

# Euromoney CEE Forum

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January, 2024

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# maib at a glance



## Leader on the Moldovan banking market

#1 bank by loans and deposits with a leading distribution network

**34% of total assets** (MDL 48.7 bn<sup>1</sup> / USD 2.7bn)<sup>(1)</sup>

**38% of total loans** (MDL 23.6 bn<sup>1</sup> / USD 1.3bn)<sup>(1)</sup>

**34% of total deposits** (MDL 35.8 bn<sup>1</sup> / USD 2.0bn)<sup>(1)</sup>

## Strongest and most trusted brand<sup>(2)</sup>, prominent player in digital banking

Established, modern and growing operations across all the major market segments in Moldova

**1.1m retail clients**

**32k SME clients**

**>500 corporate clients**

**57 NPS, 72% spontaneous brand awareness<sup>(2)</sup>**

**545k mobile app users**

## Paving the way in payments and ecosystems

#1 in payments<sup>(3)</sup>  
Market innovator with tailor-made ecosystems

**CasaHub, AgricolaHub and DriveHub ecosystems**

**>13,800 POS terminals**

**342 ATMs**

## Focus on improving operations and ESG

Transforming operational model to Agile, introducing sustainability into decision making

**Agile Center of Competence launched in July 2022**

**First sustainability report published in 2Q 2023**

9m 2023

### Net profit

**MDL 987.5 M**  
(+15.7% YoY)

### ROE

**18.5%**  
(-0.7 pp YoY)

### NIM

**5.1%**  
(-0.4 pp YoY)

### C/I ratio<sup>3</sup>

**49.9%**  
(+3.2 pp YoY)

### LCR<sup>2</sup>

**246.4%**  
(+129.2 pp YoY)

### CAR<sup>2</sup>

**23.0%**  
(+1.0 pp YoY)

Sources: maib Group consolidated financial statements 2023; maib management reports; NBM reports

Notes: All figures are as of 30 September 2023 unless stated otherwise; ROE refers to return on equity; NIM refers to net interest margin; C/I refers to cost to income ratio; CAR refers to capital adequacy ratio; NPS refers to Net Promoter Score; LCR refers to liquidity coverage ratio (1) FX rate USD/MDL 18.1553 as at 30 September 2023; (2) Brand KPI tracking study by ASK Moldova market research agency ([www.ask-moldova.eu](http://www.ask-moldova.eu)) carried out in December 2022 for maib (1084 respondents from representative groups); (3) # in acquiring payments, source: National Bank of Moldova (NBM).

<sup>1</sup> Amount according to NBM reports (standalone data)

<sup>2</sup> LCR and CAR 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, 2% of net operating income and 1% of total income of the Group.

<sup>3</sup> C/I ratio is calculated based on operating expenses excluding impairment and provisions charges (or releases)

# Our story so far



**1991**

maib is established. The bank is a successor to the government owned Agroindustrial Bank. The institution obtained its license for banking operations, including in foreign currency

**2000**

The General Assembly of Shareholders confirmed the EBRD and Western Nis Enterprise Fund as potential foreign investors of the bank. One year later, the two institutions invested 9.8% and 9.9% in the bank's equity.

**2007**

Development of retail banking offering - Starting from 2007, individuals can open deposits at any of the bank's branches on the entire territory of the country.

Internet banking launched as a pilot project

**2016**

maib launched a large-scale project aimed at transforming the institution into a modern European bank, optimizing, centralizing and automating its business processes, enhancing its efficiency and quality of services. Bank is an indisputable leader on the banking market, topping the banking efficiency rating

**2021**

maib refreshed Strategy, new Mission, Vision, Values were approved and strategic initiatives – launched. New brand identity introduced in Oct 2021. DriveHub ecosystem launched Nov 2021

**2023**

maib closes on its first ever domestic bond issue, and publishes its first sustainability report. The Bank signs a senior loan agreement with the International Finance Corporation.

**1993**

The bank became a founder of the Moldovan Stock Exchange

**2002**

- maib is the first bank in Moldova to set up a leasing company – maib Leasing.
- maib created its Business Center where corporate clients – local and foreign companies from various economic sectors - were being serviced individually.

**2008**

For the first time on the market, maib began issuing Visa and MasterCard chip cards and payment terminals. The client service system via telephone developed as InfoCentru and InfoTel services were created.

**2018**

A new stage in maib development 41.1% of the bank's shares were purchased by HEIM Partners Ltd – a consortium of internationally well-known investors: EBRD, Invalda INVL and Horizon Capital. MAIBank is launched.

**2022**

Major upgrades to both client-facing and internal processes. First Agile teams launched, second and third ecosystem – CasaHub (real estate) and AgricolaHub (agriculture) launched, Alto – premium banking launched

# Executive Summary 3Q and 9M 2023

## Macroeconomic highlights

GDP<sup>1</sup> 2Q 2023: **-2.2%**

GDP<sup>1</sup> 6M 2023: -2.3%

GDP forecasted<sup>2</sup> in 2023 and 2024:  
+1.2% and +3.8%

### Annual inflation rate:

December 2022: **30.2%**

December 2023: **4.2%**

## Strategy

**545k** MAIBank users

**1.1 million cards** in circulation

**62% online** deposits (retail)

**51% online** loans (retail)

**CasaHub, AgricolaHub and DriveHub** ecosystems

**> 13,800 POS terminals**

**342 ATMs**

## Financial highlights

**9M 2023:**

**3Q 2023:**

**ROE<sup>4</sup>: 18.5%**    **ROE<sup>3</sup>: 17.9%**

**ROA<sup>4</sup>: 2.9%**    **ROA<sup>3</sup>: 2.8%**

**Assets growth\*: 19.6%**

**Gross Loans growth\*: 9.0%**

*\*year-on-year*

Maib continues to pursue its strategic objective of a listing on a international stock exchange. To enable this listing, maib is seeking modification to certain aspects of Moldovan legislation, which currently make the listing impracticable. Subject to these legislative changes, maib will communicate an updated timeline for the listing.

1. Real GDP growth, according to National Bureau of Statistics; 2. Average of revised forecasts of: World Bank (June2023), International Monetary Fund (October2023), EBRD (September 2023), Vienna Institute for Economic Studies (October 2023) and Moldavian Ministry of Economy (October 2023); 3. Calculated based on 3Q-annualized (3 months) financial results; 4. Calculated based on cumulative 9-months financial results

# Key investment highlights



**1**  
Offering exposure to a new, attractive and converging market

**2**  
Clear #1 player and most trusted brand in Moldova, at the forefront of digital banking

**3**  
Leading the dynamic payments and ecosystem segments

**4**  
Highly experienced management team and strong corporate governance

**5**  
Focus on continuous transformation & improving efficiency

**6**  
Excelling at all relevant financial indicators

# 1 Moldova at a glance

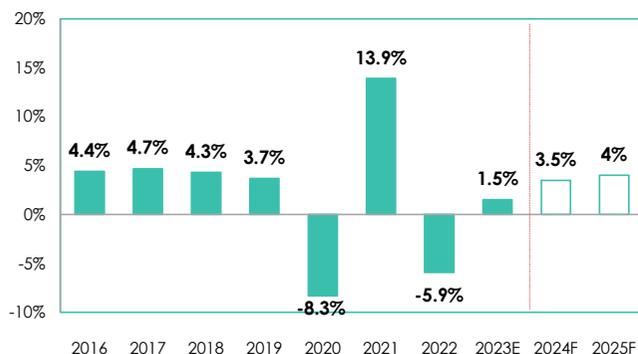
## Key facts

- Population\*: **2.5 mln**
- GDP (2022)\*\*: **USD 14.2 bln**
- GDP per capita (2022)\*\*: **USD 5,563**
- Real GDP CAGR ('15-'23): **2.1%**
- Forecast real GDP CAGR '24-'26: **4.1%\***
- Growing urban population (urban vs. rural: 43%/57%)

(\* Source: National Bureau of Statistics of Moldova; (\*\*) FX rate used at 31.12.2022

## GDP to return to growth

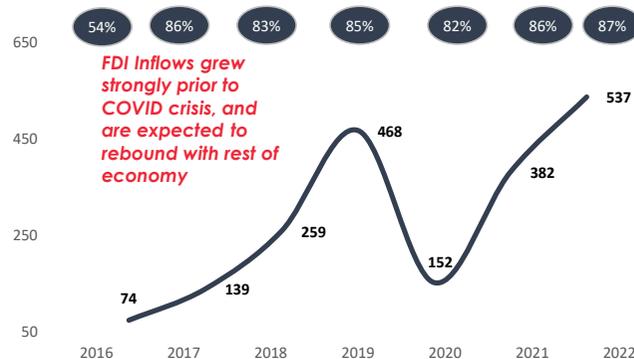
### GDP recovery expected



Source: Ministry of Economy and Infrastructure of Moldova (as of December 2023); <https://point.md/ru/novosti/ekonomika/alaiba-moldova-zavershit-2023-god-s-ekonomicheskim-rastom-na-urovne-1-5/>

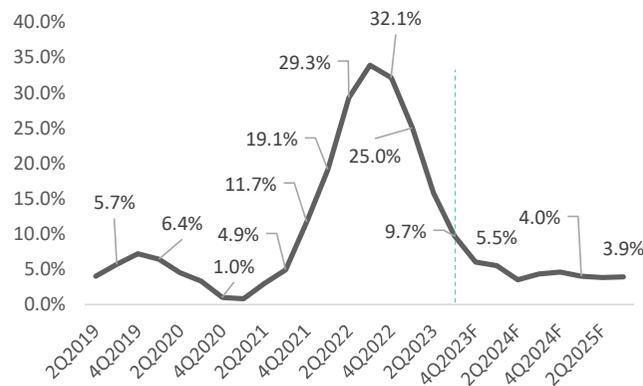
## FDI rebound despite the war in Ukraine

### Moldova net FDI Inflows 2016-2022, mUSD



Source: NBM Share of FDI from EU, % — FDI

## Inflation peaked in 2022, moderating in 2023



Source: NBM

## Location



- Proximity to the European Union: Moldova shares borders with an EU member state Romania. This location provides Moldova with access to the EU's large consumer market.
- Shared heritage and language with Romania leads to deeper economic and political ties
- Romania has granted over 650k citizenships to Moldovans since 2000
- **Moldova has been an EU candidate country since June 2022, and has started accession negotiations in December 2023.**

# 1 Integration with EU

Moldova has stepped up its efforts to closer integration with the EU

## Moldova-EU relations

- **Moldova has started EU accession negotiations in December 2023.**
  - EU Candidate status granted in record short time – 3 months (June 2022)
  - EU Commission cited solid foundations for democracy and sound economy
- **Association Agreement** between Moldova and the EU was signed in 2014. It includes:
    - Deep and Comprehensive Trade Area agreement, which is effectively a free trade agreement between Moldova and the EU
    - Visa-free entry in the Schengen zone for Moldovan citizens
    - A financial assistance package and a range of infrastructure projects financed by EU, including roads, schools, hospitals and other public service objects
  - **Dual Romanian-Moldovan citizenships** are estimated to be as high as **1 million\*** in number, or approximately 40% of the population
  - The **European Political Community summit** took place in Moldova on the 1<sup>st</sup> of June 2023 with major European heads of state attending
  - EU provided **EUR 1.1 billion** of assistance to Moldova since October 2021 to help country's resilience

## Moldova at EU's eastern border

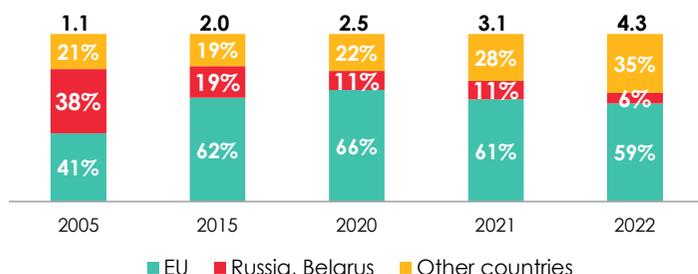
*Moldova became the EU candidate country in June 2022. Accession negotiations were given green light in December 2023. Moldova has completed six out of the nine recommendations outlined in EU Commission accession report.*



\* <https://www.veridica.ro/en/analyses/moldova-romania-relations-and-the-issue-of-the-gentle-calf-sucking-from-two-cows>

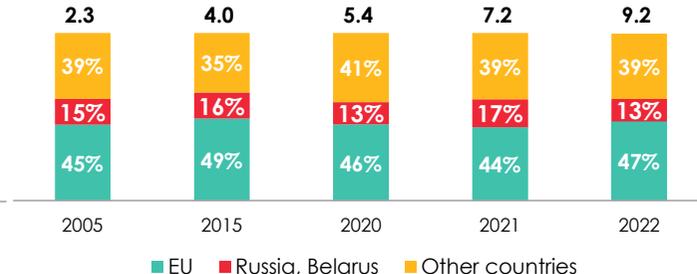
## EU dominates trade and remittances

Exports to EU now over two thirds of total, bUSD



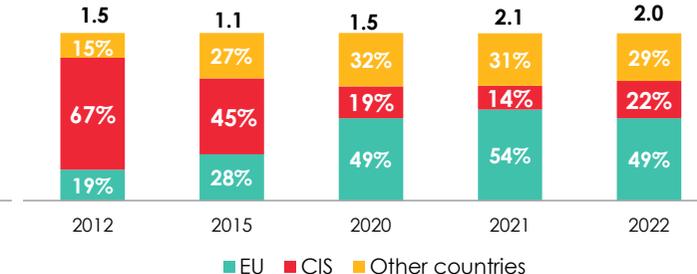
Source: National Bureau of Statistics of Moldova

Imports from EU under half of the total, bUSD



Source: National Bureau of Statistics of Moldova

Remittances from abroad – EU now highest, bUSD



Source: NBM, Balance of payments

# 1 Key recent events and economic highlights

## Economic Recovery expected

- The second quarter of 2023 saw a decline of 2.2% as compared to 2Q 2022. The main sectors, which contributed to this decline, were reductions in retail trade, construction, and the manufacturing industry.
- This follows on from the first quarter where the economy experienced a bigger economic decline of 2.4% year-on-year, and the year 2022 where the economy struggled due to the Ukraine war, and the ensuing energy crisis, inflation, and unstable external environment, as well as a severe drought.
- The latest forecasts predict that the economy will recover, growing by up to 2% in 2023. Out of the relevant forecasters assessed, none expect an economic decline. A revitalization of the agriculture sector is the key to the expectations of economic recovery, with the Ministry of Economy predicting that it will grow by 25% year-on-year in 2023
- Some positive signs seen in the inaugural business confidence survey by AmCham with 74% of managers expecting growth increase in 2024.

## Inflation within NBM target corridor

- Inflation stood at 4.2% as of December 2023, within the NBM inflation target of  $5\% \pm 1.5\%$ .
- It peaked at 34.6% in October 2022.
- This has been achieved through the tight monetary policy used by the National Bank of Moldova (NBM), coupled with a lowering of energy prices.
- Monetary policy loosened:
  - ✓ Base rate at 4.75% as of November 2023, lowered from 21.5% in August 2022;
  - ✓ Reserve requirements in MDL at 33% as of November 2023, lowered from 40% in December 2022;
  - ✓ Reserve requirements in foreign currency at 43% as of November 2023, lowered from 45% in September 2023.
- **In December 2023, a new governor was appointed to the NBM (Anca Dragu).**

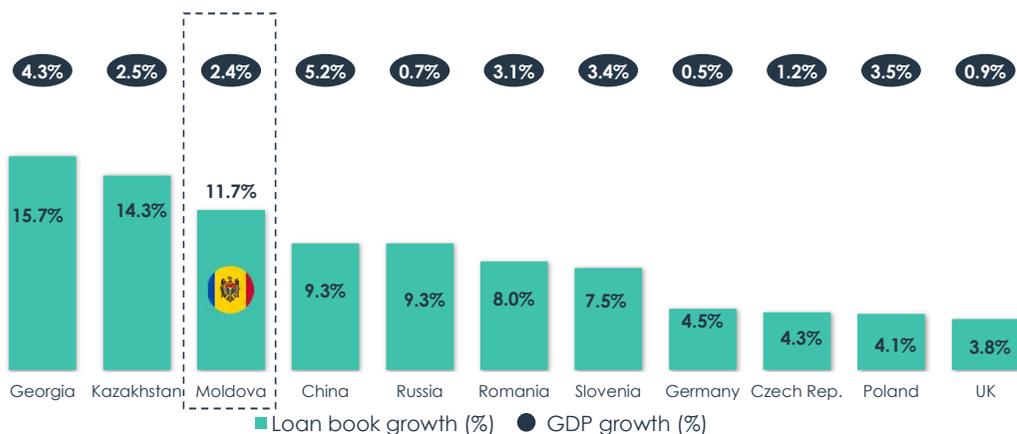
## EU integration agenda

- On December 14<sup>th</sup>-15<sup>th</sup>, the European Council decided to open EU accession negotiations for Moldova.
- In November, the European Commission declared that Moldova has completed six out of the nine steps set out in the “Commission Opinion on Moldova’s EU membership application”.
- The Commission will continue monitoring progress and compliance in all areas related to the opening of negotiations and report to the European Council by March 2024.
- The EU continues to support Moldova as the European Council has granted macro-financial assistance in 2023 in the form of EUR 295 million to contribute to Moldova’s balance-of-payments needs and economic recovery.

# 1 Moldovan banking sector overview

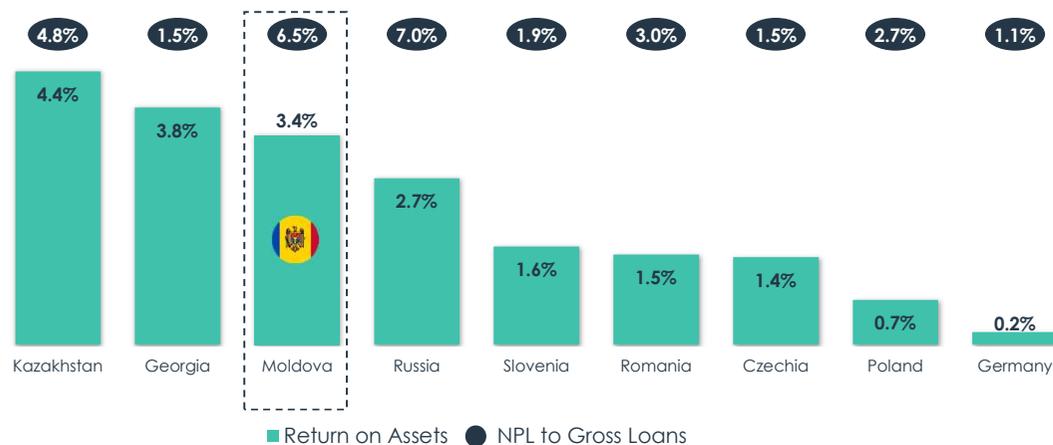
High under-penetration and proven resilience

Real GDP growth and loan growth rates 2018-2022



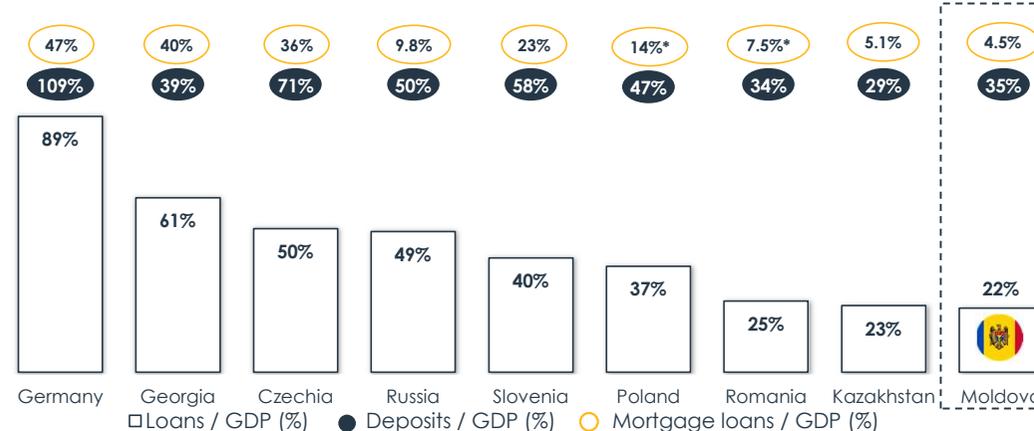
Source: maib research, IMF, Central Bank pages of respective countries.

Return on assets and the level of impaired loans



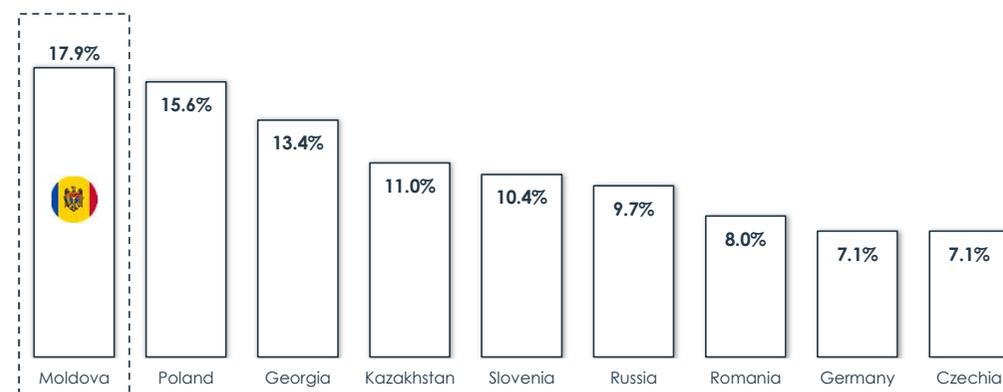
Source: IMF, NPLs according to prudential calculation (\*) latest available

Loans, mortgages and deposits penetration (% GDP)



Source: IMF and NBM, latest available data (2022, 2023) \*Romania and Poland include only residential mortgages

Equity to assets, 1H2023



Source: IMF, most recent time period available

## 2 Leading position in an attractive market

maib holds a dominant position in an open and transparent market & is poised for growth

### Banking sector snapshot

- There are 11 commercial banks in Moldova in total

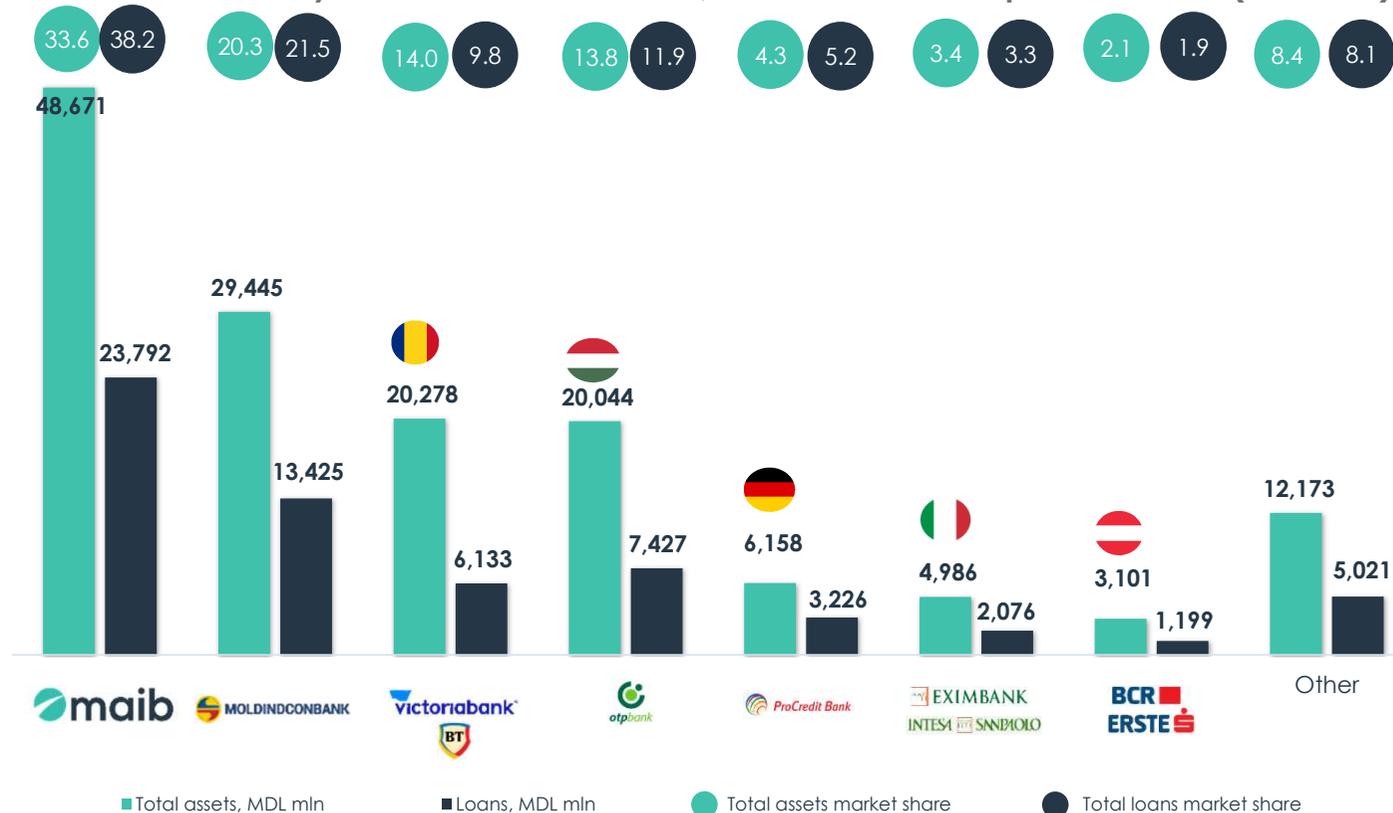
- Banking sector remains open with foreign banks' subsidiaries already present in the market (Romania, Hungary)
- Four largest systemically important banks dominate the market with over 80% of total assets of the banking system
- There are no state-owned banks at present

- National Bank of Moldova enforces prudent behaviour via modern and conservative regulations

- Capital and liquidity requirements are one of the highest in the region
- The capital adequacy ratio (CAR) calculation is fully aligned with EBA regulation and Basel III standards.
- Liberal economic regulation: full currency convertibility and no capital control

### Banking sector landscape

Commercial banks by total assets in Moldova, as of the 30<sup>th</sup> of September 2023 (MDL mln)



Source: NBM

# 2 Award winning franchise and customer experience



Almost half of branches upgraded to the new design



Competitor 1	273	10k	157
Competitor 2	216	8.2k	68
Competitor 3	61	1.6K	20

Source: NBM, maib and competitors information at 30 September 2023

## Extensive and modern physical network

- 355 ATMs and 362 self-service terminals, including cash-in and a variety of payment and money transfer services
- 13,746 POS terminals, market leading network
- 111 branches and agencies providing full range of services to retail and non-retail clients
- Branch re-design and re-branding launched in 2021

## Market leading app providing a full range of services

- App provides full management of customer accounts
- Online application for loan products via app
- Utility payments, exchange service, balances and transactions
- Instant access to customer service via the app

## Alto premium banking – first such offering in Moldova



Alto aims at capturing high value-add loyal customer

## Awards in all categories



“EMEA FINANCE”  
Best Bank in Moldova 2022 for a second consecutive year



“THE BANKER”  
Moldova’s Bank of the Year 2023

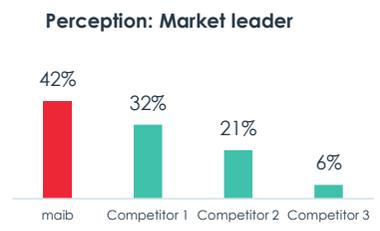
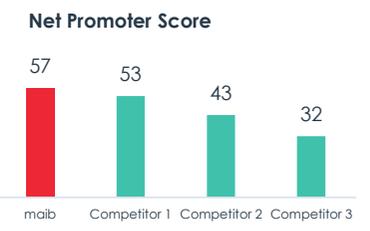
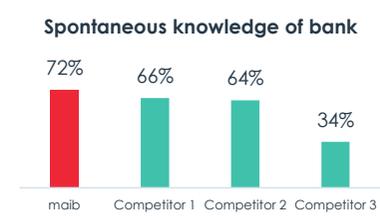
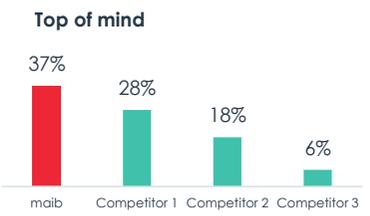


“GLOBAL FINANCE”  
Best SME Bank in Moldova 2023



“EUROMONEY”  
Best Bank in Moldova 2023

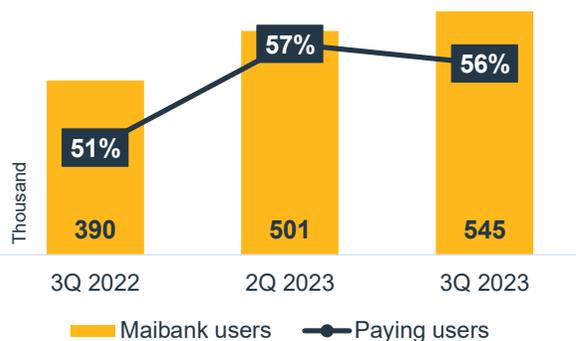
## Runaway brand leadership



Source: Brand KPI tracking study by ASK Moldova market research agency ((www.ask-moldova.eu) carried out in December 2022 for maib (1084 respondents from representative groups)

# 3 Advancing digital and payment solutions

### MAIBank retail users



**69%  
MAU\***

**32%  
DAU\*/  
MAU**

**3.0  
transactions  
/month/  
MAIBank  
user**

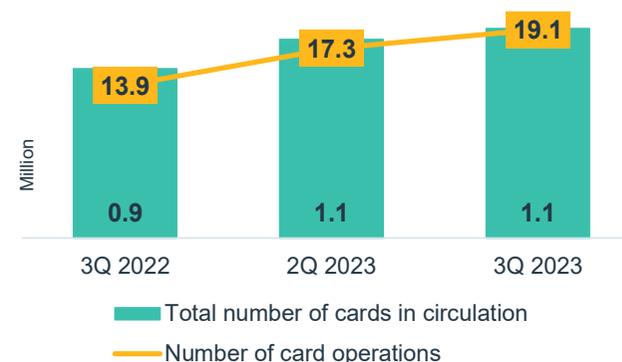
Maib launched full digital onboarding for citizens in September 2023;



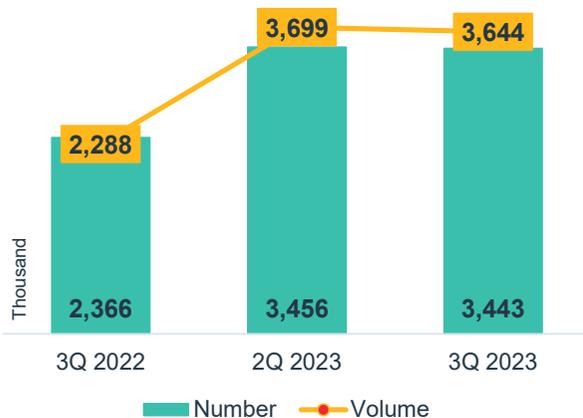
**maib digital onboarding**

Future plans include extending this service for the diaspora (Over 1m Moldovans live abroad)

### Maib cards in circulation



### MAIBank online payments

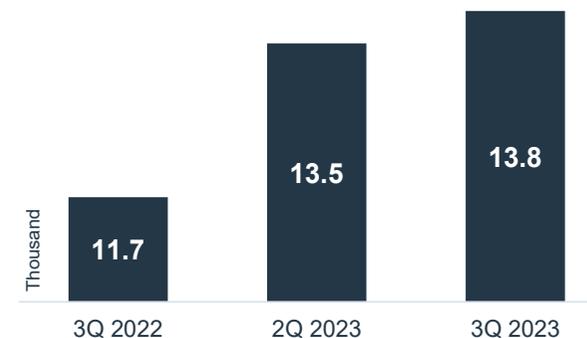


**62%  
online  
deposits\*  
in 3Q 2023**

**51%  
online  
retail loans\*  
in 3Q 2023**

\*by number

### POS & E-COMM terminals portfolio

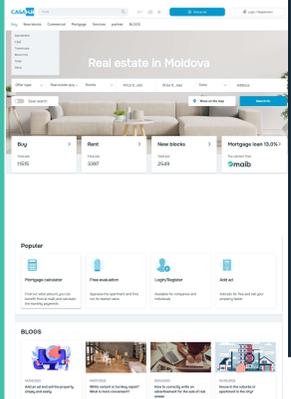


(\*) MAU – monthly active users; DAU – daily active users

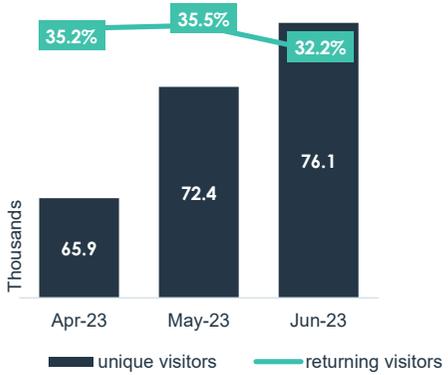
# 3 Transforming maibank into superapp



## Maib's existing ecosystem:



- ✓ Mortgage calculator
- ✓ User's instant information
- ✓ Real estate blog
- ✓ Funding programs
- ✓ Partnership
- ✓ Real estate evaluation for payment
- ✓ Mortgage video consultations
- ✓ CasaHub APP



The integration of diverse services in a single place will allow maib to **customise its offering**, pricing. **The superapp will aid the transition from branch to phone.**



### Maibank features

- Always online
- Real time updates about your money
- Transfer and receive money (p2p and t2c)
- Pay for services and bills anywhere
- Protect against theft by blocking your card directly from the app
- Find ATMs, branches, agencies and much more



To be integrated



- Mortgage calculator
- Funding programs
- Real estate evaluation for payment
- Mortgage video consultations

### Value-adding additional features:

- Own services such as insurance;
- Integration with government eGov platform for payments and appointments;
- Various third party services and partnerships, such as online brokerage.

### Currently in the app

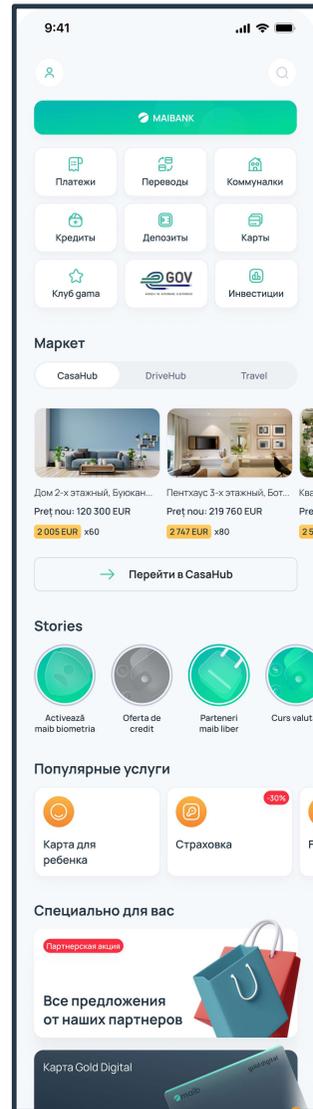
### Full digital onboarding for Moldovan citizens

- Any Moldovan citizen with a national ID card can open an account with maib without visiting a branch
- This is integrated into **maibank**
- Currently available **only in Moldova**

### Online onboarding for diaspora

Over 1 million Moldovans live abroad

Plans for future implementation



# Strong management and governance



## Strong management team

### Significant experience in the banking and finance industry...

**9 years**

Average tenure with maib of present management board

**22 years**

Average experience of the management team in financing and banking sector



### ...gained in a variety of blue-chip financial institutions in Moldova and abroad...



### ...and current CEO with a track record in the international investment community

Oversaw the listing of a Georgian bank on London Stock Exchange and its subsequent promotion to premium segment and inclusion into FTSE250

Achieved 20%+ consistent ROE for TBC, while also raising over \$2.5b in debt and equity on the international markets for the bank



## Best-in-class corporate governance framework

### maib's governance structure is based on best practice and designed to protect minority shareholders

The Supervisory Board includes three independent directors out of seven to ensure protection for minority shareholders

Risk, audit and remuneration committees report directly to the Supervisory Board



### EBRD, a long-term indirect shareholder, is committed to promoting good corporate governance in countries it invests in

EBRD undertook a governance assessment in Moldova and actively lobbies adherence to good corporate practice

maib has taken on board IFIs guidelines for corporate governance in designing its own supervisory structures



### Executive incentive scheme (LTIP) and executive education with Stanford GSB

Under 100 top and middle management personnel are eligible for LTIP, which looks to incentivize long term value creation

Executive education designed by Stanford GSB for 60 business executives from top and middle management to enable cultural change and upskill the leadership team



# 5 Transforming into future-proof financial institution



### Customer experience

- New products and services – factoring, online loan tranche request
- Increase quality of cash handling
- Best bank in Moldova by Euromoney, The Banker

### Digitalization

- Full digital onboarding for diaspora
- Superapp, which will integrate all of maib's digital offerings, in development
- Upgrading datacenter



### Payments

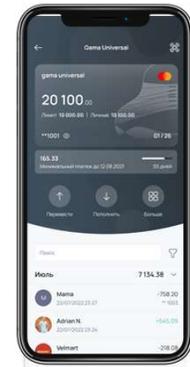
- Apple Pay, Google Pay for Business, electronic signature
- Best-in-class security features

### Branch offloading 2.0

- Streamlining existing branches
- Offloading low value day-to-day transactions into the app
- Improving facial recognition



**Further strengthen leadership position across all markets and segments**  
Leadership in payments  
Sustainable profitability  
Disciplined approach to costs



# 5 Key operating highlights during 3Q 2023



## Maib adopted a Sustainability Strategy and Roadmap



EU4Energy



GREEN FOR GROWTH FUND  
TECHNICAL ASSISTANCE FACILITY

- In November **maib's** Supervisory Board approved the sustainability strategy and roadmap, which set out its sustainability goals and the path towards them;
- Some of the directions and initiatives included in the strategy are:
  - A MDL 10 million fund which will benefit recipients of green products;
  - Reduction of both financed and own GHG emissions;
  - Treat employees fairly and contribute to their growth and development.

## Corporate bond offering, new product for domestic market

Inaugural corporate bond offering:

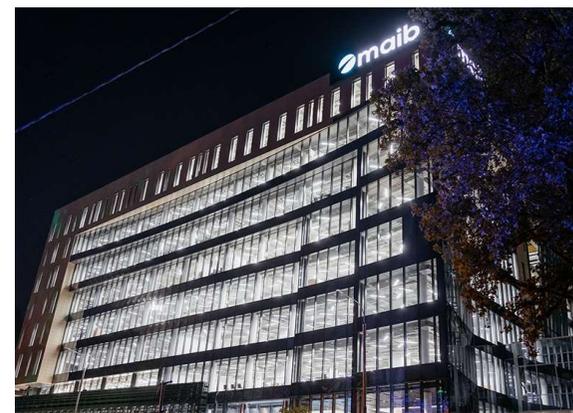
- Had a total value of **MDL 258 million**
- Number of **customers** reached **740**.
- Was split into **4 issues** (each valued at MDL 58, 28, 84, and 88 million respectively) and lasted from April to August 2023.

Second corporate bond offering:

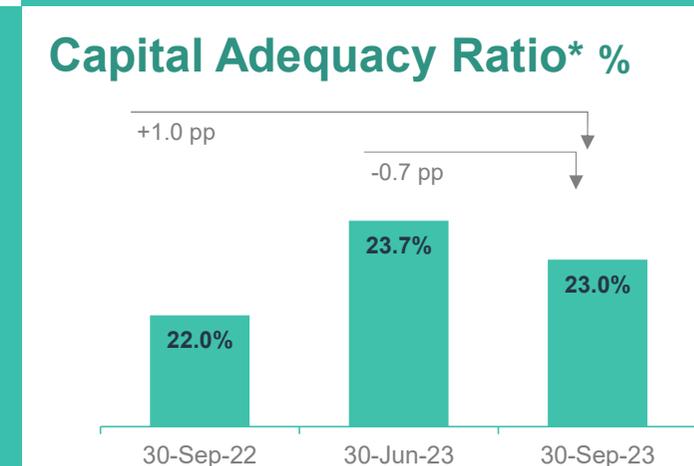
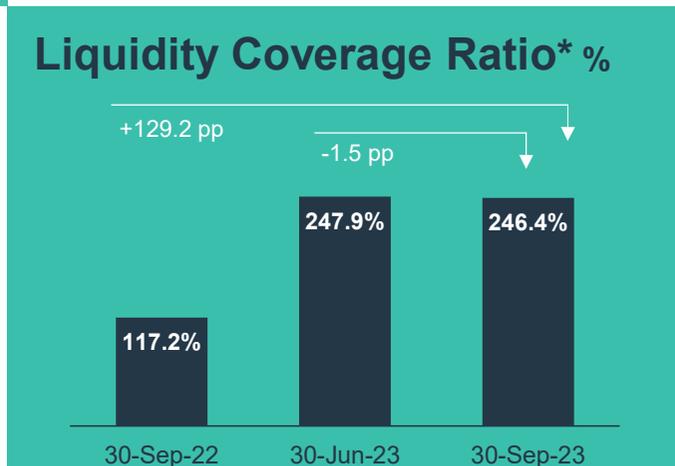
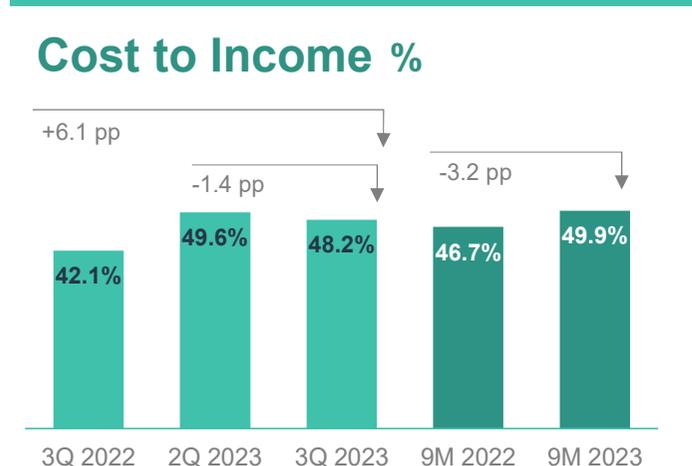
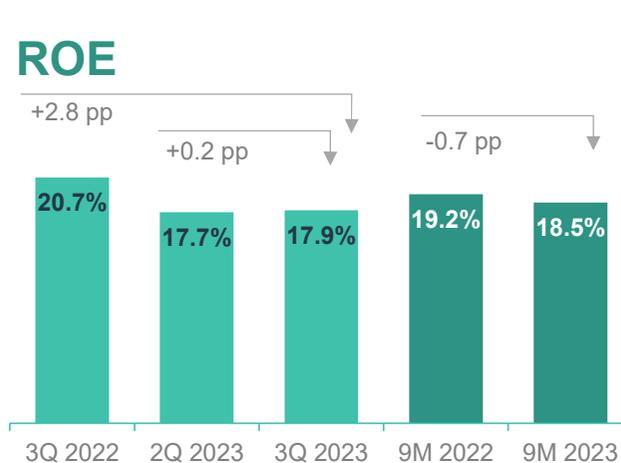
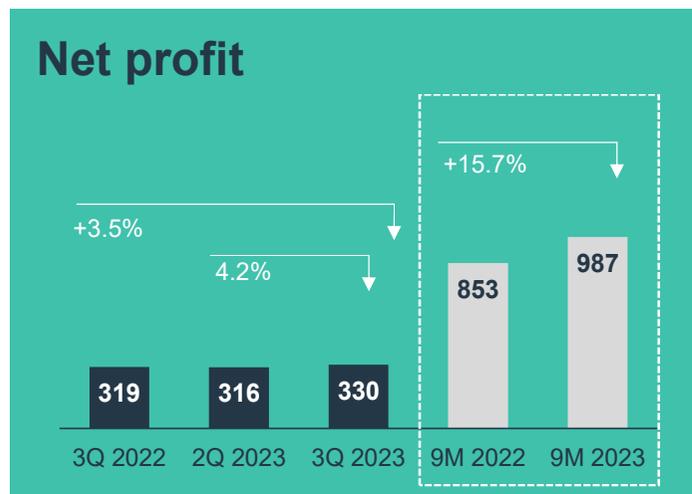
- Has a total value of **MDL 1 billion**
- It will be split into **10 issues**, with each valued at MDL 100 million.
- Each bond will have a **maturity of 3 years** and pay a **monthly coupon**.

For maib the **bond offering** presents an innovative way to diversify its **funding base** while meeting all the regulatory requirements. **Bonds help increase profitability.** It is a step towards **developing the capital markets in the country.**

## Maib opens its new digital head office in Chisinau

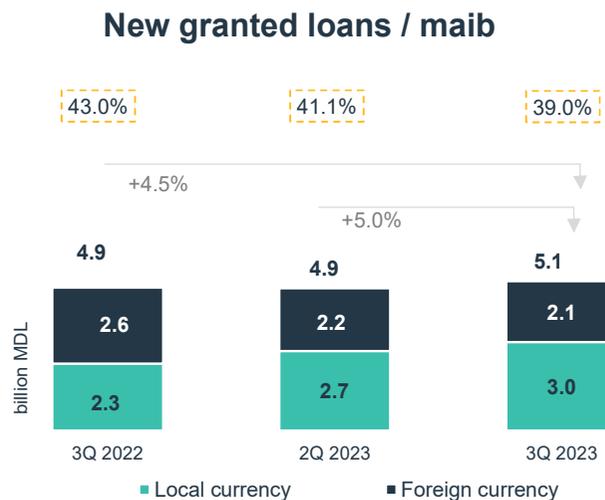
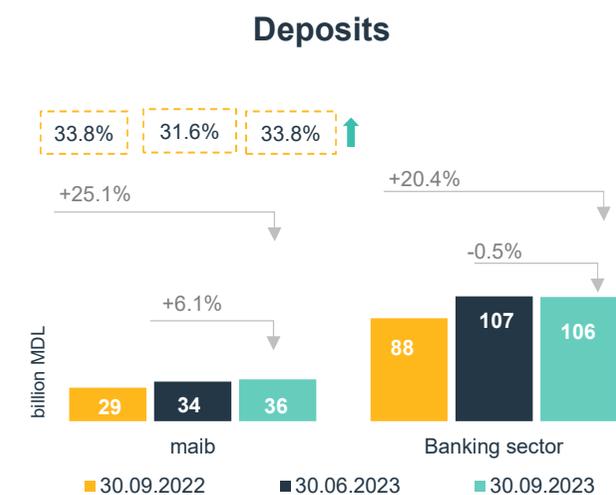
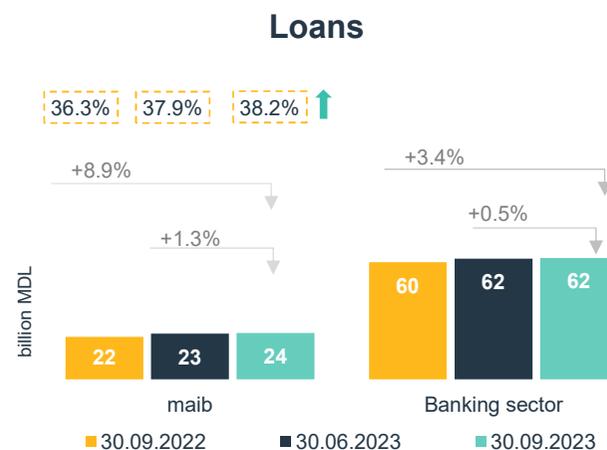
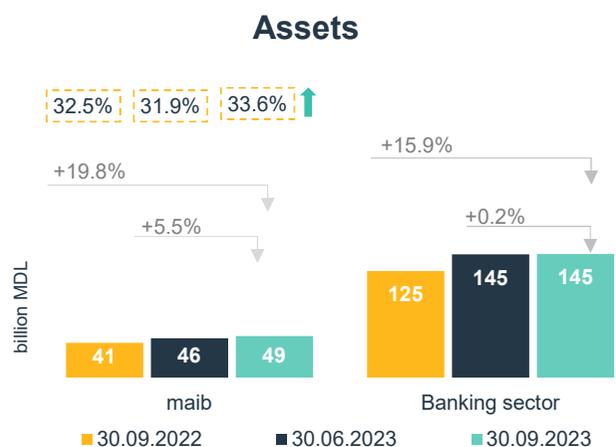


# 6 Excelling at relevant financial indicators



\*Liquidity coverage ratio and Capital Adequacy Ratio 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

# Maib consolidated market position on Legal entities deposits during 3Q 2023



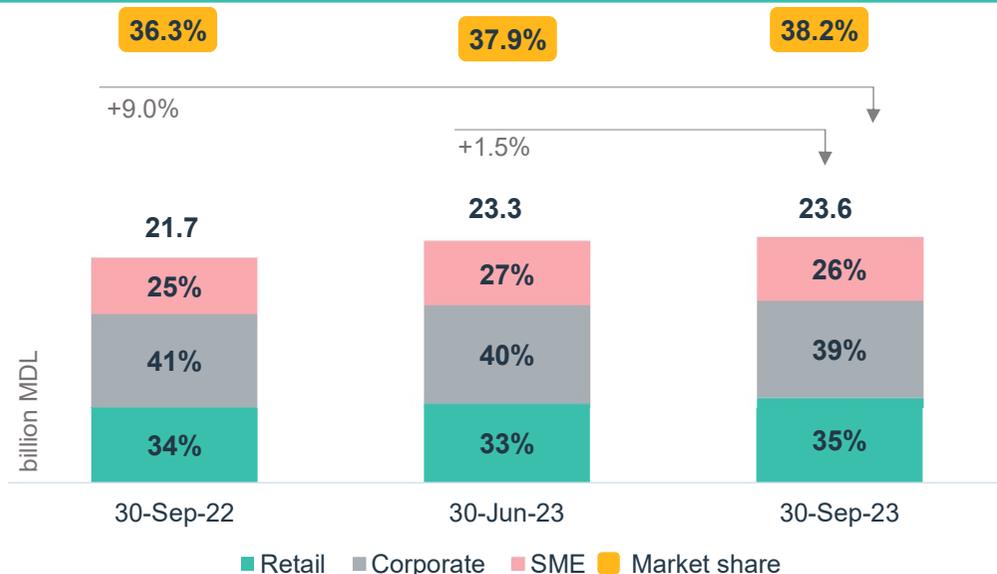
- Maib QoQ deposits portfolio growth was spread across all segments, with a particular strong contribution of **corporate segment** (58% of deposits growth). Maib's market share in Legal entities deposits reached 31.8% by the end of 3Q 023, up by 5.3 pp YoY;
- QoQ growth of **retail deposit portfolio** was largely propelled by term deposits, making up over 69% of QoQ retail deposits growth.
- Maib took 36% from the system rise balance of **retail loans** in 3Q 2023, consumer loans contributed mostly to the QoQ growth (69% of retail loans growth). In terms of mortgage lending, maib sustained an upward trend, achieving 4.9% QoQ expansion;

Source: NBM

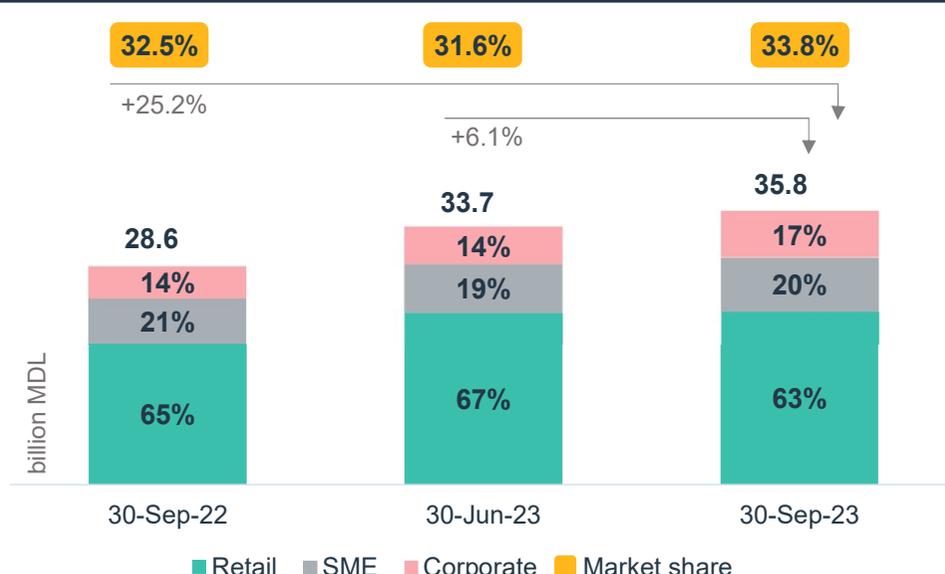
Market share

# Deposit Growth Led by Corporate Segment

**Loan portfolio<sup>1</sup> by segments**



**Deposit portfolio<sup>2</sup> by segments**



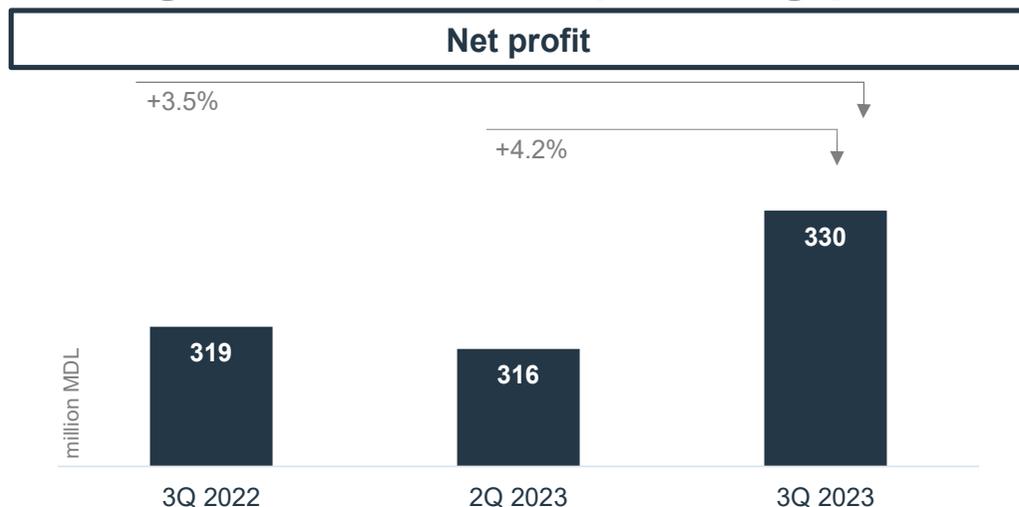
- The **gross loan portfolio** reached MDL 23,636 million, reflecting a 1.5 pp increase QoQ and a substantial 9.0 pp YoY. Maib solidified its position as a lending market leader during the third quarter of 2023, expanding its market share by 0.3 pp to 38.2%, a YoY increase of 1.9 pp.
- The QoQ increase was driven by a notable 7.6% growth in **Retail loan portfolio**, contributing to maib’s increased market share in retail lending, which rose by 0.8 pp to 33.6% by the end of September 2023. While the legal entities’ loan portfolio fell slightly by 1.5% QoQ in 3Q 2023, it recorded a 7.4% YoY increase. This dynamic reflects with the overall market lending slowdown.
- As of September 30, 2023, the **customers’ deposits portfolio** reached MDL 35,780 million, reflecting a 6.1% increase QoQ and a substantial 25.2% growth YoY. The Bank’s market share of deposits stood at 33.8%, demonstrating a notable increase of 2.1 pp QoQ and 1.2 pp YoY. In term of segments, the QoQ increase was primarily driven by the **Corporate portfolio**, constituting 58% of the overall deposit growth.

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

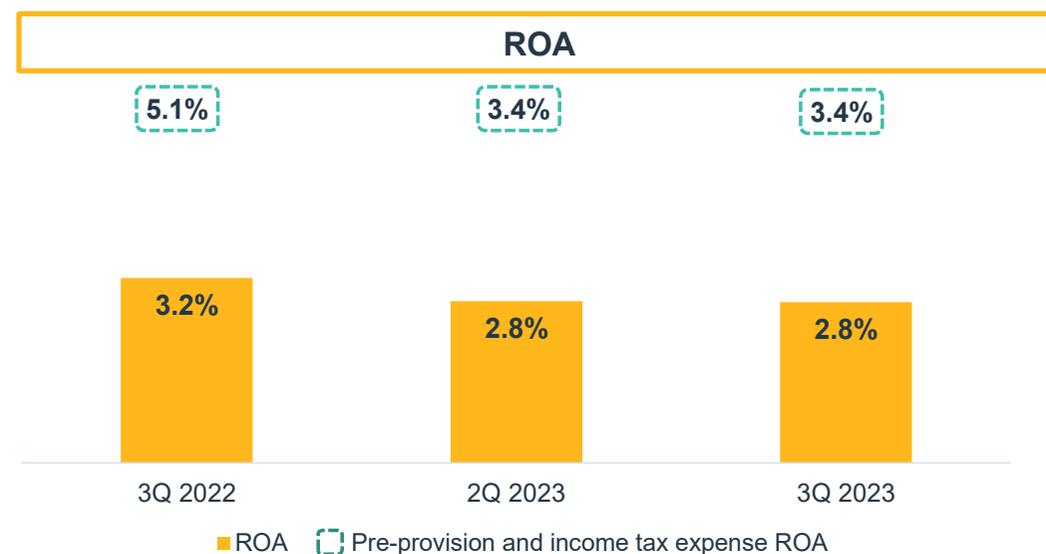
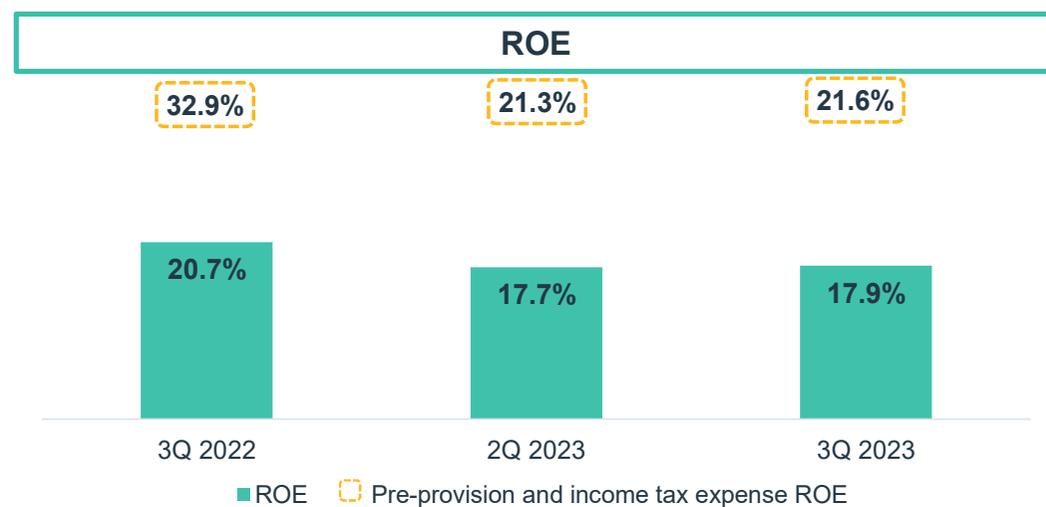
<sup>2</sup> Amounts presented in the diagram include principal and accrued interest

<sup>3</sup> Source: NBM

# Strong financial and operating performance continued in 3Q 2023



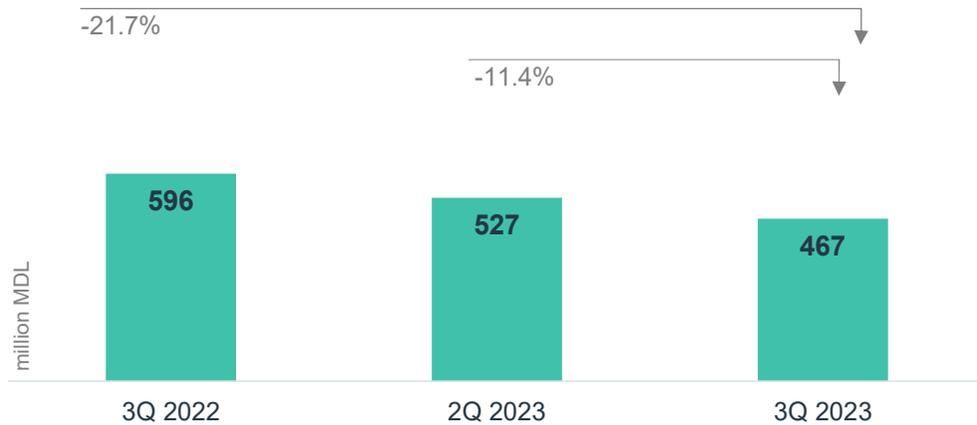
- In the 3<sup>rd</sup> quarter of 2023, Group's **net profit** amounted to MDL 329.7 million, up by 4.2% QoQ and by 3.5% on a YoY basis. Amid the ongoing monetary policy relaxation cycle and its repercussions on asset yields, especially concerning required reserves and debt securities, which impacted net interest income, the Group succeeded to expand its operating income level by 1.7% on a QoQ basis. The main contributor to this growth was non-interest income, in particular net foreign exchange gains, which marked a solid 53.9% QoQ increase.



## 3Q and 9M 2023 results

# Monetary policy easing impacting net interest margin

### Net interest income

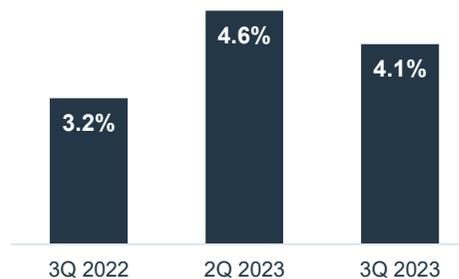


### Net Interest Margin (NIM)

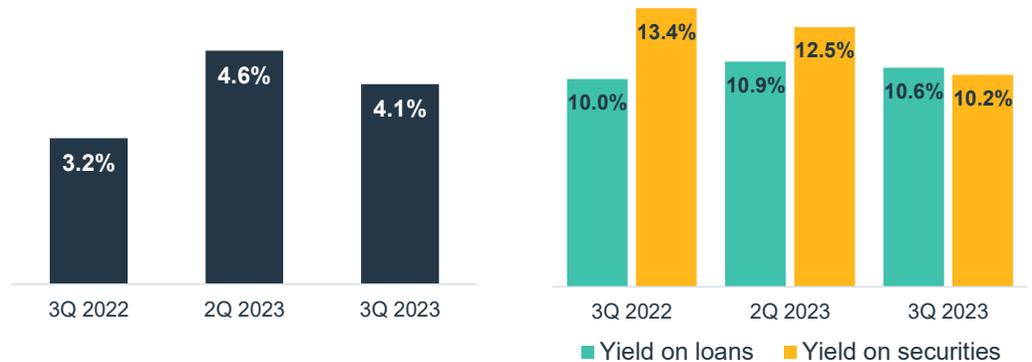


- During the third quarter of 2023, the Group's **net interest margin (NIM)** experienced a decline, standing at 4.2%. This reflects an 80 basis points decrease on a quarter-over-quarter (QoQ) basis and a more substantial 220 basis points decrease compared to the same period last year. This downturn in NIM is a direct result of the continued monetary policy easing initiated at the end of the preceding year.
- The reduction in asset yields has played a key role in the contraction of NIM, resulting in a successive impact on net interest income, which decreased by 11.4% QoQ and 21.7% YoY during the third quarter of the year.
- Funding cost** fell by 0.5 pp QoQ down to 4.1% in the third quarter of 2023, primarily due to decrease in cost of deposits by 0.6 pp QoQ down to 3.7%.

### Cost of funding

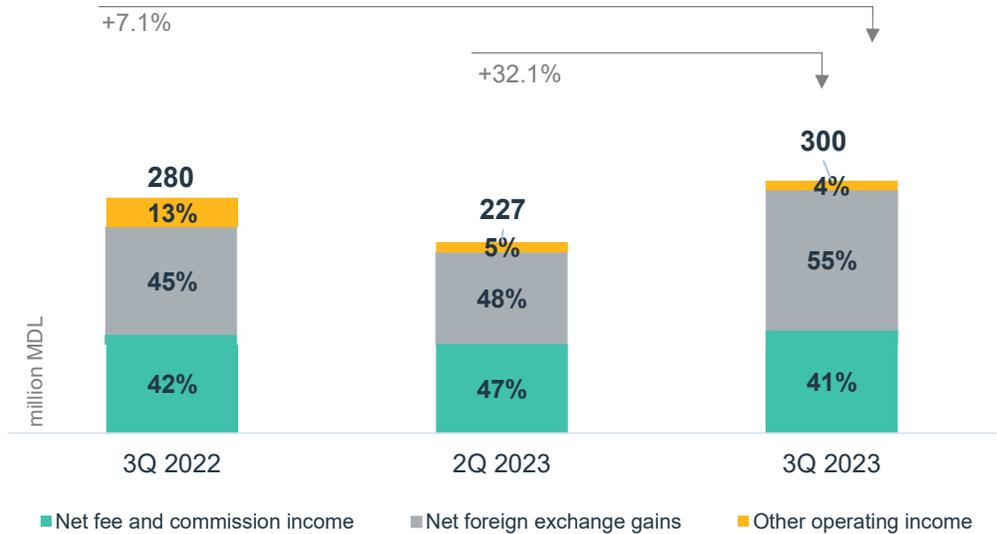


### Yield on loans & securities

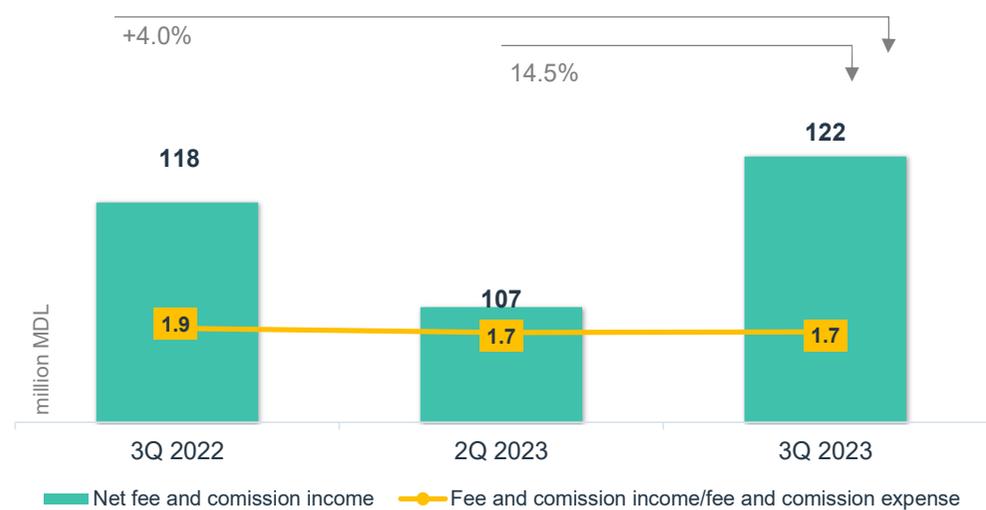


# Non-interest income up on forex gains

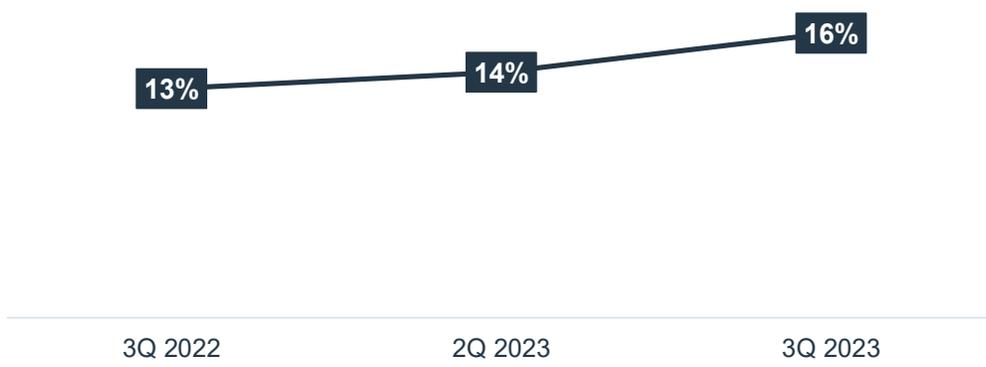
## Non-interest income



## Net fee and commission income



## Net fee and commission income % in operating income



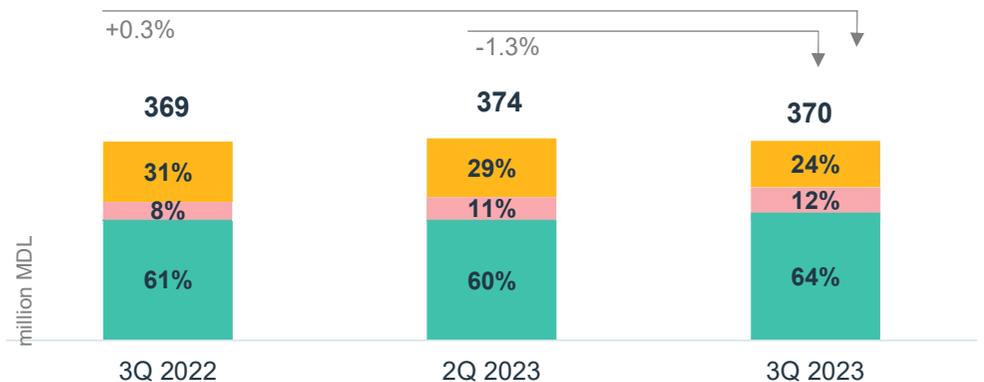
- Non-interest income** stands as a substantial component, constituting over one third of the total operating income. In the 3rd quarter of 2023, non-interest income reached MDL 300.1 million, demonstrating a 32.1% QoQ and 7.1% YoY increase. The QoQ growth was primarily driven by **net foreign exchange gains** from increased margins and volumes of the forex exchange transactions performed by legal entities in this period.

## 3Q and 9M 2023 results

# Cost-to-income ratio (CIR) down in 3Q 2023

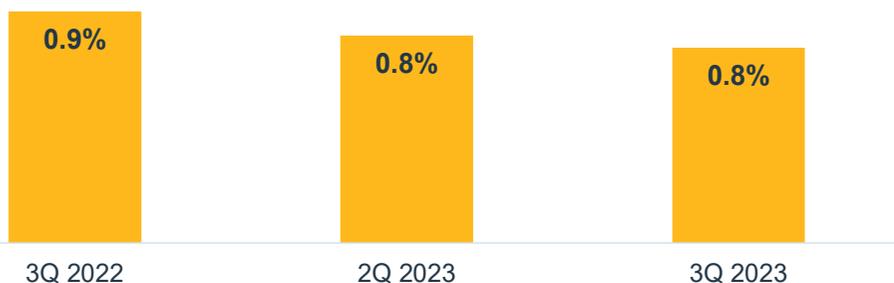


### Operating expenses



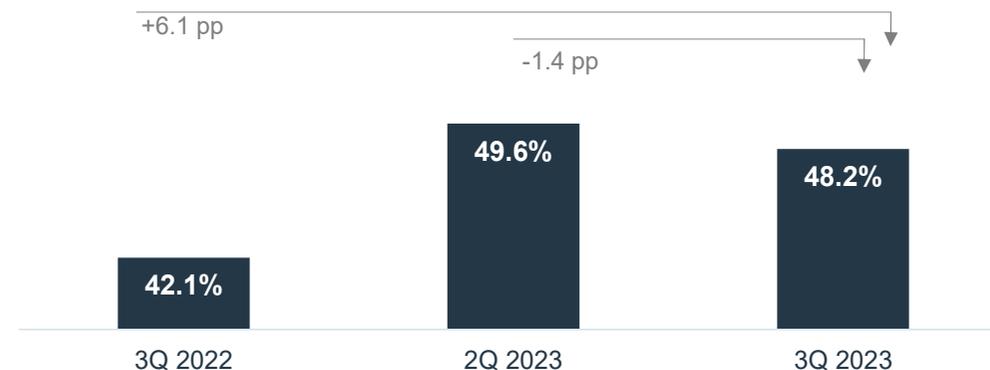
- Other operating expenses
- Depreciation and amortization expenses
- Personnel expenses

### Cost per assets



Cost per assets: Operational expenses divided by average balance of total assets (consolidated)

### Cost income ratio



\*Cost to income ratio is calculated without impairment and provisions releases/charges

- In the third quarter of 2023, the Group's **cost to income ratio (CIR)** fell to 48.2%, an improvement of 1.4 pp QoQ. For the year-to-date period, the CIR was 49.9%, a 3.2 pp rise on a YoY basis.
- Group's **operating expenses (OPEX)** in the third quarter of the year totaled MDL 369.6 million, reflecting a 1.3% QoQ decrease, though standing at the same level as in the same period of the previous year.
- This reduction is primarily attributed to a notable 20.8% decline in other operating expenses, particularly related to professional services such as consulting and auditing. However, this positive trend was partially offset by a 5.8% QoQ increase in staff costs during the quarter, driven by adjustments to the salary structure in the current year.

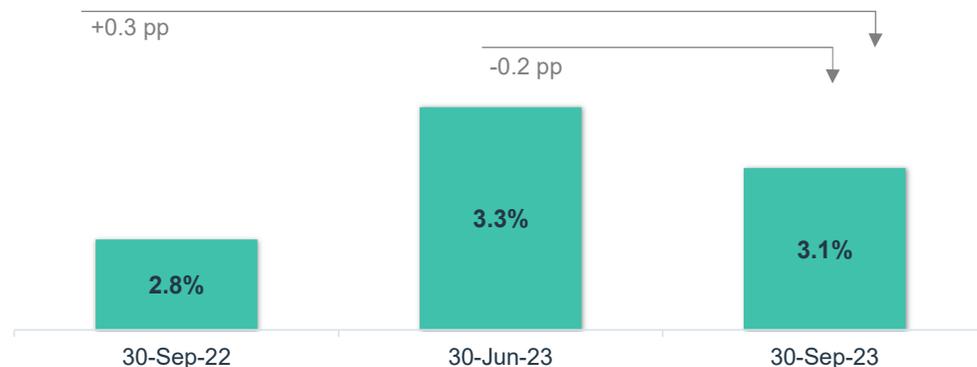
## 3Q and 9M 2023 results



# Robust portfolio management in challenging times

### High quality loan portfolio

#### NPL ratio



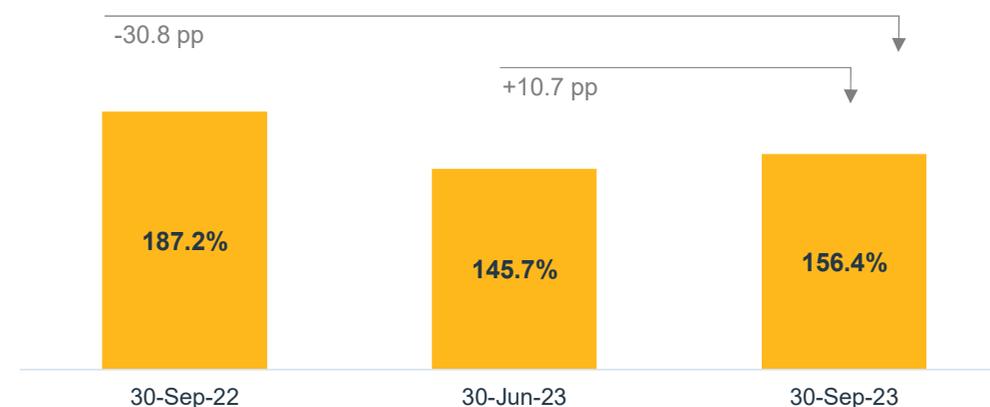
- Despite the challenges posed by a slow economic recovery and heightened uncertainty related to the Ukraine conflict, the Group demonstrated robust loan portfolio growth in the third quarter of 2023 while preserving portfolio quality.
- The share of **non-performing loans (NPL)** as of September 30, 2023, stood at 3.1%, a decrease of 0.2 percentage points from the end of June. This improvement was primarily driven by successful recovery in the Corporate portfolio, following proactive measures to mitigate the impact of a significant defaulted exposure. Conversely, the Retail and SME portfolio quality remained stable.
- In the third quarter of 2023, the annualized **cost of risk** for the loans to customers' portfolio was 0.3%, a marginal increase from the previous quarter but notably lower by 1.8 percentage points compared to the same period in 2022. The increase in cost of risk was mainly influenced by the Retail portfolio.
- Despite these positive trends, the Group maintains a prudent and proactive approach to risk management heavily relying on early warning system to monitor portfolio quality in the face of ongoing economic uncertainty.

### Cost of risk\*

\*annualized cost of risk



### NPL coverage ratio



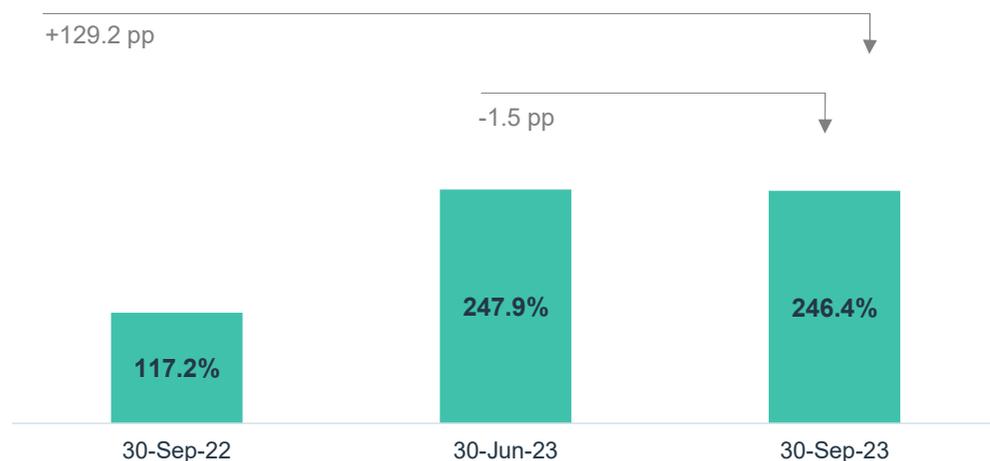
## 3Q and 9M 2023 results

# Solid capital position



### Liquidity levels maintained at a comfortable levels

#### Liquidity coverage ratio\*

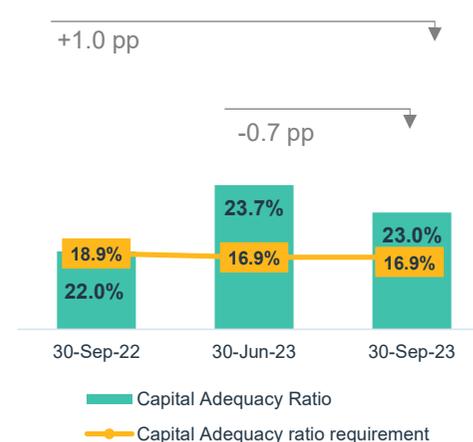


**Note:** maib has revised its methodology for calculation of LCR, particularly in terms of deposit cash outflow. The method was applied for calculation of LCR as of 30 June 2023 and 30 September 2023. LCR value presented for 30 September 2022 is according to the previously used methodology (NBM requirement for LCR as of 30 September 2022 was 80%).

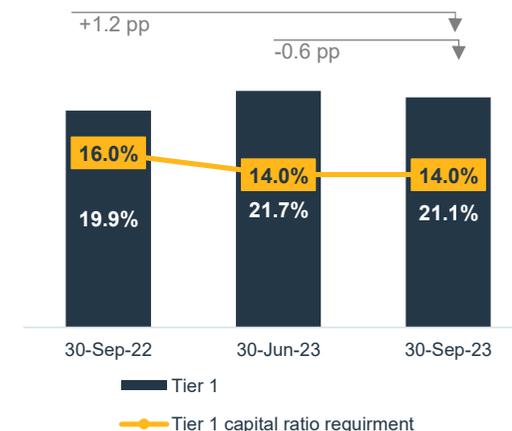
- **Capital Adequacy Ratio (CAR)** and **Tier 1** stood at 23.0% and 21.1%, respectively, as of 30 September 2023, comfortably exceeding the minimum regulatory requirement of 16.9% for CAR and 14.0% for Tier 1. The slight QoQ decrease in CAR is attributed to increase in the difference between prudential and IFRS expected credit loss allowances, along with a rise in the balance of intangible assets.
- Maib consistently upholds a robust liquidity position, ensuring stability in its financial operations. As of September 30, 2023, the total **Liquidity Coverage Ratio (LCR)** remained strong at 246.4%, significantly surpassing the minimum requirement of 100%. Although there was a slight decrease in LCR during 3Q 2023, primarily attributed to the increase in customer deposits, the ratio remains well above regulatory threshold.

### Stable capital levels

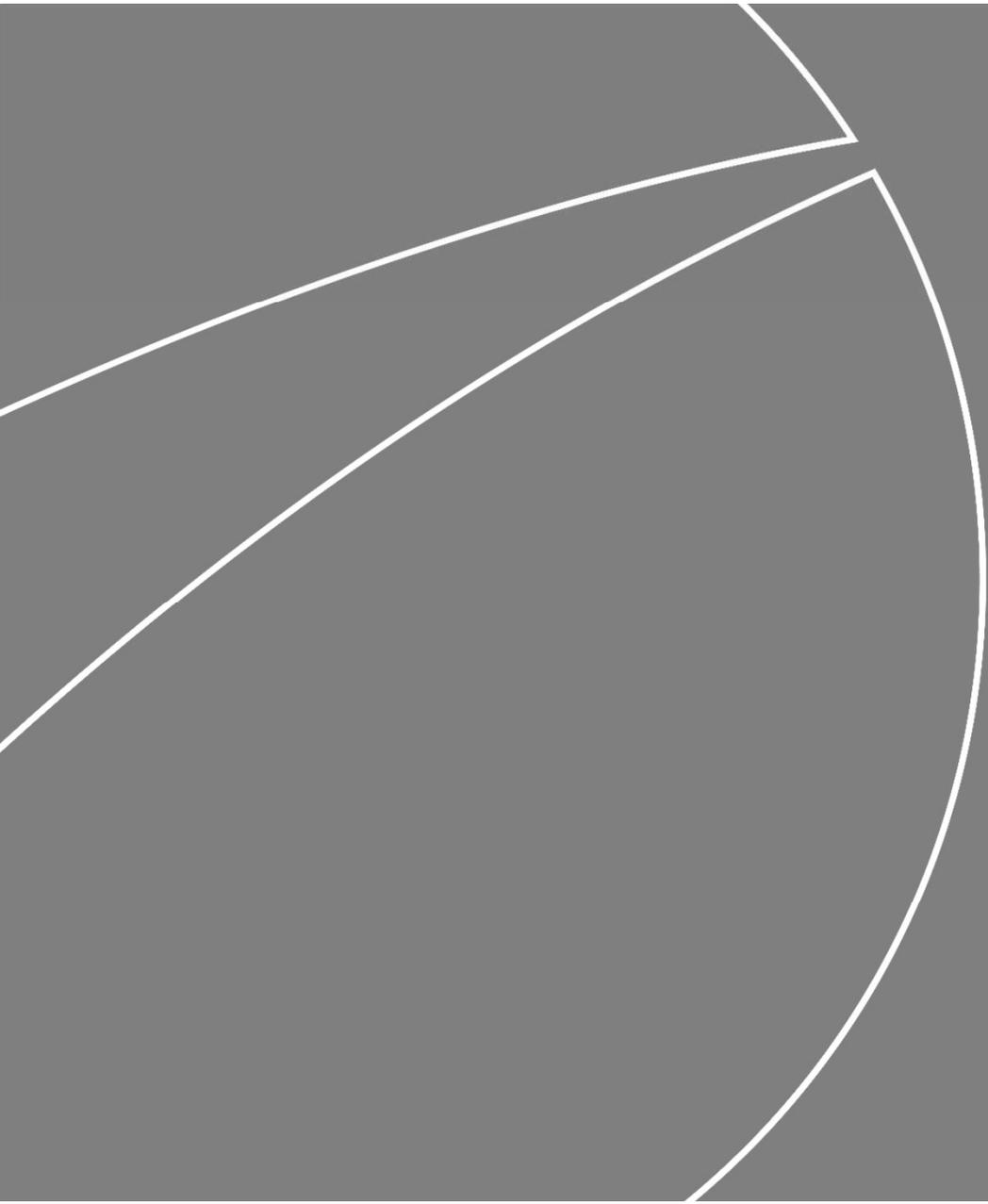
#### Capital Adequacy Ratio\*



#### Tier 1\*



\* Current liquidity, Capital Adequacy Ratio and Tier 1 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.

Three white curved lines of varying radii originate from the left edge of the slide and curve towards the right, creating a sense of motion and depth against the dark grey background.

# Appendices

# 3Q 2023 CONSOLIDATED FINANCIAL RESULTS

(unaudited)

## CONSOLIDATED UNAUDITED QUARTERLY INCOME STATEMENT highlights, million MDL

	3Q 2023	2Q 2023	% QoQ change	3Q 2022	% YoY change
Net interest income	466.7	526.7	-11.4%	596.0	-21.7%
Net fee and commission income	122.4	106.9	+14.5%	117.6	+4.0%
Net foreign exchange gains	166.4	108.1	+53.9%	127.1	+30.9%
Other operating income	11.3	12.2	-7.3%	35.4	-68.0%
<b>OPERATING INCOME</b>	<b>766.8</b>	<b>753.9</b>	<b>+1.7%</b>	<b>876.2</b>	<b>-12.5%</b>
Personnel expenses	(237.8)	(224.6)	+5.8%	(225.1)	+5.6%
Depreciation and amortization expenses	(45.9)	(41.2)	+11.5%	(31.2)	+47.2%
Other operating expenses	(85.9)	(108.5)	-20.8%	(112.2)	-23.5%
<b>OPERATING EXPENSES</b>	<b>(369.6)</b>	<b>(374.3)</b>	<b>-1.3%</b>	<b>(368.5)</b>	<b>+0.3%</b>
<b>OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE AND INCOME TAX</b>	<b>397.2</b>	<b>379.7</b>	<b>+4.6%</b>	<b>507.7</b>	<b>-21.8%</b>
Credit loss allowances and provisions	(17.5)	(19.1)	-8.4%	(146.6)	-88.1%
<b>PROFIT BEFORE TAX</b>	<b>379.7</b>	<b>360.6</b>	<b>+5.3%</b>	<b>361.0</b>	<b>+5.2%</b>
Income tax expense	(50.0)	(44.2)	+13.0%	(42.5)	+17.6%
<b>NET PROFIT</b>	<b>329.7</b>	<b>316.3</b>	<b>+4.2%</b>	<b>318.5</b>	<b>+3.5%</b>
<i>attributable to shareholders of the Bank</i>	329.7	316.3	+4.2%	318.4	+3.6%
<i>attributable to non-controlling interests</i>	0.0	0.0	+75.0%	0.1	-67.3%

## CONSOLIDATED UNAUDITED FINANCIAL POSITION STATEMENT highlights, million MDL

	30 September 2023	30 June 2023	30 September 2022	% change QoQ	% change YOY
Cash and balances with banks	16,289	14,779	14,572	+10.2%	+11.8%
Investments in debt and equity securities	6,562	6,170	2,934	+6.4%	+123.7%
Net loans and advances to customers, including:	22,492	22,151	20,528	+1.5%	+9.6%
Corporate customers	8,800	8,930	8,489	-1.5%	+3.7%
SME customers	5,848	5,929	5,172	-1.4%	+13.1%
Retail customers	7,844	7,292	6,867	+7.6%	+14.2%
Finance lease receivables	283	272	243	+4.1%	+16.5%
Premises and equipment, intangible assets, right of use assets and investment property	2,572	2,232	1,921	+15.2%	+33.9%
Other assets	464	569	505	-19.2%	-3.7%
<b>Total assets</b>	<b>48,658</b>	<b>46,173</b>	<b>40,674</b>	<b>+5.4%</b>	<b>+19.6%</b>
Due to banks and borrowings	3,589	3,535	2,728	+1.5%	+31.6%
Due to customers, including:	35,780	33,711	28,587	+6.1%	+25.2%
Corporate customers	6,082	4,872	4,224	+24.8%	+44.0%
SME customers	7,025	6,331	5,873	+11.0%	+19.6%
Retail customers	22,673	22,508	18,490	+0.7%	+22.6%
REPO	-	-	1,503	-	-100.0%
Subordinated debt	510	510	510	+0.1%	-0.1%
Bonds issued	260	87	-	+199.3%	+100.0%
Lease and other liabilities	977	1,133	1,015	-13.7%	-3.8%
<b>Total liabilities</b>	<b>41,115</b>	<b>38,975</b>	<b>34,343</b>	<b>+5.5%</b>	<b>+19.7%</b>
<b>Total equity attributable to owners</b>	<b>7,542</b>	<b>7,198</b>	<b>6,331</b>	<b>+4.8%</b>	<b>+19.1%</b>
<i>Non-controlling interest</i>	1	1	1	+0.6%	-0.4%
<b>Total equity</b>	<b>7,543</b>	<b>7,199</b>	<b>6,332</b>	<b>+4.8%</b>	<b>+19.1%</b>
<b>Total liabilities and equity</b>	<b>48,658</b>	<b>46,173</b>	<b>40,674</b>	<b>+5.4%</b>	<b>+19.6%</b>

# 9M 2023 CONSOLIDATED FINANCIAL RESULTS

(unaudited)

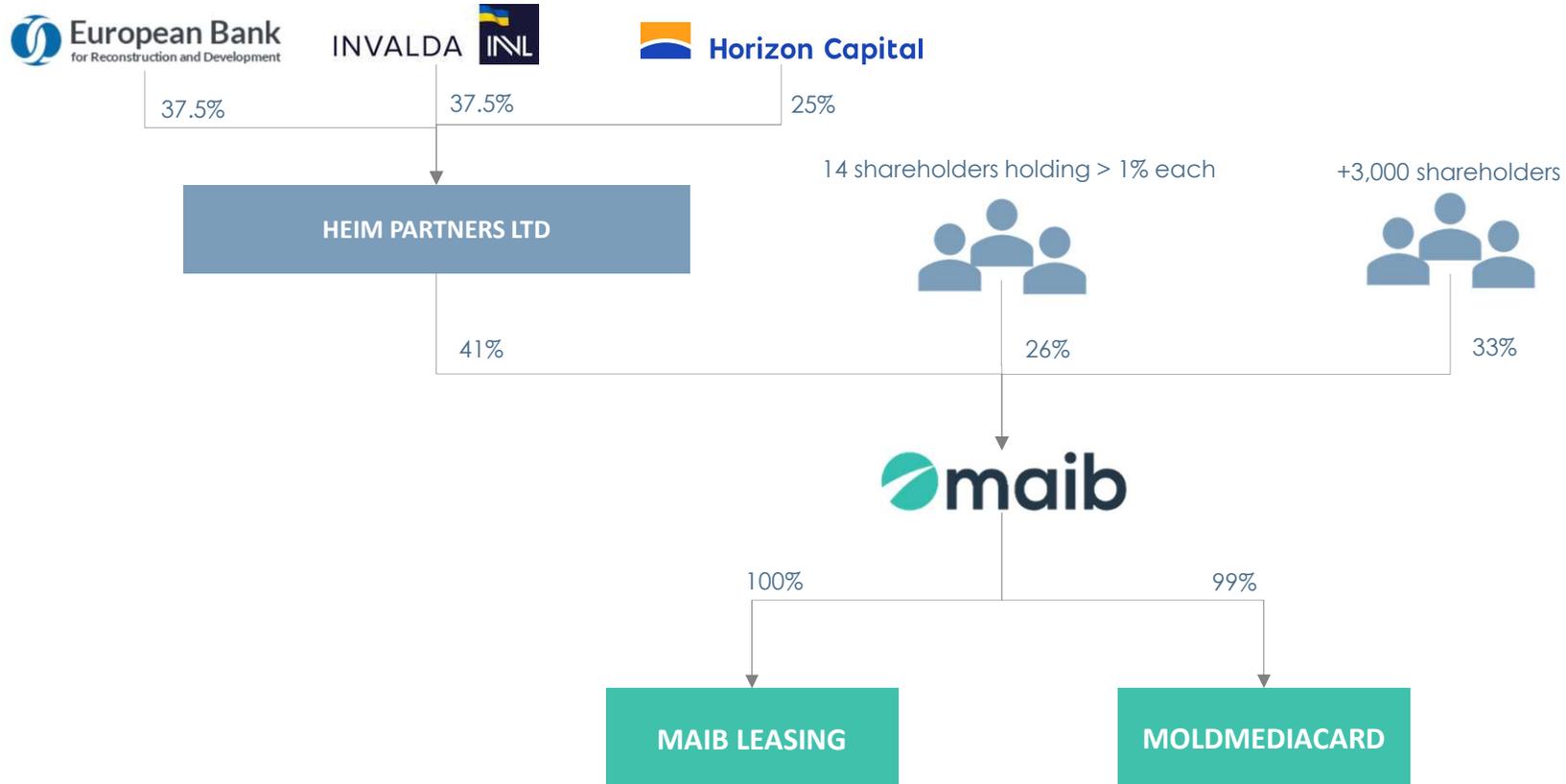
## CONSOLIDATED UNAUDITED SEMIANNUAL INCOME STATEMENT highlights, million MDL

	9M 2023	9M 2022	% YoY change
Net interest income	1,649.4	1,527.4	+8.0%
Net fee and commission income	342.1	296.3	+15.5%
Net foreign exchange gains	372.8	353.2	+5.6%
Other operating income	41.3	71.5	-42.2%
<b>OPERATING INCOME</b>	<b>2,405.7</b>	<b>2,248.4</b>	<b>+7.0%</b>
Personnel expenses	(714.0)	(612.6)	+16.5%
Depreciation and amortization expenses	(125.0)	(92.2)	+35.6%
Other operating expenses	(362.3)	(346.1)	+4.7%
<b>OPERATING EXPENSES</b>	<b>(1,201.2)</b>	<b>(1,050.9)</b>	<b>+14.3%</b>
<b>OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE AND INCOME TAX</b>	<b>1,204.4</b>	<b>1,197.5</b>	<b>+0.6%</b>
Credit loss allowances and provisions	(80.2)	(235.7)	-66.0%
<b>PROFIT BEFORE TAX</b>	<b>1,124.3</b>	<b>961.8</b>	<b>+16.9%</b>
Income tax expense	(136.8)	(108.4)	+26.2%
<b>NET PROFIT</b>	<b>987.5</b>	<b>853.4</b>	<b>+15.7%</b>
<i>attributable to shareholders of the Bank</i>	987.3	853.3	+15.7%
<i>attributable to non-controlling interests</i>	0.2	0.1	+8.7%

## CONSOLIDATED UNAUDITED FINANCIAL POSITION STATEMENT highlights, million MDL

	30 September 2023	31 December 2022	% change YTD
Cash and balances with banks	16,289	14,606	+11.5%
Investments in debt and equity securities	6,562	4,370	+50.1%
Net loans and advances to customers, including:	22,492	21,412	+5.0%
Corporate customers	8,800	9,391	-6.3%
SME customers	5,848	5,203	+12.4%
Retail customers	7,844	6,817	+15.1%
Finance lease receivables	283	272	+4.2%
Premises and equipment, intangible assets, right of use assets and investment property	2,572	2,157	+19.3%
Other assets	459	351	+31.0%
<b>Total assets</b>	<b>48,658</b>	<b>43,168</b>	<b>+12.7%</b>
Due to banks and borrowings	3,589	3,640	-1.4%
Due to customers, including:	35,780	31,357	+14.1%
Corporate customers	6,082	4,526	+34.4%
SME customers	7,025	6,357	+10.5%
Retail customers	22,673	20,474	+10.7%
REPO	-	-	-
Subordinated debt	510	510	0.1%
Lease and other liabilities	977	988	-1.1%
Bonds issued	260	-	+100.0%
<b>Total liabilities</b>	<b>41,115</b>	<b>36,495</b>	<b>+12.7%</b>
Total equity attributable to owners	<b>7,542</b>	<b>6,672</b>	<b>+13.0%</b>
<i>Non-controlling interest</i>	1	1	+13.0%
<b>Total equity</b>	<b>7,543</b>	<b>6,673</b>	<b>+13.0%</b>
<b>Total liabilities and equity</b>	<b>48,658</b>	<b>43,168</b>	<b>+12.7%</b>

# Corporate structure



# Sustainability at maib

- Together with EFSE and EU4Energy Initiative and with the help of Deloitte, maib is developing a Sustainability framework, including Strategy, Governance, Policy and Reporting, as well as Risk Management Framework
- First sustainability report published for 2022

## Sustainability Strategy (adopted by Supervisory Board)



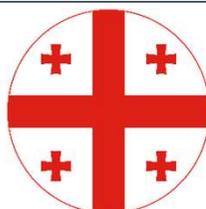
# Case for comparison: Moldovan v Georgian banks

Potential for Moldova to close the gap in banking system and for maib to grow its assets

Two ex-soviet countries with many similarities



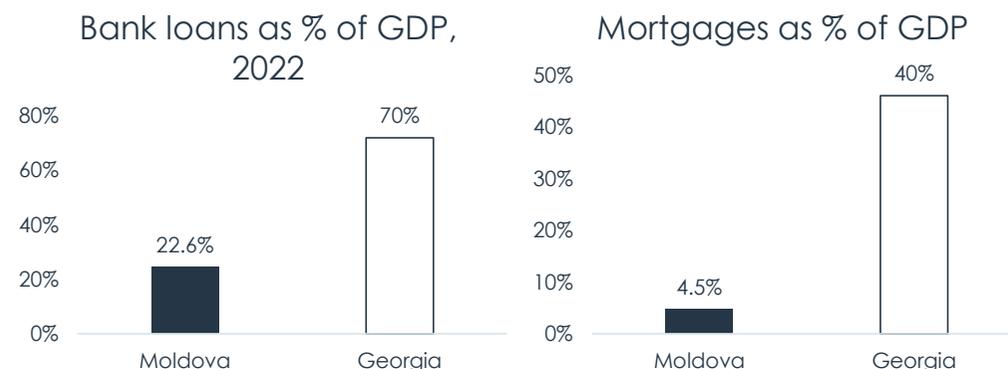
**Moldova**



**Georgia**

Year of independence	1991	1991
Population	2.9m	3.7m
GDP, 2022, USDb	14.4	22.6
GDP, 2022, USD/capita	4,966	6,100
GDP performance, 2022	-5.9%	+10.1%
Unemployment (% of workforce), 2022	3.1%	10.4%
Remittances as % of GDP, 2022	13.8%	13.3%
Government debt % of GDP, 2022	35.0%	39.8%

...marked difference in banking penetration



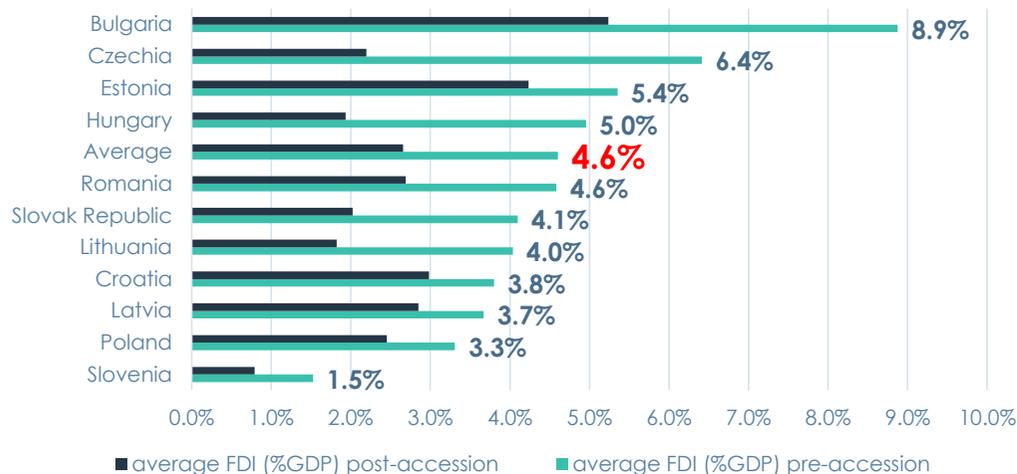
## Banking market leaders in Moldova and Georgia, 2022



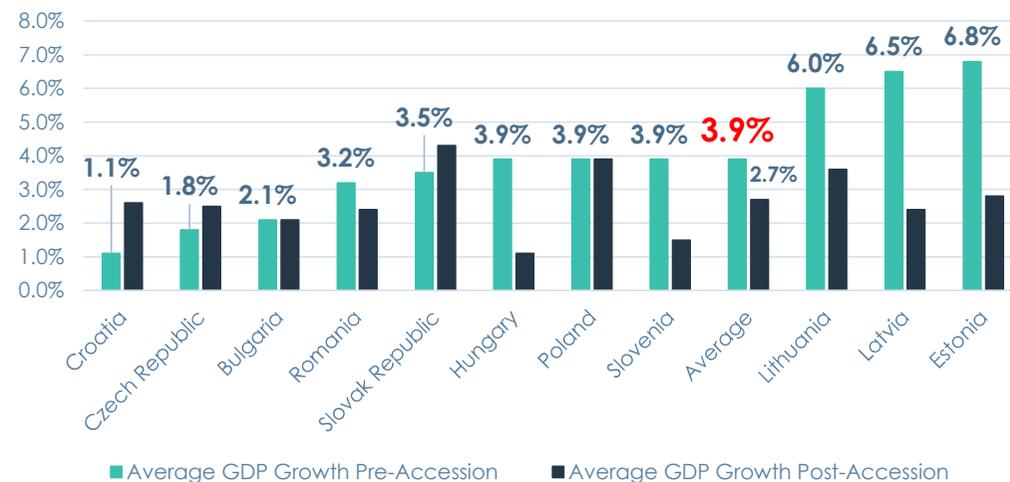
Assets market share: TBC 39%, BOG 38%, maib 33%

# EU accession: growth opportunities

## Candidate countries experience higher FDI...



## ...which accelerates economic growth...



## ...shrinking the income gap with EU average

Country	Income Gap Pre-Accession	Income Gap Post-Accession
Slovenia	60%	34%
Croatia	63%	60%
Czechia	67%	55%
Slovak Republic	72%	59%
Hungary	75%	61%
Poland	77%	75%
Estonia	80%	66%
Lithuania	84%	75%
Latvia	85%	76%
Romania	91%	75%
Bulgaria	92%	82%
<b>Average</b>	<b>77%</b>	<b>65%</b>

## Comments

- As Moldova begins the accession process, as negotiations have begun in **December 2023**, the country could capitalize on **accession led growth**.
- The European council granted Moldova 'candidate status' on the 23rd of **June 2022**.
- Average net FDI for candidate countries was at **4.6% of GDP**, showing the increase in FDI inflows resulting from EU candidacy, as FDI dropped back to 2.7% post accession.
- Average **pre-accession growth** for eastern EU members was at **3.9%**, **1.2% higher** than post-accession.
- Both of these factors led to a notable **decrease in the income gap** between these 11 countries and the EU, from 77% pre-accession to 65% post-accession.

Source: World Bank, databank.  
Note: FDI was calculated here as inflows minus outflows

# Evolution of quality of loan portfolio per each segment

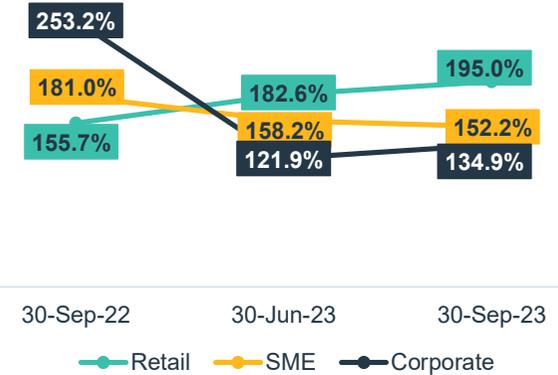
### Impairment of loans



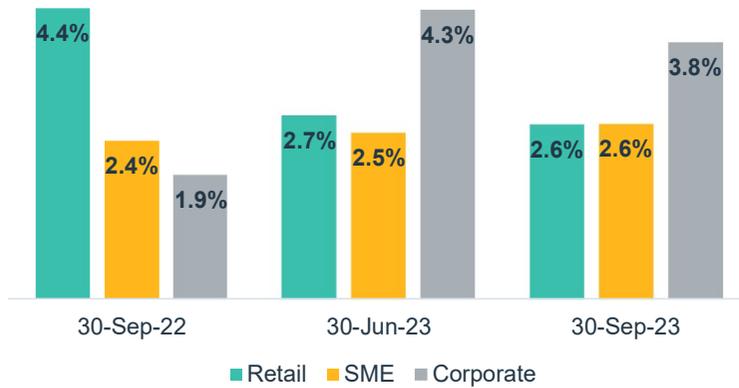
### Cost of risk



### NPL coverage



### NPL rate



### ECL coverage

