, respectively, on March 31, 2023, compared to 190.7% and 4.9% as of March 31, 2022
- Total **customers deposits** amounted to MDL 31,966 million, up by 1.9% QoQ and up by 20.1% YoY
- The Bank's **Capital Adequacy Ratio**[2] and Tier 1 capital[2] stood at 21.8% and 19.8%, respectively

Market share as of 31 March 2023:

- Market share of **total assets** - 31.9%, down by 0.8 pp YoY
- Market share of **total loans** - 37.0%, up by 1.6 pp YoY
- Market share of **total deposits** - 31.9%, up by 0.2 pp YoY

Operating highlights

- **MAIBank user** numbers exceed 460 thousands (up by 8% QoQ and up by 43% YoY);
- 72% Monthly Retail Active Users (MAU%);
- 34% of Daily Active Retail Users to Monthly Retail Active Users (DAU/MAU%)
- 60% of number of retail deposits and 38% of number of retail loans **originated online** during 1Q 2023;
- 86% of number of retail transactions are **cashless** (card or app based);
- More than **1 million cards issued** (in circulation) by the end of 1Q 2023, up by 4% QoQ;
- Over 11K new **MAIBank users** connected every month (average 1Q 2023);

1 Based on annualized quarterly (3 months) results
2 Capital Adequacy Ratio and Tier 1 capital are presented on the standalone basis (Bank only). There is no requirement to calculate and submit these regulatory indicators on a consolidated basis. The other companies within the Group (subsidiaries of Bank) are non-banks, representing approx. 1% of total equity, 3% of net operating income and 2% of total income of the Group.
3 During 1Q 2023, maib stock was split 100:1, i.e. increasing the number of shares by 100 times for each shareholder. Quarterly EPS for 1Q 2023 would stand at 328.9 MDL if considering the same stock as in 1Q 2022 (for comparison purposes).

Economic and Country Updates

- Revised projected Moldovan economic growth for 2023 – ranging from 1% up to growth by 2.5% (according to projections of IMF, World Bank, Vienna Institute for Economic Studies and local Ministry of Economy);
- [1]Revised Moldovan projected economic growth for 2024 – ranging from 3.0% to 4.3% % in 2024 by same range of forecasters;
- The latest NBM monetary policy meeting in 2023 (May) continued the easing monetary policy, namely: the decrease of base rate by 4.0 pp, down to 10%; required reserves ratio maintained at 34%;
- [2]Inflation continued declining: In April 2023 the inflation rate has dropped to 18.1%, a decrease from the 21.9% recorded in March 2023
- Moldova to host EU summit in June 2023 with all European heads of state to attend.

[1]According to revised forecasts of: World Bank (April 2023), International Monetary Fund (April 2023), EBRD (February 2023), Vienna Institute for Economic Studies (January 2023) and Moldavian Ministry of Economy (April 2023)

[2] Source: NBM

Additional Information Disclosure

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

- **1Q 2023 Financial Results**
- **1Q 2023 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 44.3 billion, representing over 31.9%[1] of market share by total assets as of 31 March 2023. **Maib** is a leader in the Moldovan market by loans, deposits, brand perception and most other key indicators.

The **maib group** consists of "MAIB" S.A. as parent company and its subsidiary companies: OCN "MAIB-Leasing" S.A. and "Moldmediacard" S.R.L. Maib held 100% of the share capital of MAIB-Leasing S.A. and 99% of the share capital of Moldmediacard S.R.L.

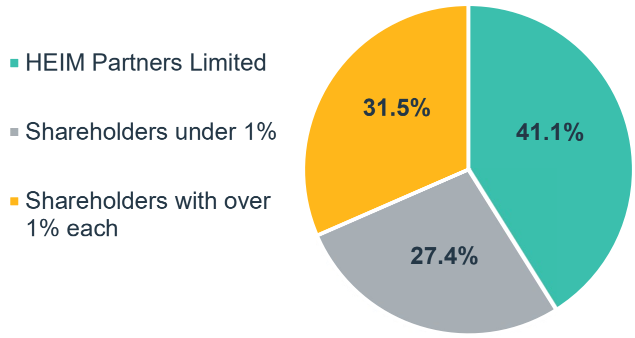
The key areas of operations of **MAIB-Leasing** are leasing of vehicles (over 90% of business activity) and agricultural machinery, as well as other leasing projects. **Moldmediacard's** mission is to design, develop and offer modern and efficient technological solutions in the payments industry. Its solutions cover all aspects of card processing.

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

The Bank's gross loan portfolio totaled MDL 22,362 million as of 31 March, 2023, out of which 32% is represented by retail clients and 68% across legal entities (42% Corporate and 26% SMEs). Maib loan portfolio covers 37%[1] of the market as of 31 March 2023.

The Bank's funding is mainly via customers' deposits and equity. Wholesale funding comes from loans with international financial institutions and impact finance providers.

Maib shareholder structure is as follows:



Maib has a wide shareholders base of over 3,000 shareholders, comprising professional investors, businesses and individuals.

The largest shareholder of the Bank, with a holding of 41.1% of share capital, is HEIM Partners Limited, founded by consortium of investors which comprise EBRD, AB Invalda INVL and Horizon Capital.

Maib **dividend policy** is to distribute between 30% and 50% of net profits in the form of dividends. During the 2022 Annual General Meeting, the shareholders accepted the decision to allocate 35% of 2021 net profit to dividend payment (translating into MDL 240 per share). The NBM did not recommend dividend payments by banks in 2022. The dividend allocation from 2021 profits was retained by maib. The Bank reserves the right to re-apply for payment of these funds to shareholders.

[1]Source: NBM

Disclaimer

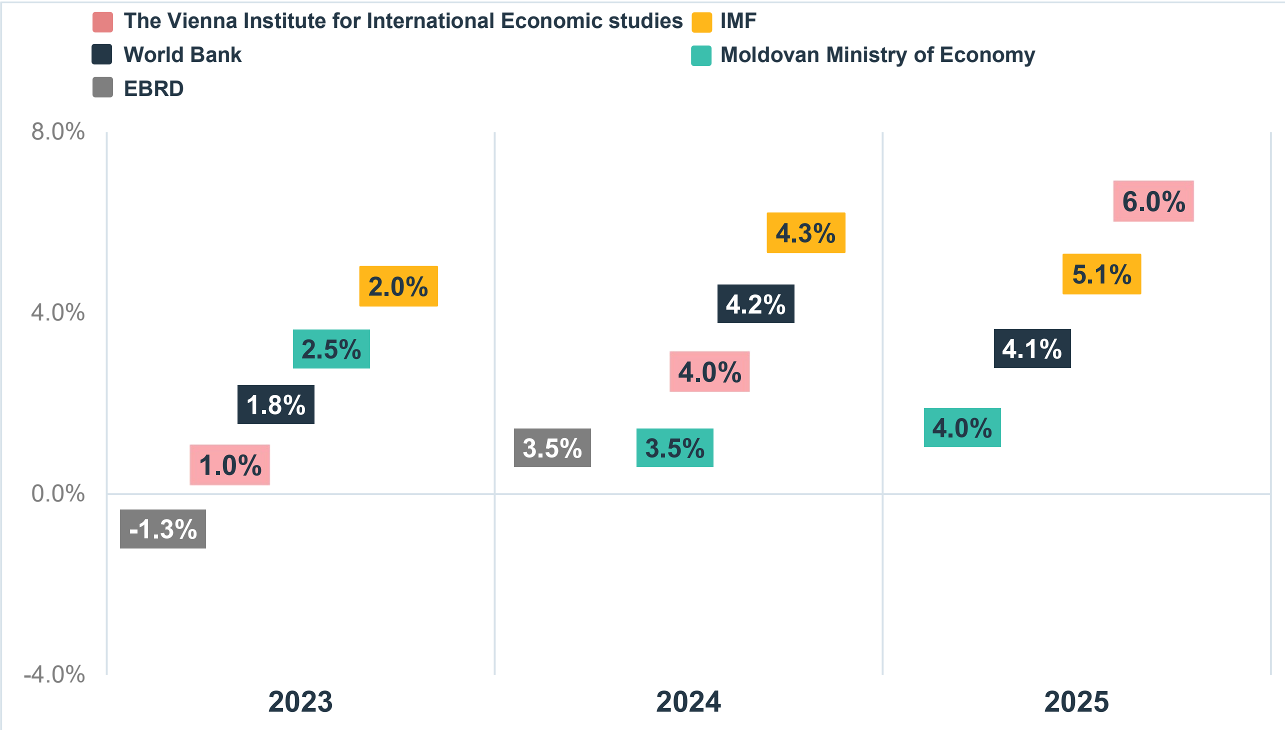
Presented results are based on Group **unaudited consolidated** results of the first quarter (1Q) of 2023. The balance sheet and income statement within these results are prepared based on International Financial Reporting Standards ("IFRS"), as adopted by IASB. The results are accompanied by limited disclosure notes, including financial and non-financial information. For comparison of quarterly results, consolidated results from the first quarter of 2022 and the fourth quarter of 2022 are used.

Economic outlook

Economy expected to recover in 2023

2022 was a challenging year for Moldovan economy. The war in Ukraine affected the regional supply chain along with emerging energy crisis which lead to high inflation and disruption of economic activity. Severe drought negatively affected the agricultural sector. As a result, Moldovan economy has seen a decline of 5.9%[1] in real terms in 2022. As per forecasts of Moldova Ministry of Economy and other international experts, Moldovan economy is widely expected to recover in 2023. According to most major international forecasters the economy is going to grow in 2023 between 1.0 and 2.5 percent in real terms. Recovery is widely expected to continue in 2024.

Estimated 2023 - 2025 latest forecasts[2]:



The challenges Moldova faced in 2022 put pressure on costs and competitiveness of businesses[3], manifested by:

- Loss of markets and suppliers in Russia, Ukraine, and Belarus, which used to account for 13% of Moldova's exports and 26% of imports before the war;
- Need to reconstruct logistical routes following the loss of access to the port of Odessa;
- Substantial increase in transport and logistics costs as Moldova became an essential transit point for goods to and from Ukraine;
- Increase in energy resource costs;
- Higher cost of financing due to tightening monetary policies;
- Erosion of consumer confidence and disposable income internally.

Main economic sectors overview[1]

In January - February 2023 the manufacturing sector decreased by 6.2% compared to the same period in 2022. Manufacturing is the branch most affected by the conflict in the region, the decrease being the largest among industrial sectors. The energy sector also declined (-3.5%), being strongly affected by reduced consumption of energy.

Total agricultural production in Moldova amounted to MDL 2.0 billion, representing a decrease of 5.2% in comparable prices to 2022. This reduction in agricultural production was primarily driven by a 4.9% decrease in the livestock sector. The decline in agricultural production can be attributed also to the severe drought experienced in 2022, which caused an overall decrease of 29.8% in agricultural production year over year. The negative consequences of the drought are still being felt at the beginning of 2023. As of 2022, agriculture in Moldova reached a historical low, accounting for only 7.9% of GDP.

[1] Source: National Bureau of Statistics of Moldova

[2] According to revised forecasts of: World Bank (April 2023), International Monetary Fund (April 2023), EBRD (February 2023), Vienna Institute for Economic Studies (January 2023) and Moldavian Ministry of Economy (April 2023)

3 maib analysis

EU remains main trading partner at the beginning of 2023

Between January and February of 2023, the total value of exports increased by 3.1% compared to the previous year, reaching USD 687.5 million. Excluding re-exports, the total value of exports amounted to USD 471 million. Notably, the automotive and petroleum sectors were the primary drivers of export growth, representing 14.3% and 12.1% of total exports, respectively. The growth in the petroleum sector was mainly due to re-exports to Ukraine. The European Union remained a crucial trading partner for the country, with exports to the EU accounting for 62.4% of total exports and totaling USD 429.3 million, marking a year-over-year increase of 3.5%.

Imports also saw moderate growth, totaling USD 1,485.8 million between January and February 2023, representing a year-over-year increase of 15.1%. The majority of imports came from EU countries, accounting for 48.2% of total imports. It is important to note that the trade statistics provided in this report only cover the first two months of 2023.

Foreign direct investment totaled USD 537 million in 2022, with the majority of investments coming from the European Union, which accounted for 87% of the total.

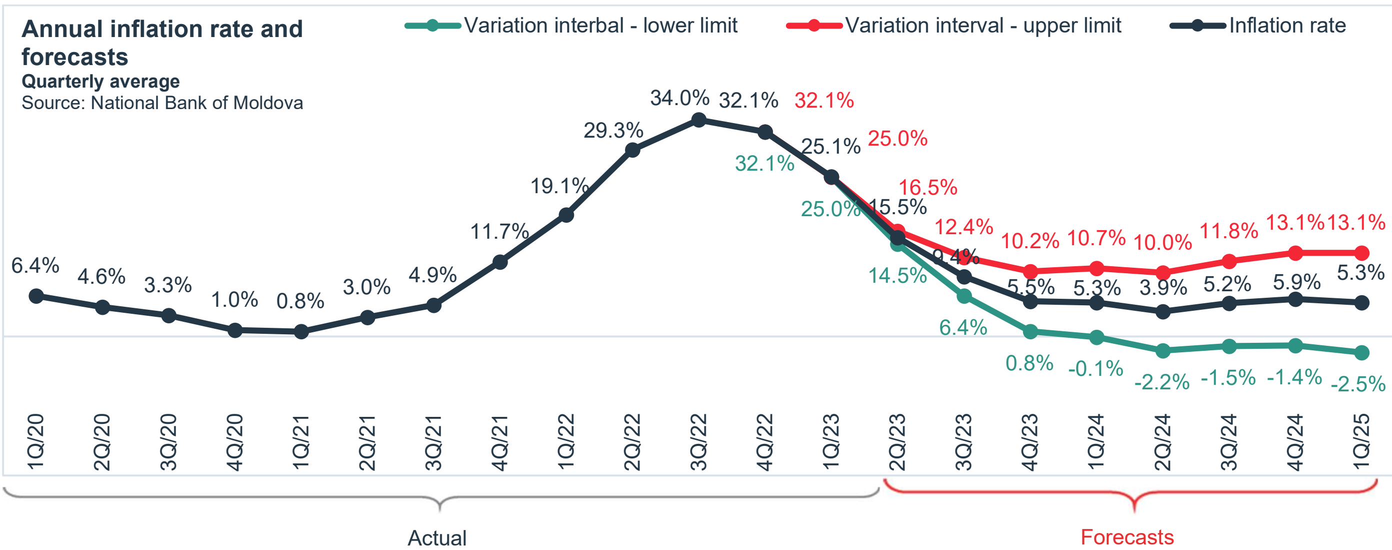
Government budget maintains a positive trend

In January-March of 2023, the government's revenues amounted to MDL 24 billion, representing a year-over-year increase of 19.4%. This growth can be attributed primarily to the recovery of consumer demand[3], which resulted in higher tax and duty receipts on goods and services, increased wage incomes, grants received from international organizations, and a revival in business and economic activity. Meanwhile, expenditures saw a 22% rise, reaching a total of MDL 26 billion. Of the various categories of expenditures, those allocated to social protection, education, and general government services contributed most significantly to the overall increase in the budget. As a result, the budget deficit stood at MDL 2.0 billion.

As of the end of February, the government debt reached MDL 97 million, which represents a 22.6% year-over-year increase. However, the Debt-to-GDP ratio remained low at 31.3% compared to regional counterparts. The government's increased spending to support low-income households was a major contributor to the expansion of the deficit and government debt.

Inflation expected to decline further in 2023[2]

As a result of the war in Ukraine, Moldova experienced high inflation throughout 2022 due to disrupted supply chains and elevated energy prices. This led to the highest inflation rate in the last 15 years, with the rate peaking at 34.6% in October 2022. However, the National Bank of Moldova implemented a tight monetary policy throughout the year, resulting in a decrease in inflation starting in November 2022. By the end of the first quarter of 2023, inflation had decreased to 21.9%, with further decrease recorded in April 2023.



In 2022, the National Bank of Moldova (NBM) adopted a tight monetary policy to counter high inflation and maintain price stability. The primary tools used by the NBM were the base rate and reserve requirements, both of which were kept at elevated levels throughout the year to reduce money supply, slowdown investment, and encourage savings. At the end of 2022, the NBM set the base rate at 20%.

[1] Source: Maib analysis according to the data published by National Bureau of Statistics
[2] Source: According to NBM forecasts published on 15 May 2023
[3] Source: maib analysis based on data published by Ministry of Finance

In early 2023, as inflation continued to decline, reaching 21.9% (2.3 percentage points lower than NBM's forecast), NBM decided to ease monetary policy further by cutting both the base rate and reserve requirements. Specifically, the NBM reduced the required reserve ratio from 40% in December 2022 to 37% in January 2023, and then to 34% in February 2023. In addition, the NBM lowered the base rate to 17% in February and 14% in March 2023. The objective of this policy shift is to gradually revive local businesses and stimulate investment. Further decrease of base rate was taken in May 2023, to 10%.

Looking ahead, the NBM anticipates a further decline in inflation absent any new supply shocks and expects it to reach 6-7% by the end of 2023. Given the downward trend in inflation and the fact that the base rate peaked at 20% in 3Q 2022, the NBM is likely to reduce the base rate further in the coming months as part of its efforts to promote economic growth and ensure price stability.

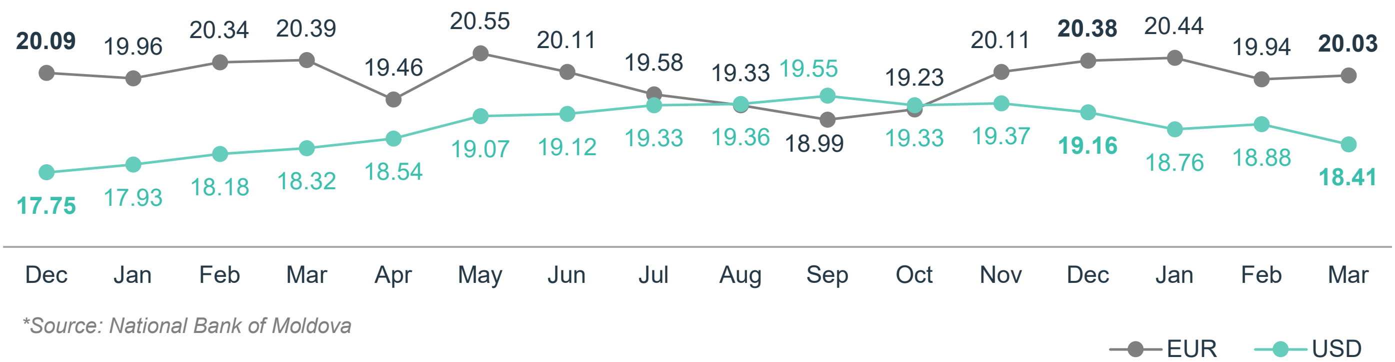
National currency gains strength in 1Q 2023

In the first quarter of 2023, the Moldovan Leu (MDL) grew by 3.9% against the US Dollar (USD), (year on year decline of 0.5%). The MDL grew by of 1.7% against the Euro (EUR) in the first quarter (up by 1.8% year on year). Throughout the 2022, the MDL remained stable amidst challenging economic conditions, supported by the National Bank of Moldova's (NBM) interventions in the domestic currency market through the sale of foreign currency reserves. Nonetheless, the MDL experienced a slight appreciation in the first quarter of 2023, attributed to reduced demand for foreign currency and significant inflows of external financial aid in foreign currency from international partners[1].

In the first quarter of 2023, the National Bank of Moldova (NBM) held historical high reserves, with a year-over-year increase of 36% amounting to a total of USD 4.6 billion. This impressive growth in reserves can be attributed to several factors, including the receipt of external support from international organizations such as the International Monetary Fund (IMF) and the European Union (EU), a steady inflow of remittances, and the NBM's active interventions in the domestic currency market to purchase foreign currency.

Throughout 2022, Moldova received a total of USD 1.8 billion in remittances from abroad, with a significant portion originating from the EU, accounting for 46% of the total. This inflow of remittances contributed significantly to the growth of Moldova's foreign exchange reserves, thereby improving the country's ability to manage its balance of payments and financial stability.

EUR and USD exchange rates evolution (EOM)
Dec'2021 – Mar'2023



**Source: National Bank of Moldova*

Banking system remains resilient and profitable in 2023

In 2022, the National Bank of Moldova (NBM) implemented restrictive monetary policy, resulting in a slowdown in lending by the banking system. This policy aimed to combat inflation by cutting spending and increasing saving, resulting in an inflow of deposits starting from the 3rd quarter of 2022. Despite the recent NBM decision to lower the base rate to 14% in March 2023, lending activity has remained stagnant. However, it is expected to recover in the second half of the year when NBM plans to further reduce the base rate. Main indicators[1] of the banking sector in 1Q 2023:

- Increase in assets by 16.9% compared to end of 1Q2022;
- Increase in profitability by 67% year on year compared to 1Q2022;
- Increase in deposits by 5.5% quarter on quarter and 19.3% year on year;
- Increase in loans by 5.3% year on year.

[1]Source: NBM

In the first quarter of 2023 the banking system generated a profit of MDL 1.3 billion (USD 71.0 million), marking a notable 67% increase compared to the same quarter of the previous year. This significant growth in profits was mainly attributed to the increase in revenues from interest rates and fees[1], following the elevated base rate implemented by the National Bank of Moldova in the previous year. The NBM expects inflation to decline further and the loosening of the monetary policy is expected to continue in 2023.
Bank deposits continued growing, driven by attractive interest rates offered by local banks. This led to a 5.5% quarter-over-quarter increase and a substantial 19.3% year-over-year increase in deposits. As of 31 March 2023, deposits in the banking system stood at MDL 100.2 billion (USD 5.4 billion), reflecting a notable upward trend in deposit accumulation.

In 2022 lending activity in Moldova experienced a slowdown due to the tight monetary policy that aimed at reducing spending and promoting saving. Additionally, the new amendments on the law on responsible lending further slowed lending down by imposing additional requirements on borrowers. As of the first quarter of 2023, the loan portfolio of the banking system stood at MDL (USD 3.3 billion), a year on year increase of 5.3% but a quarter on quarter decline of 0.8%. Lending activity continues to be hampered by elevated base rate requirements, which are expected to keep the lending activity slow until there is a relaxation of monetary policy and the revival of economic activity.

Despite the ongoing economic challenges resulting from the war in Ukraine, the banking system has demonstrated resilience and stability in the first quarter of 2023. The system has maintained strong levels of capitalization and liquidity, with adequate capital ratios. Specifically, as of March 31, 2023, the Liquidity Coverage Ratio of the banking system has increased to 287%, which represents an improvement from the 258% reported in the first quarter of 2022. The total capital ratio increased to 28.9%, which is 3.3 percentage points higher than the same period of the previous year. Overall, the banking system remains stable, profitable and well capitalized[2].

Continued external macro-assistance and financial aid

Moldova has received significant financial support from a variety of international organizations and institutions in 2022. These organizations include the International Monetary Fund, World Bank, and European Commission and other, with a total of EUR 641 million in grants and loans being awarded to address the country's energy crisis and to maintain economic stability. Among the goals of this aid was to provide assistance to low-income households in coping with rising energy and heat prices, which was achieved through the implementation of a compensation system that became operational in November 2022.

Moving into the first quarter of 2023, Moldova has continued to receive macro-assistance and grants from the IMF and the EU, amounting to a total of EUR 26 million. These grants extend the energy vulnerability package that was introduced in 2022. The EU has been a reliable supporter of Moldovan economy, providing a range of regional programs aimed at supporting economic development and market opportunities. Since October 2021, the EU has provided more than EUR 1.09 billion in support to Moldova through grants and loans. This financial aid has focused on areas such as humanitarian aid, trade development, and energy security consolidation.

[1]Source: NBM
[2]Source: maib analysis based on NBM data

Operating highlights in detail

Maib executives complete Stanford Graduate School of Business Leadership program

Maib is honored to report that almost 60 of its top and middle managers completed a specially tailored exclusive leadership and innovation program designed and delivered by Stanford Graduate School of Business Executive Education (Stanford GSB). It was titled „maib Leader Development Program”. The program was designed by the Stanford GSB exclusively for maib leadership and included a series of interactive online webinars and live sessions with Stanford GSB professors (Bill Barnett, Sarah Soule, Huggy Rao, Jesper Sørensen, Yossi Feinberg). The three-month online learning journey focused on strategy, leadership, innovation and organizational culture. With this program maib aimed to: inspire maib leadership, offer exposure to new ideas and challenge conventional thinking, hone the knowledge base and skillset of leaders, propel the leaders to the next level in their professional careers.

The key program topics included Strategic Leadership, Leading Organizational Culture Change, and Designing Organizations for Creativity and Innovation. During the program, maib leaders were put through a series of case studies, challenge-based exercises, and organizational framework models, [which helped maib leadership to understand how to promote innovation and how to scale excellence through talent and culture, further reflecting the company’s customer and staff-centric vision].

Maib 100:1 stock split takes effect

Following the approval by the Extraordinary General Shareholders Meeting in December 2022, maib has instituted a 100:1 stock split. On 31 January 2023 The National Commission for Financial Markets (NCFM) has approved the split of the maib shares. Further approval of change to the Bank’s statutory documents has been received from the National Bank of Moldova. The changes have been applied to the shareholder registry at Central Depositary (DCU). 100:1 stock split entails a reduction of nominal value per share from MDL 200 to MDL 2, while increasing the number of shares by times 100 for each shareholder.

Maib - Best Bank in Moldova in 2023 by the Global Finance Magazine

For the seventh consecutive year maib has been recognized as the Best Bank in Moldova by Global Finance Magazine. The magazine, which evaluates banks from 22 other countries in Central and Eastern Europe, has acknowledged maib's significant progress and achievement in the banking sector, cementing its position as the top-performing bank in the country.

Maib has achieved impressive results across multiple areas in the past year, including growth in assets, profitability, strategic partnerships, new business development, and product innovation. These accomplishments have been acknowledged not only by the bank's peers in the banking industry, but also by experts from various other fields.

Maib receives loan from IFC

Maib has signed a senior loan agreement with the International Finance Corporation (IFC) consisting of two tranches. The signing of the first tranche of EUR 20 million takes place on the 4th of May 2023 and the second tranche of USD 10 million is to be signed at a later date. The funding will support the bank's efforts to improve access to bank financing for micro, small and medium enterprises (SME) in Moldova. As the country's leading commercial bank and lender, maib recognizes the critical role that SMEs play in driving the economy and creating jobs and is committed to supporting their growth. The funding from IFC will enable maib to provide much-needed financing to SMEs, which often face significant challenges in accessing finance. Maib is proud to partner with IFC to address these challenges and help promote economic resilience and stability in Moldova, especially in light of economic challenges facing Moldova caused by Russia’s invasion of Ukraine.

Maib 2023 AGM Announcement

Maib’s Annual Ordinary General Shareholders Meeting is to be held on 15 June 2023, at 11:00 a.m. The meeting will take place at Capitoles Park and will be held in-person. The agenda for the AGM includes the following topics: the bank's annual financial results for 2022, the Bank's Board of Directors' annual report for 2022, dividend distribution and capital return for 2021 and 2022, profit distribution policy for 2023, share buy-back, selection of an auditor and determination of audit fees, amendments to the Board of Directors' regulations, and amendments to the charter. Further details and customary updates can be found on main maib website in the information disclosure section.

Bank's Strategy

1 Build new level of customer experience

- Payment digitalization
- Development of IT infrastructure for improved customer experience
- Overhaul of physical branches

2 Transform the operating model to Agile

- Streamline and stabilize the work of existing Orchestras and adjust methodology for the new teams
- Increase efficiency and speed of delivery of banking products and services to clients

3 Become an orchestrator for the digital ecosystems

- Development of ecosystems with the focus on providing new services within existing digital hubs, increasing traffic through the websites to increase user retention and have a better customer experience

4 Set up a sustainability framework affecting every decision

- Focus on meaningful social responsibility activities and impact projects on the Moldovan market

Delivering products and services via **digital channels** making them more relevant and saving costs

Stepping **outside traditional banking** to make sure that **maib** remains competitive and relevant whatever future may bring

Key selected operating milestones achieved during 1Q 2023:

New level of customer experience

- **Contactless withdrawal of cash** at **maib ATMs**
- **Maib** awarded high distinctions at Visa Date 2023
- **Maib** named best bank in Moldova by **Global Finance** magazine
- **Maibpay.md** – a new web platform for bank transfers
- **Maib** offers business customers a new level of banking through the use of electronic signature (early repayment, signing loan agreement)
- **Maib** and Visa launched a new service – transfers by phone number

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

- Start of development of CasaHub mobile app. Planned launch in 2Q 2023
- Developing Seller's bot assistant for DriveHub. Planned launch launch in 3Q 2023

ESG

- Set up an ESG strategy in first quarter of 2023
- Engage ESG consultants in December 2022 through 2023
- Publication of the first ESG Report in 2Q 2023

Maib agile WoW transformation continues: the **fourth wave of orchestras** has been launched:

- ✓ Retail Banking Aria
- ✓ Business Banking Aria
- ✓ Corporate Banking Aria
- ✓ IT Aria

1Q 2023 CONSOLIDATED FINANCIAL RESULTS

CONSOLIDATED UNAUDITED **QUARTERLY INCOME STATEMENT** highlights, million MDL

	1Q 2023	4Q 2022	1Q 2022	% QoQ change	% YoY change
Net interest income	656.0	653.2	428.1	+0.4%	+53.2%
Net fee and commission income	112.9	104.0	80.1	+8.5%	+41.0%
Net foreign exchange gains	98.3	143.8	116.0	-31.6%	-15.2%
Other operating income	17.8	18.9	14.9	-6.0%	+19.3%
OPERATING INCOME	**884.9**	**919.9**	**639.0**	**-3.8%**	**+38.5%**
Personnel expenses	(251.6)	(226.2)	(178.7)	+11.2%	+40.8%
Depreciation and amortization expenses	(37.9)	(42.0)	(31.6)	-9.7%	+19.9%
Other operating expenses	(167.9)	(132.8)	(131.0)	+26.4%	+28.2%
OPERATING EXPENSES	**(457.4)**	**(401.0)**	**(341.3)**	**+14.1%**	**+34.0%**
OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE	**427.5**	**519.0**	**297.8**	**-17.6%**	**+43.6%**
Credit loss allowances and provisions	(43.6)	(183.9)	5.9	-76.3%	-843.5%
PROFIT BEFORE TAX	**384.0**	**335.1**	**303.6**	**+14.6%**	**+26.5%**
Income tax expense	(42.5)	(53.1)	(32.4)	-19.9%	+31.5%
NET PROFIT	**341.4**	**281.9**	**271.3**	**+21.1%**	**+25.9%**

CONSOLIDATED UNAUDITED **FINANCIAL POSITION STATEMENT** highlights, million MDL

	31 March 2023	31 December 2022	31 March 2022	% QoQ change	% YoY change
Cash and balances with banks	14,384	14,606	13,090	-1.5%	+9.9%
Investments in debt and equity securities	5,744	4,370	3,820	+31.4%	+50.4%
Net loans and advances to customers, including:	21,254	21,412	19,502	-0.7%	+9.0%
Corporate customers	8,846	9,391	8,503	-5.8%	+4.0%
SME customers	5,532	5,203	4,162	+6.3%	+32.9%
Retail customers	6,876	6,817	6,837	+0.9%	+0.6%
Finance lease receivables	264	272	221	-2.8%	+19.5%
Premises and equipment, intangible assets, right of use assets and investment property	2,146	2,157	1,712	-0.5%	+25.4%
Other assets	465	351	452	+32.7%	+3.0%
Total assets	**44,258**	**43,168**	**38,796**	**+2.5%**	**+14.1%**
Due to banks and borrowings	3,704	3,640	2,363	+1.8%	+56.8%
Due to customers, including:	31,966	31,357	26,614	+1.9%	+20.1%
Corporate customers	4,482	4,526	3,470	-1.0%	+29.2%
SME customers	6,207	6,357	5,885	-2.4%	+5.5%
Retail customers	21,277	20,474	17,258	+3.9%	+23.3%
REPO	-	-	3,002	-	-100.0%
Subordinated debt	516	510	306	+1.2%	+68.4%
Lease and other liabilities	985	988	780	-0.3%	+26.3%
Total liabilities	**37,171**	**36,495**	**33,065**	**+1.9%**	**+12.4%**
Total equity attributable to owners	**7,086**	**6,672**	**5,730**	**+6.2%**	**+23.7%**
Non-controlling interest	*1*	*1*	*1*	*+6.7%*	*-3.6%*
Total equity	**7,087**	**6,673**	**5,731**	**+6.2%**	**+23.7%**
Total liabilities and equity	**44,258**	**43,168**	**38,796**	**+2.5%**	**+14.1%**

GROUP **KEY FINANCIAL RATIOS**[1]	31 March / 1Q 2023	31 December / 4Q 2022	31 March / 1Q 2022
ROE, %	19.9	17.3	19.3
ROE less cost of risk, %	24.9	31.9	21.2
ROA, %	3.1	2.7	2.9
ROA less cost of risk, %	3.9	5.0	3.1
NIM, %	6.4	6.6	4.8
Loan yield, %	10.9	11.0	8.4
Cost of funding, %	4.7	4.2	1.6
Cost of deposit, %	4.2	3.1	1.0
Cost to income ratio, %	51.7	43.6	53.4
LTD ratio (at period-end), %	66.5	68.3	73.3
Cost of risk[2] , %	0.8	2.9	-1.0
NPL ratio[2] (at period-end), %	2.3	2.8	2.5
CAR[3] (at period-end), %	21.8	22.2	20.1

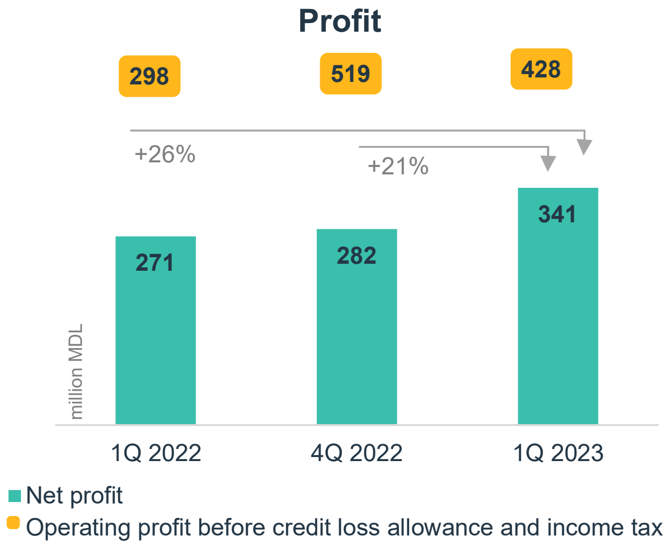
[1] Indicators calculated based on annualized quarterly (3 months) financial results
[2] NPL and cost of risk ratios relate exclusively loans to customers' portfolio (without considering other assets)
[3] CAR (capital adequacy ratio) is presented on the standalone basis (Bank only). There is no requirement to calculate and submit this regulatory indicator on a consolidated basis. The other companies within the Group (subsidiaries of Bank) are non-banks, representing approx. 1% of total equity, 3% of net operating income and 2% of total income of the Group.

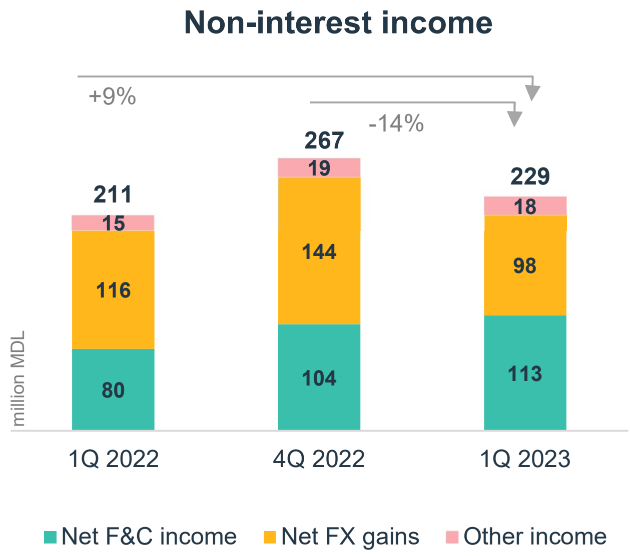
Highlights of 1Q 2023 financial performance

Profitable start to 2023

In the first quarter of 2023, the Group's **net profit** reached MDL 341.4 million, up by 21.1% QoQ and by 25.9% YoY. The Group's return on equity and return on assets stood at 19.9% and 3.1%, respectively. The Group's profitability was driven by strong interest income generation by the loan portfolio, supported by income generated from investments in debt securities and required reserves. The QoQ increase in interest income was mainly attributable to debt securities portfolio, which increased by MDL 1.4 billion or 31.4% during the first quarter. The YoY increase net profits was spread across several income streams, though a particular strong contribution was of net interest income.

Total **non-interest income** up by 8.5% on a YoY basis and decreased by 14.2% on a QoQ basis, amounting to MDL 229 million. The YoY rise in non-interest income was mainly driven by net fee and commission income, generated by card transactions and international money transfers. The QoQ decrease of non-interest income is a result of shrinking of net foreign exchange gains (in terms of both volumes and margins), the trend in line with the decrease of net demand of foreign currency from businesses by 47% QoQ.



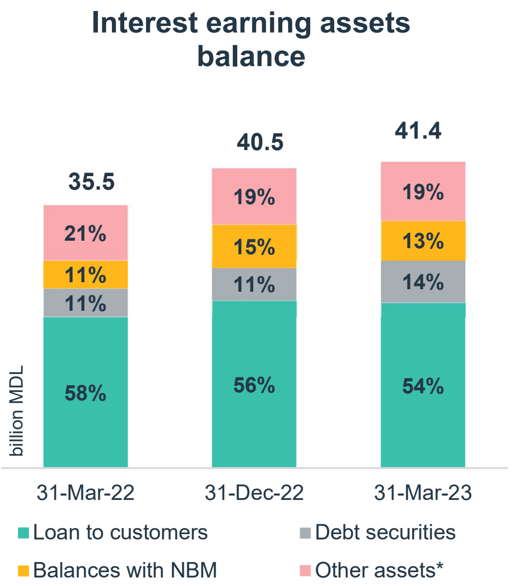


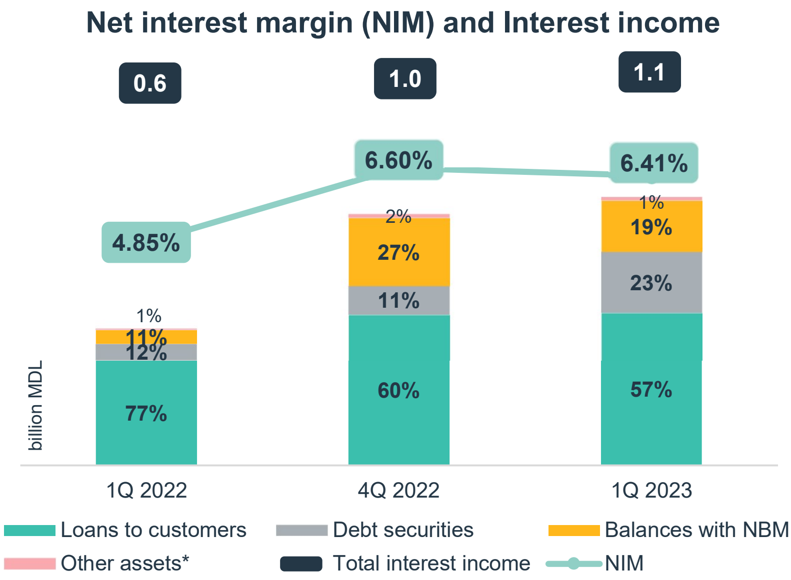
Level of net interest margin (NIM) maintained

In 1Q 2023, **NIM** stood at 6.4%, up by 1.6% YoY and down by 0.2% on QoQ basis. The YoY increase is attributable to both increase in interest-earning assets' balance and yields, with a particularly strong contribution of increased yields on loans to customers and debt security portfolios. At the same, the average volume of interest generating assets has increased by over 15% YoY, the growth being almost evenly spread among loans to customers, debt securities and balances with NBM.

Slight decrease in NIM on a YoY basis is mostly attributable to higher deposits costs, amidst overall higher yield and income generated by interest generating assets, in particular, by investments in debt securities. Higher liquidity levels allowed the Bank to expand its investments in debt securities by over 30%, investing in higher-yield short term instruments. As such, in the first quarter of 2023, income related from state securities was up by 110.9% QoQ and by 274.8% on a YoY basis. The yield of the loan book remained roughly unchanged, and the increase in overall interest income was largely driven by increase in loan balances.

At the same time, in the first quarter of 2023, maib's **cost of funding** stood at 4.7%, up by 0.6 pp vs 4Q 2023. The increase in funding cost was generated by the deposit portfolio, which expanded by 1.9% QoQ and by 20.1 % YoY.





Other interest generating assets include due from banks and finance lease receivables

Efficient cost management amidst continuous business growth

Group's quarterly **operating expenses** expanded by 14% QoQ and 34% on a YoY basis. A strong YoY rise in operating expenses was driven by personnel and other operating expenses aiming to advance existing and new strategic initiatives. At the same time the increase in operating expenses reflects general level of inflation in the economy (25.1% for the first quarter of 2023), being one of the main drivers for operating expenses increase.

The QoQ increase in operating expenses was largely triggered by the increase in other operating expenses, as result of higher consulting, legal expenses and expenses related to contribution to Resolution Fund. Personnel expenses broadly unchanged as compared to 4Q 2022, however increased by 41% as compared to the first quarter of 2022, this being mainly driven by the overall wages increase, in line with the market trend, following high inflation levels.

Group's **cost to income ratio** in the first quarter of 2023 stood at 51.7%, improving by 1.7 pp YoY, though up by 8.1 pp YoY. Considering the expected downward trend of inflation (according to NBM latest available forecasts), the Group will continue to manage its costs under tight control, adjusting them to the current economic conditions. Cost to income ratio is one of the key performance indicator, closely monitored by the Group, particularly in the light of business growth and development of strategic initiatives.

Quality of the loan portfolio maintained

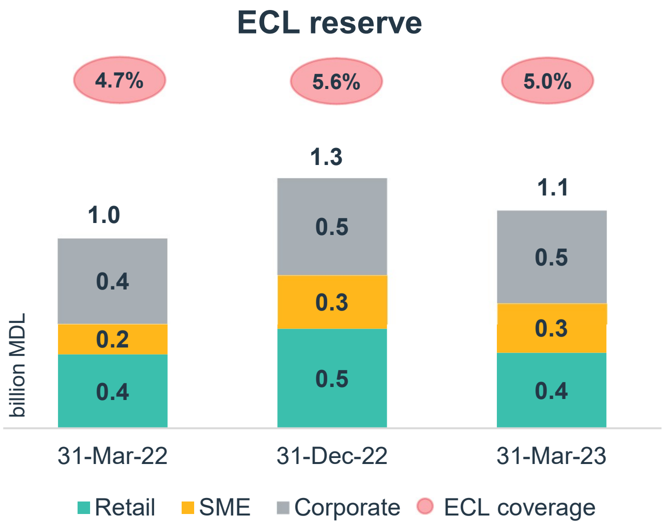
In the first quarter of 2023, the annualized **cost of risk** of the loans to customers' portfolio stood at 0.8%, lower by 2.1 pp as compared to 4Q 2022, though higher by 1.7 pp as compared to the same period of 2022, when net releases of impairment allowances have been recorded. The net release in 1Q 2022 was driven by significant NPL recoveries occurred in the first quarter of 2022 following successful bank's workout actions. Removing the effect of recoveries, the bank's cost of risk in 1Q 2022 would stand at nearly 3.4%, significantly higher as compared to 1Q 2023.

The Bank's impairment charges in 1Q 2023 related to loans to customers' portfolio stood at nearly MDL 43 million or by 73% lower as compared to the previous quarter. The decrease in impairment charges follows higher impairment credit allowances built during 2022, as part of the Bank's more prudent and proactive approach in managing credit risk given the external factors, which might negatively affect the quality of loan book (e.g. high energy prices, pro-inflationary pressures etc.). As such, the additional credit allowances built during 2022 picked up the ECL coverage ratio up 5.6% ECL by the year-end.

During 1Q 2023, the quality of the loan portfolio maintained at the same level as compared to 2022 year end. Some additional allowances were created for SME credit exposures, in particular agro segment, following the debt restructurings. Reschedules of loan payments started during the last quarter of 2022 and has continued in 1Q 2023 as the agribusiness was largely affected in 2022 by the drought and war in Ukraine. Recovery expected in 2023.

NPL share has decreased by 0.6 pp as compared to 2022 year-end, down to 2.3%. The decrease in NPL during the first quarter of 2023 was driven by write-offs of an older NPL portfolio in retail consumer segment. Despite the period of economic downturns, PAR30 stood at 2.4%, lower by 0.4 pp as compared to 2022 year-end. The **default rate** has also maintained overall at the same level of 2.1% (2.0% in 4Q 2022), though higher as compared to the same quarter of the previous year.

In the light of slow economy recovery at the beginning of the year and persistent uncertainty related to the military conflict in Ukraine, the Bank is continuously and closely monitoring its portfolio quality using its early warning system and keeping proactive approach in credit risk management.

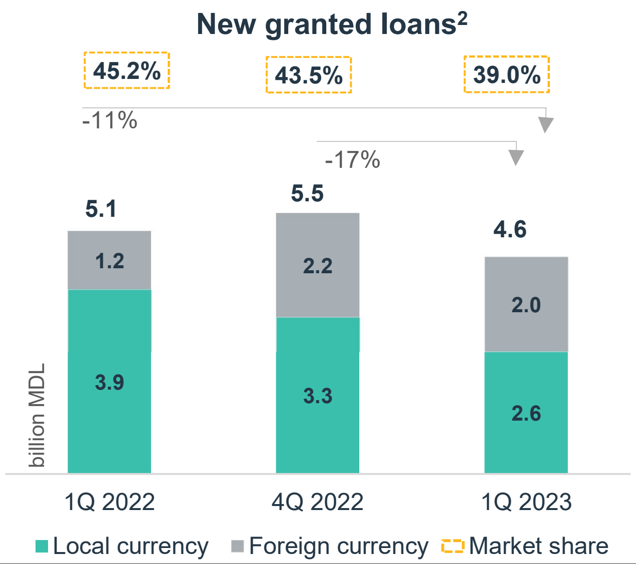


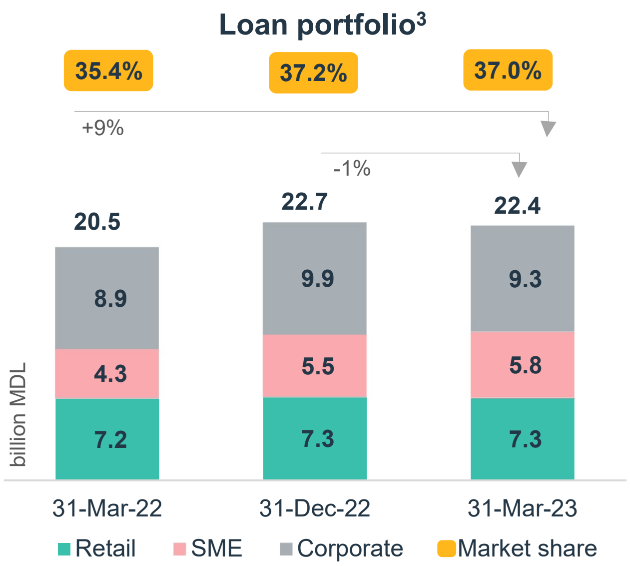
Maintaining leadership position in lending

As of 31 March 2023, **gross loan portfolio** reached 22,362 million, up by 9.3% YoY and lower by 1.4% on a QoQ basis. Maib maintained its lending market leadership position[1] in the first quarter of 2023, with a 37% loans market share, up by 1.6 pp YoY and down by 0.2% on a QoQ basis.

Among all segments, SME portfolio rose the most during the first three months of 2023, by 5.6%. Overall, SME loan portfolio saw the largest expansion during the past 12 months - by nearly 34%. As such, the share of SME segment in the Bank's total loan portfolio increased from 21% in March 2022 up to 26% by the end of March 2023.

Corporate and retail portfolio decreased slightly in 1Q 2023, though retail lending increased its market share to 31.9% or by 0.5 pp during 1Q 2023. In terms of retail lending, despite the overall slowdown due to a number of factors (e.g. inflationary pressures, higher interest rates due to more restrictive monetary policy, elevated energy and gas prices), the Bank succeeded in maintaining its retail portfolio level, expanding its market share in both consumer and mortgage lending.





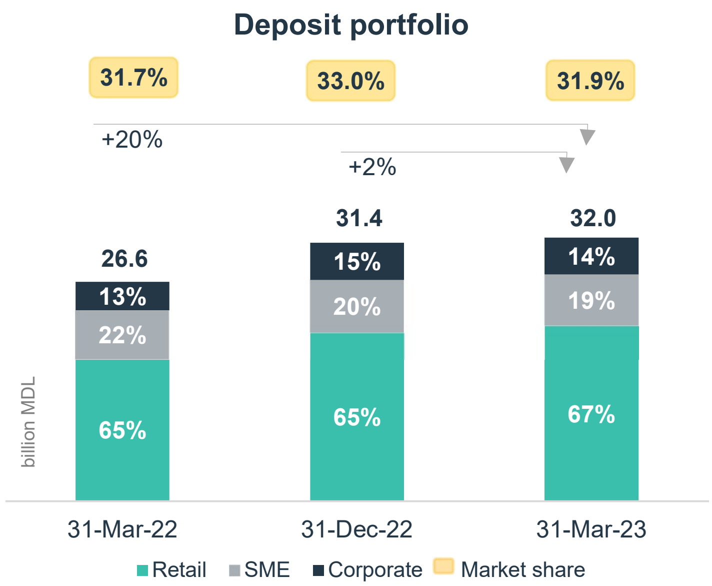
[1] Source: NBM
[2] Amounts presented represent principal amount of new loans disbursed during the period
[3] Amounts presented represent gross exposure, i.e. principal plus related amounts of interest and commissions, adjusted with amortized cost

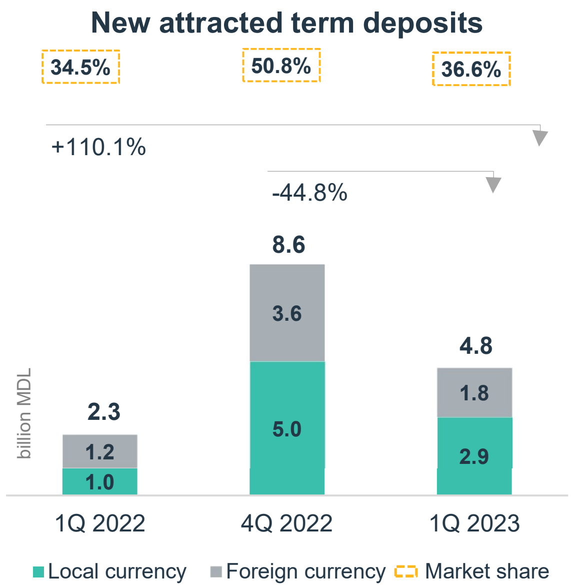
Deposit portfolio increase driven by Retail MDL term deposits

Customers' deposits portfolio amounted to MDL 32.0 billion as at 31 March 2023, increasing by 1.9% QoQ and 20.1% on a YoY basis. Retail term deposits denominated in local currency were the main driven of quarter-on-quarter growth of the deposit portfolio, recording 3.9% QoQ increase. With regards to the deposit portfolio currency mixt, the share of deposits denominated in local currency has increased by 1 pp to 59% QoQ.

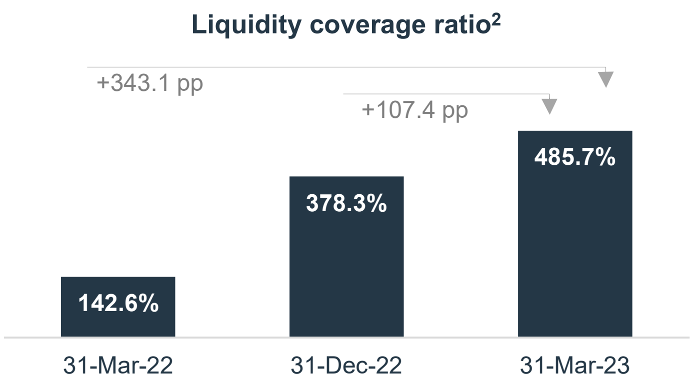
The YoY increase was largely driven by increase in Retail portfolio, recording a 23.2% growth on a YoY basis and corporate portfolio up by 29.2% on a YoY basis.

As of 31 March 2023, the **Bank's market share**[1] in deposits stood at 31.9%, down by 1.1 pp QoQ and up by 0.2 pp on a YoY basis, while retail deposits market share increased by 0.5pp QoQ and 1.3 pp YoY. The market share of deposits of legal entities has slightly decreased during 1Q 2023 down to 27.2%, mostly determined by the outflow of means from term deposits of legal entities.





Excess liquidity deployed in high yield instruments

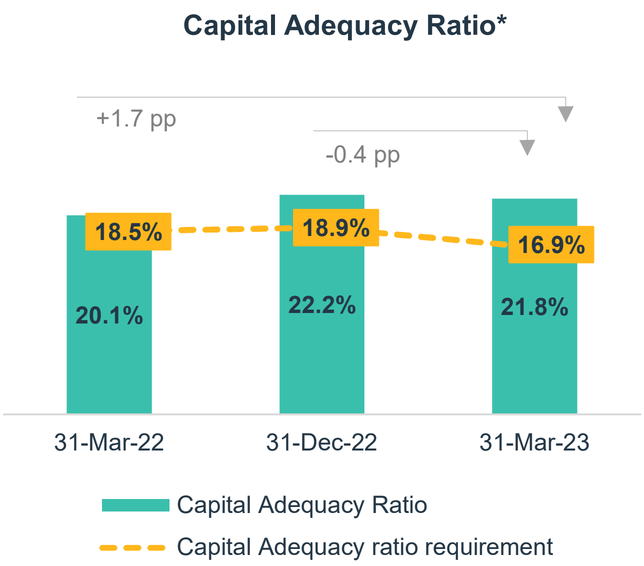


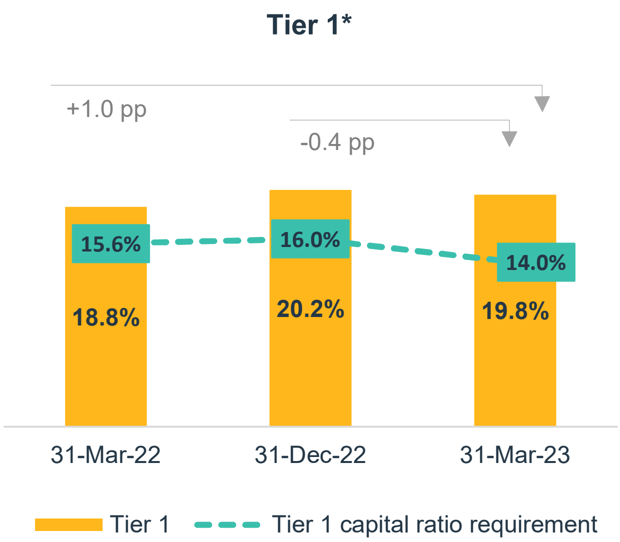
Maib continues to maintain a solid liquidity position. As of 31 March 2023, total **liquidity coverage ratio** (LCR) stood at 485.7%, which significantly exceeded the minimum required level of 80%. The QoQ increase in LCR was mainly determined by the increase of liquid assets balance, especially investments in Government bonds portfolio and certificates issued by the NBM.

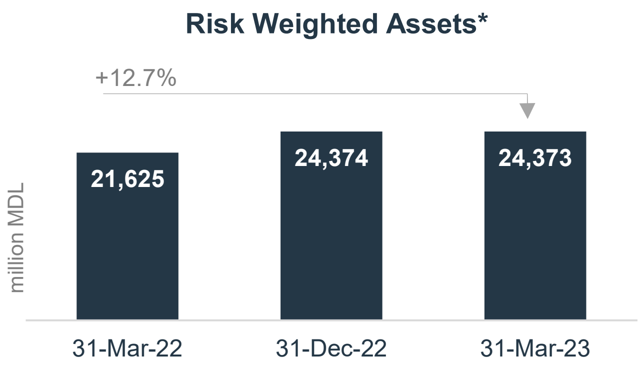
[1] NBM
[2] Liquidity coverage ratio is presented on the standalone basis (Bank only). There is no requirement to calculate and submit these regulatory indicators on a consolidated basis. The other companies within the Group (subsidiaries of Bank) are non-banks, representing approx. 1% of total equity, 3% of net operating income and 2% of total income of the Group.

Prudent capital levels

As of 31 March 2023, the Bank's **Capital Adequacy Ratio (CAR)** and **Tier 1** stood at of 21.8% and 19.8%, remained comfortably above minimum level of 16.9% for CAR and 14% for Tier 1. The QoQ decrease of CAR was driven by increase in difference between prudential provisions and expected credit loss allowances calculated according to IFRS and increase in balance of other intangible assets.







Risk weighted assets stood at the same level as by the end of 2022, with a minor decrease during the first quarter of 2023, though up by 12.7 % on a YoY basis. The quarterly decrease is attributable mostly to decrease of exposures secured by mortgages. These exposures had the main contribution (over half of the increase) to the year-on-year increase in the balance of risk weighted assets.

* Capital Adequacy Ratio, Tier 1 and Risk Weighted Assets are presented on the standalone basis (Bank only). There is no requirement to calculate and submit these regulatory indicators on a consolidated basis. The other companies within the Group (subsidiaries of Bank) are non-banks, representing approx. 1% of total equity, 3% of net operating income and 2% of total income of the Group.

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[1]:
31.9%
Up by 0.5 pp QoQ
Up by 1.1 pp YoY

Gross loan[2] portfolio:
MDL 7.3 bn
Down by 0.9% QoQ
Up by 0.7% YoY

Term deposits in local currency:
MDL 8.8 bn
Up by 10.3% QoQ
Up by 52.5% YoY

MAIBank users:
>460 thousand
Up by 8 % QoQ
Up by 43 % YoY

Cards portfolio[3]:
1.0 million
Up by 4% QoQ
Up by 32% YoY

POS portfolio:
>12,900
Up by 4% QoQ
Up by 30 % YoY

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

- Expansion of **active retail customer** base by 16K during 1Q 2023;
- **Card penetration** of client base is over 64%;
- Expansion of **MAIBank usage base** by another 34K users during 1Q 2023;
- **User base** of MAIBank is over 64% of all active clients portfolio;
- Over **60%** of new **deposits** in 1Q 2023 were opened **online**;
- More than **1 million cards in circulation** reached during 1Q 2023, up by 32% YoY;
- **POS network** expanded by 4% QoQ and 30% YoY;
- **38%** of active customers have **loan products**;
- **Cashless transactions** reached 86% of all transactions by number in 1Q 2023;
- Over **1.7K Alto clients** (premium banking), with a 100% penetration of cards, 30% - loans and 22% - deposits

[1] Source: NBM
[2] Amount represents IFRS gross exposure, i.e. principal and related accrued amounts of interest and commissions, adjusted with amortized cost
[3] Cards in circulation

Retail banking
1Q 2023 Financial performance

UNAUDITED QUARTERLY INCOME STATEMENT highlights, million MDL

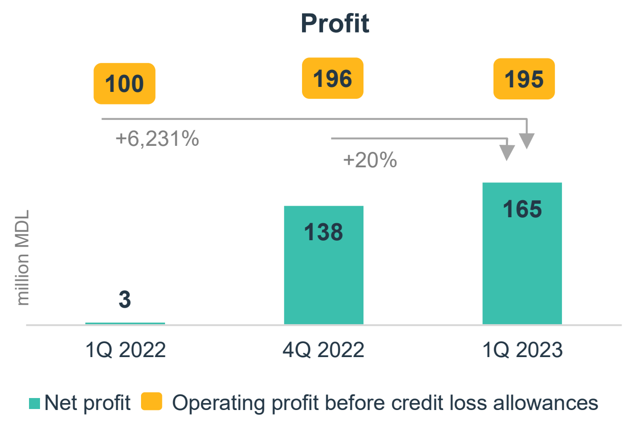
	1Q 2023	4Q 2022	1Q 2022	% QoQ change	% YoY change
NET INTEREST INCOME	**359.8**	**328.4**	**241.2**	**+9.6%**	**+49.2%**
NON-INTEREST INCOME, out of which:	**98.9**	**115.1**	**75.9**	**-14.1%**	**+30.3%**
Net fee and commission income	40.6	39.5	22.3	+2.8%	+82.0%
Foreign exchange gains, net	47.1	59.8	40.8	-21.2%	+15.5%
Other operating income	11.2	16.0	12.8	-29.8%	-12.3%
OPERATING INCOME, NET	**458.8**	**443.4**	**317.1**	**+3.5%**	**+44.7%**
DIRECT OPERATING EXPENSES, out of which:	**(150.9)**	**(139.1)**	**(126.5)**	**+8.5%**	**+19.3%**
Staff costs	(72.7)	(64.9)	(60.9)	+12.0%	+19.3%
Depreciation	(17.4)	(17.2)	(12.3)	+1.1%	+41.5%
Other operating expenses, including:	(60.8)	(57.0)	(53.3)	+6.6%	+14.1%
Deposits Guarantee Fund	(3.9)	(4.0)	(4.3)	-4.3%	-10.2%
Resolution Fund	(23.9)	-	(24.3)	+100.0%	-1.8%
INDIRECT ALLOCATED EXPENSES	**(112.5)**	**(108.2)**	**(90.2)**	**+4.0%**	**+24.7%**
OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE	**195.4**	**196.0**	**100.4**	**-0.3%**	**+94.6%**
Impairment and provisions charges	(10.2)	(36.2)	(97.5)	-71.7%	-89.5%
PROFIT BEFORE INCOME TAX (PBT)	**185.1**	**159.8**	**2.9**	**+15.8%**	**+6,284.4%**
Income tax expense	(20.6)	(22.2)	(0.3)	-7.4%	+6,754.4%
NET PROFIT	**164.5**	**137.6**	**2.6**	**+19.6%**	**+6,230.2%**

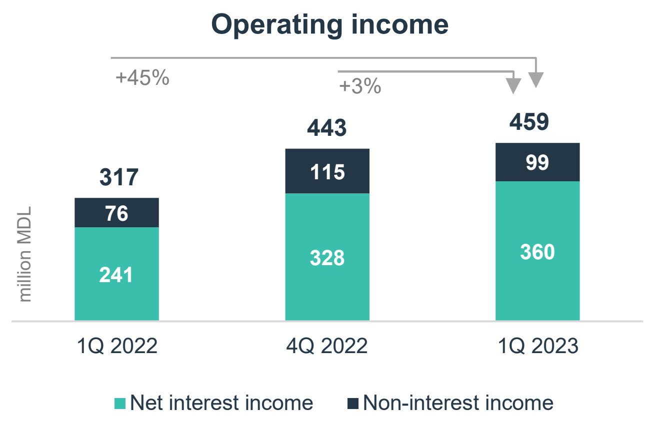
KEY FINANCIAL RATIOS[1]	31 March / 1Q 2023	31 December / 4Q 2022	31 March / 1Q 2022
Cost of deposit, %	5.2	4.0	1.3
Cost to income ratio, %	57.4	55.8	68.3
Cost of risk[2], %	0.0	1.4	4.6
LTD ratio (at period-end), %	32.3	33.3	39.6
NPL ratio[2] (at period-end), %	2.6	4.4	3.7

[1] Indicators calculated based on quarterly (3 months) annualized financial results
[2] NPL and cost of risk ratios relate exclusively loans to customers' portfolio (without considering other assets)

- **Retail Banking** generated strong **operating income** of MDL 458.8 million in the first quarter of 2023, up by 3.5% QoQ and by 44.7% YoY. Strong net interest income, supported by net fee and commission income, were the main contributors to year-on-year increase in operating income. At the same time, net interest income was the main contributor to QoQ increase in operating income, this being partially compressed by lower net foreign currency gains as compared to the previous quarter.

- **Net profit** reached MDL 164.5 million in 1Q 2023, up by 19.6% QoQ and over 63x if compared to the similar period of 2022. QoQ profitability growth was driven by higher net interest income and lower expected credit loss (ECL) charges associated to the loan portfolio. The YoY profitability increase was mostly driven by a 49.2% higher interest income and 90% lower impairment charges as compared to the first quarter of 2022, when Bank has built significant allowances as part of its prudent and proactive approach towards managing credit risk associated to the retail portfolio in the context of economic turbulences and geopolitical uncertainties emerged once the war in Ukraine has begun.



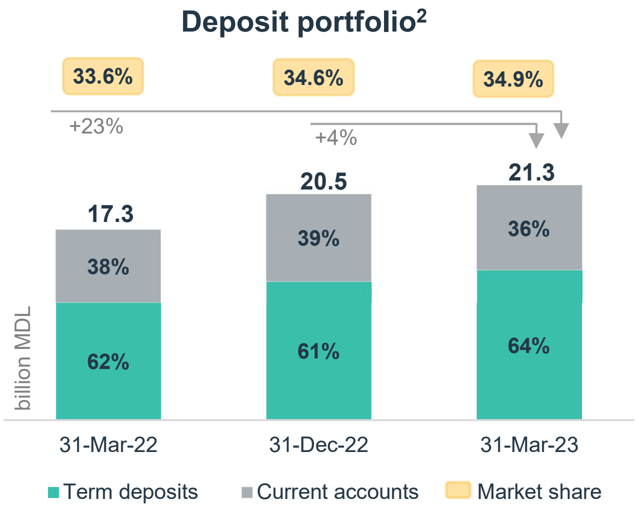


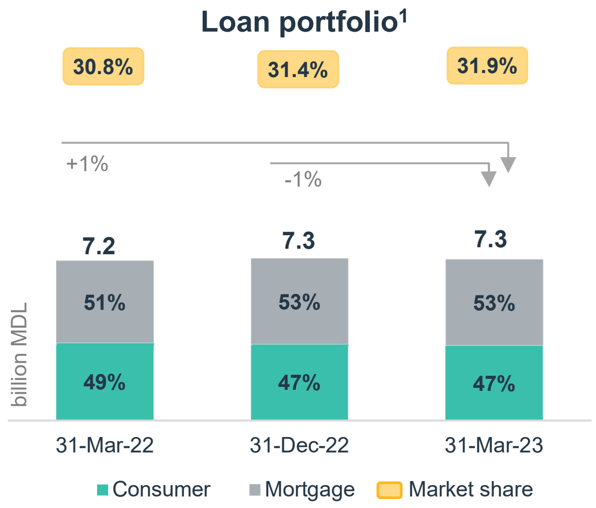
- **Non-interest income** amounted to MDL 98.9 million in the first quarter of 2023, decreasing by 14.1% QoQ and increasing by 30.3% on a YoY basis. The QoQ decrease in non-interest income was largely determined by decrease of net foreign currency gains and other operating income. The decrease of net foreign currency gains was mostly determined by lower volumes. Over the same period of time, net fee and commission income was MDL 40.6 million, up by 2.8% QoQ and by 82.0% on a YoY basis. The quarter-on-quarter growth was driven by settlements operations, cash operations and card operations. During 1Q 2023, the number of **cards in circulation** increased by 4% QoQ and by 32% on a YoY basis. The increase was mainly driven by general and salary cards. Over the same period of time, in the first quarter of 2023, maib POS portfolio increased by 3.7% QoQ and by 29.6% YoY, as a result of the expansion of maib partners.

- In 1Q 2023, retail **net interest income** amounted to MDL 359.8 million, up by 9.6% QoQ and by 49.2% on a YoY basis. The YoY rise in net interest income was mainly driven by the overall growth in yields on all financial instruments, including retail loan portfolio. Also, the profitability of retail business segment was propelled by significant growth in retail deposits, by over 23% YoY, which allowed higher investments in money market instruments.

- During 1Q 2023, retail segment did not see increase in cost of risk, following significant credit risk allowances built up during 2022. As such, retail portfolio cost of risk was negligible during the first quarter of 2023. Retail NPL ratio has reduced by 1.7 pp due to partial write-off of older non-performing consumer portfolio. No signs of portfolio deterioration observed. PAR30 and default rate being lower on a QoQ and YoY basis.

- Sustained growth in **retail clients' base** to 940+ as of 31 March 2023 reflects the continuous improvements of customer experience and bank products and services. The Bank continued to expand its digital footprint in products available and upgrade digital channels' functionalities, aiming to offload its physical branches and move customers' journeys to the digital channels. More than 80% of total transactions of individuals were executed through digital channels in 1Q 2023.





- **Retail** gross **loan portfolio** reached MDL 7.3 billion as of 31 March 2023, up by 0.7% YoY and down by 0.9% on a QoQ basis. The QoQ decrease in the retail loan portfolio was bolder in terms of consumer lending products. However, maib managed to maintain and expand its market share in **consumer lending**, up to 35.6% by the end of March 2023.

  Consumer lending slowdown started in 2022 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. However, starting 2022 so far, NBM has been continuing adoption of stimulative monetary policy measures, encouraging lending, consumption and balancing national economy, the consequences of which should be noticed in the short term.

  In terms of **mortgage lending**, maib maintained an upward trend, increasing its mortgage portfolio by over 4% YoY and expanding its market share by 1.7 pp YoY, out of which 0.4 pp were captured in the first quarter of 2023.

- **Retail deposits** amounted to MDL 21,277 million as of 31 March 2023, up by 3.9% QoQ and 23.3% on a YoY basis. Term deposits denominated in local currency were the main driver of QoQ growth of the retail deposits portfolio, recording 8.1% QoQ increase. With regard to the deposit portfolio currency mixt, the share of deposits in local currency has increased by 2 pp during the first quarter 2023, up to 61%. The structure per deposits type has changed slightly towards term deposits during the first quarter of the year, increasing by 3 pp up to 64% in total deposits. Maib maintained its market leadership position[3] in retail deposits as of 31 March 2023, expanding it to 34.9%, up by 0.3 pp QoQ and by 1.3 pp on a YoY basis.

[1] Amount represents IFRS 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
[3] Source: NBM

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.

** SME Business Unit is known internally as Business Banking.*

Market share SME loans[1]:
33.3%

Up by 1.9 pp QoQ
Up by 6.6 pp YoY

Gross Loan portfolio[2]:
MDL 5.8 billion

Up by 5.6% QoQ
Up by 33.9% YoY

Cards portfolio[3]:
>12 thousand

Up by 14.1% QoQ
Up by 64.2% YoY

Deposits portfolio:
MDL 6.2 billion

Down by 2.4% QoQ
Up by 5.5% YoY

SME is a new segment with growth prospects. Maib has ambitious goals in terms of market share and quality of service to SME clients. Below are the key business indicators of this segment:

- Over **30K** active **SME customers** at at 31 March 2023, up by 2.2% QoQ;
- Expansion of **Internet Banking** community by another **1K** users during 1Q 2023;
- **32% YoY** increase in number of **active customers with POS-terminals**;
- Portfolio generated by **IFI lending programs** increased by 4.2% reaching the share of 33.8% of total loan balance as of 31 March 2023;
- Volume of **FOREX** transaction for SME clients up by 55% YoY;
- Upward trend for **payments** in FCY (+9.5% QoQ).

[1] Source: NBM
[2] Amount represents IFRS gross exposure, i.e. principal plus related accrued amounts of interests and commissions, adjusted with amortized cost
[3] Cards in circulation

SME banking
1Q 2023 Financial performance

UNAUDITED QUARTERLY **INCOME STATEMENT** highlights, million MDL

	1Q 2023	4Q 2022	1Q 2022	% QoQ change	% YoY change
NET INTEREST INCOME	**156.1**	**162.3**	**90.5**	**-3.8%**	**+72.5%**
NON-INTEREST INCOME, out of which:	**72.5**	**85.5**	**68.5**	**-15.2%**	**+5.8%**
Net fee and commission income	45.9	49.9	38.9	-8.0%	+18.0%
Foreign exchange gains, net	27.0	35.0	29.3	-22.9%	-7.8%
Other operating income	(0.4)	0.6	0.2	-174.8%	-308.4%
OPERATING INCOME, NET	**228.6**	**247.8**	**159.0**	**-7.7%**	**+43.8%**
DIRECT OPERATING EXPENSES, out of which:	**(62.0)**	**(49.0)**	**(50.9)**	**+26.4%**	**+21.8%**
Staff costs	(31.8)	(19.5)	(24.4)	+63.1%	+30.5%
Depreciation	(5.4)	(5.6)	(3.6)	-3.6%	+51.2%
Other operating expenses, including:	(24.7)	(24.0)	(22.8)	+3.1%	+8.4%
Deposits Guarantee Fund	(1.1)	(1.4)	(1.1)	-19.3%	+3.1%
Resolution Fund	(11.9)	-	(12.2)	+100.0%	-2.6%
INDIRECT ALLOCATED EXPENSES	**(53.6)**	**(56.6)**	**(47.0)**	**-5.4%**	**+13.9%**
OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE	**113.0**	**142.1**	**61.1**	**-20.5%**	**+85.0%**
Credit loss allowances and provisions	(60.0)	(38.6)	(38.0)	+55.3%	+57.8%
PROFIT BEFORE INCOME TAX (PBT)	**53.1**	**103.5**	**23.1**	**-48.7%**	**+129.8%**
Income tax expense	(5.9)	(14.6)	(2.5)	-59.5%	+135.8%
NET PROFIT	**47.2**	**89.0**	**20.6**	**-47.0%**	**+129.1%**

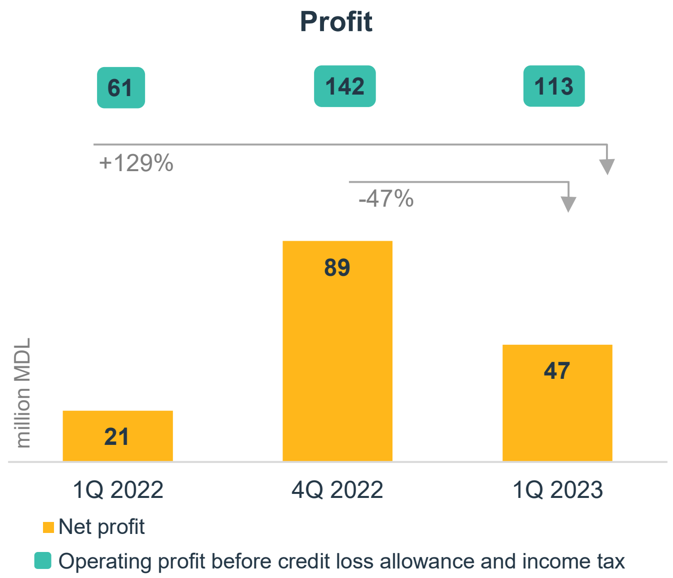
KEY FINANCIAL RATIOS[1]	31 March / 1Q 2023	31 December / 4Q 2022	31 March / 1Q 2022
Cost of deposit, %	1.0	0.8	0.3
Cost to income ratio, %	50.5	42.6	61.6
Cost of risk[2], %	4.2	2.7	3.7
LTD ratio (at period-end), %	89.1	81.8	70.7
NPL ratio[2] (at period-end), %	2.1	2.3	1.3

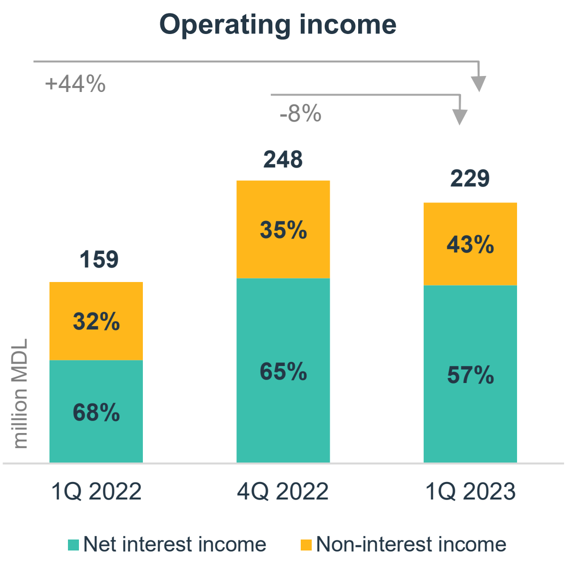
[1] Indicators calculated based on quarterly (3 months) annualized financial results
[2] NPL and cost of risk ratios relate exclusively loans to customers' portfolio (without considering other assets)

- The Bank had more than 30 thousand **active SME customers** as of 31 March 2023, up by 2.2% QoQ and up by 6.2% YoY, reflecting the continuous improvements to products and services and development digital channels, especially Internet Banking.

- SME Banking **net profit** was MDL 47.2 million in 1Q 2023, up by 129.1% YoY and down by 47.0% on a QoQ basis. The year-on-year growth was mainly driven by net interest income, partially offset by the expected credit loss (ECL) charges associated to the loan portfolio, following additional credit risk allowances built up in the SME loan book. The QoQ decline in profitability of SME segment was largely driven by higher risk costs, coupled by increase in operating expenses and decline in operating income, particularly the non-interest income.

  Over the same period of time, the increase in operating expenses was mostly driven by higher staff costs, reflecting the overall increase in remuneration level, reflecting general inflationary pressures, as well as performance bonuses driven by high performance of the business segment.

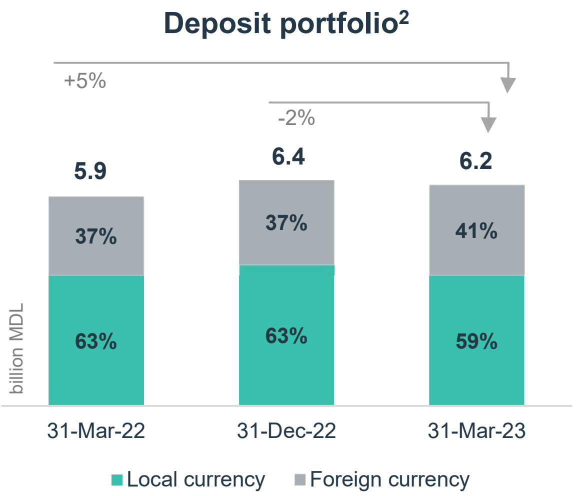


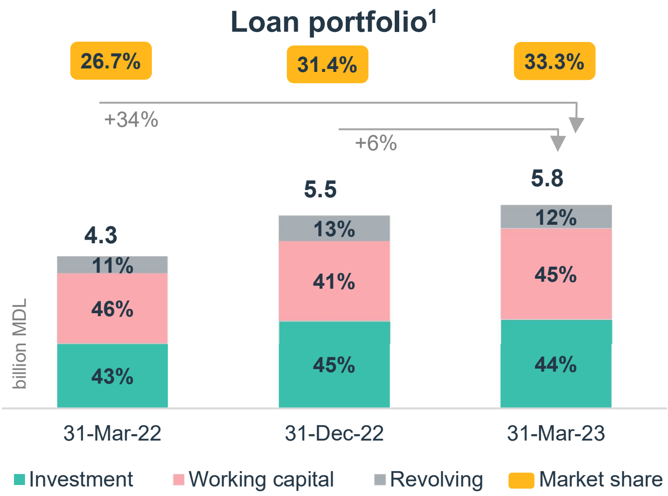


- In 1Q 2023, SME **operating income** amounted to MDL 228.6 million, up by 43.8% YoY and down by 7.7% on a QoQ basis. The YoY increase in operating income was driven by higher net interest income coupled with little contribution of net fee and commission income. The stronger YoY net interest income was driven by overall increase in yields and volume of the loan portfolio by 5.5% YoY. However, the quarter-on-quarter decrease in operating income is attributable to a higher extent to decline in non-interest income.

- **Non-interest income** amounted to MDL 72.5 million in 1Q 2023, increasing by 5.8% YoY and down by 15.2% if compared to the previous quarter. The QoQ decrease in non-interest income is attributable to lower net foreign exchange gains, being driven by both lower margins and volumes. At the same time, over the last 12 months, the volumes of forex transactions performed by SMEs have noticeably increased by over 55%, the income effect of which was counterbalanced by lower margins as compared to the first quarter of 2022, the period of foreign currency market instability in the light of recently launched war in Ukraine. The YoY growth in non-interest income is attributable to net fee and commission income, which was largely driven by strong income generation from settlement operations and new SME packages launched.

- **Cost of risk** for SME portfolio in 1Q 2023 stood at 4.2%, higher by 1.5 pp QoQ and up by 0.4 pp on YoY basis. A higher cost of risk in the first quarter of the year is attributable to additional allowances built in respect to agro clients, following the debt restructurings. Reschedules of loan payments started during the last quarter of 2022 and has continued in 1Q 2023 as the agribusiness was largely affected in 2022 by the drought and war in Ukraine. PAR30 ratio related to SME portfolio has showed noticeable improvement.





- **SME gross loan portfolio**[1] reached MDL 5.8 billion as of 31 March 2023, up by 5.6% QoQ and by 33.9% on a YoY basis. The QoQ increase in SME loan portfolio was almost evenly spread between portfolios of working capital and investments loans. At the same time, SME lending in 1Q 2023 was mostly focused on working capital loans, these representing 74% of new loans granted in this quarter. Also, the share of working capital loans in total SME portfolio has increased by up to 45% or by 4 pp. The concentration of SME loan portfolio is spread mainly between agriculture and trade industries, both representing over 72% of SME portfolio. The SME loan portfolio has been gaining a higher share in the Bank's total portfolio, reaching 26% at the end of 1Q 2023, up by 2 pp QoQ. **Maib's market share**[2] in SME loans stood at **33.3%** by the end of the first quarter of 2023, up by 6.6 pp YoY, out of which 1.9 pp were earned in the first quarter of 2023.

- Over the same period of 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. SME loan portfolio financed by other financial institutions increased by 4.3% QoQ and 31.6% YoY, reaching up over one third of SME portfolio balance as of March 31, 2023.

- **SME deposit portfolio**[3] stood at MDL 6.2 billion as at the end of March 2023, increasing by 5.5% YoY thought slightly dropping by 2.4% on a QoQ basis. SME deposits cover over 19% of total deposits attracted by maib by the end of March 2023. Term deposits in foreign currency, with share of 5% as of 31 March 2023, contributed mostly to the YoY growth in SME deposits, recording an increase of 169% on a YoY basis. The strong YoY increase of SME term deposits in foreign currency was mainly due to new attractive non-lending products that has boosted SMEs to keep their earnings over a period of time in term deposits accounts, in particular, those denominated in foreign currency. The slight QoQ increase was bolder in term deposits denominated in local currency.

  The currency mixt of the portfolio has slight changed during 1Q 2023, the proportion of deposits denominated in foreign currency increasing up by 4 pp QoQ and accounted 41% of total SME deposits. Loan to deposit ratio has increased as compared to the previous quarter and first quarter of the previous year, brought on by a faster penetration of loan products to SME customers' database as compared to deposit products, cash flows patterns of the customers determined to some degree by seasonality and overall economic slowdown started last year.

[1] Amount represents gross exposure, i.e. principal plus related accrued amounts of interest and commissions, adjusted with amortized cost
[3] Source: NBM
[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[1]:
46.6%
Down by 3.2 pp QoQ
Down by 3.6 pp YoY

Clients' portfolio:
> 500 clients
Retention rate – 100%

Gross loan portfolio[2]:
MDL 9.3 billion
Down by 5.7% QoQ
Up by 4.3% YoY

Deposits portfolio:
MDL 4.5 billion
Down by 1.0% QoQ
Up by 29.2% YoY

Corporate Banking showed a sustainable growth in 1Q 2023 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:

- **92%** of corporate customers use **maib** Internet Banking;
- **99%** of corporate clients payments were online;
- **20%** YoY increase in number of clients with **payroll projects**;
- **430+ business cards** in circulation as of 31 March 2023;
- Significant increase in MDL and FCY **payments** volume (annual volume is up by +21% and up by 19% YoY);
- 10% YoY increase in number of electronic transactions

[1] Source: NBM
[2] Amount represents gross exposure, i.e. principal plus related accrued amounts of interests and commissions, adjusted with amortized cost

Corporate banking
1Q 2023 Financial performance

UNAUDITED QUARTERLY **INCOME STATEMENT** highlights, million MDL

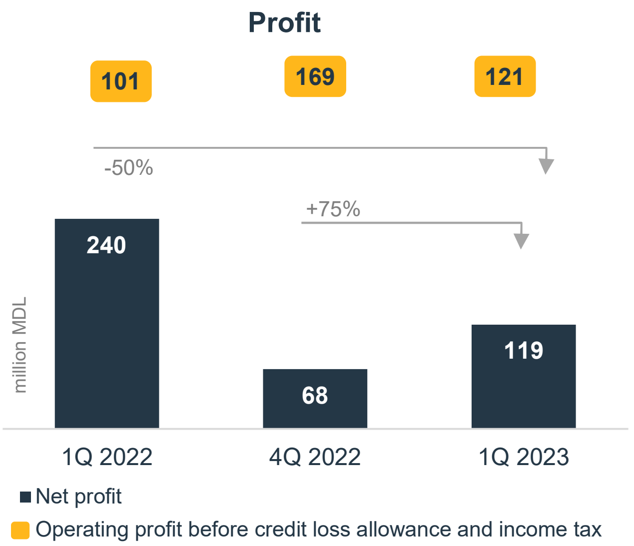
	1Q 2023	4Q 2022	1Q 2022	% QoQ change	% YoY change
NET INTEREST INCOME	**131.9**	**147.6**	**92.0**	**-10.6%**	**+43.3%**
NON-INTEREST INCOME, out of which:	**37.6**	**59.2**	**54.7**	**-36.5%**	**-31.2%**
Net fee and commission income	13.0	13.8	10.1	-5.7%	+28.5%
Foreign exchange gains, net	25.3	45.0	44.5	-43.8%	-43.2%
Other operating income	(0.6)	0.5	0.1	-241.6%	-737.3%
OPERATING INCOME, NET	**169.5**	**206.8**	**146.7**	**-18.0%**	**+15.5%**
DIRECT OPERATING EXPENSES, out of which:	**(21.5)**	**(16.6)**	**(20.7)**	**+29.6%**	**+3.7%**
Staff costs	(8.1)	(6.9)	(5.6)	+17.5%	+44.4%
Depreciation	(0.7)	(0.8)	(0.5)	-8.0%	+41.9%
Other operating expenses, including:	(12.7)	(8.8)	(14.7)	+43.9%	-13.8%
Deposits Guarantee Fund	(0.8)	(0.9)	(0.8)	-6.4%	+1.9%
Resolution Fund	(8.8)	0.0	(11.2)	+100.0%	-21.3%
INDIRECT ALLOCATED EXPENSES	**(27.0)**	**(21.7)**	**(24.8)**	**+24.5%**	**+8.7%**
OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE	**121.1**	**168.6**	**101.2**	**-28.2%**	**+19.6%**
Credit loss allowances and provisions	12.9	(85.2)	168.1	-115.2%	-92.3%
PROFIT BEFORE INCOME TAX (PBT)	**134.0**	**83.4**	**269.3**	**+60.7%**	**-50.2%**
Income tax expense	(14.9)	(15.2)	(29.1)	-2.3%	-49.9%
NET PROFIT	**119.1**	**68.1**	**240.2**	**+74.8%**	**-50.4%**

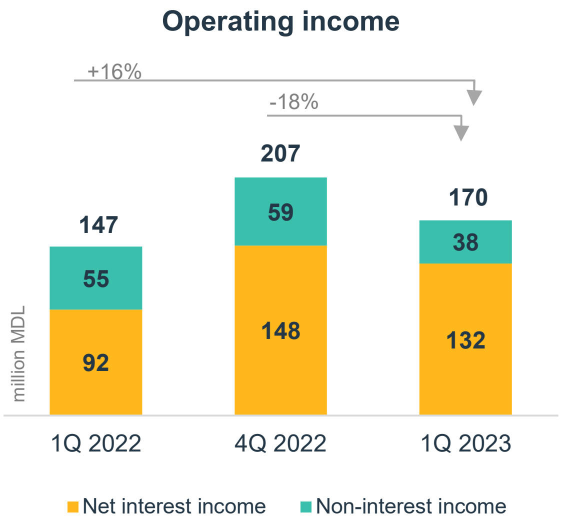
KEY FINANCIAL RATIOS[1]	31 March / 1Q 2023	31 December / 4Q 2022	31 March / 1Q 2022
Cost of deposit, %	4.3	2.8	0.5
Cost to income ratio, %	28.6	18.5	31.0
Cost of risk[2], %	-0.6	4.1	-7.4
LTD ratio (at period-end), %	197.4	207.5	245.0
NPL ratio[2] (at period-end), %	2.1	2.0	2.1

[1] Indicators calculated based on quarterly (3 months) annualized financial results
[2] NPL and cost of risk ratios relate exclusively loans to customers' portfolio (without considering other assets). Negative value of cost of risk ratio indicates a net release in expected credit loss allowances (e.g. due to recoveries).

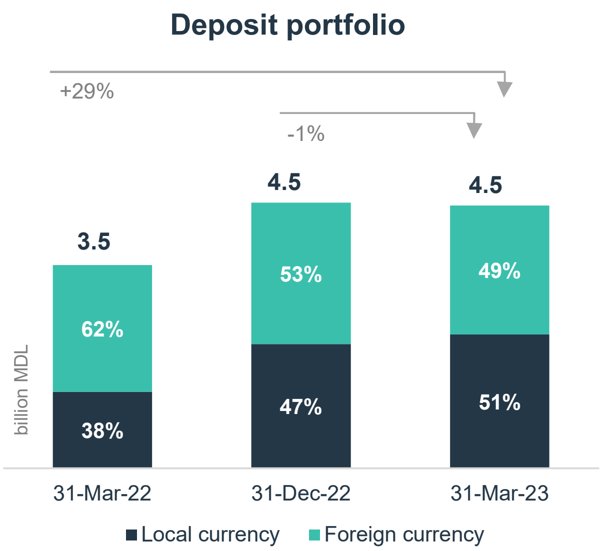
- In 1Q 2023, Corporate Banking generated MDL 119.1 million **net profit,** up by 74.8% QoQ and down by 50.4% YoY. The YoY decrease is fully attributable to impairment allowances releases occurred in the first quarter of 2022, following successful workout actions undertaken by the Bank, which resulted in high recoveries from corporate non-performing client. These recoveries had a large (over 60%) contribution to pre-tax profits of 1Q 2022. As such, in terms of operating profit before expected credit loss allowances, the Bank has reached a 19.6% increase on a year-on-year basis.

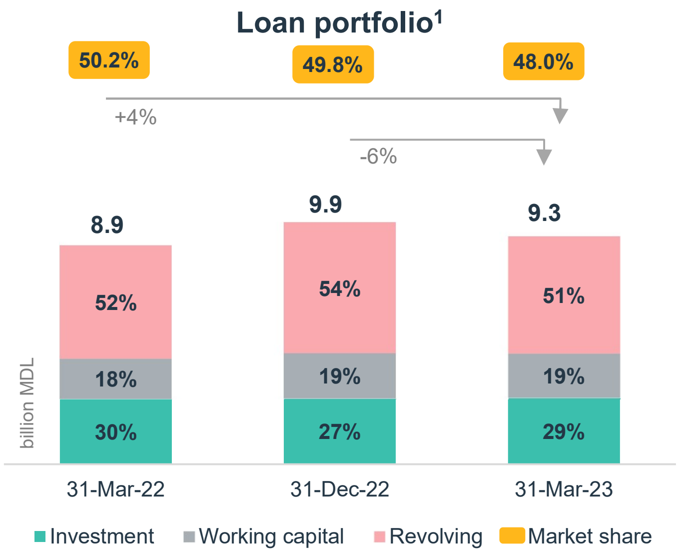
- **Operating income** reached MDL 169.5 million in 1Q 2023, up by 15.5% YoY and down by 18.0% on a QoQ basis. The YoY increase in operating income was mainly driven by net interest income. The increase in net interest income was mostly attributable to an overall YoY growth in the gross loan portfolio by 4.3% coupled with higher net interest margins.





- **Cost of risk** associated to the corporate loan portfolio stood at -0.6%, lower by 4.8 pp QoQ. In 1Q 2023 corporate segment cost of risk, was entirely offset by the release of allowances, driven by the overall decrease in loan portfolio. ECL coverage remained at the same level – 5.1%, up by 0.1 pp QoQ and up by 0.2 pp YoY. PAR30 stood at the same level as in December 2022 – 1.4%. A positive dynamic is portfolio quality is corroborated by lower default rates.





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

- **Corporate gross loan portfolio**[1] stood at 9.3 billion as of 31 March 2023, being up by 4.3% YoY but down by 5.7% QoQ. The QoQ decrease is related to the overall decrease in balance of revolving loans, that represents 51% of total corporate loan portfolio. The concentration of corporate loan portfolio is spread mainly between food and trade industries, which in aggregate account for over 57% of Corporate loan portfolio. **Maib's market share**[1] in Corporate loans stood at 46.6% at the end of 1Q 2023, down by 3.2 pp on a QoQ basis.

- Corporate Banking **deposit portfolio** stood at 4.5 billion as of 31 March 2023, being up by 29.2% YoY but down by 1% on a YoY basis. The QoQ decrease in deposit portfolio was bolder in current accounts portfolio in foreign currency, while the portfolio in local currency has increased. The YoY increase in corporate deposits portfolio was mostly prompted by term deposits in foreign currency. The attractive products offered by maib propelled the clients to maintain their earnings over a long term deposits, this resulting in a significant increase in share of corporate term deposits in total corporate portfolio – up to 42% in 1Q 2023 from 18% in 1Q 2022. The structure by currency mix has not changes significantly during 1Q 2023, mostly consisting of deposits denominated in local currency – 51%. The structure per deposits types has not changes significantly, over 58% representing current accounts.

[1] Source: NBM

Subsequent events

Latest Monetary Policy decision. On 11 May 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 pp, from 14% to 10%
- interest rates for overnight loans by 4 pp, from 16% to 12%
- interest rates for overnight deposits by 4 pp, from 12% to 8%

The decision to loosen the monetary policy is taken in light of falling inflation and the need to jumpstart economic recovery following a difficult 2022.

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. Words such as “believe,” “anticipate,” “estimate,” “target,” “potential,” “expect,” “intend,” “predict,” “project,” “could,” “should,” “may,” “will,” “plan,” “aim,” “seek” and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. 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. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results. 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. Any forward-looking statements are only made as at the date of this report. Maib does not intend and 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. In addition, even if the results of operations, financial condition and liquidity of the Group, and the development of the industry in which the Group operates, are consistent with the forward-looking statements set out in this report, those results or developments may not be indicative of results or developments in subsequent periods.

You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this report. As a result, you should not place undue reliance on such forward-looking statements.

Glossary

Abbr.	Indicator name	Calculation formula
ROE	Return on Equity	Net profit divided by average equity (average between current period closing balance of equity and previous quarter closing balance of equity)
ROA	Return on Assets	Net profit divided by average assets (average between current period closing balance of assets and previous quarter closing balance of assets)
NIM	Net Interest Margin	Annualized quarterly net interest income divided by average balance of interest generating assets (average between current period closing balance of interest generating assets and previous quarter closing balance of interest generating assets)
-	Loan yield	Annualized quarterly loan interest income divided by average gross loan to customers portfolio (average between current period closing balance of gross loans to customers and previous quarter closing balance of gross loans to customers)
-	Cost of funding	Annualized quarterly interest expense divided by average balance of interest bearing liabilities (average between current period closing balance of interest bearing liabilities and previous quarter closing balance of interest bearing liabilities)
-	Cost of deposit	Annualized quarterly deposits interest expense divided by average due to customers portfolio (average between current period closing balance of due to customers portfolio and previous quarter closing balance of due to customers portfolio)
-	Cost to income ratio	Total operating expenses divided by total operating income
-	Cost of risk	Annualized quarterly net expected credit loss charge related to loan to customers portfolio divided by average quarterly gross loans to customers portfolio balance (average between current period closing balance of gross loans to customers and previous quarter closing balance of gross loans to customers)
LTD ratio	Loan-to-deposit ratio	Net loans to customers divided by due to customers deposits at period-end
NPL ratio	Non-performing loans ratio	Gross exposure of non-performing loans (defined as such by the bank's methodology according to IFRS 9 provisions) divided by gross loan to customers portfolio
NPL coverage ratio	Non-performing loans coverage ratio	Total expected credit loss allowances divided by gross exposure of non-performing loans to customers at period-end
ECL coverage ratio	Expected credit losses coverage ratio	Total expected credit loss allowances divided by gross loan to customers portfolio at period-end
CAR	Capital adequacy ratio	Own funds divided by risk weighted assets at period-end (in accordance with NBM legislation)
LCR	Liquidity coverage ratio	High liquid assets divided by net outflows over a 30 days stress period (in accordance with NBM legislation)
EPS	Earnings per share	Net profit for the period attributable to the owners of the Bank divided by the number of Bank shares