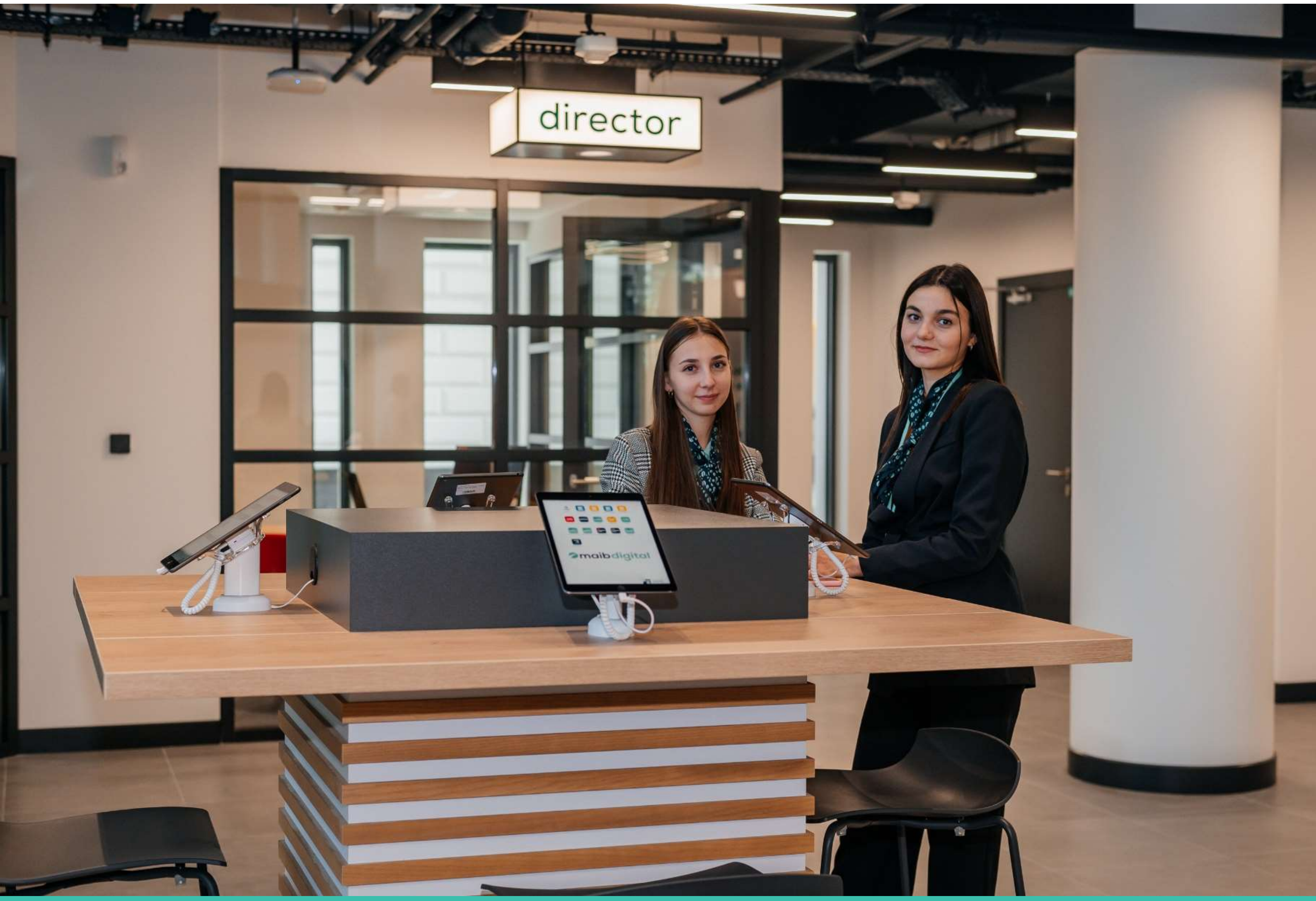
4Q23 and 12M23 Results



4Q23 and 12M23 Financial Results

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Disclaimer

Presented results are based on Group **unaudited consolidated** results of the fourth quarter (4Q) and 12M 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 third quarter of 2023 and the fourth quarter of 2022 are used. For comparison of 12M results, consolidated results of the 12M of 2022 are used.

Additional Information Disclosure

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

- **4Q and 12M 2023 Financial Results**
- **4Q and 12M 2023 Financial Results presentation**

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Highlights

Financial performance

4Q23

The drop in profitability reflects falling net interest margin due to rapid declines in base rate.

Net profit million MDL

261.8 -20.6% YoY / -7.1% QoQ

(equivalent EUR 14.6 million[1])

Return on average equity[4] (ROE)

13.6% -3.7 pp YoY / -4.3 pp QoQ

Cost to income ratio

51.4% + 7.8 pp YoY / + 3.2 pp QoQ

12M23

Profitability driven by growing asset base offset by falling net interest margin as a result of base rate being lowered drastically .

Net profit million MDL

1,249.3 +10.0% YoY

(equivalent EUR 63.6 million[2])

Return on average equity[5] (ROE)

17.2% -1.4 pp YoY

Cost to income ratio

50.3% +4.5 pp YoY

Total assets billion MDL

52.3 +21.3% YoY / +7.6% QoQ

(equivalent EUR 2.7 billion[3])

Total gross loans billion MDL

23.7 +4.4% YoY / +0.2% QoQ

(equivalent EUR 1.2 billion[3])

NPL ratio[6]

2.7% -0.1 pp YoY

Total deposits billion MDL

39.0 +24.4% YoY and +9.0% QoQ

(equivalent EUR 2.0 billion[3])

Capital Adequacy Ratio

24.2% +2.0 pp YoY

Tier 1 capital

22.4% +2.3 pp YoY

Market position

Total assets	33.9%	+ 0.3 pp QoQ	+ 1.2 pp YoY	#1
Total loans	37.4%	- 0.8 pp QoQ	+ 0.2 pp YoY	#1
Total deposits	34.3%	+ 0.5 pp QoQ	+ 1.2 pp YoY	#1

Operating performance

Total number of **retail clients** exceeded **1 million** for the first time

Number of **MAIBank users** surpassed **591 thousand,** an increase of 37% YoY

66% retail **deposits originated online**, whilst for the number **of retail loans** that number was **56%**

- Maib opens **new headquarters**
- Launch of full **digital onboarding** allows opening an account without visiting a branch
- **Best bank in Moldova** according to **The Banker**
- **Second issue** of **maib corporate bonds** approved by the Regulator

Country, macro and industry updates

In **December 2023** the European Council decided to **open accession negotiations with Moldova**, following European Commission recommendation

GDP increased by 2.6% in 3Q23. Revised projections for **economic growth** in **2023** range from **0.0% - 2.0%** and for **2024** – from **3.5%** to **4.3%** (IMF, World Bank, Vienna Institute for Economic Industries and local Ministry of Economy)

Inflation stood at **4.6%** as of January 2024, as compared to 4.2% in December 2023.

[1]Exchange rate used: EUR/MDL 19.2828 average exchange rate for 4Q 2023
[2]Exchange rate used: EUR/MDL 19.6431 average exchange rate for 12M 2023
[3]Exchange rate used: EUR/MDL 19.3574 as at 31 December 2023
[4] ROE calculated based on annualized quarterly (3 months) financial results
[5]ROE calculated based on cumulative 12-months financial results
[6]NPL relate exclusively to loans to customers' portfolio (without considering other financial assets) of the Bank standalone

4Q23 AND 12M23 CONSOLIDATED FINANCIAL RESULTS

CONSOLIDATED UNAUDITED INTERIM **INCOME STATEMENT** highlights

million MDL	4Q 2023	3Q 2023	% QoQ change	4Q 2022	% YoY change	12M 2023	12M 2022	% YoY change
Net interest income	532.0	466.7	+14.0%	653.2	-18.6%	2,181.4	2,180.6	+0.0%
Net fee and commission income	104.2	122.4	-14.8%	104.0	+0.2%	446.3	400.3	+11.5%
Net foreign exchange gains	189.4	166.4	+13.8%	143.8	+31.7%	562.3	497.0	+13.1%
Other operating income	7.4	11.3	-34.7%	18.9	-60.9%	48.7	90.5	-46.2%
OPERATING INCOME	**833.0**	**766.8**	**+8.6%**	**919.9**	**-9.4%**	**3,238.7**	**3,168.3**	**+2.2%**
Personnel expenses	(256.8)	(237.8)	+8.0%	(226.2)	+13.5%	(970.8)	(838.8)	+15.7%
Depreciation and amortization expenses	(54.0)	(45.9)	+17.5%	(42.0)	+28.6%	(179.0)	(134.2)	+33.4%
Other operating expenses	(117.4)	(85.9)	+36.7%	(132.8)	-11.6%	(479.7)	(478.9)	+0.2%
OPERATING EXPENSES	**(428.2)**	**(369.6)**	**+15.9%**	**(401.0)**	**+6.8%**	**(1,629.5)**	**(1,451.9)**	**+12.2%**
OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE AND INCOME TAX	**404.8**	**397.2**	**+1.9%**	**519.0**	**-22.0%**	**1,609.2**	**1,716.4**	**-6.2%**
Credit loss allowances and provisions	(89.4)	(17.5)	+411.4%	(183.9)	-51.4%	(169.6)	(419.6)	-59.6%
PROFIT BEFORE TAX	**315.4**	**379.7**	**-16.9%**	**335.1**	**-5.9%**	**1,439.7**	**1,296.9**	**+11.0%**
Income tax expense	(53.6)	(50.0)	+7.2%	(53.1)	+0.9%	(190.4)	(161.6)	+17.8%
NET PROFIT	**261.8**	**329.7**	**-20.6%**	**281.9**	**-7.1%**	**1,249.3**	**1,135.3**	**+10.0%**
- *attributable to shareholders of the Bank*	*261.8*	*329.7*	*-20.6%*	*281.9*	*-7.1%*	*1,249.2*	*1,153.3*	*+10.0%*
- *attributable to non-controlling interests*	*0.0*	*0.0*	*-*	*0.0*	*-*	*0.1*	*0.0*	*+100.0%*

CONSOLIDATED UNAUDITED **FINANCIAL POSITION STATEMENT** highlights

million MDL	31 Dec 2023	30 Sep 2023	% QoQ change	31 Dec 2022	% YoY change	31 Dec 2023	31 Dec 2022	% YTD change
Cash and balances with banks	17,805	16,289	+9.3%	14,606	+21.9%	17,805	14,606	+21.9%
Investments in debt and equity securities	8,664	6,562	+32.0%	4,370	+98.3%	8,664	4,370	+98.3%
Net loans and advances to customers:	22,538	22,492	+0.2%	21,412	+5.3%	22,538	21,412	+5.3%
Gross loans and advances to customers, incl.:	*23,676*	*23,636*	*+0.2%*	*22,687*	*+4.4%*	*23,676*	*22,687*	*+4.4%*
Corporate customers	9,247	9,280	-0.3%	9,886	-6.5%	9,247	9,886	-6.5%
SME customers	5,917	6,091	-2.9%	5,477	+8.0%	5,917	5,477	8.0%
Retail customers	8,512	8,265	+3.0%	7,324	+16.2%	8,512	7,324	+16.2%
Expected credit loss allowances for loans and advances to customers	*(1,138)*	*(1,144)*	*-0.5%*	*(1,275)*	*-10.7%*	*(1,138)*	*(1,275)*	*-10.7%*
Finance lease receivables	292	283	+3.0%	272	+7.4%	292	272	+7.4%
Premises and equipment, intangible assets, right of use assets and investment property	2,770	2,572	+7.7%	2,157	+28.4%	2,770	2,157	+28.4%
Other financial and non-financial assets	274	459	-40.4%	351	-21.9%	274	351	-21.9%
Total assets	**52,343**	**48,658**	**+7.6%**	**43,168**	**+21.3%**	**52,343**	**43,168**	**+21.3%**
Due to banks and borrowings	3,546	3,589	-1.2%	3,640	-2.6%	3,546	3,640	-2.6%
Due to customers, including:	38,996	35,780	+9.0%	31,357	+24.4%	38,996	31,357	+24.4%
Corporate customers	7,860	6,082	+29.2%	4,526	+73.7%	7,860	4,526	+73.7%
SME customers	7,796	7,025	+11.0%	6,357	+22.6%	7,796	6,357	+22.6%
Retail customers	23,340	22,673	+2.9%	20,474	+14.0%	23,340	20,474	+14.0%
REPO	-	-	-	-	-	-	-	-
Subordinated debt	504	510	-1.2%	510	-1.1%	504	510	-1.1%
Lease and other liabilities	1,223	977	+25.2%	988	+23.7%	1,223	988	+23.7%
Debt security in issue	255	260	-1.9%	-	+100.0%	255	-	+100.0%
Total liabilities	**44,523**	**41,115**	**+8.3%**	**36,495**	**+22.0%**	**44,523**	**36,495**	**+22.0%**
Total equity attributable to owners	**7,819**	**7,542**	**+3.7%**	**6,672**	**+17.2%**	**7,819**	**6,672**	**+17.2%**
Non-controlling interest	*1*	*1*	*-7.2%*	*1*	*+4.8%*	*1*	*1*	*+4.8%*
Total equity	**7,820**	**7,543**	**+3.7%**	**6,673**	**+17.2%**	**7,820**	**6,673**	**+17.2%**
Total liabilities and equity	**52,343**	**48,658**	**+7.6%**	**43,168**	**+21.3%**	**52,343**	**43,168**	**+21.3%**

GROUP **KEY FINANCIAL RATIOS**[1]	31 Dec/ 4Q 23	30 Sep/ 3Q 23	31 Dec/ 4Q 22	31 Dec/ 12M 23	31 Dec/ 12M 22
ROE, %	13.6	17.9	17.3	17.2	18.7
ROE before expected credit losses and tax, %	21.1	21.6	31.9	22.2	28.2
ROA, %	2.1	2.8	2.7	2.6	2.8
ROA before expected credit losses and tax, %	3.2	3.4	5.0	3.4	4.3
NIM, %	4.5	4.2	6.6	4.9	5.7
Loan yield, %	10.5	10.6	11.0	10.7	9.7
Cost of funding, %	3.1	4.1	4.2	4.0	2.8
Cost of deposit, %	2.6	3.7	3.1	3.5	1.8
Cost to income ratio, %	51.4	48.2	43.6	50.3	45.8
Loan to deposit ratio (at period-end), %	57.8	62.9	68.3	57.8	68.3
Cost of risk[2] , %	1.5	0.3	1.4	0.6	1.4
NPL ratio[2] (at period-end), %	2.7	3.1	2.8	2.7	2.8
NPL coverage, %	180.6	156.4	198.1	180.6	198.1
ECL coverage, %	4.8	4.9	5.6	4.8	5.6
CAR[3] (at period-end), %	24.2	23.0	22.2	24.2	22.2
Basic quarterly earnings per share[4], MDL	2.5	3.2	2.7	12.0	10.9

[1] Indicators calculated based on annualized quarterly (3 months) financial results and 12-months financial results

[2] NPL and cost of risk ratios relate exclusively loans to customers' portfolio (without considering other financial assets) of the Bank standalone

[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, 2% of net operating income and 2% of total income of the Group.

[4] During 1Q 2023 maib had a 100:1 stock split. Pre-split reported quarterly EPS for 4Q 2022 were MDL 271.7/share. Pre-split reported 12M 2022 EPS were MDL 1,203.9/share.

OPERATIONAL HIGHLIGHTS

The Group's business consists of three key business segments. (1) **Retail banking** provides consumer loans including credit cards facilities and mortgage loans, as well as funds transfers and handling of customers' accounts and deposits. (2) **SME Banking** (also known internally as Business Banking) serves Micro, Small and Medium sized enterprises. Enterprises with annual sales revenue not exceeding MDL 18 million are classified internally as Micro and these account for over 90% of active customers. (3) **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.

	31 Dec 2023	30 Sep 2023	QoQ Change	31 Dec 2022	YoY change
MARKET SHARE[1]					
Total assets, %	33.9	33.6	+0.3 pp	32.7	+1.2 pp
Total loans, %	37.4	38.2	-0.8 pp	37.2	+0.2 pp
Total deposits. %	34.3	33.8	+0.5 pp	33.0	+1.2 pp
Retail loans, %	33.7	33.6	+0.1 pp	31.4	+2.3 pp
SME loans, %	37.0	37.9	-0.9 pp	31.4	+5.6 pp
Corporate loans, %	42.5	44.2	-1.7 pp	49.8	-7.3 pp
RETAIL BANKING					
Retail active[4] customers, thousands	645	619	+4.2%	570	+13.2%
Cards (in issue) portfolio, million	1,172	1,134	+3.4%	986	+18.9%
Cards penetration of client database, %	66.0	65.8	+ 0.2 pp	61.9	+ 4.1 pp
POS portfolio, thousands	16.2	14.2	+13.6%	13.1	+23.2%
Alto customers (premium banking)[2], thousands	5.2	3.4	+53.7%	1.0	+404.0%
Subscription to maib corporate bonds issues, million MDL[3]	255	260	-1.9%	-	+100.0%
SME BANKING					
SME active customers, thousands	33.1	31.6	+4.6%	29.6	+11.7%
SME business cards, thousands	14.5	13.0	+11.6%	9.4	+38.3%
SME loan book generated by IFI lending programs, million	2,006	2,051	-2.2%	1,818	+10.3%
Share of IFI lending programs to SME in total SME loans, %	34.1	34.6	-0.5 pp	33.3	+1.0 pp
CORPORATE BANKING					
Corporate clients portfolio, hundreds	5.5	5.4	+1.5%	4.8	+15.5%
Corporate business cards, hundreds	5.0	5.0	0.0%	4.4	+14.8%
Payroll projects client penetration, %	63.0	62.3	+0.7 pp	60.7	+2.3 pp
DIGITAL MILESTONES					
MAIBank users, thousands	591	545	+8.4 %	430	+37.4 %
Monthly New MAIBank users connected (last Q average), thousands	15	14	+7.1%	13	+15.4%
MAU, %	69.4	69.3	+0.1 pp	72.4	-3.0 pp
DAU/MAU, %	36.2	32.3	+3.9 pp	34.4	+1.8 pp
Share of retail deposits originated online (last Q), %	65.7	61.9	+3.8 pp	55.1	+10.6 pp
Share (by number) of retail cash loans granted online (last Q), %	56.1	50.9	+5.3 pp	22.7	+33.5 pp
Share (by number) of retail card cashless transactions (last Q), %	87.2	86.6	+0.6 pp	84.5	+2.7 pp
SME internet banking users, %	83.6	78.2	+5.4 pp	73.4	+10.2 pp
Corporate internet banking users, %	96.4	95.0	+1.4 pp	90.0	+6.4 pp
Share (by number) of corporate clients payments performed online, %	97.1	97.0	+0.1 pp	98.6	-1.5 pp

[1] **Market shares** are presented on the standalone basis (Bank only). Source: National Bank of Moldova
[2] **Alto clients** have a 100% penetration of cards, 32% - loans and 18% - deposits
[3] **Bonds** – to write in which emission / program; probably should cumulative balance not subscription
[4] **Retail active customers -** as a customer who, within the last three months, has conducted at least one debit or credit transaction on one of their accounts and, at the end of the specified period, maintains at least one open account

OPERATIONAL HIGHLIGHTS IN DETAIL

Sustainability at maib
During 2023 maib started a full-scale sustainability (ESG) programme. This included a governing body called Sustainability Committee designed to track the progress of maib's sustainability initiatives and recommend decisions on maib's sustainable development to the Bank's Management Board. Maib's Supervisory Board approved the sustainability strategy and roadmap, which set out its sustainability goals and the path towards them.
This follows the release of maib's inaugural Sustainability Report in June 2023, which discloses the Bank's impact beyond purely financial metrics. This report provides detailed information on maib's sustainability strategy buildout, responsible business activities, carbon footprint, social responsibility, and governance in 2022. It aims to create a benchmark to improve upon in future years. Maib's strategy, roadmap, and first sustainability report were developed with the financial support of the Green for Growth Fund (GGF) under the EU4Energy initiative.
Launch of full digital onboarding
On 6 September 2023 maib announced the launch of full digital onboarding available for Moldovan citizens; a significant breakthrough in making banking services simpler and more accessible. Digital onboarding became possible after a series of legislative changes in the country, as well as thanks to the innovative approach that maib took with its mobile banking application. Any Moldovan citizen with a national ID card can now open an account with maib without visiting a branch. This process does not require a digital signature, and is instead enabled by maib's own Face ID and Verification features. Security measures embedded with maibank application match the photo with the government database, enabling an automatic Know Your Customer (KYC) check. This solution has been given the go-ahead after a pilot project which started on 1 July 2023. New customers can benefit from the largest array of services offered by the maibank digital app, as well as some of the most advanced security features. Maib's digital onboarding is by far the most advanced, speedy and convenient on the Moldovan banking and financial market.

Opening of maib park
The new maib headquarters located in the centre of Chisinau opened in September. Maib park has a look and feel of a Silicon valley technology campus, with a modern and innovative design incorporating natural light and an open floor plan. The new workplace sports multiple features such as sound-proof booths, informal spaces, a gym, an atrium, a canteen, a café, and multiple meeting rooms of all sizes. Opening the new headquarters is a focal point for maib's transformation. It aligns with the Bank's commitment to both its consumers and its current and future work force, bringing together over 1,000 employees formerly scattered across five Chisinau offices. For maib customers, maib park offers a branch with an alto zone, mortgage center, private banking branch, meeting rooms for corporate customers, as well as a self-service area.

Inaugural maib bond offering for domestic market
The first maib bond programme, which commenced in April 2023, was the first corporate bond offering on Moldovan market in nearly twenty years. The total value of the issue was MDL 258 million, and it was placed primarily with retail customers. The bond has a maturity of 3 years and pays a quarterly coupon. The bond was puttable by the holder up to a certain amount. For maib the bond offering presents an innovative way to diversify its funding base while meeting all the regulatory requirements. It is also another step towards developing the capital markets in the country. Maib's Retail business unit handled distribution of the bond offering via branches and digital channels.
A second corporate bonds programme had been approved towards the end of 2023 and is due to commence in 2024. It is set to have a total value of MDL 1 billion.

Maib receives loan from IFC
Maib has signed a senior loan agreement with the International Finance Corporation (IFC) consisting of two tranches of EUR 20 million and USD 10 million respectively. The funding supports 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.

Stock split and dividend payment
In March of 2023 maib instituted a 100:1 stock split. 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, hence, the stock split does not change the value of the shareholding. The split was carried out to enhance the liquidity and accessibility of maib shares, making it easier for investors to buy and sell them on the market. In connection with the stock split, the trading price of maib shares have been adjusted proportionally to the decrease in nominal value.
On 15 June 2023, maib paid its latest dividend in the amount of MDL 1.91 per share. Total dividend distribution amounted to MDL 198.2 million. The most recently announced dividend policy (announced at AGM 2023) is to distribute between 30% and 50% of net profits in the form of dividends subject to NBM approval. During the 2023 AGM the shareholders accepted the decision to distribute Bank's annual profits for 2021-2022, including the annual dividends for the period.

CEO transition

Giorgi Shagidze, maib CEO, announced his departure from the helm of maib in June 2024, nearly three and a half years into his mandate, to pursue a new opportunity. The successor CEO will be announced in due course, following a competitive selection process. Under Giorgi's leadership, maib has undergone an ambitious transformation, resulting in market share gains across all business segments, a step up in financial performance and more than tripling of maib's mobile users, cementing the bank's position as the undisputed leader of the Moldovan banking system.

Best bank in Moldova

In 2023 maib has achieved a plethora of best bank awards, notably from the Banker, Euromoney, Global Finance, and EMEA Finance. Such awards underline maib's leading position in the Moldovan banking system, as measured by market share, profitability and growth, as well as maib's continued investments in customer service and innovation. All of these magazines are leading publications serving as valuable resources for industry professionals, policymakers, and financial enthusiasts worldwide. Moreover, their readers span over 193 countries and the oldest of them (the Banker) has been a trusted source of banking information since 1926.

Maib's digital transformation in 2023

Maib's financial mobile app, **maibank**, has emerged as the leading banking application in the Moldovan market, boasting over 590 thousand users, marking a remarkable increase of 37.4% compared to the previous year. Of these users, 69% were Monthly Active Users (MAU%). Daily Active Users to Monthly Retail Active Users (DAU/MAU%) ratio reached 36%. Most importantly maibank emerged as the leading source of both loan and deposit origination in the retail segment. The proportion of retail deposits originating online reached 66% by the end of 2023, reflecting an increase of 11 percentage points year-on-year. Furthermore, the share of online loans surged in the fourth quarter of 2023, rising by 33 percentage points to 56% compared to 23% in the same period of 2022.

During 2023, **maibank** introduced several new features, including continuous online access, real-time updates on client transactions, seamless peer-to-peer (P2P) and transfer-to-account (T2C) money transfers, the ability to pay for services and bills from anywhere, enhanced security features allowing clients to block their cards directly from the app in case of theft, a convenient ATM and branch locator, and various other functionalities. The key new feature of the **maibank** introduced in 2023 was the full digital onboarding for Moldovan citizens. At the moment it is available only on the territory of Moldova but pending legislative changes it could be made available to Moldovan citizens anywhere.

Also during 2023 **maib** took a strategic decision to discontinue its involvement in DriveHub digital ecosystem focused on new and used autos sold in Moldova. DriveHub attracted strong user numbers and enriched user experience with such features as online insurance sales, car shop and car wash maps and other capabilities, but ultimately **maib** decided to focus on other products.

IPO update

One of **maib**'s strategic objectives is a listing on an international stock exchange. In December 2022 **maib** shareholders voted in favor of allowing the listing of **maib** shares on Bucharest Stock Exchange. **Maib** has pursued a transformational strategy focusing on customer experience and digital offerings, bringing its corporate governance and investor disclosure in line with the best international practices. Preliminary assessment of Romanian and international equity investors indicated solid level of interest in **maib** listing and support from the Bucharest Stock Exchange.

However, at the moment certain points of existing Moldovan legislation make the listing impracticable. Namely, these relate to shareholding approval threshold of 1% and notification requirement for any number of shares bought, as well as some other smaller provisions. These specific points of law restrict liquidity in the open market, and make potential listing unattractive for international portfolio investors, for whom market liquidity is mandatory. While the restrictions are not going to be lifted in the immediate future, **maib** continues to work with all stakeholders to modify these points of law while ensuring that the stability of Moldovan banking system is maintained. The timeline of the listing will be adjusted accordingly and communicated in due course.

ECONOMIC OVERVIEW

Economic and Country Updates

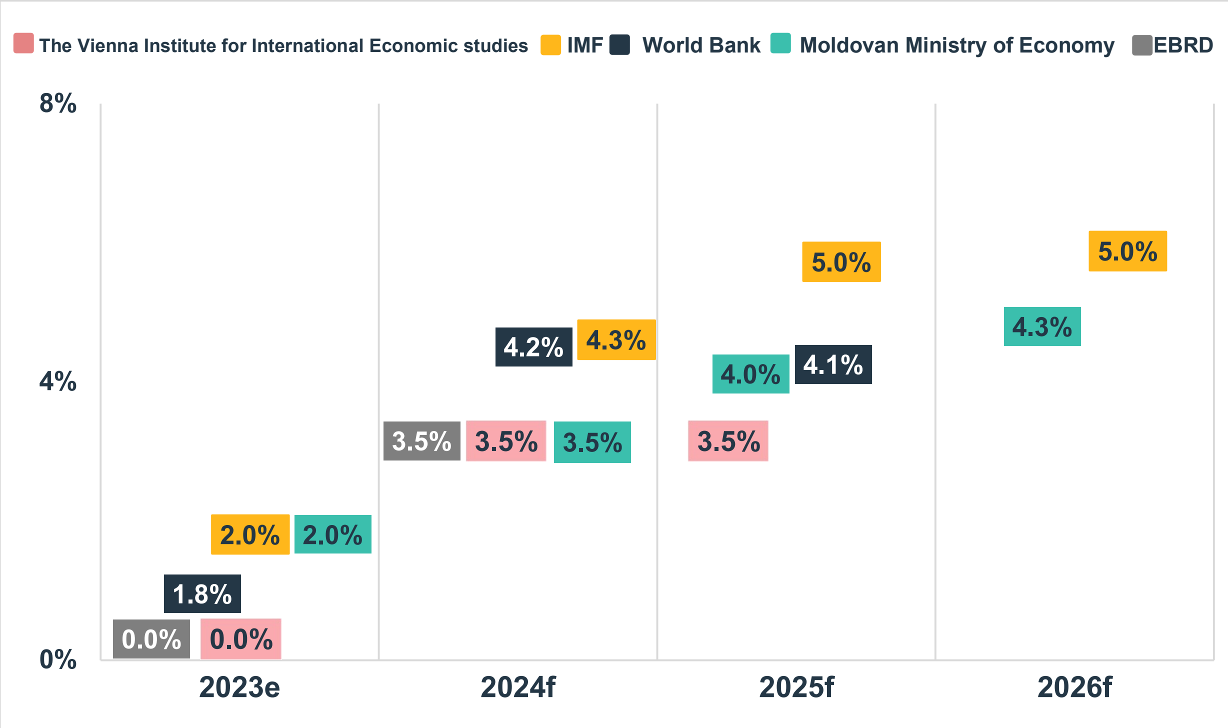
- GDP increased by 2.6% in 3Q 2023, with the rebound of agriculture, contributing to this;
- [1]Revised projections for economic growth in 2023 range from 0.0% to 2.0% (IMF, World Bank, Vienna Institute for Economic Studies and local Ministry of Economy);
- [1]Revised projections for economic growth in 2024 range from 3.5% to 4.3% (same forecasters included);
- [2]Monetary policy easing continued. Base rate lowered to 4.25% (from 6% in Sep 2023), required reserves in domestic and foreign currency down to 33% (was 34%) and 43% (was 45%) respectively (6 February monetary policy decision);
- [2]Inflation was at 4.2% as of December 2023, compared to 8.63% in September 2023 and 30.2% in December 2022.
- January 2024 inflation reading was 4.55%.
- Moldova is set to hold its next presidential election in Autumn 2024, after local elections in late 2023 which saw mixed results.

- In **December 2023** the European Council decided to **open accession negotiations** with Moldova;
    - This follows the European Commission's recommendation for this, off of the progress made by the country as outlined in the "Commission Opinion on Moldova's EU membership application" report;
    - In this report the Commission declared that the recommendation is made with the understanding that Moldova will continue making advances in the fields of:
        - Justice system reform;
        - Anti-corruption;
        - 'De-oligarchisation' and the fight against crime;
        - Public services provided;
        - Protection of human rights;
    - The Commission must report to the European Council about the progress made by Moldova by March 2024;
    - Moldova was granted candidate status in June 2022.

Economy starting to recover

In 3Q 2023 the economy grew by 2.6% year-on-year in real terms. This increase is attributable mostly to a recovery of the agriculture sector, which itself grew by 36.1% in 3Q 2023 year-on-year. Compared to previous quarters, 3Q 2023 is the first since 1Q 2022 to see GDP growth; in 2Q 2023, the Moldovan economy experienced a decline of 2.2% in real terms. This economic decline is due to the Ukraine war, as well as the energy crisis and high inflation that followed, and the severe drought experienced within the country in 2022, which negatively impacted agriculture. Relevant economic forecasters estimate that the economy will have grown by up to 2% in 2023 and, more importantly, none expect an economic downturn.

Estimated 2023 - 2026 latest forecasts[2]:



During 3Q 2023, Household spending fell by 1.1% year over year. On a quarterly basis adjusted for seasonal variations, the economy expanded by 3.4% in 3Q 2023. In the course of the first 9 months of 2023, the Moldovan economy experienced a decline of 0.4% year-on-year. The economic data for 4Q 2023 has not been available at the time of writing of this report.

Overview of key sectors of the economy: strong rebound in agriculture[1]

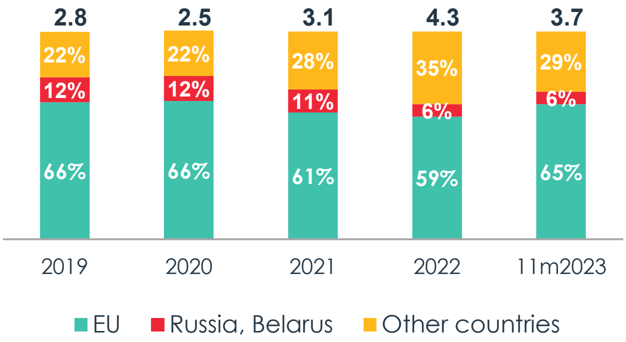
Industry decreased by 4.1% year-on-year in the first 11 months of 2023. This is attributable to a YoY decline of 7.6% and 5.6% in the extractive and manufacturing industries respectively. However, it is worth noting that the energy sector recorded an increase of 4.8% YoY in the same time period.
Crop production in 2023 specifically that of cereal and vegetable crops, was 78% higher than it was in 2022. This could be attributed to the 'base effect' phenomenon, due to the drought experienced in 2022. Statistics for livestock production are not yet available for the end of 2023. In the first 9 months of 2023 total agricultural production was at MDL 22.6 billion, or an increase of 27.5% year-on-year. Crop production increased 46.1% whilst livestock production decreased 4.2% compared to 9m 2022. In terms of share of total, crop production accounted for 65.8% whilst livestock production accounted for 32.6% of total[3].

[1] Source: National Bureau of Statistics of Moldova
[2] According to revised forecasts of: World Bank (January 2024), International Monetary Fund (January 2024), EBRD (September 2023), Vienna Institute for Economic Studies (January 2024) and Moldavian Ministry of Economy (October 2023)
[3] The remainder constitutes services

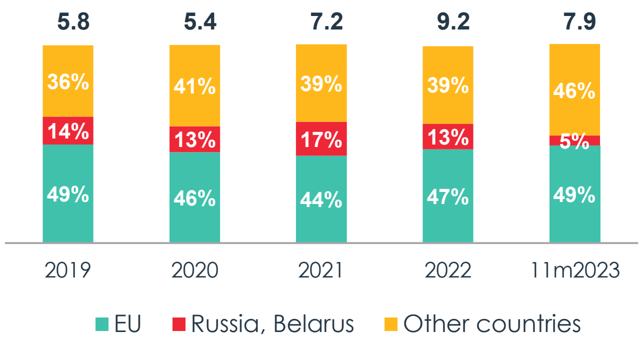
Trade gap lower than last year[1]

In the first 11 months of 2023 the total value of exports of goods totalled USD 3,737 million, a decrease of 6.2% compared to the same time period last year. In terms of composition, exports of domestic goods (excluding re-exports) constituted USD 2,633 million (or 70.4% out of the total) whilst re-exports accounted for USD 1,105 million (29.6%). Exports of local goods and re-exports decreased by 4.7% and 9.6% year-on-year respectively. During 11m 2023 imports reached USD 7,859 million, 5.8% lower than last year. The trade gap (of goods) reached USD 4,121 million, a 5.5% decrease compared to 11m 2022.
Foreign direct investment reached USD 105.5 million in 3Q 2023, with the majority of investments coming from the European Union, which accounted for over 85% of the total. FDI for 9m 2023 was 38.6% lower than it was for 9m 2022.

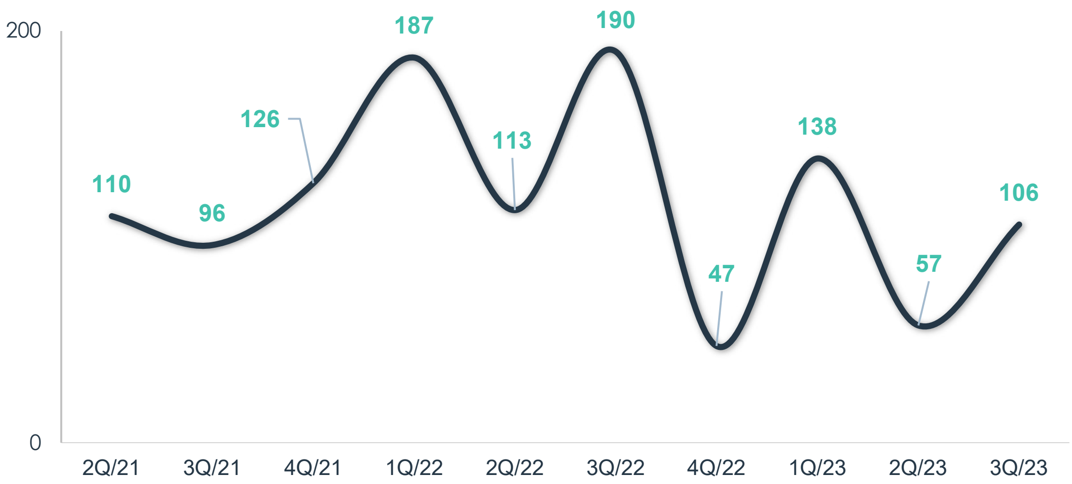
Exports of goods to EU now over two thirds of total, bUSD



Imports of goods from EU under half of the total, bUSD



Republic of Moldova Net FDI Inflows, million USD



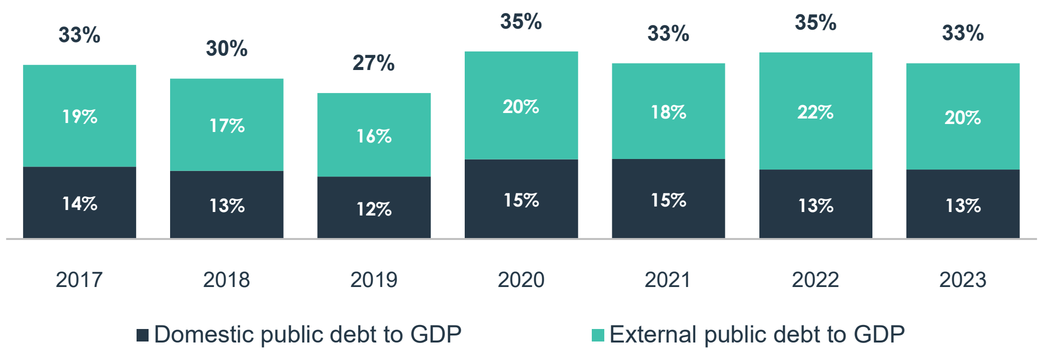
Source: National Bank of Moldova

Increased spending leads to higher budget deficit in 2023[2]

In 2023 government revenues amounted to MDL 102.3 billion, an increase of 11.8% compared to 2022. Government expenses stood at MDL 117.9 billion, an increase of 17.4% year-on-year. Hence, the budget deficit totalled at MDL 15.6 billion in 2023, which is 76% higher than it was at the end of 2022 (MDL 8.87 billion).
Government debt was recorded at MDL 104 billion at the end of 2023, higher by 9% as compared to the end of 2022. The Debt-to-GDP ratio reached 33.3%, which is a decrease of 1.2% year-on-year and an increase of 1.8% quarter-on-quarter.

[1] Source: National Bureau of Statistics of Moldova
[2] Source: Ministry of Finance

Debt-to-GDP (%) of Republic of Moldova



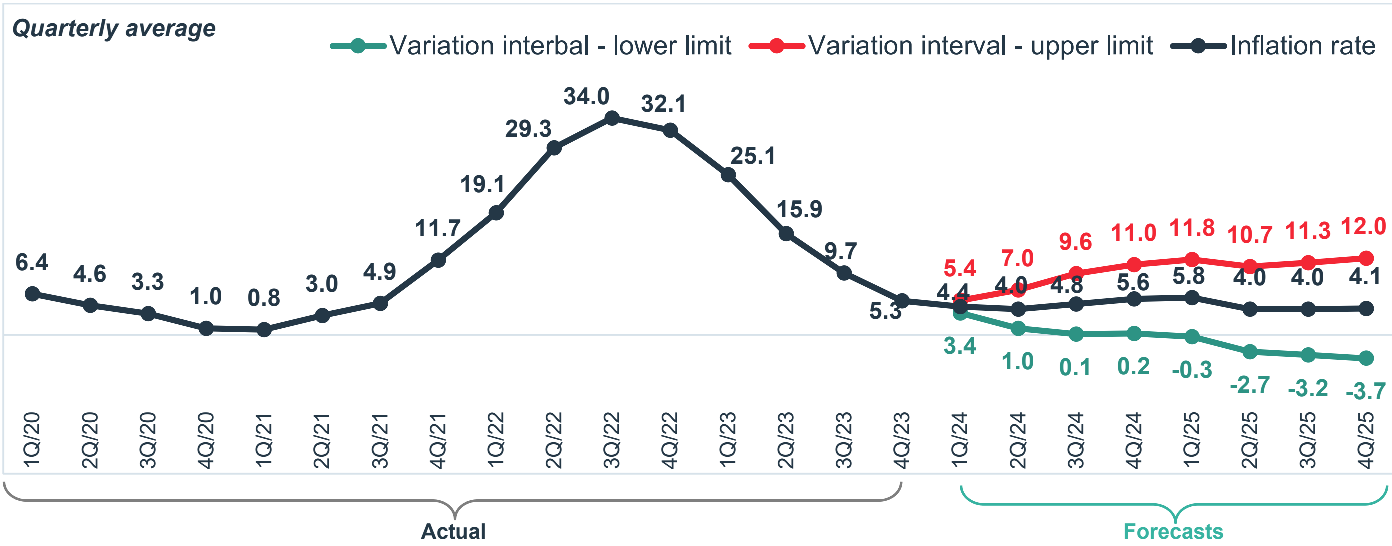
Source: Ministry of Finance

Much lower inflation at year end[1]

In January 2024 the inflation rate was at 4.55%. Inflation has stabilized, actually increasing by 0.35 pp in December-January. Notably, inflation had been on a downward trend since October 2022, when it reached a peak of 34.6%, and has hit the NBM target corridor (6.5% - 3.5%) in October 2023 when it reached 6.3%. The NBM has been utilizing monetary easing since December 2022, in an attempt to kick-start the economy, with the base rate falling to 4.25% in February 2024 from a high of 21.5% in October 2022. Reserve requirements have also been lowered, standing at 33% as of February 2024.

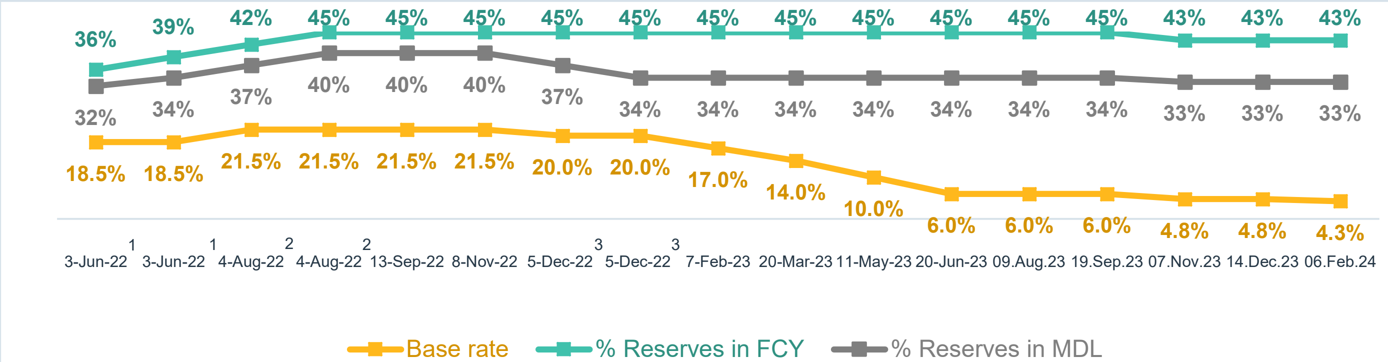
Average annual inflation in 2023 was approximately 14%. Forecasts by the NBM suggest that annual inflation will be at 4.7% and 4.5% in 2024 and 2025 respectively. However, as Moldova is a highly open economy, the stability of such predictions is conditional on price volatility on the international market scale, as identified by NBM.

Annual inflation rate, %



[1]Source: National Bank of Moldova

Rates on monetary policy instruments



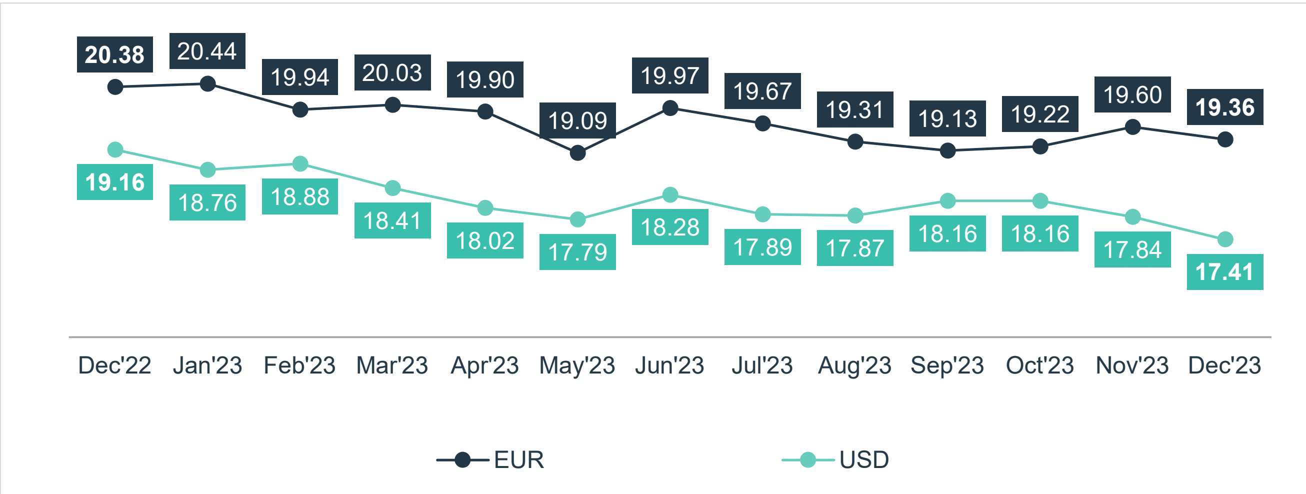
Source: National Bank of Moldova

National currency appreciates in 2023

The national currency (MDL) has gained in value over the course of 2023, after remaining stable during the rough economic period documented in 2022. In 2023, the MDL has appreciated by over 9.1% against the USD in nominal terms (from 19.16 USD/MDL on 1 January 2023 to 17.41 USD/MDL on 31 December 2023). Against the EUR, the MDL has increased by over 5% during the course of 2023 (20.38 EUR/MDL to 19.36 EUR/MDL).

EUR and USD exchange rates

Month-end



Source: National Bank of Moldova

The National Bank of Moldova (NBM) held USD 5,453 million worth of reserves in 4Q 2023. During the quarter, several factors contributed towards the increase of this sum, of which the notable ones are:

- inflow of foreign currency as part of the assistance programs from external partners (mainly IMF, EU, and the Japanese Government)
- income from the management of foreign exchange reserves

Remittances from abroad have reached USD 442 million in 3Q 2023. This is lower by 13.4% if compared to 3Q 2022, which is mainly attributable to less remittances coming from CIS countries (Russia). Out of this total, over 55% have come from the EU, an increase of over 13% compared to the same period the previous year. This inflow of remittances contributed significantly to supporting the national currency.

[1] The increase in the Required Reserves rate from financial resources attracted in MDL and FCC was applied in two-steps: June-July and July – August.
[2] The increase in the Required Reserves rate from financial resources attracted in MDL and FCC was applied in two-steps: August-Sep and September-October.
[3] The decrease in the Required Reserves rate from financial resources attracted in MDL and FCY is applied in two steps: December-January and January-February

Increasing profitability in the banking sector[1]

In 4Q 2023, banking sector assets have reached MDL 153.9 billion, which represents a year-on-year increase of 17%. The aggregated loan portfolio of banks has totaled at MDL 63.9 billion at the end of 2023, a year-on-year increase of 3.7% and a quarter-on-quarter increase of 2.6%. Banking sector deposits as of 4Q 2023 reached MDL 114 billion, which represents a year-on-year increase of 20% and a quarter-on-quarter increase of 7.4%. Notably the loan to deposits ratio reached 56.1% as at the end of 2023, declining by nearly 3% since 3Q 2023. This decline is attributable to the high interest rates experienced in the first half of 2023, which led to a high increase deposits whilst slowing down the growth of loans. However, interest rates have fallen significantly since and, as a result, the growth of loans is expected to have a delayed, yet pronounced, rebound.

As shown by the following metrics, the Moldovan banking sector is profitable and well capitalized as of 4Q 2023:

- Profitability – net profit grew by 12.5% year-on-year;
- Total capital ratio – stood at 30% down by 1 percentage points as compared to 3Q 2023 (31%);
- Liquidity Coverage Ratio – LCR stood at 280% up from 256% in 3Q 2023.

Financial aid update[2]

The IMF has estimated the short-term financing need of Moldova to be at about USD 883 million in 2023. This has been fully covered by the World Bank (USD 221 million), the EU (USD 197 million), the IMF (USD 218 million), and other developmental partners (USD 253 million) with finances disbursed for budget support. In 2024 this gap is estimated at USD 548 million which will be financed by the IMF (USD 270 million) as well as the EBRD, EU, and other developmental partners.

The EU is the single largest provider of financial aid to Moldova. Over the last 7 years, the economic bloc has issued over half a billion euros in grants on top of the over EUR 200 million in loans and grants, made available under the last two previous Macro-Financial assistance programmes.

These developments follow the significant financial support received by Moldova in 2022, which amounted to a total of EUR 641 million. The aid was used to address the energy crisis, including through government’s compensation system, as well as towards maintaining economic stability.

Trends in the business environment[3]

According to the National Bureau of Statistics, business managers estimate that in 1Q 2024 the economy will experience a stability in terms of economic activity and the number of employees with a slight increase in the prices of goods and materials, especially in the field of construction, whilst revenues will fall marginally. The responses to the survey differed very little in terms of size of the enterprise.

In terms of type of activity pursued, managers who operate in the retail industry were the most optimistic, with most foreseeing a positive change in the economic situation, with a marginally small majority predicting that their sales revenue will fall. A majority of respondents who operate in manufacturing and construction expect a worsening of the economic situation, a fall in their sales, and an increase in prices, with manufacturing managers being the most pessimistic. However, even for the most pessimistic, their expectations are quite tempered, with most expecting a relative stable environment with moderate changes.

In a study conducted by AmCham Moldova towards the end of 2023, the biggest risks identified by businesses were ‘geopolitical instability’ (25%), followed by ‘labor force shortage’ (16%), ‘inflation’ (13%), and ‘consumption decline’ (12%)[4].

Start of accession negotiation

On 14 December 2023, European Council decided to open accession negotiations with Moldova. This follows the recommendations of the European Commission to start the negotiation process in November of the same year, however, the Commission must still monitor the progress and compliance of the country with the steps outlined in the “Commission Opinion on Moldova's EU membership application” (Moldova has completed six out of the nine steps so far), and report to the Council by March 2024. Moldova has been an EU candidate since June 2022.

These events could lead to a potential EU accession referendum in 2024, which, as the situation stands at the moment, could likely pass because within the country European sentiment is favorable. A recent poll (January 2023) showed that over 56% the population are still in favor of Moldovan accession to the EU[5].

Moldova is set to hold its next presidential election in Autumn 2024. This follows the local elections held on 5 and 19 November 2023 which saw mixed results. Out of the 895 locations where a mayor was elected through a simple majority in the first round, 291 of those seats went to the leading party. In parliament, the leading party controls 63 out of a total of 101 seats.

[1]Source: National Bank of Moldova
[2]Source: Moldova Ministry of Finance, IMF, European council
[3]Source: National Bureau of Statistics
[4]Source: AmCham Moldova – Business Climate Sentiment Survey
[5]Source: iData barometer, January 2024

HIGHLIGHTS OF 4Q23 AND 12M23 FINANCIAL PERFORMANCE

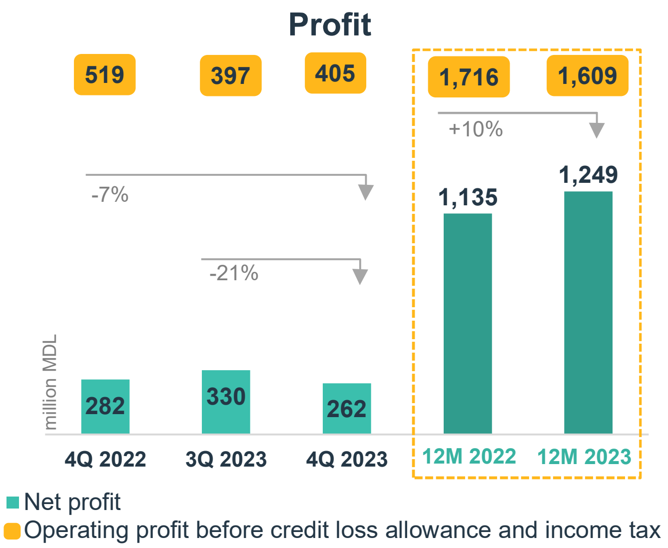
Low interest rate environment and higher provisions impact performance in 4Q

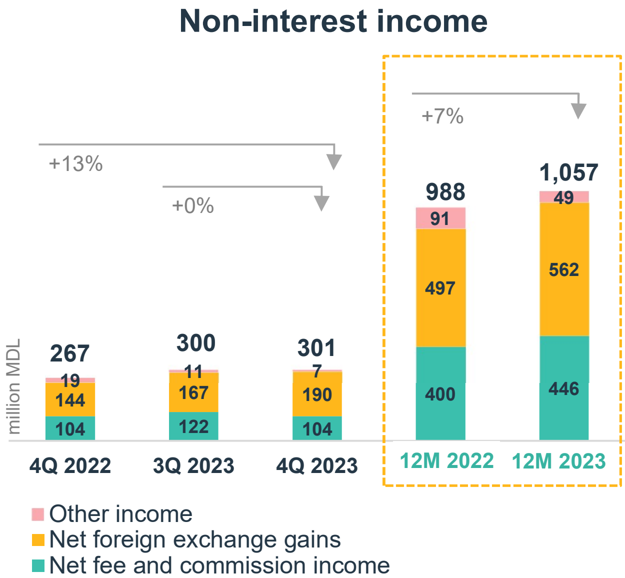
In 2023, the Group demonstrated financial resilience and strategic agility by navigating through economic and market challenges to deliver a robust annual performance.

The **fourth quarter** generated a **net profit** of MDL 261.8 million. This represents a dip in profitability as compared to previous periods – down by 7.1% YoY and 20.6% QoQ. The larger quarterly decline was caused by higher loan loss credit charges and operational costs. However, the Group managed to offset these by increase in net interest income, up by 14.0% QoQ and net foreign exchange gains, up by 13.8% QoQ.

The Group's **full-year results** mark a 10.0% growth in **net profit**, reaching to MDL 1,249.3 million. This growth was mainly driven by lower credit loss charges (see details in the next paragraphs) and surge in non-interest income, in particular net foreign exchange gains (up by 13.1%) and net fee and commission income (up by 11.5%). All of these contributed to achievement of a solid ROE and ROA of 17.2% and 2.6%, respectively.

Non-interest income, making up nearly one third of the Group's operating income, remained stable in the last quarter of 2023, reaching MDL 301.0 million, up by 12.9% as compared to 4Q 2022. This growth was mostly fueled by the net foreign exchange gains, driven by increased transaction margins. For the full year, non-interest income saw a 7.1% YoY growth, driven by the fee-based income and gains from foreign exchange transactions. Net foreign exchanges gains uptick is a result of increased volumes of forex exchange on card transactions.





Effective interest rate management in a challenging interest rate environment

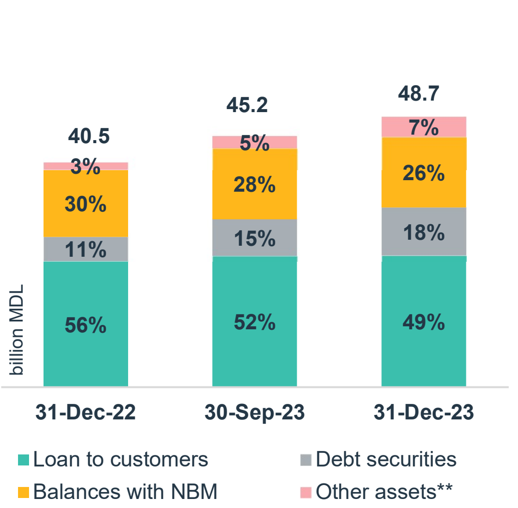
During 2023, the Group navigated a challenging interest rate environment, with the base rate markedly descending form 20.00% to 4.75%. Despite this, the Group's strategic approach to interest rate management enabled the soft landing of **net interest margin** (NIM), even achieving a growth of 0.3 pp during the last quarter of the year to 4.5%. This uptick was mostly driven by a reduction in deposit cost and increased rates on the required reserves maintained in Central Bank in foreign currencies.

The trajectory of NIM in the last quarter of 2023 was somewhat tempered by decreasing yields on debt securities portfolio, partially offset by volumes, up by 32% QoQ. At the same time, **loan book yield** remained stable during 4Q23.

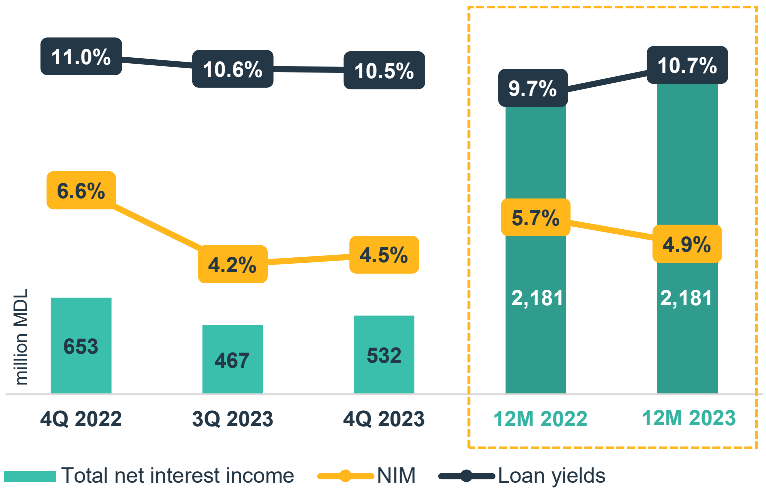
The **cost of funding** declined to 3.1%, down by 1.0 pp QoQ and by 1.1 pp YoY. The noticeable last quarter drop was determined by reduction in deposit cost by 1.0 pp to 2.6%, following a gradual repricing of portfolio at the current interest rates.

Over the course of 2023, the Group achieved a NIM of 4.9%, reflecting a 0.8 pp decrease YoY. The reduction was primarily attributed to increased deposit cost, which offset higher yields generated by interest-bearing assets, particularly the debt securities portfolio and the loan book. The broader economic context, the modest demand for loans, drove higher allocation to low-risk sovereign instruments. As a result, maib significantly increased its debt securities portfolio, nearly doubling it in 2023, thereby securing a comfortable liquidity level and stable interest income.

Interest Earning Assets Balance*



NIM, Loan Yield and Net Interest Income



* Gross Book Value of the assets
** Other interest earning assets include due from banks and finance lease receivables

Maintaining operational efficiency continued to be a key priority for Group

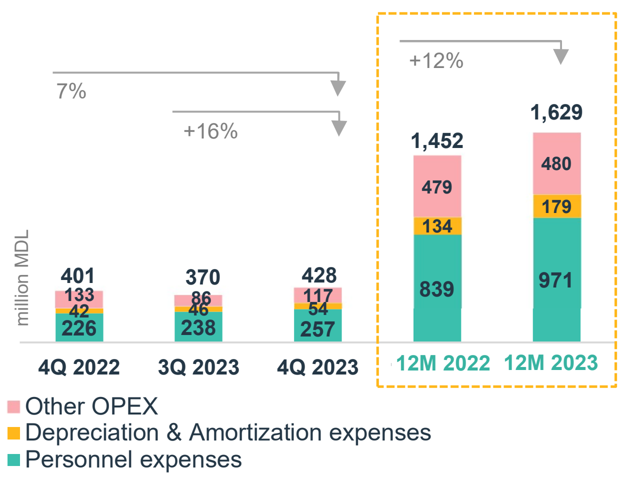
In the last quarter of 2023, the Group's **cost to income ratio** (CIR) stood at 51.4%, reflecting a 3.2 pp QoQ and 7.8 pp YoY increase. For 12 months 2023, the CIR stood at 49.9%, a 3.2 pp increase on a YoY basis.

Group's **operating expenses** (OPEX) totaled MDL 428.2 million in 4Q 2023, up by 15.9% QoQ and by 6.8% YoY. The quarter-on-quarter growth was mainly attributed to marketing campaigns, legal expenses and expenses for the repair and maintenance of assets.

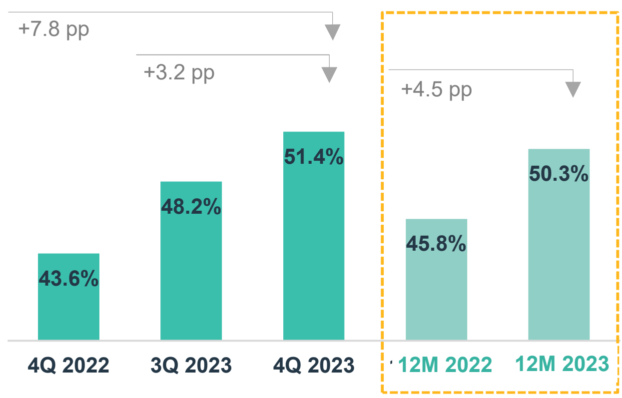
For full year 2023, the **Group's OPEX** amounted to MDL 1,629.5 million increasing by 12.2% on a YoY basis. The annual increase in OPEX was mainly driven by a rise in staff costs following the implementation of a new grading system and adjustments to salary structure, aimed at maintaining the bank's competitive advantage in an inflationary environment. The depreciation and amortized expenses was mainly related to investments in Group IT assets and branches transformation during 2023.

As inflationary pressures show signs of decline, the Group anticipates easing cost pressures in the remaining months of the year. The cost-to-income ratio remains the key performance indicator closely monitored by the Group, particularly in the context of business expansion, decreasing asset yields, and the ongoing development of strategic initiatives.

Operating expenses



Cost-to-income ratio



Managing risk in an uncertain time

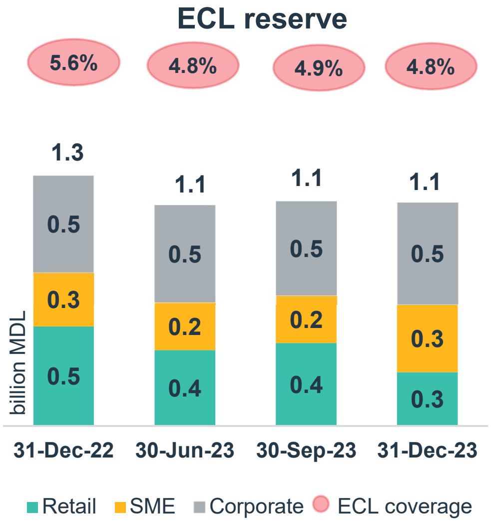
Maintaining a robust asset quality amidst fluctuating economic conditions has been a cornerstone of the Group's risk management strategy. Throughout 2023, the Group focused on high standards of asset quality, particularly loan book, and pursuing prudent lending practices and vigilant risk assessment and monitoring procedures.

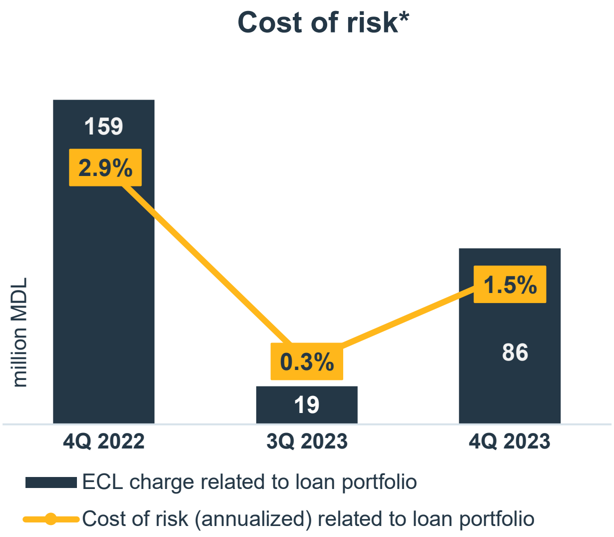
Maib's resilience in challenging economic climate is underlined by the Bank's **non-performing loans** (NPL) ratio, which stood at 2.7% by year-end, a decrease of 0.4 pp QoQ and of 0.1 pp YoY. This improvement is particularly notable within the retail portfolio, largely driven by natural loan renewal process and strategic write-offs of older NPLs. A default of one major corporate client did present a setback; however, the Bank's proactive recovery strategies are focused to mitigate this impact fully in the forthcoming quarter.

The Bank's **reserve ratio** remained steady overall (as compared to previous quarter) at 4.8%, though slightly lower as compared to 2022 year-end. A prudent reserve ratio is maintained to cover any potential losses especially on the SME sector and residual risk on significant exposures.

In the last quarter of the year, the Bank has revised its forward-looking impairment models, including underlying macroeconomic variables, also updating its actual default history and macro forecasts. This review has contributed to a significant reduction of annual **cost of risk** to 0.6%, a 0.8 pp decrease YoY. The main contributor to this reduction is retail portfolio, particularly mortgage loans, which marked noticeably lower default rates, coupled with a more optimistic macro outlook as compared to previous periods (see Economic Outlook section in this report). The positive effects were partially offset by the SME portfolio with signs of modest deterioration during the year.

Prudent risk management will continue to be one of the strategic cornerstones for the next year. Diligent monitoring, strategic asset management, and strict adherence to lending norms will not only preserve but enhance our asset quality, ensuring our institution's resilience and stability amidst ongoing economic challenges and uncertainties.





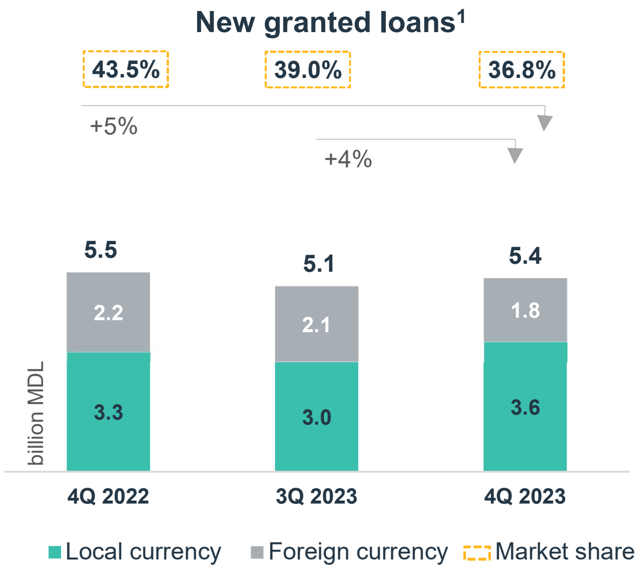
Retail and SME lending driving growth

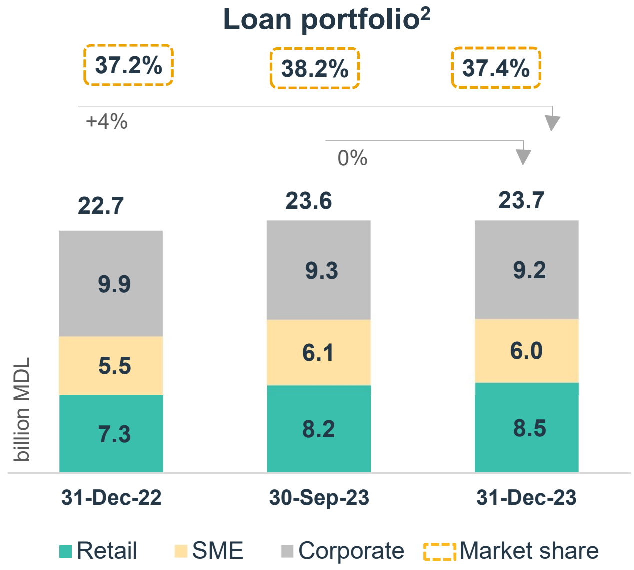
As of December 31, 2023, the Bank's **gross loan portfolio** reached MDL 23.7 billion, marking a modest quarterly increase of 0.2% and a significant YoY growth of 4.4%. **Retail lending** was the primary catalyst behind this growth, expanding by 3.0% QoQ and an impressive 16.2% YoY. Mortgage loans, which accounted for 69% of the new loans disbursed in the fourth quarter, were particularly instrumental in driving the retail loan portfolio's growth. The consumer lending segment also saw healthy growth, with increases of 1.9% quarter-on-quarter and 21.5% year-on-year.

The **SME gross loan book** saw a slight contraction of 2.9% QoQ, bringing the gross loan portfolio to MDL 5.9 billion. Despite this, SME loan book achieved a substantial 8.0% YoY growth. The QoQ decline was mainly due to revolving loans, which constitute 9% of the SME portfolio. However, the YoY growth was driven by a 17.1% increase in working capital loans, followed by a 10.5% increase rise of investment loan portfolio. Agriculture and trade sectors continue to dominate the portfolio, collectively representing 72% of the SME loan book. **SME loan market share** market a noticeable yearly expansion by 5.6 pp, reaching 37.0% by the end of 2023.

The **Corporate gross loan portfolio** stood at MDL 9.2 billion as of December 31, 2023, maintaining nearly at the same level as at the end of 3Q2, though marking a decrease by 6.5% during the year. The YoY contraction in the corporate loan portfolio is observed in both working capital and revolving loans, reflecting the business moderate lending appetite amid ongoing economic uncertainties.

Maib's **loan market share** has slightly decreased QoQ to 37.4%, primarily due to a reduction in loans to legal entities, though maintaining its market share during the year (0.2 pp uptick). **Retail loans market share** stood at 33.7%, marking a slight 0.1 pp QoQ decrease, though winning a substantial additional 2.3 pp market share. By the end of the year, the Bank's market share in **consumer and mortgage lending** stood at 37.9% and 30.0%, respectively, demonstrating steady gains both QoQ and YoY.





Source: National Bank of Moldova, maib financials

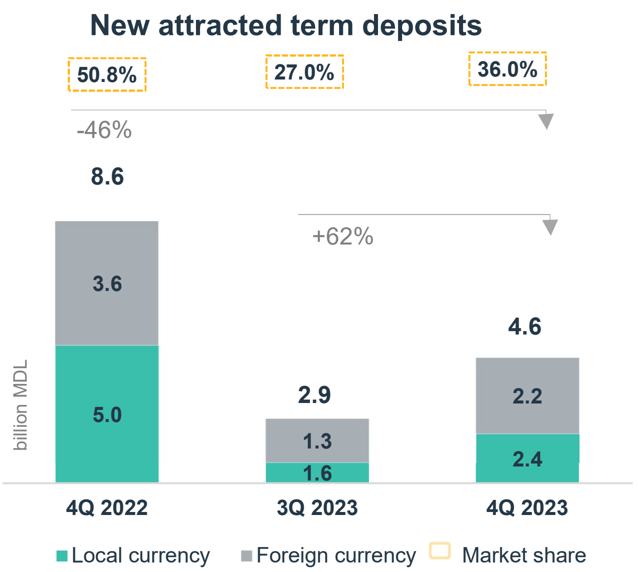
[1] Amounts presented represent principal amount of new loans disbursed during the period
[2] Amounts presented represent gross exposure, i.e. principal plus related amounts of interest and commissions, adjusted with amortized cost

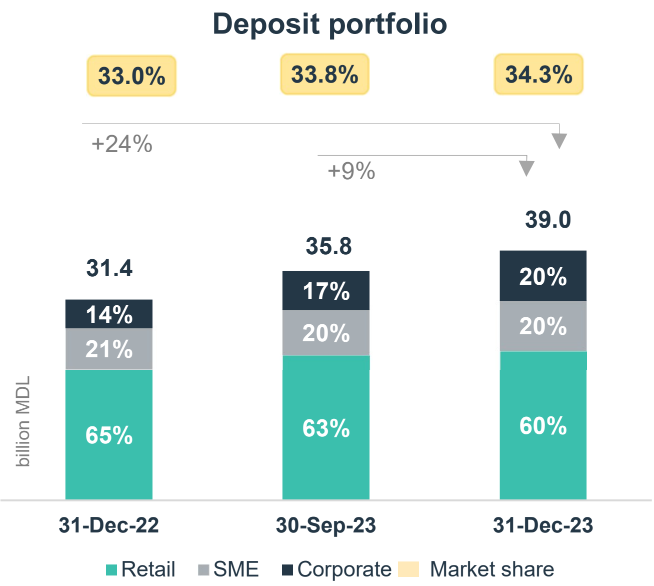
Customers' deposits portfolio – Corporate portfolio up over 74% YoY

Customers' deposits portfolio reached MDL 39.0 billion at the year-end, marking a notable 24.4% YoY and 9.0% QoQ growth. As of 31 December 2023, maib strengthened its **deposits market share** to 34.3%, up by 0.5 pp QoQ and 1.2 pp YoY. In the Retail segment, deposits market held overall steady at 34.8%, consistent with the level at the previous year-end.

The quarterly growth in customers' deposits was largely propelled by the **Corporate** segment, accounting for more than 55% of the deposit growth. Corporate deposits portfolio has demonstrated a consistent growth, achieving MDL 7.9 billion as of 31 December 2023, with a robust YoY growth of 73.7% and a substantial QoQ increase of 29.2%. The primary growth driver within the corporate deposits was current deposits denominated in local currency, in both the year-on-year and quarter-on-quarter periods.

The **SME deposit portfolio** amounted to MDL 7.8 billion, reflecting a substantial YoY growth of 22.6% and 11.0% on a QoQ basis. The YoY growth in the SME portfolio is attributed to current deposits in local currency, with a 32.6% QoQ increase. Simultaneously, the **Retail deposits portfolio** reached MDL 23.3 billion as of 31 December 2023, up by 14.0% YoY and by 2.9% on a QoQ basis. The most significant contributions to the retail portfolio's growth in the last quarter, especially in comparison to the same period in the previous year, were from term deposits in foreign currency, which grew by 28.1% YoY, and current deposits in local currency, which saw a 35.1% increase YoY. The volume and the market share of newly attracted term deposits in 4Q23 has increased noticeably, reaching 36.0%, up by 9.9 pp QoQ. This growth underscores the growing trust of customers in the bank, concurrently bolstering the funding base.



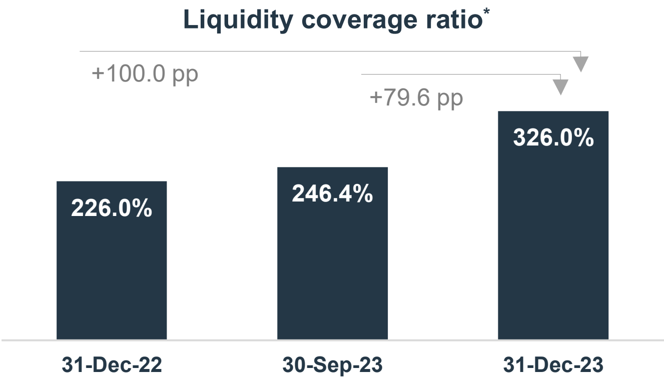


Source: National Bank of Moldova, maib financials

Robust liquidity maintained

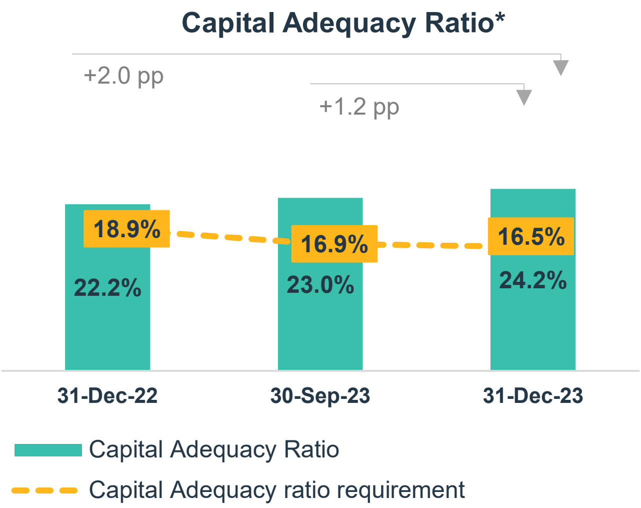
Maib sustains **robust liquidity levels**, as indicated by the Liquidity Coverage Ratio (LCR) of 326.0% as of 31 December 2023 - significantly exceeding the mandated minimum of 100%. The sequential increase in LCR is predominantly driven by the increase of liquid asset balances, particularly through increased investments in certificates issued by the Central Bank, this being due to more allocation of resources to sovereign instruments in the light of a moderate lending appetite.

Source: National Bank of Moldova; maib financials

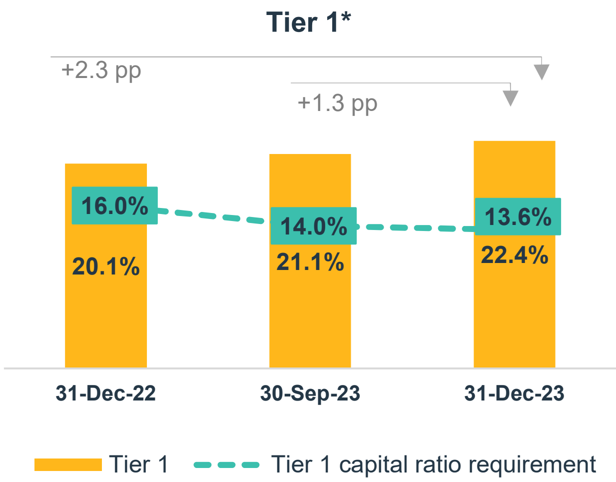


Strong capital position

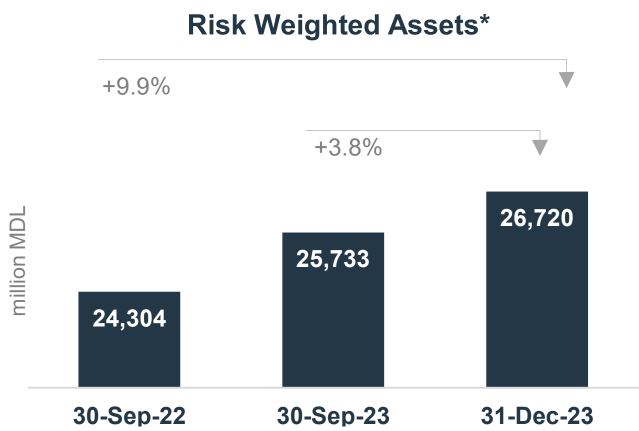
The Bank maintains resilient capitalization, with a **Capital Adequacy Ratio (CAR)** and **Tier 1** at 24.2% and 22.4% as of 31 December 2023, respectively, all comfortably above the minimum requirements of 16.5% and 13.6%. The quarter-on-quarter growth in CAR was driven by profits capitalization for 2023.



Source: National Bank of Moldova



Source: Maib financials



Source: National Bank of Moldova; maib financials

Risk weighted assets (RWA) amounted to MDL 26.7 billion, up by 3.8% QoQ and by 9.9% on a YoY basis. The QoQ growth was primarily driven by an increase in the Bank's exposure to operational risk and exposure to loans covered by real estate collaterals. The year-on-year growth in balance of RWA was driven by increase in Bank's exposure to the Retail sector and exposure to the Banks.

* Capital Adequacy Ratio, Tier 1 and LCR 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 2% of total income of the Group.

SUBSEQUENT EVENTS

Latest Monetary Policy decision. On 6 February 2024 the Executive Committee of the NBM, adopted the decision to decrease the level interest rates for the main monetary policy operations, as follows:

- the base rate applied to major short-term monetary policy operations by 0.5 pp, from 4.75% to 4.25%
- interest rates for overnight loans by 0.5 pp, from 6.75% to 6.25%
- interest rates for overnight deposits by 0.5 pp, from 2.75% to 2.25
- the required reserve ratio of funds attracted in MDL and non-convertible foreign currency maintained at 33% of the reserve base
- the required reserve ratio of funds attracted in freely convertible currency maintained at 43% of the reserve base

In February 2024, the National Bank of Moldova (BNM) announced that it expects inflation in 2024 to be 4.7%.

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.

ADDITIONAL DISCLOSURES

1. MAIB AT A GLANCE

Maib is the largest bank in Moldova (by total assets), with total assets of MDL 52.3 billion, representing 33.9%[1] of market share by total assets as of 31 December 2023. The bank holds a leading position in the Moldovan market across various metrics, including loans, deposits, brand perception, and other key indicators.

The **Maib Group** encompasses the parent company, "MAIB" S.A., and its subsidiaries, namely "MAIB-Leasing" S.A. and "Moldmediacard" S.R.L. Maib owns 100% of the share capital of MAIB-Leasing S.A. and 99% of the share capital of Moldmediacard S.R.L.

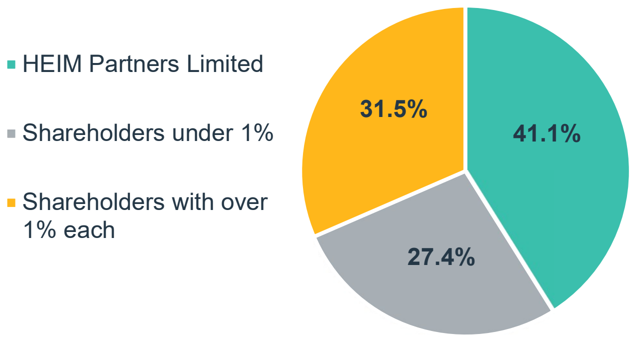
The key areas of operations of **MAIB-Leasing** are leasing of vehicles (over 90% of business activity) and agricultural machinery, as well as other leasing projects. **Moldmediacard** is focused on designing, developing, and offering modern and efficient technological solutions within the payments industry, covering all aspects of card processing.

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

The Bank's gross loan portfolio totaled MDL 23.7 billion as of 31 December 2023, out of which 39% is represented by retail clients and 61% across legal entities (36% Corporate and 25% SMEs). Maib's loan portfolio covers 37.4%[1] of the market as of the same date.

The bank's funding primarily relies on customer deposits and equity. Additionally, wholesale funding is sourced from loans with international financial institutions and impact finance providers. This diversified funding approach to financing underscores allows maib's stability in the financial landscape to stabilize its obtain stable long-term funding.

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.

In June 2023 maib paid MDL 1.91 per share out of 2022 profits after securing permission of the National Bank of Moldova (NBM).

[1] Market share is presented on the standalone basis (Bank only). Source: National Bank of Moldova

2. BANK'S STRATEGY

1 Customer experience

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

2 Digitalization

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

3 Payments

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

4 Branch offloading 2.0

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

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

3. SEGMENT RESULTS

RETAIL BANKING

4Q23 AND 12M23 FINANCIAL PERFORMANCE

TOTAL **LOANS AND DEPOSITS** highlights, million MDL

	31 Dec 2023	30 Sep 2023	% QoQ change	31 Dec 2022	% YoY change	31 Dec 2023	31 Dec 2022	% YTD change
Net loans and advances to Retail customers:	**8,238**	**7,844**	**+0.2%**	**6,817**	**+20.8%**	**8,238**	**6,817**	**+20.8%**
Gross loans and advances to customers	*8,512*	*8,265*	*+3.0%*	*7,324*	*+16.2%*	*8,512*	*7,324*	*+16.2%*
Expected credit loss allowances for loans and advances to customers	*(273)*	*(421)*	*-35.1%*	*(506)*	*-46.0%*	*(273)*	*(506)*	*-46.0%*
Due to customers- Retail customers	**23,340**	**22,673**	**+2.9%**	**20,474**	**+14.0%**	**23,340**	**20,474**	**+14.0%**

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

	4Q 2023	3Q 2023	% QoQ change	4Q 2022	% YoY change	12M 2023	12M 2022	% YoY change
NET INTEREST INCOME	**276.4**	**248.3**	**+11.3%**	**328.2**	**-15.8%**	**1,170.8**	**1,161.1**	**+0.8%**
NON-INTEREST INCOME, out of which:	**126.5**	**132.6**	**-4.6%**	**115.1**	**+9.9%**	**453.0**	**411.8**	**+10.0%**
Net fee and commission income	33.1	48.3	-31.5%	39.4	-15.9%	157.4	144.9	+8.7%
Foreign exchange gains, net	87.0	76.1	+14.3%	59.8	+45.5%	262.3	206.7	+26.9%
Other operating income	6.5	8.2	-21.5%	16.0	-59.6%	33.2	603	-44.9%
OPERATING INCOME, NET	**403.0**	**380.9**	**+5.8%**	**443.4**	**-9.1%**	**1,623.8**	**1,572.9**	**+3.2%**
DIRECT OPERATING EXPENSES, out of which:	**(144.5)**	**(131.3)**	**+10.1%**	**(139.1)**	**+3.8%**	**(561.8)**	**(510.8)**	**+10.0%**
Staff costs	(72.8)	(71.5)	+1.9%	(64.9)	+12.3%	(296.3)	(257.5)	+15.1%
Depreciation	(26.9)	(23.5)	+14.1%	(17.2)	+56.0%	(88.5)	(62.3)	+42.0%
Other operating expenses, including:	(44.8)	(36.3)	+23.6%	(57.1)	-21.5%	(177.1)	(191.0)	-7.3%
Deposits Guarantee Fund	(5.3)	(4.5)	+17.9%	(3.9)	+34.6%	(18.1)	(14.8)	+21.9%
Resolution Fund	-	-	-	-	-	(24.4)	(24.1)	+1.4%
INDIRECT ALLOCATED EXPENSES	**(104.7)**	**(98.2)**	**+6.6%**	**(108.2)**	**-3.3%**	**(437.1)**	**(377.7)**	**+15.7%**
OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE AND INCOME TAX	**153.8**	**151.5**	**+1.5%**	**196.0**	**-21.5%**	**624.8**	**684.4**	**-8.7%**
Impairment and provisions charges	45.8	(41.1)	-211.5%	(36.1)	-226.7%	(4.1)	(271.2)	-98.5%
PROFIT BEFORE INCOME TAX (PBT)	**199.6**	**110.4**	**+80.8%**	**159.9**	**+24.8%**	**620.7**	**413.2**	**+50.2%**
Income tax expense	(33.8)	(14.2)	+137.9%	(22.2)	+52.3%	(84.1)	(51.0)	+64.9%
NET PROFIT	**165.7**	**96.2**	**+72.3%**	**137.7**	**+20.4%**	**536.6**	**362.2**	**+48.1%**

KEY FINANCIAL RATIOS	31 Dec / 4Q 2023	30 Sep / 3Q 2023	31 Dec / 4Q 2022	31 Dec/ 12M 2023	31 Dec/ 12M 2022
Cost of deposit, %	3.5	4.7	4.0	4.7	2.2
Cost to income ratio, %	61.8	60.2	55.8	61.5	56.5
Cost of risk, %	-2.5	1.4	1.4	-0.4	3.2
LTD ratio (at period end), %	35.3	34.6	33.3	35.3	33.3
NPL ratio (at period-end), %	1.2	2.6	4.4	1.2	4.4

1 Indicators calculated based on quarterly (3 months) annualized financial results
2 Indicators calculated on cumulative 12-months financial results

SME BANKING

4Q23 AND 12M23 FINANCIAL PERFORMANCE

TOTAL **LOANS AND DEPOSITS** highlights, million MDL

	31 Dec 2023	30 Sep 2023	% QoQ change	31 Dec 2022	% YoY change	31 Dec 2023	31 Dec 2022	% YTD change
Net loans and advances to SME customers:	**5,573**	**5,848**	**-4.7%**	**5,203**	**+7.1%**	**5,573**	**5,203**	**+7.1%**
Gross loans and advances to customers	*5,917*	*6,091*	*-2.9%*	*5,477*	*+8.0%*	*5,917*	*5,477*	*+8.0%*
Expected credit loss allowances for loans and advances to customers	*(344)*	*(243)*	*+41.6%*	*(274)*	*+25.3%*	*(344)*	*(274)*	*+25.3%*
Due to customers- SME customers	**7,796**	**7,025**	**+11.0%**	**6,357**	**+22.6%**	**7,796**	**6,357**	**+22.6%**

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

	4Q 2023	3Q 2023	% QoQ change	4Q 2022	% YoY change	12M 2023	12M 2022	% YoY change
NET INTEREST INCOME	**151.8**	**138.2**	**+9.8%**	**162.3**	**-6.5%**	**580.4**	**514.9**	**+12.7%**
NON-INTEREST INCOME, out of which:	**114.9**	**103.5**	**+11.0%**	**85.5**	**+34.3%**	**367.9**	**308.3**	**+19.3%**
Net fee and commission income	56.6	53.6	+5.7%	49.9	+13.4%	203.8	178.3	+14.3%
Foreign exchange gains, net	58.1	49.1	+18.3%	35.0	+65.9%	162.9	127.6	+27.6%
Other operating income	0.2	0.8	-80.2%	0.6	-72.7%	1.2	2.4	-48.5%
OPERATING INCOME, NET	**266.7**	**241.8**	**+10.3%**	**247.8**	**+7.6%**	**948.3**	**823.3**	**+15.2%**
DIRECT OPERATING EXPENSES, out of which:	**(56.6)**	**(51.6)**	**+9.7%**	**(49.1)**	**+15.3%**	**(217.3)**	**(198.9)**	**+9.2%**
Staff costs	(30.2)	(32.3)	-6.5%	(19.6)	+54.2%	(124.1)	(98.9)	+25.4%
Depreciation	(9.6)	(7.8)	+23.2%	(5.6)	+71.1%	(28.4)	(19.9)	+42.3%
Other operating expenses, including:	(16.8)	(11.5)	+46.0%	(23.9)	-29.7%	(64.9)	(80.1)	-19.0%
Deposits Guarantee Fund	(1.7)	(1.3)	+27.0%	(1.4)	+21.0%	(5.5)	(5.1)	+8.5%
Resolution Fund	-	-	-	-	-	(11.3)	(12.6)	-10.4%
INDIRECT ALLOCATED EXPENSES	**(56.2)**	**(46.8)**	**+20.0%**	**(56.6)**	**-0.8%**	**(201.9)**	**(192.8)**	**+4.7%**
OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE AND INCOME TAX	**153.9**	**143.4**	**+7.4%**	**142.1**	**+8.3%**	**529.1**	**431.4**	**+22.6%**
Impairment and provisions charges	(107.5)	(2.2)	+4,813.0%	(38.6)	+178.5%	(157.0)	(146.5)	+7.2%
PROFIT BEFORE INCOME TAX (PBT)	**46.5**	**141.2**	**-67.1%**	**103.5**	**-55.1%**	**372.0**	**284.9**	**+30.6%**
Income tax expense	(2.6)	(18.5)	-86.1%	(14.6)	-82.4%	(42.4)	(35.2)	+20.6%
NET PROFIT	**43.9**	**122.7**	**-64.2%**	**89.0**	**-50.7%**	**329.6**	**249.8**	**+32.0%**

KEY FINANCIAL RATIOS	31 Dec / 4Q 2023	30 Sep / 3Q 2023	31 Dec / 4Q 2022	31 Dec/ 12M 2023	31 Dec/ 12M 2022
Cost of deposit, %	0.7	0.8	0.8	0.8	0.5
Cost to income ratio, %	42.3	40.7	42.7	44.2	47.6
Cost of risk, %	6.7	-0.1	2.7	2.5	3.0
LTD ratio (at period end), %	71.5	83.2	81.8	71.5	81.8
NPL ratio (at period-end), %	2.8	2.6	2.3	2.8	2.3

[1] Indicators calculated based on quarterly (3 months) annualized financial results
[2] Indicators calculated based on cumulative 12-months financial result

CORPORATE BANKING

4Q23 AND 12M23 FINANCIAL PERFORMANCE

TOTAL **LOANS AND DEPOSITS** highlights, million MDL

	31 Dec 2023	30 Sep 2023	% QoQ change	31 Dec 2022	% YoY change	31 Dec 2023	31 Dec 2022	% YTD change
Net loans and advances to Corporate customers:	**8,727**	**8,800**	**-0.8%**	**9,391**	**-7.1%**	**8,727**	**9,391**	**-7.1%**
Gross loans and advances to customers	*9,247*	*9,280*	*-0.3%*	*9,886*	*-6.5%*	*9,247*	*9,886*	*-6.5%*
Expected credit loss allowances for loans and advances to customers	*(521)*	*(480)*	*+8.5%*	*(494))*	*+5.4%*	*(521)*	*(494)*	*+5.4%*
Due to customers- Corporate customers	**7,860**	**6,082**	**+29.2%**	**4,526**	**+73.7%**	**7,860**	**4,526**	**+73.7%**

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

	4Q 2023	3Q 2023	% QoQ change	4Q 2022	% YoY change	12M 2023	12M 2022	% YoY change
NET INTEREST INCOME	**101.0**	**89.9**	**+12.4%**	**147.6**	**-31.6%**	**418.0**	**475.6**	**-12.1%**
NON-INTEREST INCOME, out of which:	**55.8**	**57.2**	**-2.3%**	**59.2**	**-5.7%**	**191.5**	**211.5**	**-9.5%**
Net fee and commission income	12.7	12.7	-0.1%	13.8	-7.6%	51.7	47.4	+9.1%
Foreign exchange gains, net	43.1	43.8	-1.4%	45.0	-4.1%	139.4	162.4	-14.2%
Other operating income	(0.1)	0.6	-108.8%	0.4	-113.7%	0.4	1.8	-75.3%
OPERATING INCOME, NET	**156.8**	**147.0**	**+6.6%**	**206.8**	**-24.2%**	**609.5**	**687.1**	**-11.3%**
DIRECT OPERATING EXPENSES, out of which:	**(16.0)**	**(13.8)**	**+15.7%**	**(16.5)**	**-3.2%**	**(66.8)**	**(64.9)**	**+3.0%**
Staff costs	(8.3)	(8.9)	-5.9%	(6.9)	+21.5%	(32.9)	(28.3)	+16.2%
Depreciation	(1.3)	(0.9)	+47.3%	(0.8)	+55.8%	(3.6)	(2.6)	+39.7%
Other operating expenses, including:	(6.4)	(4.1)	+55.8%	(8.8)	-27.8%	(30.3)	(34.0)	-10.8%
Deposits Guarantee Fund	(1.4)	(1.1)	+34.5%	(0.9)	+64.3%	(4.2)	(3.2)	+32.2%
Resolution Fund	-	-	-	-	-	(9.0)	(10.5)	-14.2%
INDIRECT ALLOCATED EXPENSES	**(26.4)**	**(19.7)**	**+34.3%**	**(21.7)**	**+22.0%**	**(93.5)**	**(93.7)**	**-0.2%**
OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE AND INCOME TAX	**114.3**	**113.5**	**+0.7%**	**168.6**	**-32.2%**	**449.2**	**528.6**	**-6.9%**
Impairment and provisions charges	(34.6)	2.6	-1,430.8%	(85.2)	-59.4%	(31.4)	54.1	-158.0%
PROFIT BEFORE INCOME TAX (PBT)	**79.8**	**116.1**	**-31.3%**	**83.4**	**-4.3%**	**417.8**	**582.7**	**-28.3%**
Income tax expense	(12.1)	(15.9)	-24.2%	(15.2)	-20.6%	(53.3)	(71.9)	-25.9%
NET PROFIT	**67.7**	**100.2**	**-32.4%**	**68.2**	**-0.7%**	**364.5**	**510.7**	**-28.6%**

KEY FINANCIAL RATIOS	31 Dec / 4Q 2023	30 Sep / 3Q 2023	31 Dec / 4Q 2022	31 Dec/ 12M 2023	31 Dec/ 12M 2022
Cost of deposit, %	1.8	2.8	2.8	2.5	1.7
Cost to income ratio, %	27.1	22.8	18.5	26.3	23.0
Cost of risk, %	1.6	-0.3	4.1	0.4	-0.7
LTD ratio (at period end), %	111.0	144.7	207.5	111.0	207.5
NPL ratio (at period-end), %	3.9	3.8	2.0	3.9	2.0

[1] Indicators calculated on quarterly (3 months) annualized financial results
[2] Indicators calculated on cumulative 12-months financial results

4. 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