

A central teal circle containing the text "annual report 2022". The circle is surrounded by a ring of yellow stars. The background of the entire page is a stylized illustration of a bridge with a road leading towards the horizon. The bridge structure is dark grey with yellow and teal accents. The road has yellow and red dashed lines. The sky is white with dark grey structural beams.

annual  
report  
2022

building bridges  
to Europe



**On the cover and on this page:**

Artistic impression of Eiffel railway bridge over river Prut, built by Gustave Eiffel, opened in 1877.

Currently connects Moldova with the European Union member country Romania

In 2022 Moldova became the candidate to join the European Union. Economic, business, political and cultural ties with Europe are becoming ever more present in Moldova every day. As for its part, maib helps many Moldovan companies with links to Europe to enhance and develop their businesses, become more competitive and profitable. Via its many service offerings maib helps ordinary Moldovans working in Europe maintain economic and personal ties with the country.

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## maib at a glance



The **maib** group consists of BC "MAIB" S.A. ("**maib**" or "the Bank") as a parent company and its subsidiary companies: OCN "MAIB-Leasing" SA (**maib leasing**) and "Moldmediacard" SRL ("MoldMediaCard").

In the pages of this report we refer to:

- The **maib** group, talking about the Bank and its subsidiary companies;
- **maib**, referring to the Bank.

**Maib** is the largest bank in Moldova and the leader of Moldovan banking sector. It is a commercial bank that lends to businesses and individuals, takes deposits, maintains current accounts, provides payment solutions for businesses and individuals. **Maib** invests its own funds and has a brokerage service. It has 2 subsidiaries – a leasing company and a card processing operation. Its sole geographic focus is Moldova.



## leadership

**Maib** holds clear leadership in nearly all segments of the Moldovan banking market.

### market position

total assets	32.7%	#1
total loans	37.2%	#1
total deposits	33.0%	#1
loans to individuals	31.4%	#1
loans to businesses	40.7%	#1
deposits of individuals	34.6%	#1
deposits of businesses	31.0%	#1

Market shares / rank as at 31 December 2022

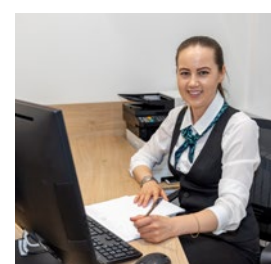
## customer base

**Maib** has a wide customer base of nearly 985,000 individuals, businesses and other organizations.

retail	small and medium site enterprises	corporate
<b>955</b> thousand clients	<b>30</b> thousand clients	<b>478</b> clients
<ul style="list-style-type: none"> <li>• Market leader in deposits</li> <li>• Leading among affluent customers</li> <li>• Strong position among mass retail customers</li> <li>• Consistent business volume expansion</li> </ul>	<ul style="list-style-type: none"> <li>• Emerging leader in the SME segment</li> <li>• Strong focus on winning market share in the segment</li> <li>• Highest growing segment in bank's portfolio</li> </ul>	<ul style="list-style-type: none"> <li>• Established business relationships with many of the key corporate clients in Moldova</li> <li>• Diversified product offering</li> <li>• Estimated market share - nearly 50% of corporate clients in Moldova</li> </ul>

## employees





There are 2,812 people working at **maib**, including 2,430 full time employees. It is one of the largest private employers in the country.



## distribution network

**Maib's** distribution network has both physical and digital presence.

It has 110 branches and agencies, 321 ATMs and 12,774 POS terminals installed all around Moldova.

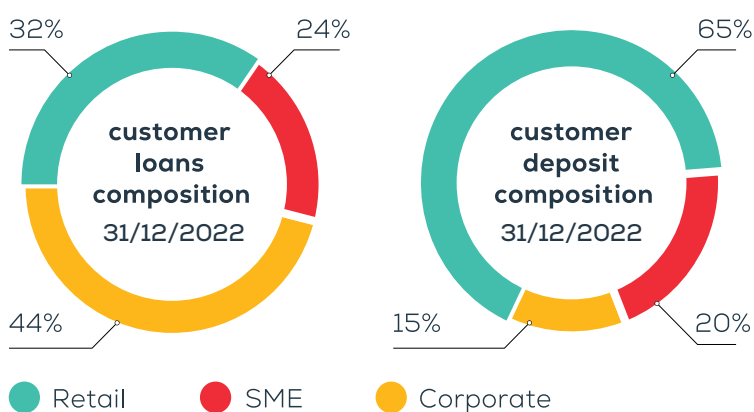
	#1	#1	#2
			
	<b>321</b>	<b>12.8k</b>	<b>110</b>
<b>Competitor 1</b>	263	8.9k	160
<b>Competitor 2</b>	212	7.5k	71
<b>Competitor 3</b>	61	1.7k	20

Source: NBM, at 31/12/2022

## funding model

**Maib** funds itself primarily via deposits it takes from customers and own funds. In 2021 it has taken out a subordinated loan, first deal of its kind in Moldovan banking. In 2022 **maib** attracted the 2nd tranche of subordinated loan.

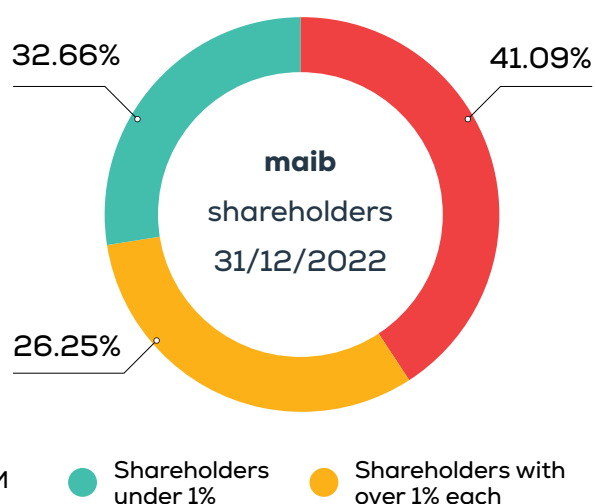
### Key business segments



Source: **maib** financial statements

## shareholders

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



Source: **maib** financial statements

\*HEIM partners limited is a holding company for EBRD, horizin capital and invalda

# history of maib

2022

- The first digital cards are launched for Moldovan customers
- CasaHUB and AgricolaHUB joined the **maib** financial ecosystem
- Apple Pay, Google Pay and Garmin Pay became available for **maib** customers
- Student Lab by ASEM & **maib**, **maib academy** and **maib IT academy** inaugurated
- Bank-wide Agile transformation launched in January
- **Maib** consolidates market position: 37.2% of the banking system total assets
- **Maib alto**, the first premium banking service in Moldova, launched

2021

- A new CEO with international experience joins the management board - Giorgi Shagidze
- Updated strategy including a new mission, vision and values adopted
- Rebranding covering all aspects of visual identity initiated
- DriveHub digital platform launched for car sellers and buyers
- Moldovan Capital Markets day held on London Stock Exchange features **maib** ;
- Opening of **maib** mortgage centre

2020  
2019

- **Maib** introduces short customer care number 1313
- Launch a range of new products including gama cards, maib liber, instant card
- The first self-service area with POS terminals installed in supermarkets
- Further upgrade to information security and ISO 27001:2017 certification

2018  
2012

- HEIM Partners acquire a 41.09% stake in **maib** shares
- Rebranding and logo change
- Market leadership constantly growing: 26.3% of banking system total assets, 28.7% - of loans, 27.8% - of deposits
- American Express partnership signed
- **Maib** - one of the largest private employers in the country with over 1500 employees

2011  
2007

- **Maib** trademarks its brand internationally and is ISO 27001:2005 certified (information security)
- **Maib** launches VISA and Mastercard chip cards
- First Cash-In service solution is applied
- **Maib** launches Internet Banking service pilot service for retail customers

2006  
2000

- **Maib** develops electronic networks for distribution of banking products
- Total number of customers, individuals and legal entities exceeds 200 thousand
- First leasing company in Moldova launched
- Launch of **maib** Business Center
- **Maib** joins VISA International system
- Moldmediacard subsidiary founded

1999  
1996

- Constant growth of the client base and loan portfolio
- First logo trademarked
- **Maib** leads Moldovan banking sector in most categories

1995  
1991

- **Maib** connected to REUTER and SWIFT
- First agreement with EBRD signed
- **Maib** became the founder of the Moldovan Stock Exchange
- **Maib** received banking license 1991
- Commercial Bank "Moldova Agroindbank" S.A. founded - 1991





# highlights of 2022

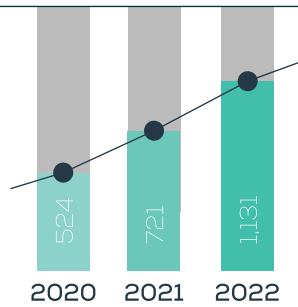


# key financial highlights

## Net profit (million MDL)

**1,131**

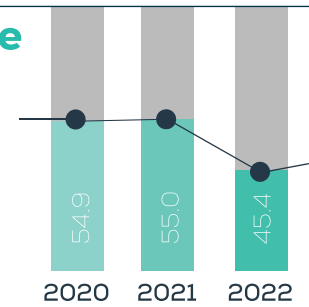
+56.8% y-o-y



## Cost to income ratio

**45.4**

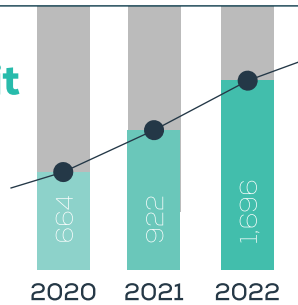
-9.6 p.p. y-o-y



## Pre-provision operating profit (million MDL)

**1,696**

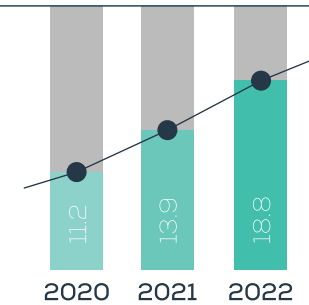
+83.9% y-o-y



## Return on equity

**18,8%**

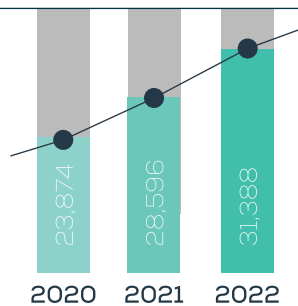
+5 p.p. y-o-y



## Total deposits (million MDL)

**31,388**

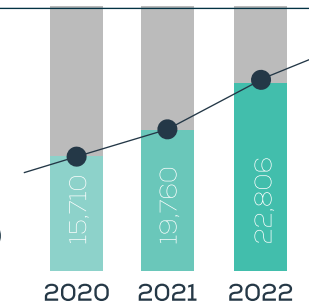
+9.8% y-o-y



## Total loans gross (million MDL)

**22,806**

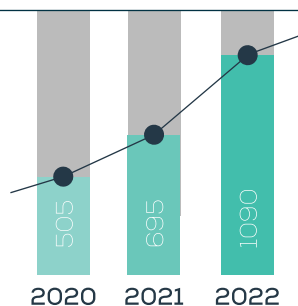
+15.4 y-o-y



## Basic earning per share\* (MDL)

**1,090**

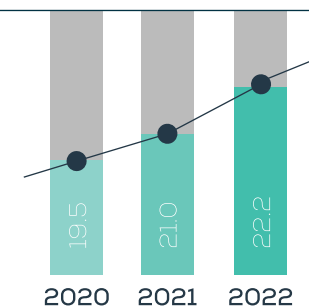
+56.8% y-o-y



## Total capital ratio

**22.2**

+1.2 p.p. y-o-y



\*In February 2023 Bank had a stock split 1:100

Current figures shown on prestock split basis

Source: **maib** financial statement

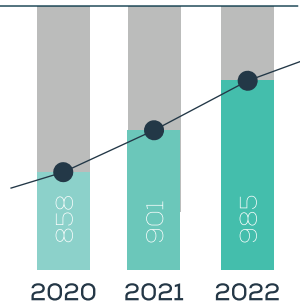
\*Presented financial numbers are based on standalone financial statements of **maib** unless indicated otherwise. **Maib** represents about 99% of the net profit of the group, for indicators on subsidiaries see the audited financial report.

# key operating highlights

## Number of clients

**985k**

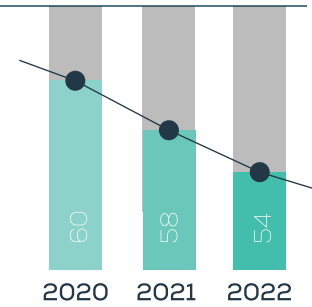
+9.3% y-o-y



## Banking branches

**54**

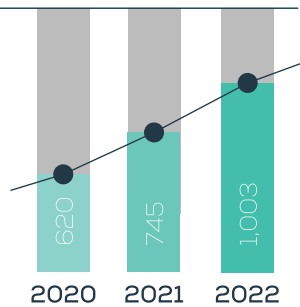
-4 y-o-y



## Number of cards

**1,003k**

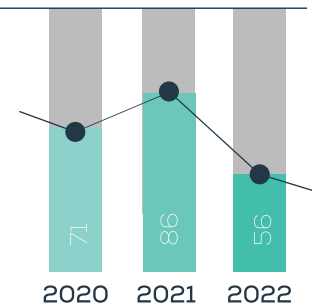
+35% y-o-y



## Agencies

**56**

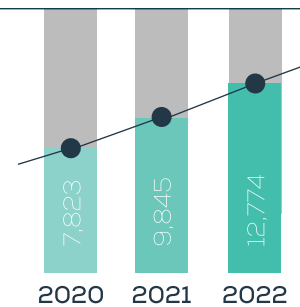
-30 y-o-y



## POS terminals

**12,774**

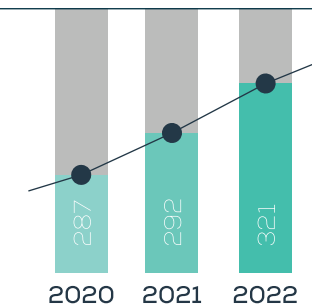
+2929 y-o-y



## ATM-s

**321**

+29 y-o-y



## Total maibank users

**430k**

+45% y-o-y

## maibank number of operations

**9,363k**

x1.6 y-o-y

# financial performance overview

## 12M 2022 P&L Highlights

- Net Profit for 2022 : MDL 1,131 million (2021: MDL 721.1 million), up by 56.8% year on year
- Return on average equity (ROE): 18.8% (2021: 13.9%)
- ROE before expected credit losses (ECL): 28.1% (2021: 17.7%)
- Return on average assets (ROA): 2.8% (2021: 2.1%)
- Cost to income: 45.4% (2021: 55.0%)
- Cost of risk (at year end): 1.70% (2021: 0.46%)
- Net interest margin (NIM): 5.7% (12M 2021: 4.1%)
- Basic earnings per share (EPS): MDL 1,090 MDL (12M 2021: 695 MDL)



## Balance Sheet Highlights as of 31 December 2022

- Total assets: MDL 43,031 million (2021: 37,197 million) up by 15.7% year on year
- Loans and advances to customers (gross): MDL 22,806 million (2021: 19,760 million), up by 15.4% year on year
- Net loans to deposits ratio: 68.6%, up from 65.3% last year
- Non-performing loans (NPL): 2.82%, down from 4.2% last year
- NPL ECL coverage and total ECL coverage ratios stood at 198.6% and 5.6%, respectively, on December 31, 2022, compared to 133.2% and 5.5% as of December 31, 2021
- Total customers deposits MDL 31.4 billion, up by 9.8% year on year
- The Bank's Capital Adequacy Ratio and Tier 1 capital stood at 22.2% and 20.2%, respectively

## Market share as of 31 December 2022:

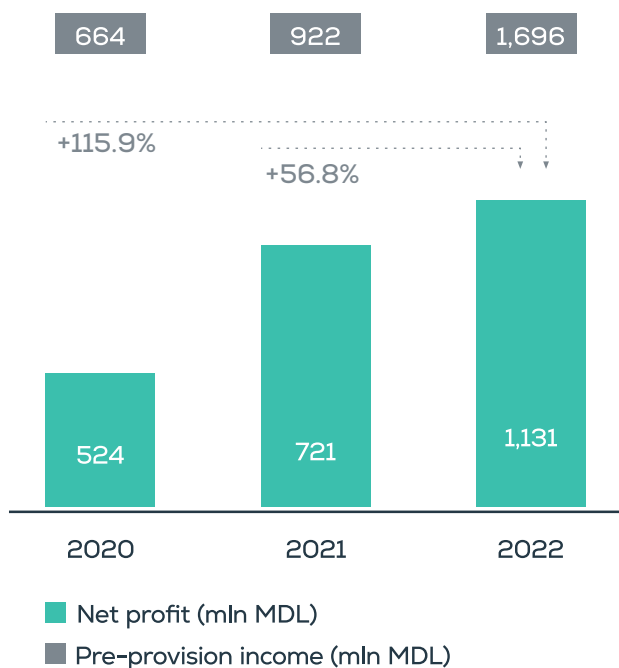
- Market share of total assets was 32.7%, up by 1.4 pp year on year
- Market share of total loans was 37.2%, up by 2.3 pp year on year
- Market share of total deposits reached 33.0%, up by 1.3 pp year on year



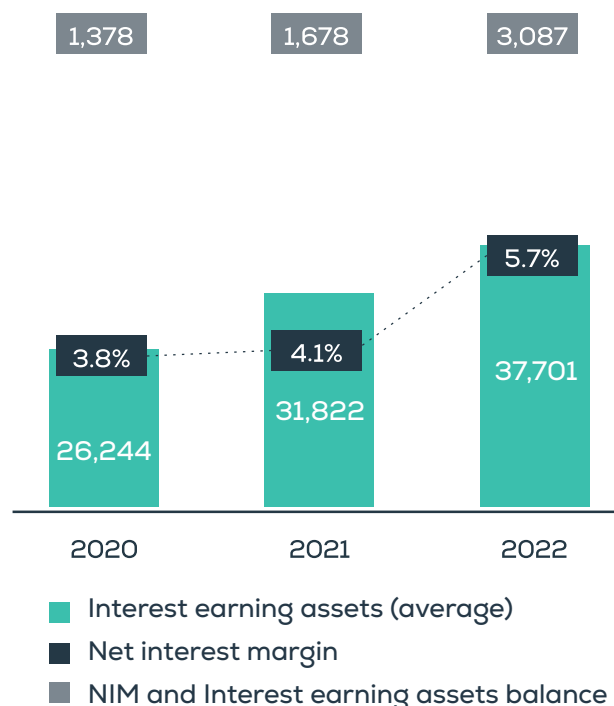
## maib achieves another profitable year

**Maib** generated a **net profit** of MDL 1,130.9 million in 2022, up by 56.8% Year on Year. This growth was driven by a strong performance across all categories, with the largest contribution to the increase coming from net interest income. As a result, the Bank delivered a robust profitability, with ROE and ROA of 18.8% and 2.8% for 2022.

### Profit (net and pre-provision)



### NIM and Interest earning assets balance

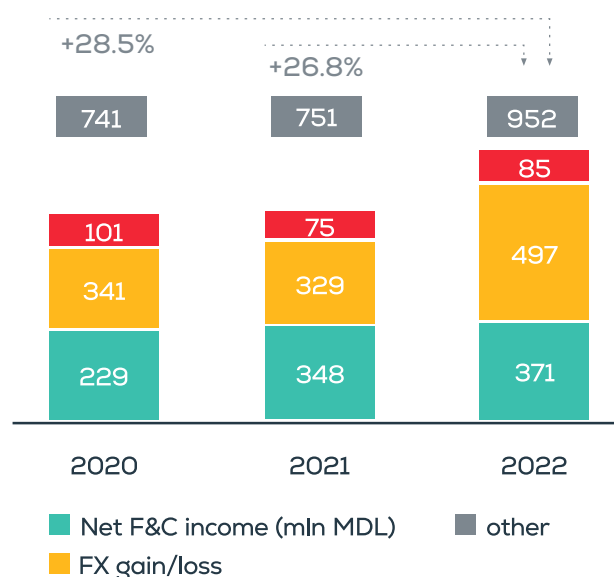


Source: **maib** financial statements

## net interest margin expansion drives profitability

The increase in **NIM** of 1.6 pp year on year was mainly driven by the increase in balance and yields of interest-earning assets, in particular, loans and advances to customers, state securities and mandatory reserves at the NBM, partially offset by growth in cost of funding. During the year the NBM increased the base rate from 6.5% to 21.5% in August 2022. While this increase did not affect the interest rates on loans and deposits directly, it has caused the yields to go up during the year. **Maib** benefited from net interest margin expansion and recorded substantial increase in interest income.

### Non-interest income



Source: **maib** financial statements

## improvement in operating efficiency

**Maib's operating expenses** increased by 23.7% on an annual basis. This was below the national inflation level of 28% average for 2022. The operating expenses increased across the board, including the personnel costs in order to maintain competitiveness in the market. The Bank's core focus is on operating efficiency and it achieved a significant **improvement in its cost-to-income ratio** – from 55.0% in 2021 to 45.4% in 2022 (annual ratio).

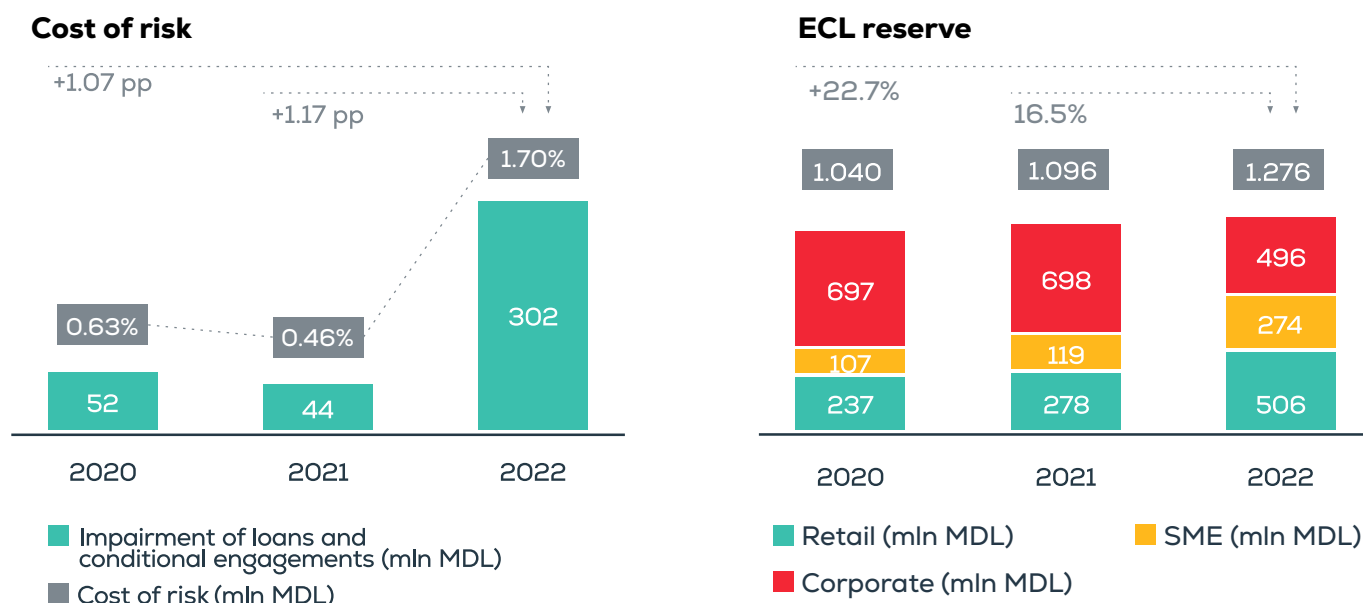
## proactive credit risk management

**Maib's** cost of risk increased to 1.7% in 2022 from 0.5% in 2021 driven by the prudent approach to uncertain economic environment. **Maib's** decision to cautiously approach the credit risk of the portfolio resulted from considering a high number of external factors (high energy prices, inflationary pressures, disruptions in supply chains, trade deficit) contributing to economic uncertainty. While the portfolio quality deteriorated marginally it was the proactively prudent approach by **maib** that led to an increase in the cost of risk.

This approach to credit risk was applied for both retail and business clients, on an individual and collective basis. The Bank carefully analyzed the consumer portfolio for a number of early warning signs, restructured exposures of business clients with high energy intensity. As a result of this exercise, triggers of increase of credit risk were found for a pool of clients. These loans were moved to stage 2 (exposures with

significant increase in credit risk since initial recognition), as well as review of assumptions towards more prudent scenarios for individually assessed clients. Underlying cost of risk has remained stable.

The **non-performing loans (NPL)** ratio dropped significantly from 4.2% in 2021 to 2.8% reflecting a large recovery of fully provisioned non-performing loan, offset by increase in loans reclassified to stage 2 as a result of increased economic uncertainty. The Bank is consciously challenging its current forward-looking assumptions used in ECL models and their potential impact on the portfolio quality, liquidity and capital adequacy. The stress tests performed so far did not reveal any severe impact on the Bank's profitability, liquidity and capital adequacy levels.



Source: **maib** financial statements

## maib maintained market leadership in lending

**Maib** cemented its leading position on the lending market up to 37.2% in 2022, from 34.9 % in 2021 with market share gains across all segments. As of 31 December 2022, gross **loan portfolio** reached MDL 22.8 billion, up by 15.4% on a year-on-year basis. In **retail** lending, despite the cooling factors (inflationary pressures, higher interest rates due to more restrictive monetary policy, elevated energy and gas prices, introduction of responsible lending legislation) **maib** expanded its market share in both consumer and mortgage loans. In mortgage lending, **maib** has recorded a 2.0 pp growth of market share during the year.



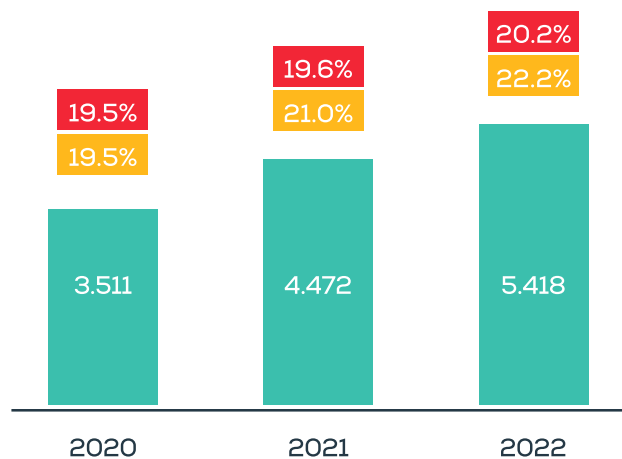
## deposit portfolio: strong growth in Retail

Customers' deposits portfolio stood at MDL 31.4 billion at 31 December 2022, up 9.8% year on year. The year-on-year deposit portfolio growth reflected the strength of **maib's** offering and its perception as the most trusted bank. Retail deposit growth accelerated the most, the retail deposits reached MDL 20.5 billion at the end of 2022. March and April of 2022 saw a significant outflow of deposits as the war in Ukraine began. Later in the year, starting with the third quarter of 2022 the outflow reversed as deposit rates went up following the increase of the base rate by the NBM.

**maib continues to strengthen its capital position**

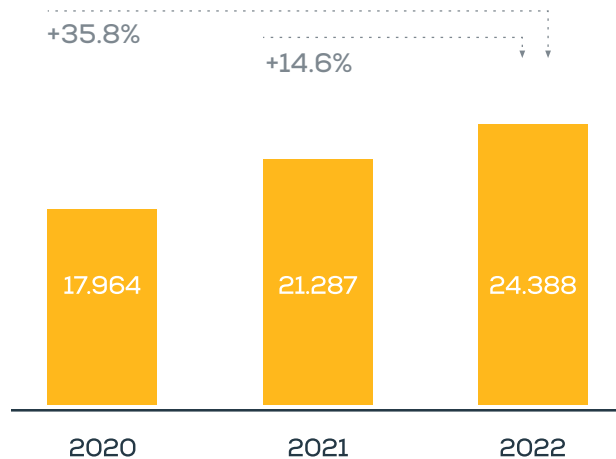
**Capital Adequacy Ratio (CAR)** and **Tier 1** stood at **22.2%** and **20.2%**, respectively, as of 31 December 2022, being well above the minimum requirements. At the same time, the Bank's **risk weighted assets** reached MDL 24.4 billion, up by 14.6% year on year.

**Regulatory capital**



Own funds (mIn MDL)  
Capital Adequacy ratio Tier 1

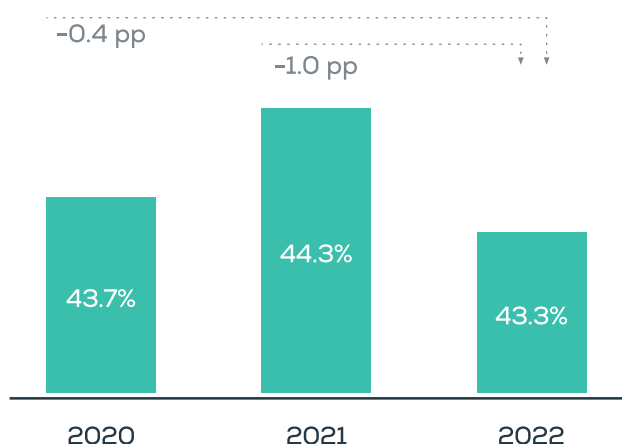
**Risk Weighted Assets**



Risk Weighted Assets

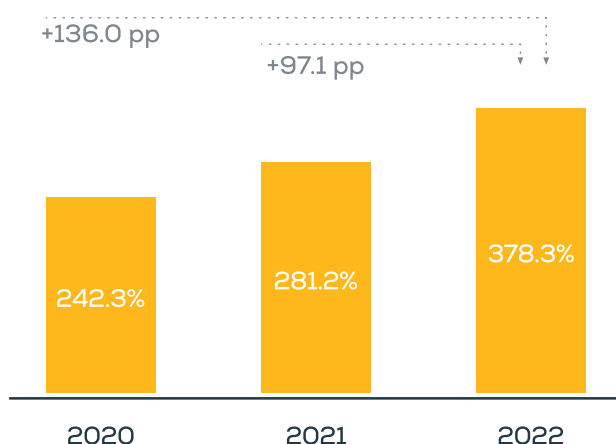
Source: **maib** financial statements

**Current liquidity**



Source: **maib** financial statements

**Liquidity coverage ratio**





# key performance indicators

## Profitability

<b>1,131</b> mln MDL	<b>18.8%</b>	<b>5.7%</b>	<b>45.4%</b>
2021: 721 mln MDL	2021: 13.8%	2021: 4.1%	2021: 55.0%
net profit	ROE	Net interest margin	cost to income

## Assets and liabilities

<b>15.4%</b>	<b>2.8%</b>	<b>198.6%</b>	<b>37.2%</b>	<b>68.6%</b>
2021: 25.8%	2021: 4.2%	2021: 133.2%	2021: 34.9%	2021: 65.3%
Loan book growth	NPL	NPL coverage	Loans market share	Loans to deposits ratio

## Capital and liquidity

<b>20.2%</b>	<b>22.2%</b>	<b>43.3%</b>
2021: 19.7%	2021: 21.1%	2021: 44.3%
CET 1	Total capital ratio	Liquidity

## Profitability

<b>57</b>	<b>88%</b>	<b>430,000</b> users	<b>45.434%</b>
2021: 52	2021: 86%	2021: 297,000	2021: 34%
Net Promoter Score	Employee engagement	maibank users	DAU/MAU %

# operating highlights

## Maib involved in humanitarian assistance to Ukrainian refugees

In February as the war began **maib** announced that it would donate an amount estimated at MDL 10 million to the fund providing assistance to Ukrainian refugees in Moldova. In addition, **maib** was a partner of UN Refugee Agency in its humanitarian mission. As part of the

partnership, **maib** issued and distributed bank cards to refugees. This enabled the recipients to secure their finances and access financial products as well as cash for their day-to-day needs.

# 10 000 000 MDL

donation from **maib** to Refugee support fund in 2022

## Apple Pay, Google Pay and Garmin Pay available to maib customers

In April **maib** clients started using Apple Pay for contactless payments using just mobile phone. Furthermore, Apple Pay can also be used to make payments in apps on Apple Watch. Apple Pay is widely used for payments around the world. **Maib** is proud to be one of the three banks from Moldova to introduce Apple Pay to Moldovan bank customers. The additional

convenience of Apple Pay is an important step for **maib** in its strategy to become more relevant for its clients and create a new level of customer experience. Later that month, **maib** also made Garmin Pay available to its customers. In August, **maib** managed to introduce Google Pay to its customers in this way facilitating digital payments with all types of devices.



## Two more innovative ecosystems launched by maib

In April **maib** launched **CasaHub**, a digital platform dedicated to real estate, where buyers can find a home, while sellers and intermediaries can place listings and advertise their services. Launch of **CasaHub** is a key part of **maib** digital strategy to become the orchestrator of financial ecosystems. The platform is aimed at facilitating the real estate transactions in Moldova. Monetization of the ecosystem comes from lead generation of potential mortgage borrowers.

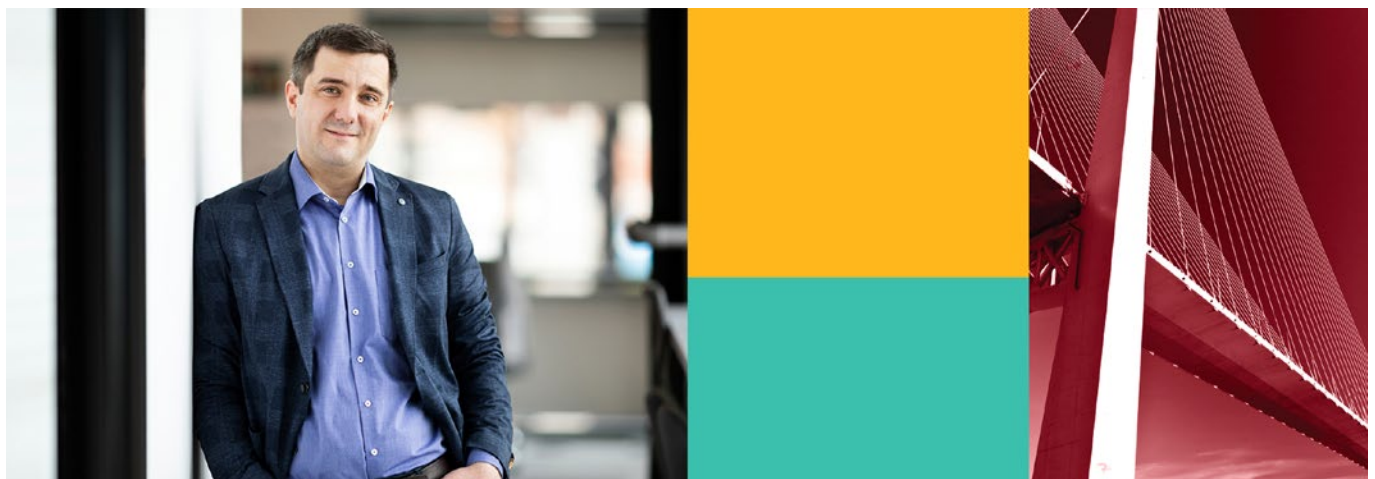
The third quarter followed with the launch of **AgricolaHub**, a digital ecosystem aimed at farmers and dealers in agricultural goods, machinery, and equipment. **AgricolaHub** is aimed to address the needs of those working in the agricultural sector and related fields, offering a range of facilities brought together on a single platform.

The logo for CasaHub, featuring the word "CASA" in blue and "HUB" in white on a blue square background.The logo for AgricolaHub, featuring the word "AGRICOLA" in green and "HUB" in white on a green square background.

## Maib announces appointment of new Chief Financial Officer

In February **maib**'s Supervisory Board has appointed Macar Stoianov to serve as **maib**'s new Chief Financial Officer and vice-president of the Management Board. He is now responsible for all finance areas of the bank, including financial planning, reporting, accounting, treasury, asset and liability management and relationships with financial institutions. His candidacy was later approved in November by

NBM. Prior to **maib**, Macar Stoianov has been with McKinsey, the leading global strategy consultancy. Additionally, Macar holds an MBA from Vlerick Business School, MSc and BA from the Academy of Economic Studies in Bucharest Romania, Financial Risk Management (FRM) from GARP and is a CFA charter holder.



## Maib signs a €50 million financing package from EBRD to reinforce its funding base

A €50 million finance package provided by European Bank for Reconstruction and Development (EBRD) to maib for sustaining the national economy in the face of neighboring war in Ukraine was signed in May 2022 at the EBRD Annual Meeting in Marrakech by Giorgi Shagidze, Chief Executive Officer of maib, and Francis Malige, the EBRD's Managing Director for Financial Institutions. The first loan consists of €35 million within the EBRD Resilience and Livelihoods Framework pledged to support the countries and companies directly or indirectly affected by the war in Ukraine. The financial

package will strengthen and diversify maib's funding base for sustaining the local business. The second loan of €15 million extends maib's participation in the EU4Business-EBRD Credit Line intended to finance the small and medium-sized enterprises (SMEs).

The EU4Business-EBRD Credit Line is supported by the EU grants and free-of-charge assistance to borrowers. Under the agreement, maib will support SME clients to upgrade their products and services in line with the EU standards, to increase competitiveness locally and to realize international trade opportunities.



## First agile teams started operating

In May first agile teams were launched. After a month, during which around 70 employees were trained by international experts and consultants, **maib** employees put into practice the agile techniques in their areas of responsibility. They already have the roadmap to work on the first products and services which

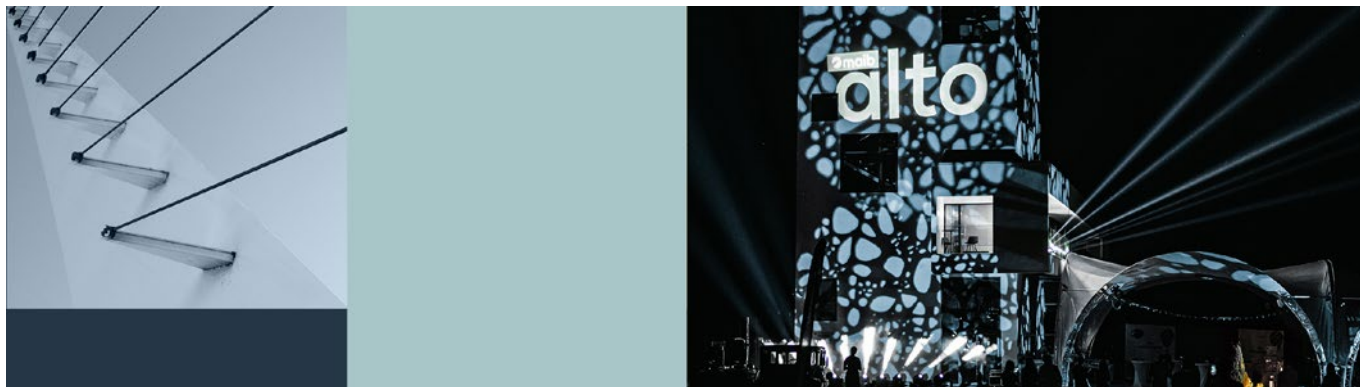
are meant to make customers' lives simpler, better, and more mobile. First seven teams were focused on developing products for Retail and SME-segments. This is a first step in a significant transformation of **maib** to agile way of working.



## New premium banking service Alto

In July **maib** launched **alto** – premium-banking service, a premiere for the Moldovan market. Soft rollout of **alto** started in March. **Alto** offers a range of exclusive benefits aimed at the emerging affluent customer segment which values convenience and status. **Alto** clients benefit from premium cards, personal manager, exclusive wait-free area in branches, special travel offers, including international VIP

airport lounges, concierge services and travel insurance, higher interest rate on deposits, a credit line of up to 350 thousand lei and other services available only to **alto** customers. With **alto maib** saw an opportunity to address specific needs of the high value segment. The Bank's response to clients' personalized needs and aspiration to exclusivity represents the cornerstone of brand loyalty.



## Maib Academy and Student Lab opens its doors

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

**maib** employees. These cover sales techniques, English language, project management, SQL and other functional areas. Later on, in September, **maib**, in partnership with the ASEM, inaugurated Student Lab. The space represents an exact simulation of an actual bank branch set up on the premises of ASEM, where students will do practical lessons related to banking activity. Student Lab is a "banking laboratory" equipped with modern tools and applications used daily in **maib** branches. This way young people have the opportunity to test banking services and products during their studies.



## Maib featured at Moldova - Romania: Capital Bridges forum

On 13 September **maib** took part in the Moldova - Romania: Capital Bridges forum in Bucharest. This event was organized by **maib** in partnership with the Bucharest Stock Exchange, WOOD&Co. and Raiffeisen Bank International. The forum aimed at Romanian and international investors and businesses to highlight the opportunities presented by the robust Moldovan economy, improved business climate, and the newly acquired EU Candidate

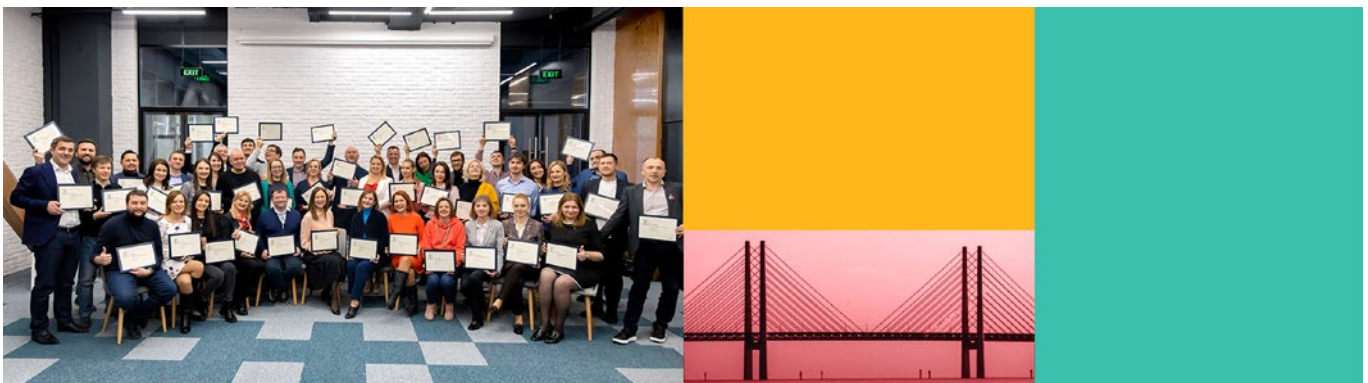
status. Event's keynote speakers included the Prime Minister of Romania Nicolae Ciuca, who warmly welcomed his counterpart the Prime Minister of Moldova, Natalia Gavrilita. The President of EBRD, Odile Renaud-Basso, addressed the audience speaking about the strong drive for reforms in Moldova and underscoring **maib's** commitment to the highest standards of corporate governance.



## Maib management enrolls in Leadership Development Program offered by Stanford GSB

In September 2022 **maib** has signed an agreement with Stanford Graduate School of Business Executive Education to develop up to 60 **maib** top and middle managers. Launching in October, the program was a three-month online learning journey focusing on strategy, leadership, and organizational culture. The program will expose **maib** management to new ideas, challenge conventional thinking, and support leaders on a collaborative and practical learning journey that will foster an enduring community of learning and new leadership practice at **maib**. Key topics of the program are

Strategic Leadership, Leading Organizational Culture Change, and Designing Organizations for Creativity and Innovation, Scaling Excellence through Talent & Culture. In addition, part of the Leadership Program, **maib** took same group of managers to a strategic work session in Amsterdam, organized together with the top strategy consultancy firm and followed by visits and discussions with leading global banks, including ING, ABN Amro and Rabobank. The event focused on trends in global banking today and emerging challenges of the near future.



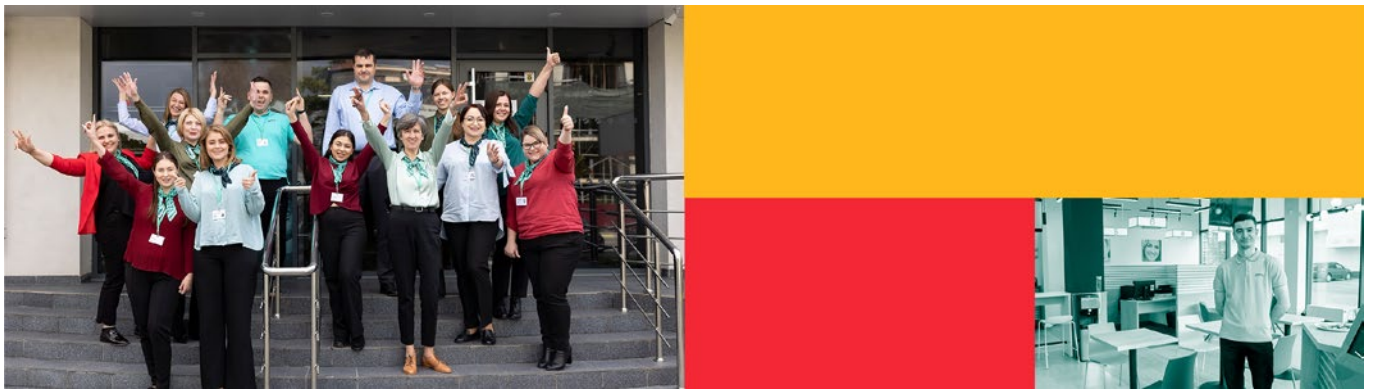
## Maib continues branch transformation aligning to new identity

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

Through its new branches, **maib** aims to provide personalized assistance, speed, and a high-quality service experience by guiding customers to one of three specialized service areas: the Self service Zone for independent transactions,

the Transactional Area for streamlined multiple transactions, and the Consultation Area for personalized Decision making. The implementation of the new **maib** strategy stems from the desire to be more customer-centric, resulting in the creation of intelligent solutions by transforming the appearance and operational mode of the branches.

In 2022, a total of 26 branches and 10 agencies underwent the new brand transformation. In 2023, **maib** will continue to implement its identity transformation strategy, offering its customers the best banking solutions.



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

On 12 December **maib** together with the Bucharest Stock Exchange (BSE) held a forum titled Accessing International Capital Markets. The event was aimed at introducing Moldovan businesses and public officials to the opportunities presented by the capital markets. The forum was supported by WOOD&Co. investmentbank, EuropeanBusinessAssociation (EBA) Moldova and the American Chamber of Commerce in Moldova (AmCham Moldova). The Moldovan business leaders had the opportunity to find out more about capital markets from the market participants and regulators. Event's

keynote speakers included the US Ambassador to Moldova Kent D Logsdon, the Head of EU Delegation in Moldova Janis Mazeiks, Head of the EBRD Office in Moldova, Angela Sax and Head Representative of International Monetary Fund (IMF) in Moldova, Rodgers Chawani who jointly supported the development of the capital markets in Moldova to strengthen the country in the face of the geopolitical crisis in the region. The speakers discussed about the economic potential of the country, which can be unlocked with the help of capital market access.



## Maib receives multiple banking industry awards in 2022

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

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





# sustainability at maib

As the largest bank in Moldova, **maib** has significant direct and indirect impact on the community, the environment and the society. The Bank identified a number of reasons to set up a systematic approach to becoming a sustainable organization:

- Long tradition of corporate social responsibility at **maib**;
- Changes in customer expectations with sustainability gaining importance;
- Requirement of shareholders and finance providers such as International Financial Institutions;
- Potential to create a competitive advantage by becoming the leader in sustainability in Moldova;
- Necessity to identify and mitigate risks related to climate, social and environmental issues.

As a result, with the help of Deloitte ESG practice, **maib** is undergoing an implementation of sustainability programme, the goal of which is to embed sustainability considerations into every major decision the Bank makes. This consultancy assignment is made possible thanks to the support from maib's partner Green for Growth Fund's Technical Assistance Facility, together with the European Union under the EU4Energy initiative. In addition, maib is working with a major International Financial Institution on implementing impact products related to providing banking products to Ukrainian refugees in Moldova and financing smart agriculture solutions.



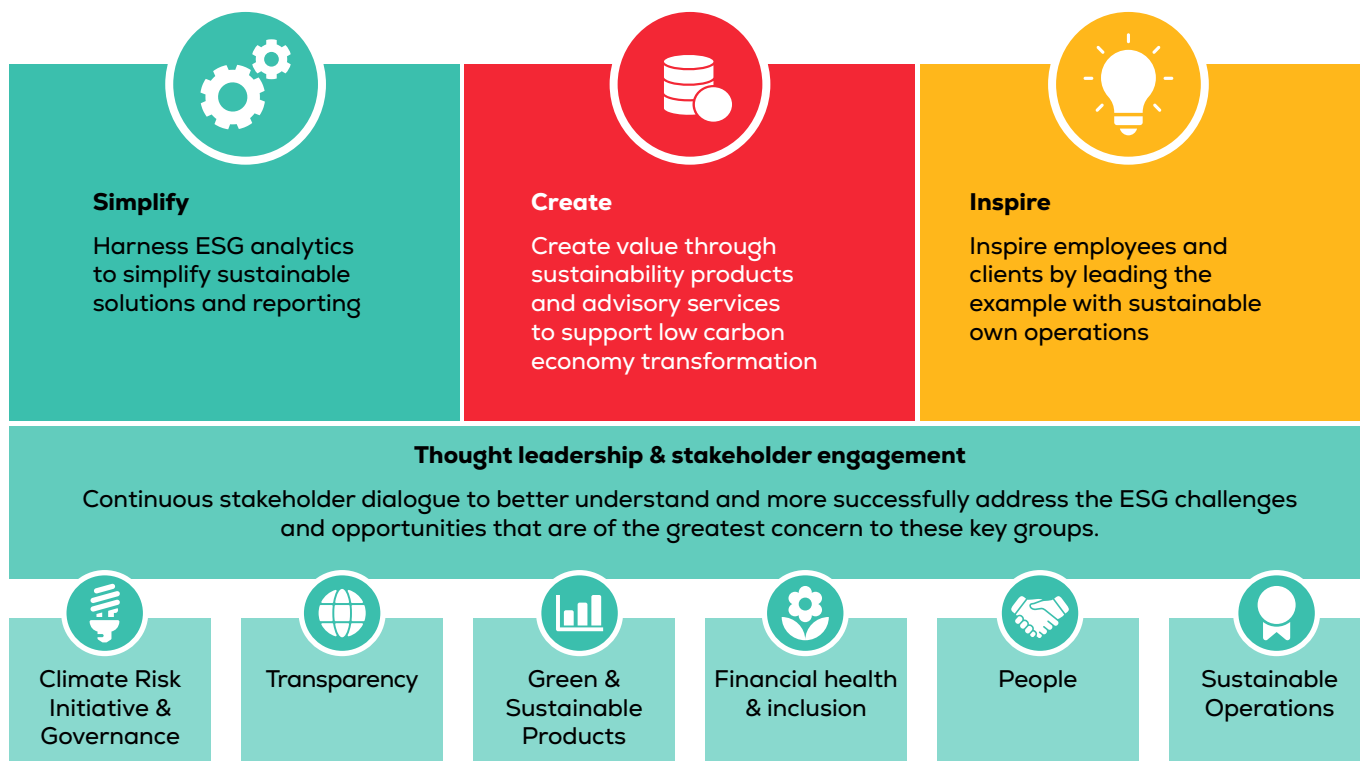
Among the milestones of the sustainability program at **maib** are:

- Initial materiality assessment, where maib has identified areas of the highest impact and relevance. At **maib** these include: Carbon footprint of operations, Financed GHG emissions, Energy security, Environmental, social and climate risks and governance, Employee wellbeing, Employee development, Gender equality, Financial literacy and inclusion, Transparency, Corporate governance at maib and Shareholder rights
- Initial outline of sustainability strategy at **maib**
- Draft governance structure
- Upcoming publication of Sustainability report planned for May 2023 based on GRI standards of non-financial reporting.

These are subject to approval of maib's Supervisory Board and will be further refined in the course of Deloitte year-long project.

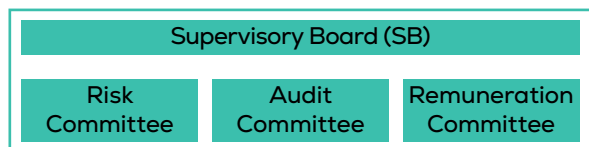
The purpose of the sustainability programme at maib is to create a resilient sustainable institution, which acts in a responsible and fair manner.

## Proposed Sustainability Strategy Outline



## Proposed Sustainability Governance

### Approval & oversight



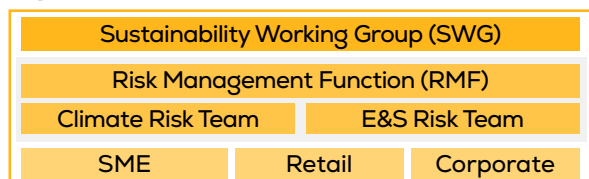
- SB**
- Approves ESG strategy, overseeing its implementation over time.
  - Oversee the management of ESG risks, including climate-related risks, and ensure that appropriate risk management systems and controls are in place.
  - Risk Committee provides support to SB on the bank's current and future climate risk appetite and climate risk strategy

### Steering & coordination



- MB**
- Sets maib's sustainability ambition and is accountable for the ESG strategy and roadmap.
  - Regular review of the Bank's exposure against climate risks and assessment the implementation of the climate risk management

### Implementation & Execution



- SWG**
- Chaired by the Sustainability Coordinator
  - Ensures the implementation of sustainability decisions across the bank
  - Mandated to guide and align the different sustainability activities within maib
  - Provides recommendations to the MB on decision making regarding sustainability strategy, ambitions, and resources
- RMF**
- Ensures effective implementation of risk management framework, including climate-related and E&S risks.
  - Ensures that risk appetite levels are within the maib's limits
  - E&S Risk Team accountable for assessing transactions against E&S risks, setting sector and exclusion policies
  - Climate Risk Team accountable developing and implementing regulatory requirements such as climate risk identification, assessment and external disclosures

# risk management overview

**Maib** maintains a robust system of risk management. As a financial institution, carrying leverage and accepting deposits from the population, risk management is a critical feature of **maib**'s organisation. **Maib**'s risk management is overseen by the Supervisory Board, including the Risk Management Committee. Internal bodies involved in risk management are:

- Management Board
- Asset and Liability Management Committee
- Credit Risk Management Department
- Strategic Credit Risk Management Department
- Financial and Operating Risk Management Department
- Treasury Department
- Legal Department
- Compliance Department
- IT Security and Business Continuity Department



## Risk Management Focus in 2022

The pandemic, the energy crisis and the economic disruption caused by the Russian invasion of Ukraine destabilized Moldova's economic model, which is highly reliant on remittance-induced consumption and exports. Being one of the countries most affected by the war in Ukraine, not just because of its physical proximity, but also because of its inherent vulnerabilities as a small, open, landlocked economy with close links to both Ukraine and Russia, Moldova saw a significant reversal in expected economic growth (revised from 4.2% down to 0%) and a rise in inflation numbers (from an expected 18.8% to 34% at peak in 2022). All these factors put additional pressure on businesses and retail customers and the related credit risks.

Areas that were prioritized during 2022:

### 1. Geopolitics & customer risk implications

Supply chain disruptions, resource scarcity, food shortages, trade credit risks (related to removal of some Russian banks from the SWIFT payment system), greater inflationary pressures and other risks associated with the unprecedented sanctions and countersanctions had destabilizing impacts on the economy and financial performance of entities. As a result, the bank had to focus and ensure a constant review of loan eligibility criteria for entities with businesses related to Ukraine, Russia and Belarus, as well as their performance monitoring.





## 2. Regulatory and legal compliance

The Ukraine crisis prompted the bank to engage in the largest regulatory and compliance exercise – the identification, interpretation, and adherence to the sanctions imposed against the Russian government, individuals, groups, and entities. As a result, the bank managed to mitigate high potential risks (risks of non-compliance with sanctions regime, and as a consequence, the reputational risk).

## 3. Business plan re-evaluation & monitoring

Considering the fairly stable environment prior to the war, the probability of the worst-case scenario has had to be re-evaluated. In order to avoid bias and take into account the high impact risks fully, the Bank revised its expectations for 2022 and monitored loan portfolio quality and liquidity indicators closely, regularly adjusting its internal acceptance criteria in order to ensure compliance with targeted appetite limits.

## 4. Data related to risk management and compliance activities

Growing trend towards digitalization and migration of products and processes online elevated the exposure to risk of cyberattacks,

data theft and financial exclusion, with potential to damage the core business of the Bank. As a result, the bank focused on tools and processes to handle and analyse high-volume data with low latency, standardisation in maintaining data integrity and protection against breaches of personally identifiable information.

## Outlook for 2023

Moldova's economy is seen posting moderate growth of 1.5% in 2023 by a range of international forecasters. As for inflation it is expected to decrease to 6.6% in 2023 by the NBM.

The fiscal deficit is projected to widen to 6 percent of the GDP next year by a range of international forecasters, reflecting policies to counter the cost-of-living and energy crises, while the current account deficit continues to be driven by higher costs of energy imports.

Spillovers from Russia's invasion of Ukraine continue to weigh heavily on Moldova. Disruption in energy supply puts additional pressures on the economy. While the revised inflation outlook warrants carefully calibrated easing of monetary policy stance, exceptionally high uncertainty calls for continued prudence.



## Vytautas Plunksnis

Chairman of the Supervisory Board

### Chairman message

Dear esteemed shareholders, valued customers, devoted colleagues and trusted partners,

Despite the unprecedented challenges that we faced, 2022 proved to be a year of resilience and progress for our Bank and the nation of Moldova as a whole. Reflecting on the accomplishments, **maib** continued to serve our customers setting the highest standard of banking service in Moldova, support our community, develop our employees and earn profits for the shareholders.

The Russian invasion of the neighboring Ukraine in early 2022 presented a never-before-seen challenge for all of us. The supply chain disruption caused by the war and energy price spikes had far-reaching consequences that affected our customers and Moldova as a whole. However, despite the economic pressure, **maib** demonstrated unwavering strength and commitment to its customers, shareholders and the community. I am immensely proud to say that from the first day of the war **maib** was on forefront of efforts to aid Ukrainian refugees. We continued accepting cards issued by Ukrainian banks, continued exchanging Ukrainian hryvna in our branches, we set up an information website within the first week of the arrival of Ukrainian displaced people. We proudly supported the UN Refugee Agency in its vital work, issuing and distributing bank cards to Ukrainian refugees. Our donation of MDL 10 million to the fund aiding Ukrainian refugees in Moldova in February was another important step in our commitment to helping those in need. The resilience and humanity demonstrated by **maib** throughout the difficult times of 2022 are a testament to the dedication and hard work of our team.

Just as every cloud has a silver lining, 2022 was a year of incredible achievement for Moldova – the country became a candidate for European Union accession. The European integration has long

been a fact of life in Moldova, and I am proud to report that many Moldovan businesses working with European clients are **maib** customers. On pages of this report you will find some success stories of large Moldovan businesses and small entrepreneurs, who aligned with European standards of quality thanks to **maib** loans and products. In the coming years the EU integration will affect all areas of life in Moldova, and **maib**'s mission as the largest Bank in the country is to be the enabler of this change.

During 2022 **maib** continued its transformation with the customer at the center of everything we do. A number of newly launched agile teams worked on products and processes that were best suited to address customer needs. We upgraded over a half of our branches making customer experience streamlined and pleasant. Digital experience became ever more relevant and we invested in the mobile application, internet banking, digital payment solutions and ecosystems. Our customers responded well and took out more loans, placed more deposits and ranked us even higher than the year before. Last but not least, we invested in training of our own personnel with raft of courses from customer experience to information technology to leadership. We will maintain our focus on the customer as the top priority in the coming year.

This list of accomplishments would not be complete without speaking about our financial results and the return on investment for our shareholders. Our financial indicators improved across the board. Net profit exceeded MDL 1 billion for the first time in **maib**'s history. Even though we were unable to pay dividend to our shareholders in 2022, the growing profitability of **maib** has reflected itself via strong uplift in the share price in the past two years. **Maib** achieved this profitability growth while maintaining very prudent approach to credit and other key risks. The bank remains well capitalized and has sufficient liquidity to continue and increase lending to Moldovan businesses and retail customers.

In conclusion, in addition to thanking **maib** employees and our clients, I would like to underline my sincere belief that **maib** team is best positioned to deliver on our strategic objectives and realize full value for our shareholders.



## Giorgi Shagidze

maib CEO

### CEO message

Dear stakeholders,

2022 was a trying year for all of us, and I would like to use this opportunity to speak about our accomplishments and the challenges we faced.

#### Ukraine war

We continue to be deeply affected by the terrible tragedy unfolding in the neighboring country. As Russia invaded Ukraine in February 2022, **maib** was at the forefront of helping Ukrainians in Moldova, facilitating financial transactions, cash withdrawals, foreign exchange and account opening. The Bank also provided a large donation as well as set up information page, demonstrating its commitment to supporting the people of Ukraine during the early days of the war.

#### Moldovan businesses

In addition to its efforts to support Ukrainians during the conflict, **maib** has also played an important role in supporting Moldova's economy. The bank has provided support to Moldovan businesses affected by the tough economic environment, including offering loans and other financial services to help them weather the storm. **Maib** has also provided assistance to agriculture producers affected by drought, helping them to access financing and other resources to mitigate the impact of the drought on their operations. **Maib** also financed a large number of renewable energy projects, including wind and photovoltaic, as the country stepped up its efforts to bolster energy security.

#### Moldovan economy

The economy bore the brunt of the war and other geopolitical events with inflation peaking at over 34% driven by energy and food prices. The NBM combatted inflation with substantial increase of the base rate, which peaked at 21.5%, and raised mandatory reserves. In addition, the Law on Responsible Lending was adopted. GDP saw a contraction driven down by the agricultural sector affected by the drought. All these factors combined created a uniquely challenging environment for both banks and banking clients. By end of the year we saw a respite, with inflation declining and the NBM lowering the base rate and mandatory reserves rates. Moldova managed to overcome the energy crisis and diversify its energy supply sources. Despite the uncertainty, the economic outlook for 2023 by all major forecasters is positive. At the beginning of 2023 we already saw significant decreases of the base rate and improved inflation outlook from the NBM.

#### Financial Performance

**Maib** continued its progress in 2022 by improving services and products, which led to the growth of our market share across all segments of lending:

- Market share in retail loans up by 1.2% to 31.4% at the end of 2022
- Market share in SME lending up by 5.1% to 31.4% at the end of 2022
- Market share in Corporate loans by 1.3% to 49.8% at the end of 2022

This increase in market share is a testament to the trust and confidence that our customers have in **maib** and the quality of our banking products and services. It is important to mention that we managed to increase market share without sacrificing discipline in our lending practices.

I am also excited to announce that **maib** has achieved a significant milestone by reaching 1 million issued cards before the end of 2022. This achievement showcases our dedication to providing our customers with high-quality services and products that meet their banking needs.

I am pleased to report that despite the challenges of 2022 we delivered a profit increase for our shareholders of 57%, to a total of MDL 1.1 billion. Furthermore, I would like to highlight that **maib** maintained its position as the primary market share leader in all three categories, namely loans, deposits and assets. Our Return on Average Equity (ROE) improved significantly to 18.8% in 2022. We enter 2023 with a strengthened capital position with Capital Adequacy Ratio (CAR) and Tier 1 above the minimum requirements, at 22.2% and 20.2%, respectively. I believe that these levels put us in a strong position to weather any future economic uncertainties and continue to serve our customers with confidence. It makes me proud to say that these strong results were achieved against a difficult economic backdrop and I would like to complement the work of the entire Bank.

### Customer centricity

We have made it our mission to build the most customer oriented bank in Moldova, and to achieve that goal we introduced a range of new initiatives. Among many others, these include a redesign of all our branches to make them more welcoming and accessible to customers, a new branch operating model that emphasizes personalized service and faster transaction times, and the introduction of a new premium offering called Alto, a unique such service in Moldova. These and other initiatives demonstrate **maib's** commitment to providing its customers with the best possible banking experience.

### Digital

Digital transformation has been a key theme for **maib** last year, with the Bank making significant investments in its digital capabilities. In 2022,

the Bank introduced a number of new services and features, including support for Google Pay, Apple Pay, and Garmin Pay, allowing customers to make contactless payments using their mobile devices or smartwatches. The Bank also launched its first virtual card, which can be easily created and managed through **maibank**. **Maib** upgraded its mobile application, adding new features such as fingerprint login (with face recognition login to follow), and enhanced transaction security. Our **maibank** digital app experienced a remarkable increase in usage, reaching 430,000 users by end of 2022, representing a 45% growth compared to the previous year. Furthermore, I am proud of the fact that 55% of all retail deposits were initiated online, and 23% of retail loans originated through our digital app in the fourth quarter of 2022, highlighting the increasing adoption of our digital services. These efforts demonstrate the Bank's commitment to providing its customers with convenient, modern, and secure digital banking services.

### Ecosystems

The launch of the three ecosystems by **maib**, including the marketplaces for cars, houses, and agricultural equipment, has significantly enhanced the ability of customers to access and purchase the products they need. The marketplaces provide a one-stop-shop for customers, allowing them to browse and compare products from multiple sellers in one place. This makes it easier for customers to find the products they need at competitive prices, without having to visit multiple websites or physical stores. Additionally, the ecosystems offer additional features such as financing options and other value-added services that further enhance the customer experience. Overall, the ecosystems have expanded **maib's** offerings and improved the ability of customers to make informed decisions when purchasing products. These ecosystems are first steps towards super app.

### Agile transformation

I am proud to say that **maib's** Agile transformation started bearing fruit as first products were launched recently, developed by agile teams. **Maib's** embrace of agile methodology is a testament to its commitment to innovation and continuous improvement. By adopting an Agile approach to project management, the

Bank has been able to respond more quickly to changing market conditions and customer needs. This resulted in faster delivery of products and services, improved collaboration among teams, and increased efficiency. To support its agile transformation, **maib** launched first cross-functional agile teams, with a focus on delivering value to customers in Retail and SME segments. These teams have been instrumental in driving innovation and promoting a culture of continuous improvement within the organization. In 2023, Corporate, Operations and Branches are to undergo the conversion to Agile way-of-work.

### Growing People

Growing People is a critical aspect of **maib**'s strategy to drive innovation, improve customer experience, and stay ahead of the competition. To foster a culture of continuous improvement and innovation, the Bank has launched several initiatives aimed at training and developing its employees. These initiatives include training programs for the entire front office staff to enhance their skills and improve their customer service capabilities. We launched **maib academy**, which offers a range of training programs on various topics, including leadership, digital banking, and customer service. Together with two largest universities we set up student internship and financial education programs. Additionally, the Bank put its executives through the Stanford

Executive Program for Management, which provided them with an enhanced toolkit of a global perspective on management practices and strategies. These initiatives demonstrate **maib**'s commitment to investing in its employees and promoting a culture, of customer service, professionalism, collaboration and mutual respect. I was very pleased to see nearly 2,000 **maib** colleagues in January, all gathered in one big arena to celebrate our success in 2022 and launch an updated mission statement.

### Plans for 2023

I am optimistic about the future prospects of **maib**. Despite the challenging times, we have demonstrated our resilience and ability to adapt to the changing environment. Moving forward, **maib** remains committed to its 2023 strategy, which includes a strong focus on digital banking and delivering exceptional customer experiences, while also enhancing our risk management and information technology. We plan to introduce sustainability into all major decisions we make and publish our first sustainability report.

I would like to finish my statement by expressing my gratitude to our business partners who worked with us over the past year. I am incredibly proud of our talented and hard-working team, and I am confident that in 2023 we will continue to strive for excellence.

we **create** smart and **simple** financial and lifestyle solutions, that **inspire** people to be happier and businesses more successful

- experiences that make customers and employees happier
- **transparent** and **trustworthy** environment
- **team spirit** so that people enjoy working and having fun together

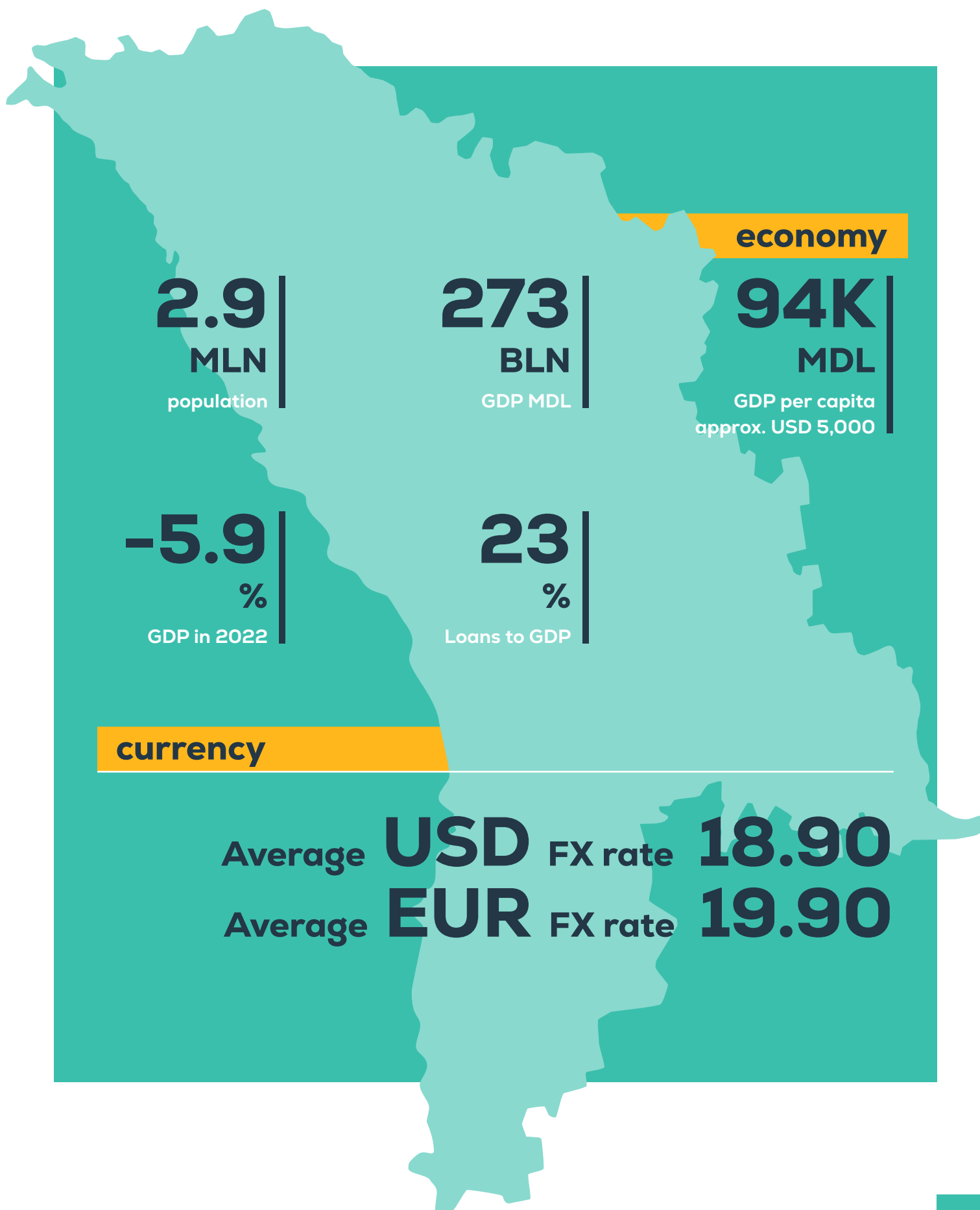


- taking **ownership** and delivering results
- **innovation** and creative thinking
- acting responsibly towards society and environment

- products and services
- operations and communication
- the way we work, becoming **agile**



# Moldova in numbers



# country update

## Moldova received EU candidacy

On March 3, 2022, the Moldovan Parliament submitted an application for admission to the EU, following the examples of Ukraine and Georgia. On June 23, the European Council granted EU candidate status to both Moldova and Ukraine, based on the recommendations of the European Commission on June 17 2022. Both countries received candidate status in an unprecedentedly short amount of time, having previously been parties to the EU Association agreement.

Furthermore, in February 2023, the EU Commission published the second part of its opinion on the Republic of Moldova's application for membership in the EU. This report analyzes the country's level of preparation in terms of the standards submitted to EU Member States and assesses the situation according to an evaluation system of the European Commission. The analytical report reflects the situation in the first half of 2022, with progress made since then to be reflected in the report on EU enlargement policy to be published in autumn 2023.

### Moldova - EU fact box

27 June 2014	Association Agreement with EU signed
01 July 2016	Full application of the Association Agreement
03 March 2022	Application for EU Membership
17 June 2022	EU Candidate Status granted
1.09 billion EUR	Comprehensive support package since October 2021.
200 million EUR	Energy support package disbursed in winter 2022-2023.
150 million EUR	Macro-Financial Assistance for 2022.
38 million EUR	Humanitarian Aid package for 2022.
Key Trading Partner	accounting for 52.2% of Moldova's trade (approx. 67% of total exports and 45% of Moldova's total imports) in 2021.



At the beginning of 2023, the President of Moldova nominated Dorin Recean as the new Prime Minister to continue the path towards European integration and ensure the social and energy security of the country.

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

## Amendments to the Law on Banking Activity to promote responsible lending

In April 2022, the Parliament voted to adopt a series of amendments to the Law regulating the activity of commercial banks. These changes promote responsible lending and are designed to combat predatory lending practices. The changes came into effect on 29 May 2022. The bill imposes minimum standards for responsible lending by banning the application of floating interest rates on loans of less than three average salaries per economy. These provisions regulate the debt-to-income and loan-to-value ratios, which ensure that right quality loans are subscribed. Concurrently, the provisions lead to a lower market penetration, therefore still

leaving enough room in the medium to long term for a healthy and organic growth. NBM issued the secondary legislation applicable specifically to the banks. The amendments had generated the following the results:

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

## New opportunities created by the energy crisis

During 2022, Moldova was significantly impacted by the energy elevated energy prices. In response to Russia's announcement of a 30% reduction in gas deliveries to Moldova in October 2022, the government sought to increase energy independence and pursued gas delivery agreements with Romania, as well as purchased energy on the open market. Partly in response to high energy prices and partly to mild winter, the energy consumption declined by some 40% compared to the previous year. This represented

a major milestone for Moldova in its quest to secure energy independence from Russia. Despite the challenging circumstances, local businesses maintained their activity without any significant defaults. With financial and macroeconomic support from international organizations such as the IMF and the EU, the Moldovan government managed to implement a compensation scheme to assist low-income households in coping with the rising cost of heat and energy, starting in November 2022, which was very effective in alleviating the increased costs.



# economic overview

## Challenging year

In 2022, Moldova's economy faced significant challenges stemming from the regional energy crisis and supply chain disruptions resulting from the war in Ukraine. As a result, the economy contracted by 5.9% in 2022, following a 13.9% growth in 2021. Main contributor to the decline was the agricultural segment of the economy, which suffered from drought. In addition, household consumption and investment also decreased.

## Economy Segments Overview

2022 presented several economic challenges for Moldova, including a severe drought that resulted in a 29.8% decline in the agricultural sector. This was largely due to a 36.8% decrease in vegetal production and a 2.6% decrease in animal production. As a result, agriculture accounted for only 7.9% of Moldova's GDP at the end of the year.

Other factors that contributed to the economic downturn include the energy crisis, the war in the neighboring country, and rising prices, which led to a 5.1% decline in industrial production. The manufacturing sector was particularly affected by the conflict and the pandemic, resulting in a 4.5% decrease and the biggest negative impact on the industrial sector. Despite this decline, manufacturing still accounted for 9% of total GDP. The energy sector also saw an 8.4% decline, largely due to rising energy prices. The extractive industry also suffered a 4.9% decrease, influenced by the decrease in construction activity.

The trade of retail goods also experienced a steady downward trajectory due to declining household real income and falling consumer demand. In 2022, it decreased by 1.8% (in real terms), with a particularly steep decline of 5.6% in December. The demand for computer equipment and telecommunications decreased by 49.2%, while the demand for food, beverages, and tobacco decreased by 47.7%, household products by 23.8%, and other goods by 3.7%. The trade of retail goods accounted for 17.1% of GDP at the end of the year.

In terms of growth, the IT sector was a bright

spot for the economy recording a 5.3% increase, accounting for 6.0% of GDP.

## Trade

In 2022, exports increased substantially by 37.9% to USD 4,335 million, which can be attributed to favorable external demand and the robust performance of the agricultural sector in 2021. Re-exports of foreign goods, after processing and other modifications, contributed significantly to this growth, accounting for 31.6% of total exports and increasing by almost 1.9 times. However, a number of factors including domestic demand, rising global prices for energy resources, the ongoing military conflict in a neighboring country, and unfavorable weather conditions such as drought during the summer of 2022 have led to an increase in the value of imports by 28.5%, amounting to USD 9,219 million. This has resulted in a trade deficit with imports exceeding exports by approximately 2.1 times.

## Fiscal overview

During the period of January-December 2022, the national public budget showed a notable increase in revenues, amounting to MDL 91.5 billion, reflecting a significant growth of 18.3% compared to the corresponding period of the preceding year. The increase in receipts is attributed to multiple factors, particularly the increased value of imports, which had a positive effect on tax and duty revenues related to goods and services. Furthermore, the receipt of grants from international organizations and the favorable outcome of economic activity in 2022 also contributed to the growth in revenue from corporate income taxes.

Expenditures during the period saw an increase of 23.7% reaching MDL 100.4 billion. Social spending accounted for the largest portion, including the energy subsidy extended to the majority of Moldovan households. As a result, the budget deficit reached the level of MDL 8.9 billion or 3.4% of GDP.

## Foreign Aid

In 2022 the Moldovan government received substantial financial aid from multiple international organizations and institutions such as the IMF, World Bank, and EU. The aid was intended to tackle the energy crisis and preserve economic stability. In the final quarter of 2022, the Moldovan government received roughly 150 million EUR in aid, bringing the total amount received for the year to around 635 million EUR. The majority of these funds were allocated towards assisting low-income households in managing escalating heat and energy expenses through the introduction of a compensation system, which was implemented in November 2022.

## Foreign Direct Investment

Foreign Direct Investment inflows have reached USD 515.4 million in 2022, up 2.1 times compared to 2021. This increase was largely due to the reinvested profit (+2.3 times) by current investors. In the first 9 months of 2022, main sources of FDI income was the EU accounting for approximately 85% of the total.

## Peak Inflation

Due to the ongoing war in Ukraine, Moldova has experienced the highest inflation rate in the last 15 years. In October 2022, inflation peaked at 34.6%, resulting in an annual average inflation rate of 28.7%. The main drivers of this high inflation were the elevated energy and gas prices, as well as the supply chain disruptions.

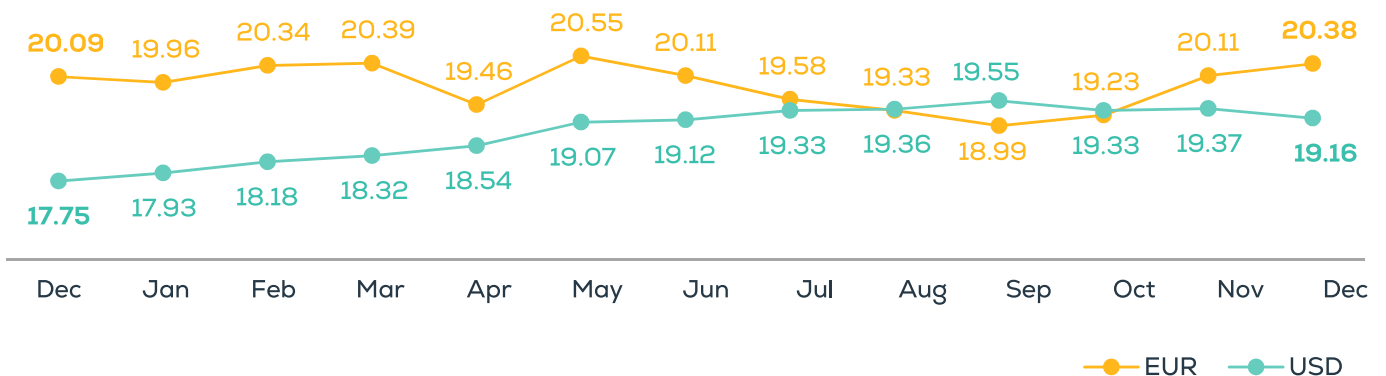
To address this issue, the NBM implemented proactive measures, promoting a contractionary monetary policy through the use of base tools such as the base rate and reserve requirement ratio. The base rate, which was 6.5 % at the beginning of 2022, was raised to 20.0 % by the end of the year. As of December 31, 2022, inflation stood at 30.2%, and the NBM expects it to decrease further as a result of tight monetary policy.

## MDL exchange rate stable

The average EUR/MDL exchange rate of 19.90 represented a 4.9% decrease compared to the previous year, while the average USD/MDL exchange rate of 18.90 represented a 6.9% increase. The depreciation of the local currency can be attributed to heightened demand for foreign currency in the domestic market during the first half of 2022, as well as interventions by the NBM to purchase foreign currency.

Despite the challenges faced by the economy, the National Bank of Moldova was successful in increasing its reserves to a historical high of 4.4 billion USD by the end of 2022, representing a year-on-year increase of 15%. This achievement was due in part to external support received from international organizations such as the IMF and the EU, as well as the implementation of restrictive monetary policy by the NBM. Remittances from abroad also contributed significantly to the increase in reserves, with Moldova receiving a total of USD 1.9 billion in remittances during 2022. Of this amount, 49% originated from the EU.

## Evolution of MDL exchange rate during 2022



Source: NBM

## monetary policy

Throughout the 2022, the NBM implemented a tight monetary policy to combat high inflation and maintain price stability. The main monetary tools used by the NBM were the base rate and reserve requirements. Throughout the year, the NBM tended to keep both the base rate and the minimum reserve requirements high in order to reduce money supply and investment in the economy and promote savings.

During 2022 so far, NBM has approved six increases of the base rate. The highest imposed base rate by NBM during the year was 21.5% in August 2022 and the highest reserve requirements ratio was 40% in October 2022. The last decision of NBM in December 2022, has started the monetary policy relaxation cycle, decreasing the level of interest rates for the main monetary policy operations, as follows:

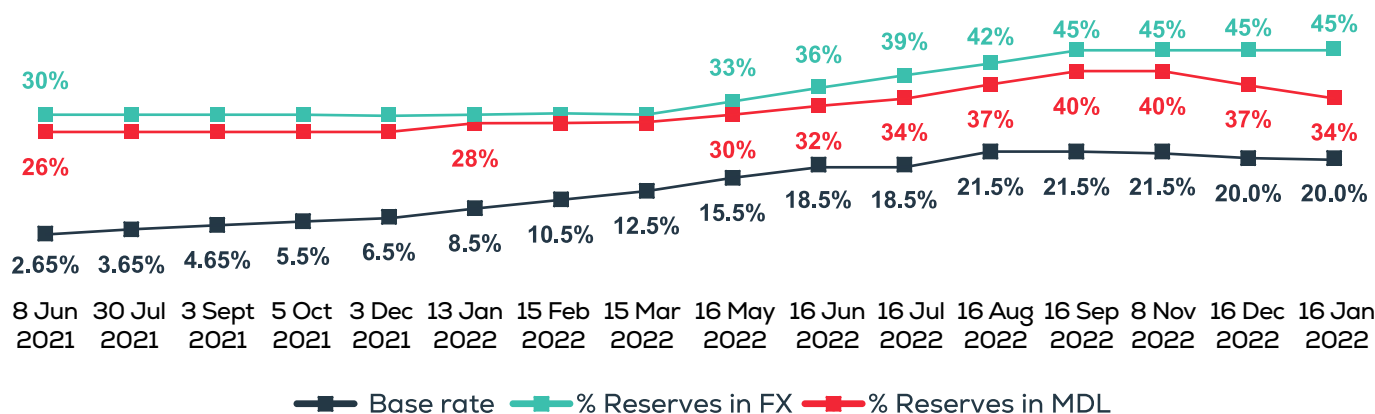
- base rate by 1.5 pp, from 21.5% to 20%;

- overnight loans by 1.5 pp, from 23.5% to 22%;
- overnight deposits by 1.5 pp, from 19.5% to 18%;
- Reserve Requirements, starting with 16 December 2022 – 15 January 2023, from 40% to 37% and starting with 16 January 2023 – 15 February 2023, from 37% to 34% of the calculation base.

Starting February 2023, NBM has decreased the base rate to 17.0% as inflation reached 27.31% at the end of January 2023. The reserve requirements remained the same, but NBM is expected to relax further its monetary policy as inflation is forecasted to drop during the year.

Sources of economic data: Moldovan office of statistics, NBM, Ministry of Finance. Forecasts sourced from NBM, Ministry of Economy, EBRD, World Bank, IMF

### Monetary policy: base rate and reserve rates



Source: NBM

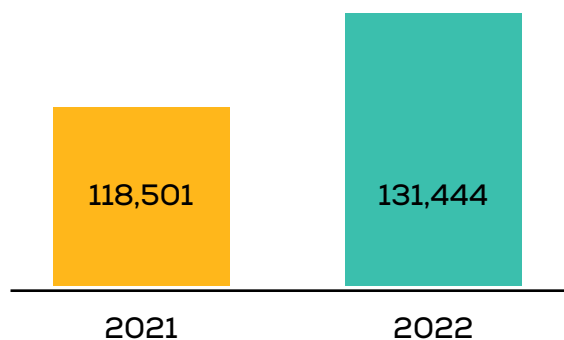
## evolution of the banking system

Despite the challenging economic conditions, the Moldovan banking system has demonstrated resilience and maintains strong levels of capitalization, continuing to operate under normal circumstances. Throughout the year of 2022, the number of licensed banks authorized by the National Bank of Moldova (NBM) remained unchanged, with a total of 11 institutions in operation.

The banking sector has continued its transition towards digitalization, resulting in the consolidation of branch networks. As a result, 57 branches were closed during the year. However, the sector has continued to contribute to employment opportunities in Moldova, with the number of employees rising to 8,504 with 222 more than the last year.

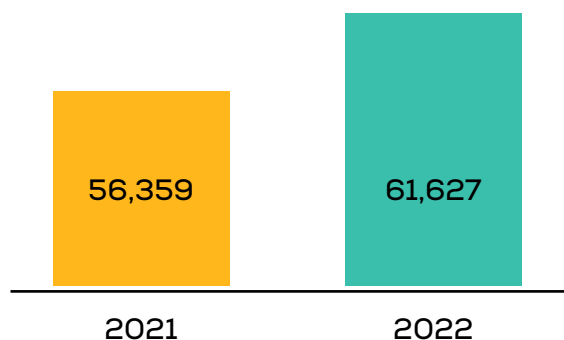
The prudential indicators for the Moldovan banking system demonstrated positive momentum throughout the year, with solvency indicators reflecting robust levels of capitalization capable of absorbing unexpected losses. As of the end of 2022, the liquidity coverage ratio reported a strong value of approximately 267.85%, indicating ample coverage for short-term liquidity risks. Furthermore, the long-term liquidity indicator also demonstrated favorable results, with a recorded level of 0.67.

### Loan portfolio by residual maturity



In terms of the concentration of banking activity, the top 4 banking institutions in Moldova maintained their dominance in the total assets, accounting for 80.4% at the end of 2022, with no significant changes observed. The financing of the banking sector in Moldova continued to rely predominantly on domestic sources, with customer deposits experiencing a 5.4% increase over the course of 2022. Moreover, the banking sector demonstrated robust profitability throughout 2022, experiencing a 58% increase primarily attributable to elevated interest rates on loans resulting from the NBM's heightened base rate. At 31.12.2022 the net profit of the banking system stood at 3 627 million MDL.

### Loans, mln MDL



NBM's implementation of a restrictive monetary policy has resulted in a slowing of lending activity. Despite this, loan growth of 9.3% was observed throughout the year. In terms of non-performing loans, the banking sector reached an NPL ratio of 6.60% at the end of 2022, lower by 0.3 pp compared to the beginning of the year.

The dynamics of net interest income, the main component of operating income, was constantly rising during 2022 (+ 83.7%), as interest income was up substantially (+ 4 519 million MDL). The return on assets (ROA) reached a level of 2.89% at the end of 2022, increasing by 0.89 p.p. compared to the previous year. The return on equity (ROE) was 17.03% at the end of 2022, 4.68 p.p. higher than at the end of 2021.





## performance and strategy



# strategy and business model

## Maib strategy



Further strengthen leadership position across all markets and segments

Leadership in payments

Sustainable profitability

Disciplined approach to costs



## Maib Business model



### Customer Perception

Universal bank offering services and products to individuals and businesses  
Most trusted and well-regarded bank in the country by customers  
Multiple international awards in all segments and product categories  
Employer of choice in the country



### Customer Interface

Multiple distribution channels and points of contact: branches and agencies, call center, electronic services, most importantly – mobile application maibank  
Focus on developing a new operational model in branches  
Focus on implementing a new visual identity concept



### Human Capital

Remuneration system – fixed and variable part, equitable pay and pay for performance  
Attracting and retaining talent via financial and non-financial means  
Increasing employee loyalty and employee engagement  
Cultural transformation and leadership development



### Internal Value Chain

Centralization of back-office processing activities  
Process quality management  
Development of a new digital platform: Internet/Mobile banking



### Banking of the Future

Innovative products and services based on new IT infrastructure  
Developing and upgrading risk management processes  
Training and Knowledge assessment center for continuing  
Working towards creating a Superapp



### Partnerships

Retailers, service providers, authorities, associations  
Focus on ecosystem development: Automotive, Real Estate, Agriculture Equipment

# retail business unit

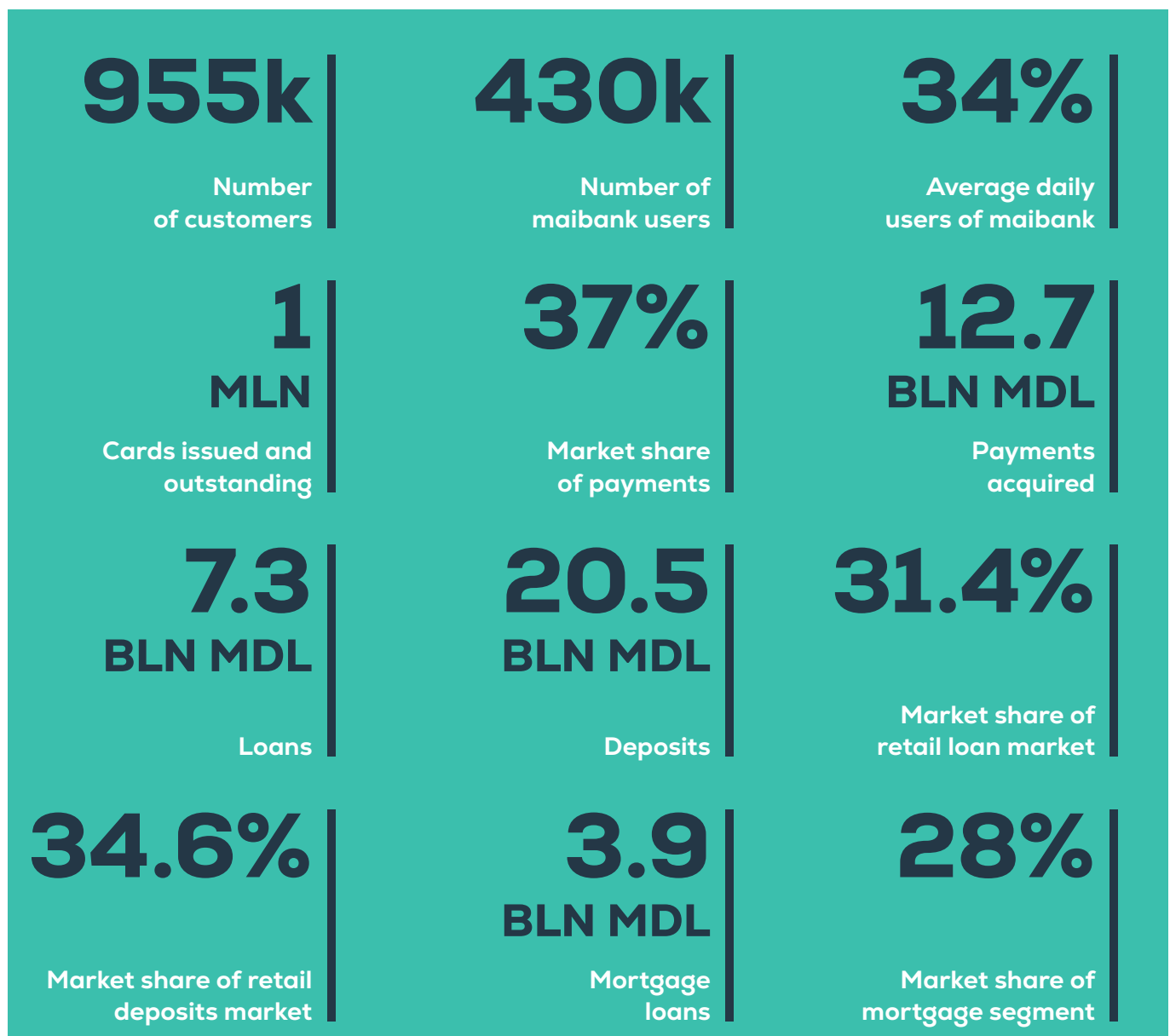
**Aliona Stratan**  
SVP in charge of  
Retail Business unit



The retail business unit at **maib** is at the core of the Bank's overall strategy to provide comprehensive financial solutions to individuals in Moldova. The unit offers a wide range of products and services tailored to meet the needs of different segments of the population, including personal loans, mortgages, credit and debit cards, savings accounts, and various payment solutions. Retail Business Unit partners up with retail businesses in Moldova to create mutually beneficial value-adding solutions for both retail customers and retail businesses.

Retail Business Unit is at the heart of **maib's** transformation into customer-centric organization. It strives to provide a seamless and personalized customer experience, leveraging technology to make banking more accessible and convenient for its customers. The growing usage of digital channels such as online banking and mobile application **maibank** allows customers to access their accounts and manage their finances easily.

## at a glance



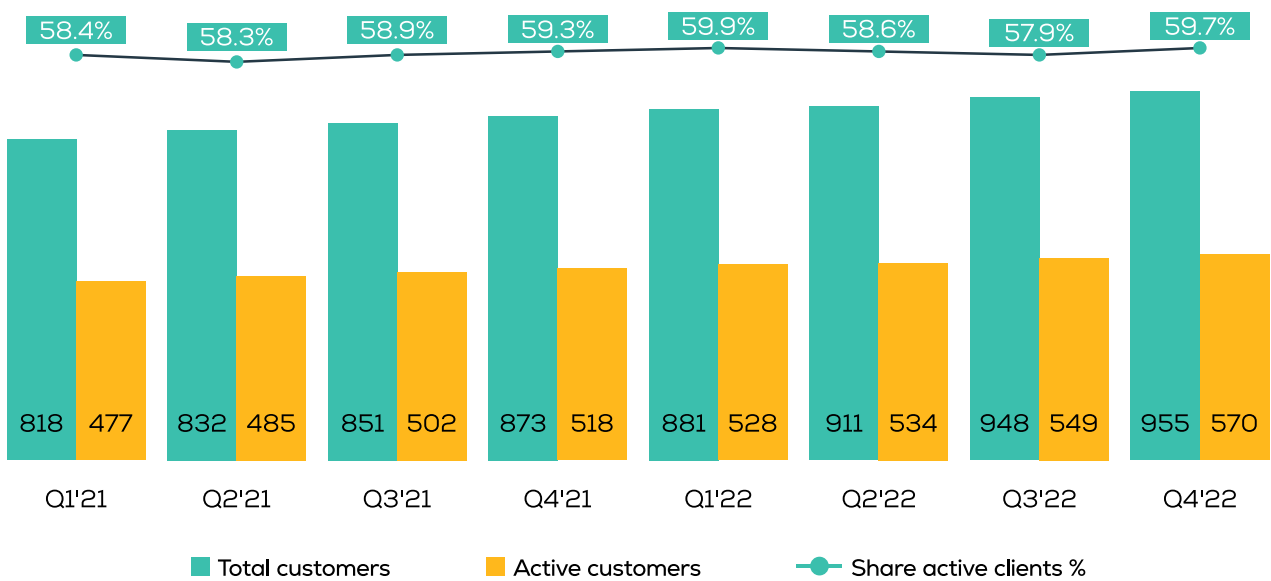
## 2022 overview

Following a banner year 2021 with strong growth across the board, **Maib's** retail segment faced numerous challenges in 2022 due to a combination of factors, including high inflation, economic slowdown, the war in Ukraine, elevated base rate and the introduction of the responsible lending legislation. The inflation rate led to increased costs for both consumers and retailers. The war in Ukraine also disrupted supply chains, hit consumer confidence, and for a moment created an outflow of deposits from the system. New loan origination in certain

segments of the market has slowed down considerably.

Despite these challenges, the retail segment at **maib** managed to adapt to the changing environment by executing on its core strategy, such as adopting digital solutions, focusing on cost optimization, and revamping the branch network. Overall, the year was marked by uncertainty and volatility, but the retail segment at **maib** demonstrated resilience and adaptability in the face of adversity.

## Customers portfolio



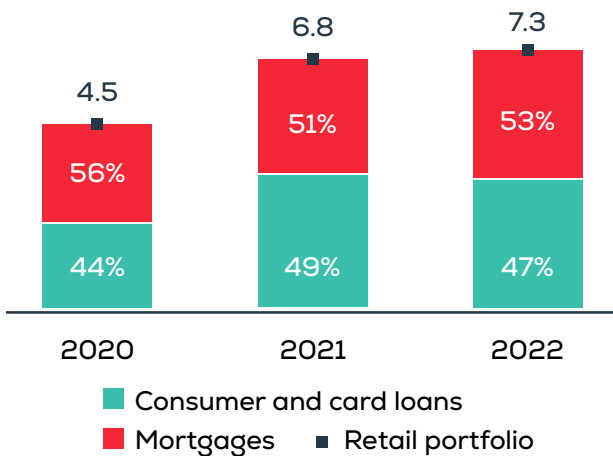
## loans and deposits

Retail gross loan portfolio reached MDL 7.3 billion as of year-end 2022, up by 6.8% Year-on-year. The growth was significantly slower than in 2021, due to the combination of factors. Mortgage portfolio was up by 10.9% Year on year. **Maib** also gained market share in the retail segment reaching 31.4% up by 1.2% Year on year. The market share gains were achieved in both in consumer and mortgage lending, at

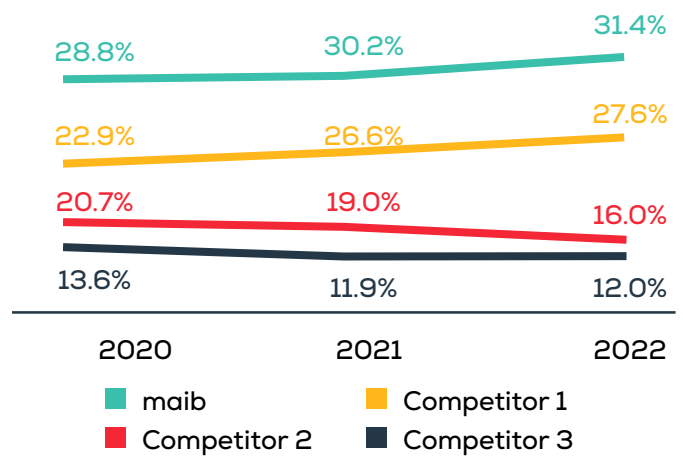
34.9% (up by 0.8 pp Year on year) and 28.0% (up by 2.0 pp Year on year), respectively.

Retail deposits reached MDL 20.5 billion at year end 2022, up by 9.2% Year on year. The proportion of deposits denominated in local currency reached 59% of total deposits. **Maib** has maintained a strong market position in retail deposits of 34.6% as of year end 2022, up by 0.5% Year on year.

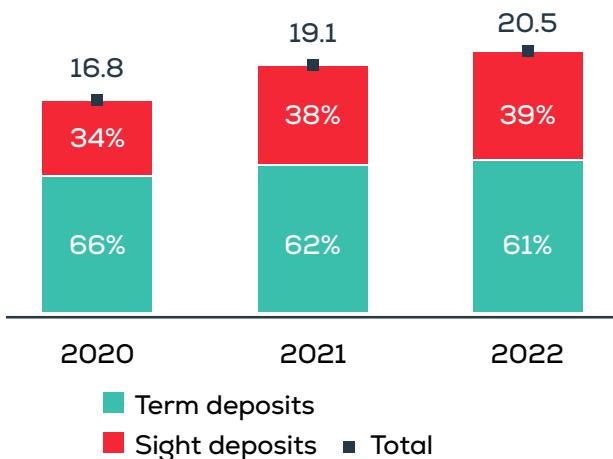
### Loan portfolio evolution (mln MDL)



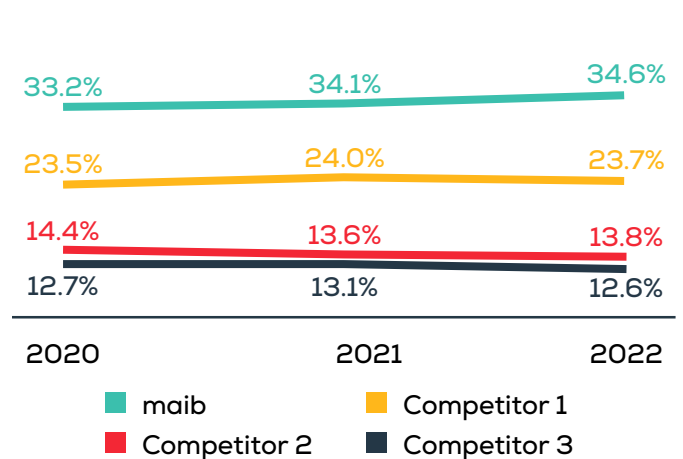
### Retail loans market share



### Deposit portfolio evolution (eq, bln MDL)



### Retail deposits market share



Source: **maib** management accounts

## Consumer loan - quick and easy

### Customer story

**Alexandru has been a maib customer since 2015, and in November he took out a consumer loan with his wife.**

"My wife and I decided to surprise our daughter by getting her a car for her birthday. To find out, my wife and I went to the Mircea cel Bătrân **maib** branch and under one hour we received the loan we wanted. Also at the branch, with the support of **maib** customer representative, we made the transfer to the company from which we purchased the car. Next day our daughter had a new car, a Hyundai, and we managed to surprise her on her birthday.

I like **maib**. It is strong and trustworthy bank with a positive attitude, well located branches and ATMs and simple mobile app with many services included (paying for utilities, transfers etc).

I wish a lot of good customers to **maib**, as just as **maib** is working hard for its customers."



### real estate market and mortgage dynamics

In 2022 the real estate market went through a difficult period in the context of macroeconomic pressures and high inflation. The volume of investment in construction dropped compared to prior years (estimated decline of around 30%). The main factor was the increase in the cost of loans, which organically reduced the appetite of the population and businesses to make new purchases and invest in real estate. In terms of numbers, mortgage loans are estimated to have decreased by approximately 30%.

Prudent approach and responsible lending regulation coupled with caps on payments for Prima Casa mortgage borrowers helped avoid deterioration of the quality of the mortgage loan portfolio. Among the key initiatives implemented within mortgage lending business during 2022 were:

- Development of proprietary automated decision engine vastly improving decision times.

- Launch of foreign currency mortgage product aimed at Moldovan citizens working outside the country, particularly in Europe, with incomes in foreign currency.
- Further deepened partnerships with real estate agencies and developers, including via the **CasaHub** ecosystem offering, which brought the benefits of additional traffic.
- Launch of online video mortgage consultation reducing the number of physical visits to our branches and added convenience for customers.
- Online valuation report of the property via **CasaHub**.
- Adjusted mortgage loan products to comply with responsible lending legislation coming into force during 2022.

## cards and payments

**Maib** is a leading issuer of debit and credit cards, provider of POS terminals and online payment solutions. It has the largest national network of ATMs and payment terminals. It offers its customers a full range of cards from basic to premium, partnering with Visa, Mastercard and American Express to issue both debit and credit cards.

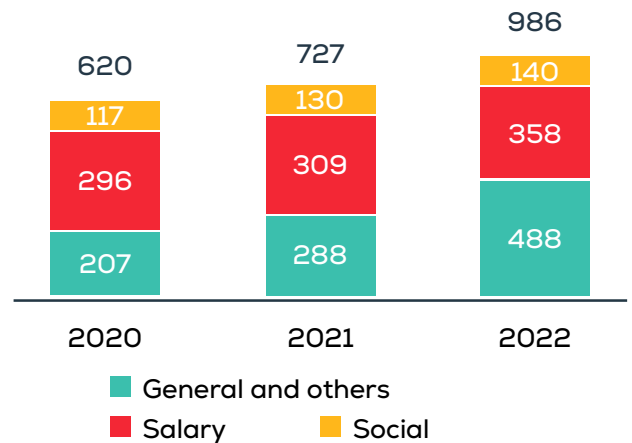
In 2022, **maib** issued 453 thousand cards, representing a 67% increase over 2021, contributing significantly to the growth of cashless payments and the growth of transparent transactions. At the end of the year **maib** reached 1 million issued cards in circulation. In 2022 **maib** card payments reached 35.2% of total transaction volume, a 7% increase year on year, contributing to the growth of cash-free payments. Nearly a hundred thousand customers, holders of gama range cards, received a combined MDL 14.5 million in cashback for their purchases.

During the year the Bank launched a number of card products:

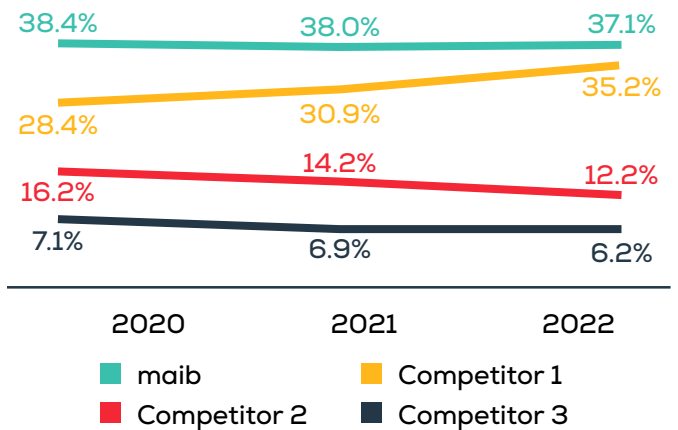
- **Maib junior** - a product launched at the beginning of the year, a bank card, aimed at children and teenagers between 7 and 17 years old. The **maib junior** card is a perfect card to teach children how to manage their first budgets and learn how to use banking products, offering a dedicated app for them.
- **Maib freelance** - card product specifically tailored to freelance workers with benefits such as commission-free PayPal transfers and other special offers.
- Digital-only cards - first such product on the Moldovan banking market. They are issued and managed directly via **maibank** application.

Very importantly **maib** was chosen by the United Nations High Commissioner for Refugees (UNHCR) to implement the issuance of cards for refugees from Ukraine. Around 120 thousand cards were issued under this project in 2022.

## Evolution of cards in circulation

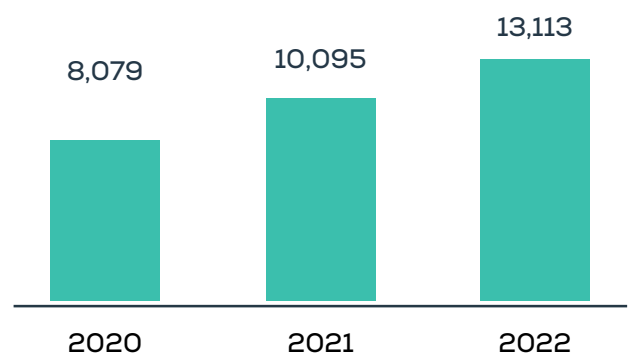


## Market share of Cards in circulation



Source: NBM reports

## POS & E-COMM terminals portfolio



## payments – acquiring

**Maib** remained the leader in the acquiring market in terms of numbers of POS terminals and e-commerce acquiring solutions. In 2022 **maib** together with VISA launched a new product for merchants – smartPOS, a technology that enables receiving payments using a smartphone or a tablet. In terms of numbers, **maib**'s POS network represents 39.5% of the national market. It has grown from 29.8 % at the end of 2021. The volume of payments acquired via POS terminals increased by 42.9 % in 2022 compared to the previous year. Implementation of Apple Pay and Google Pay played an important role in this increase.

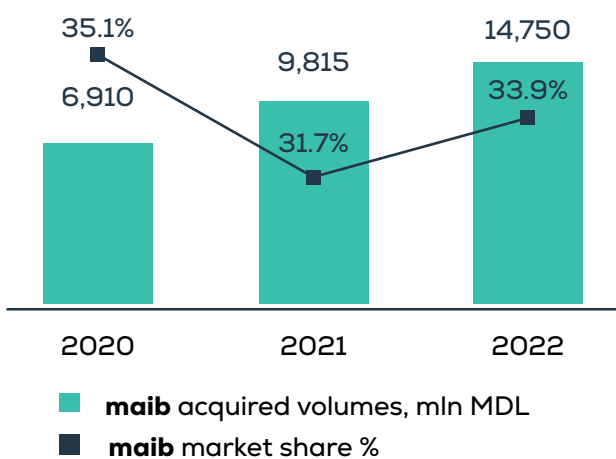
In terms of e-commerce market, **maib** is in the pole position with 44.4% of the total numbers of the e-commerce platforms increasing its market share from 35.6% in 2021. The volume

of payments through e-commerce platforms has grown by 90% in 2022 compared to the previous year. This represent a result of a new digital solutions offered to the merchants: gateway checkout page, merchant portal, Apple Pay button and other.

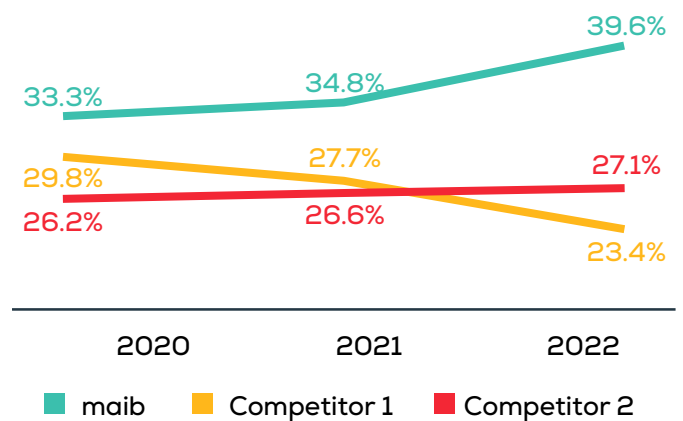
In 2023, **maib** acquiring team will continue to focus on digitalization and developing of its services:

- E-commerce – planned cooperation agreement with USAID Moldova to promote e-commerce for SMEs in Moldova and to develop innovative financial solutions for frictionless online onboarding of the maib merchants;
- POS terminals - development of POS Android solution.

**POS & E-COMM acquired volumes**



**Market share of number of POS and E-COMM terminals**

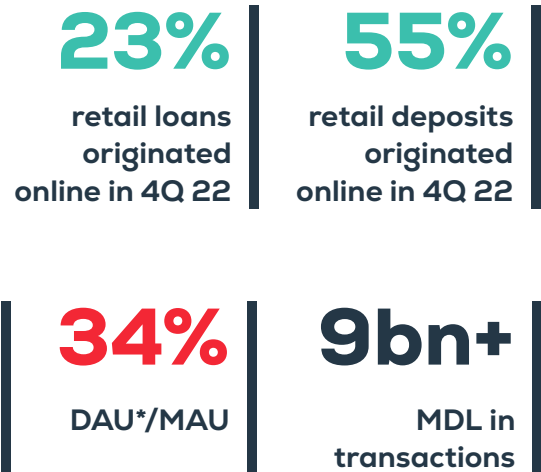


Source: **maib** management accounts



## mobile app

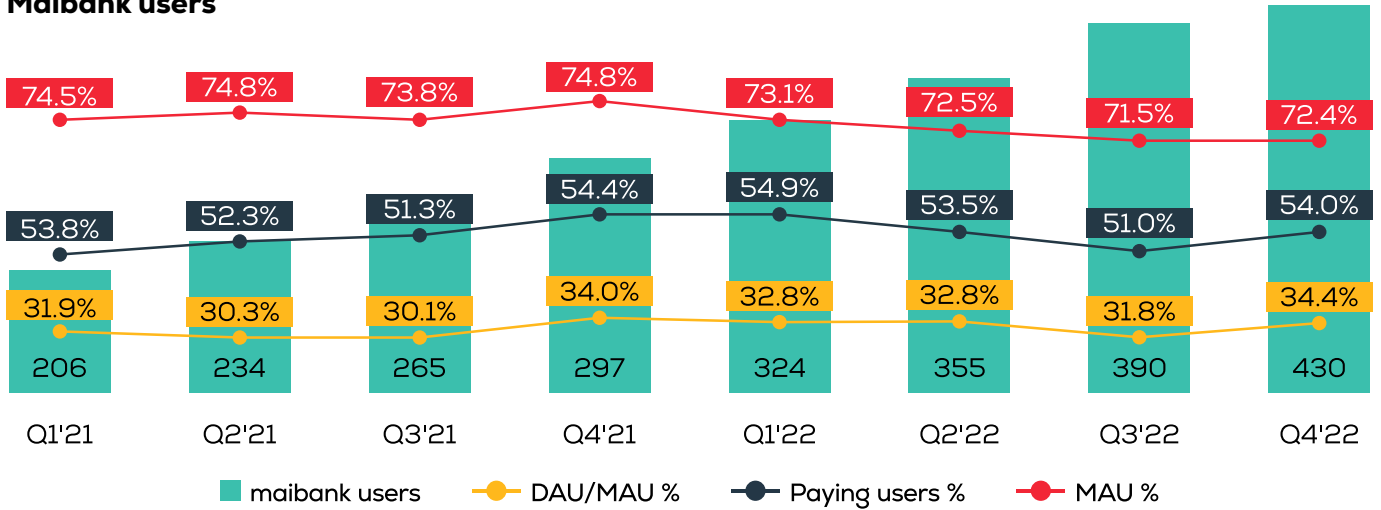
**Maibank** is leading banking application on the Moldovan market, it is also quickly becoming the main touchpoint with the customer for **maib**. 2022 was another year of strong usage growth, helped by significant enhancements and new functionalities. Total number of **maibank** users reached 430 thousand (up by 45% Year on Year). Of this number 72% were Monthly Active Users (MAU%), and 34% were Daily Active Users to Monthly Retail Active Users (DAU/MAU%). Increased importance of the mobile app as a distribution channel was highlighted by the fact that 55% of the total number of retail deposits and 23% of the total number of retail loans originated online during 4Q 2022.



### Key features implemented in 2022

- Pre-approved loans were introduced in the **maibank** and it became an important distribution channel for **maib**. Following the introduction of responsible lending legislation pre-approved loan feature was adjusted and re-introduced in the application;
- Payment solutions, such as Apple Pay, Google Pay are managed via the application;
- Kids application with limited functionality and parental control, that helps teach children financial literacy;
- Bulk bill payment functionality;
- Additional security features, such as biometric online payment approval;
- Digital-only cards, which can be activated and managed via **maibank**.

## Maibank users



\*DAU - daily active users;  
\*MAU - monthly active users

## Plans for 2023

- Launch online onboarding and e-KYC;
- Create more secure and easier registration and login flows;
- Create more secure and easier payments and other operations;
- Implement the redesign with significant user experience improvements;
- Add useful functionalities;
- Build omni-channel and seamless user experience;
- Customized and more efficient direct communication.



## key initiatives implemented in 2022

### Agile transformation of Retail Business Unit

**Maib** Retail Business Unit recognized the need for agility in their retail business unit to tackle the challenges posed by the ever-changing market and the onset of digitalisation. As a result, four Agile Orchestras were created: Lending, Daily Banking, Payments (focused on products) and Segment Orchestra (focused on sales channels). As a result the Unit has become more responsive to customer needs, reduced time-to-market, and improved overall efficiency. This transformation has enabled the retail business unit at **maib** to remain competitive and thrive in a dynamic retail landscape.



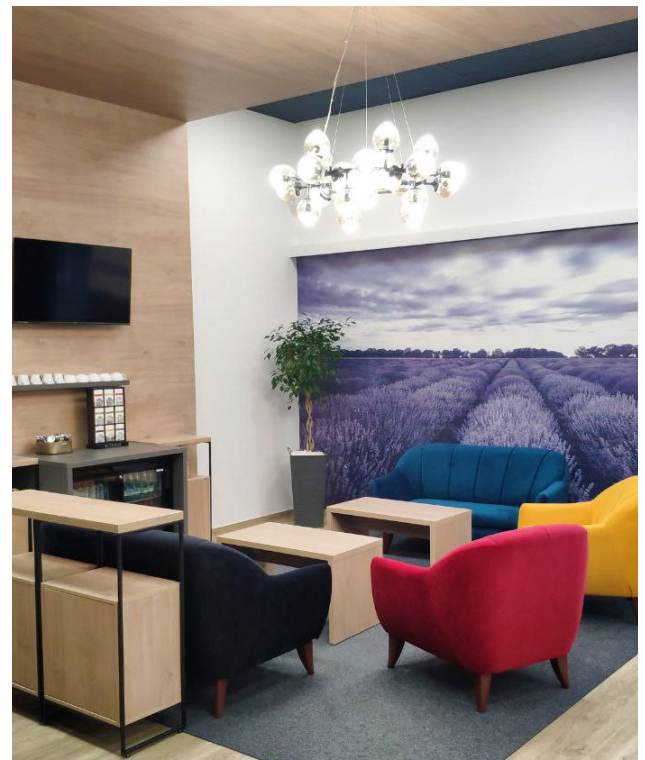
### Alto premium banking offering

Alto is a new premium banking offering by **maib** that provides customers with exclusive benefits and personalized services. With **alto**, customers can enjoy a higher level of banking experience, including priority access to customer service, special premium banking area in branches, dedicated account managers, and exclusive offers on banking products and services. **Alto** customers also benefit from preferential rates on loans and credit products, as well as enhanced security features for their accounts. This premium offering is designed to cater to the needs of those looking for a more personalized banking experience. Overall, **alto** represents an excellent value proposition for customers seeking exclusivity and tailored banking solutions. By end of 2022 **alto** has been rolled out in 11 branches across the branch network. Initial pickup of the service has been very strong.



### Continued upgrade to branches and branch operating model

The upgrade to redesigned branch began in 2021 and continued in 2022. In total 82 out of 110 branches and agencies have been refurbished to the new design and operating model. The full rebranding of the branch network is expected to conclude in 2023. The branches are not only given the new visual identity but also a new operational model. The flow of customers is directed by the greeters. Within the branch 3 customer service areas exist: self-service area, dedicated to customers who are comfortable enough with ATMs and payment terminals, transactions area, where the emphasis was on speed and fulfilment of customer needs, and consultation area, where direct communication, analysis of customer needs and more complex personal or business plans are discussed. Branches are designed with customer comfort and speed in mind.



”

**Ana Ababii**  
Branch director



Transformation of **maib** branches to a colorful, airy open space created a great atmosphere for both maib customers and maib employees. **Maib** branches became more colourful, brighter, more comfortable and more relaxed. They are much more welcoming to the Bank's customers, and they have noticed the positive changes.

Brand refreshment brought not only the cool visual design, but also the simplification of many products, services and internal processes. The implementation of the new customer-centric operating model reduced customer wait and service times, so that the banking experience at maib is increasingly simpler and more enjoyable for the customer. This positive atmosphere is conducive for making personal or business financing decisions, with lots of smiling faces and professional bankers ready to offer innovative products and flexible services for **maib** customers.

Another major novelty in the redesigned **maib** branches is the comfortable new alto area. **Maib alto** is the first premium class banking service in Moldova, offering customers an individual approach, a high level of comfort and service, privacy, exclusive banking products and services, convenience and benefits. **Alto** is created with exclusivity in mind for the customer who wants personalized approach and extra attention. There is a dedicated personal relationship manager who goes above and beyond for the customer with the highest expectations.

**Alto** has already become a success. It is a first service of its kind in Moldova and it creates a unique customer loyalty. The customer can be assured of getting the highest level of service and return makes **maib** the number one choice. We are very excited and proud about alto and its success!

## Payment solutions launched: Google Pay, Apple Pay, Garmin Pay

In 2022 **maib** made Google Pay, Apple Pay, and Garmin Pay available to its customers allowing them to make digital payments using their mobile phones. With the increased adoption of mobile payments, brought customers additional convenient and secure payment options. Google Pay and Apple Pay also offer a range of features that enhance the customer experience, such as the ability to store loyalty cards and make in-app purchases. The launch of these digital payment options is a testament of **maib**'s drive to customer centricity.



### Modern payment solutions Partner's testimonial

Smart.md



**Sergiu Banari**  
Administrator  
smart.md

In today's digital age, customers are increasingly opting for cashless payment methods such as Apple Pay and Google Pay. These methods offer speed, convenience, and enhanced security compared to traditional payment options. This trend is also evident in Moldova, where mobile payments are gaining popularity. Introducing new payment options like Apple Pay and Google Pay could play a crucial role in promoting cashless transactions in the country. However, the shift towards digital payments will not happen overnight and will require time and effort to educate customers and make these options accessible, affordable, and secure.

Although systematic feedback from customers on the use of Apple Pay and Google Pay is not yet available, the service has been launched with the aim of enhancing the payment experience for customers. As a buyer who has used both payment methods, I can attest to their ease of use and enhanced security.

The company is excited to offer these modern payment options to customers and is eager to gauge their usage and feedback.

The implementation of **maib** payment system has had a positive impact on the business. Customers find the system easier to use and it offers faster and safer payment options, resulting in increased conversion rates. The company believes that the implementation of this payment system will contribute to long-term customer satisfaction and business growth.

The launch of Apple Pay has also been well received by customers, as it has simplified and accelerated the online payment process. Customers have found the payment process intuitive and secure, and they appreciate the added flexibility and security offered by multiple payment options. Overall, the introduction of Apple Pay has added value to the online payment process, and the company is pleased to see that customers are happy with this new option.

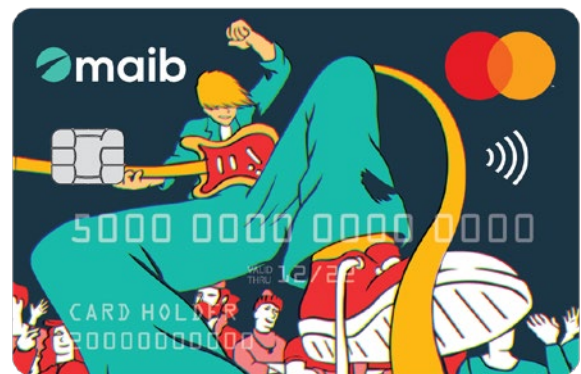
## Maib virtual cards

In 2022 **maib** launched a new range of digital-only cards that enable customers to make payments using their mobile phones: gama digital with cashback, daily digital and freelance digital cards. These cards provide customers with a convenient and secure payment option and are ideal for those who prefer to carry fewer physical cards. Additionally, these digital-only cards offer enhanced security features. **Maib's** new range of digital-only cards reflects the commitment to innovation and providing customers with the latest in financial technology.



## Maib Gama junior range of cards

**Maib** introduced a new line of cards for kids known as **maib gama junior** in 2022. These cards are designed to teach children about financial responsibility at a young age. The cards come with a separate version of maib's mobile application and parental controls that allow parents to monitor their child's spending. Additionally, the **maib gama junior** cards offer rewards for certain purchases. By introducing financial education early on, **maib** hopes to instill good money habits that will benefit children throughout their lives. Overall, the **Maib gama junior** cards are a useful tool for parents looking to teach their children about money management.



## New foreign currency mortgage product

**Maib** introduced a new mortgage loan product that targets customers who work abroad, particularly in Europe, or earn their income in foreign currency. This product allows customers to take out a mortgage loan in foreign currency, making it easier for them to finance their home purchases in their currency of choice. This offering reflects **maib's** commitment to meeting the needs of its diverse customer base and provides a solution for those who earn in foreign currency and may struggle to secure financing in their home country. It is an important first step for **maib** to capture a large Moldovan diaspora working abroad, especially in Europe, estimated to be around 1 million people. It also creates a bridge for those Moldovan expats who are thinking about returning back home. Coupled with video consultations it is a product of high impact for an important customer group.

## Quick and easy mortgage in foreign currency

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### Customer stories

#### **Iurie, mortgage loan in Euro issued in November 2022.**

Iurie works abroad. He came to **maib** after a referral from Connect Imobil, real estate agency. He initially applied for a loan at one of **maib's** competitors but because the procedure was taking too long, and Iurie did not have the time (he took time off from his job) he decided to try his luck at **maib's** Mortgage Centre.

The application was received on 9 November 2022 around 16:00. Iurie received positive reply two days later on 11 November 2022 and signed the loan agreement of credit, as well as the purchase agreement for the flat on the same day.

It was simple and easy, and the client was very impressed by the speed, the small number of documents that were requested and the professionalism of the Mortgage Centre.

#### **Nicolai, mortgage loan in Euro issued in October 2022.**

Nicolai received the initial consultation, signed and submitted the documents for the credit application via whatsapp, while his wife was physically present in the branch and had the power of attorney to confirm the customer data and the loan application. Nicolai works in Germany and his employer is rather strict. He could only get one day off from his work. On 30 September 2022 in the evening the file was sent to the underwriting for approval. On 03 October 2022 the client landed in Chisinau in the morning. **Maib's** Mortgage Centre staff knew about that he is short for time and requested the urgent approval of the file. They went to the notary, signed all the necessary documents as well as the credit agreement in the branch, and on 03 October 2022 in the evening the client flew back to Germany, the transaction was already finalized by his wife the next day. Loan was authorized and issued the same day. Nicolai was very impressed with the flexibility of the bank and the focus of attention on his needs.



## Contact Center upgrade

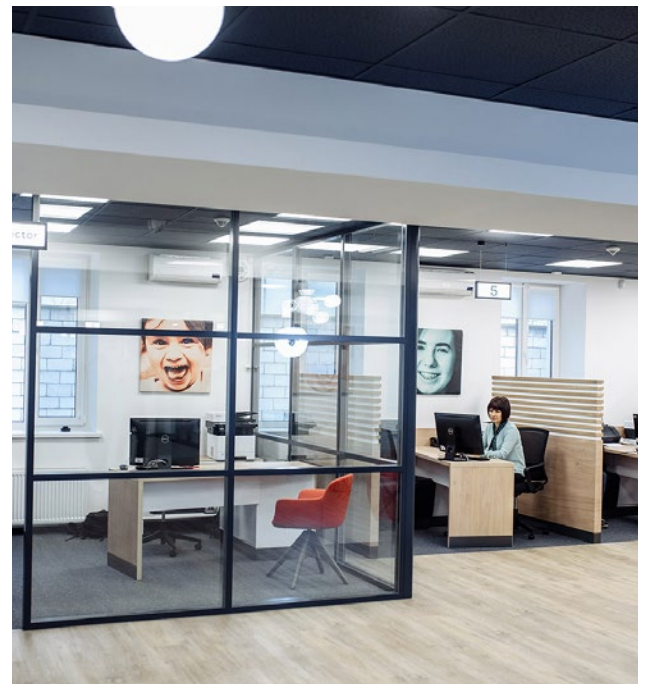
Contact Center is another one of **maib's** touchpoints with the customer, and it became newly aligned with the new brand identity - relocated to a larger space, modern, and focused on quality service and convenience for even the most demanding customers. **Maib** Contact Center is the space where some 80 specialists are at work, who are just a phone call away from the customer. In addition to modern working conditions, Contact Center employees now also benefit from a spacious rest area where they can spend their breaks, training and brainstorming rooms. All this is done in order to achieve the best possible outcome in terms of customer service via this important channel.



## Plans for 2023

Retail Business Unit plans in 2023 include introducing more new and updating existing products and services in order to best fit the customer needs. Among specific initiatives for 2023:

- Finalize the branch redesign of the remaining branches;
- Further upgrade of the branch operating model to increase the offloading to digital channels while focusing on added value sales and consultations in branch;
- Upgrade of mobile application focused on additional security, new features and enhanced user experience;
- Continue driving transactions via digital channels, including ecosystems.

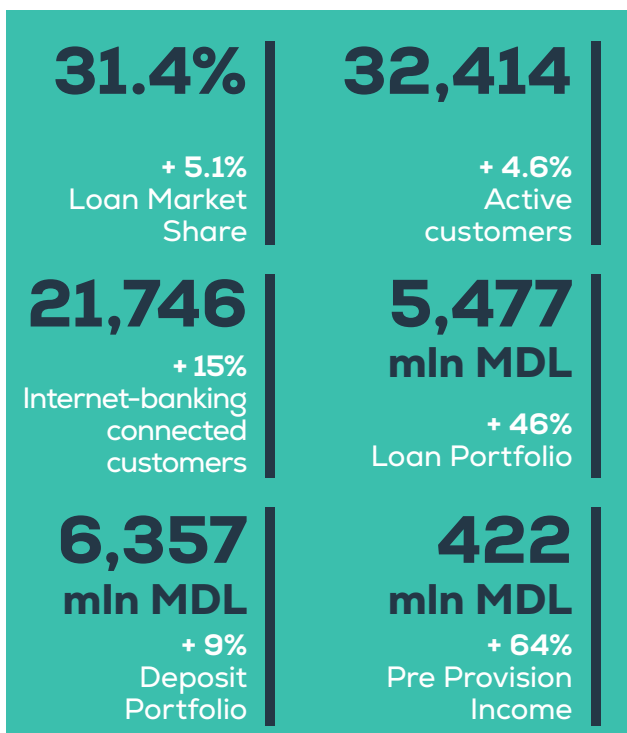


# SME business unit

**Andrii Glevatskyi**  
VP in charge of  
SME Business unit



## at a glance



### Key achievements 2022:

- Growth in all sales, market share and profit indicators, at the time when the number of front-office staff was optimized by over 34%, and when the economy was marked by turbulence related to the military conflict in Ukraine and drought in agriculture.
- Improvement of the Time-To-Yes indicator for customer lending decisions, from 2-3 weeks to 3 days for 86% of all SME customers, and 1 day for 89% of all Micro customers.
- Improving rapport with client as measured by an improved level of Net Promoter Score (NPS) from SME customers – 62%.
- Implementation of Agile way of working for more than 75% of Business Banking Division's back-office staff.

### SME Business Unit

SME is a business unit of **maib** dedicated to serving medium, small, and micro enterprises. Generally all businesses with under MDL100 million in annual revenues are SME. Those above that threshold are moved to Corporate Business Unit.

Within SME, the following classification exists:

- Medium size enterprises: between 25 million and MDL 100 million in annual revenues;
- Small enterprises between MDL 9 million and MDL 25 million;
- Micro segment clients – under MDL 9 million in sales.

### SME segment at maib is known internally as Business Banking

SME Business Unit recorded significant sales growth as compared to the previous year, despite difficulties faced by SME clients in 2022 - the loss of export markets, transport links and logistical channels due to the war in Ukraine, the consequences of energy price hikes and the record inflation of 28.7%, per official statistics data.

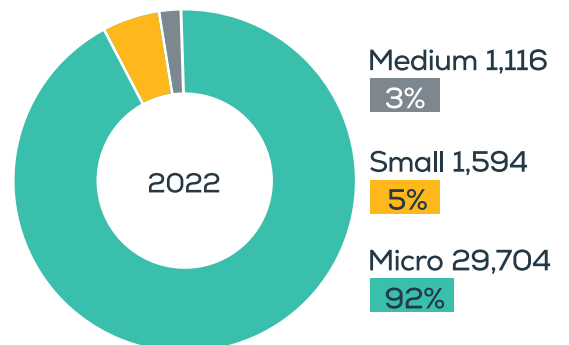
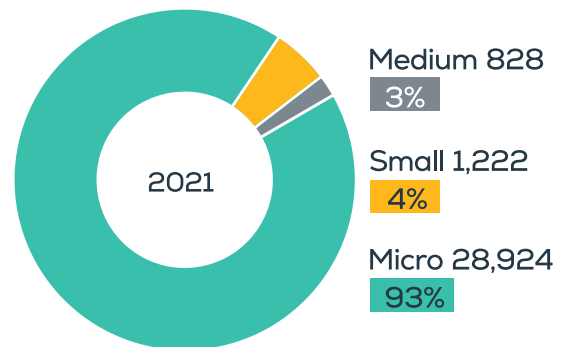
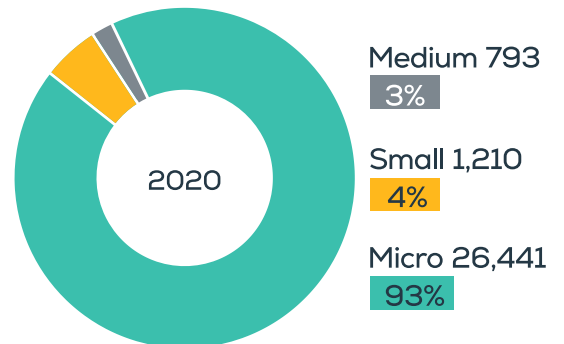
## SME clients

Despite the volatile economic conditions, SME division continues to come up with innovative solutions, high quality banking products and services, and cements its leadership among existing and potential SME customers.

Industry	2020	2021	2022	2022 vs 2021
Trade	10,323	11,127	11,306	2%
Agriculture	6,141	6,400	6,144	- 4%
Services	3,862	4,434	5,254	18%
Non-commercial	1,770	1,865	1,941	4%
Non-food industry	1,330	1,491	1,583	6%
Construction	1,264	1,449	1,531	6%
Transport	1,083	1,199	1,343	12%
Government / State organizations	920	1,006	1,096	9%
Hospitality/restaurants	541	638	714	12%
Food industry	484	549	544	- 1%
Financial institutions	379	396	443	12%
Energy	226	282	374	33%
Others	121	138	141	2%
<b>Total</b>	<b>28,444</b>	<b>30,974</b>	<b>32,414</b>	<b>5%</b>

(compared to 31/12/2021)

\*The table shows the number of active customers during last 12 months – clients who made transactions during the previous year.



- Micro – companies with annual turnover up to MDL 9 mln
- Small – companies with annual turnover between MDL 9 mln and MDL 25 mln
- Medium – companies with annual turnover greater than MDL 25 mln



## Opening up EU market

### Customer story

**Iurie Petru Turcan**

Director

MELARUX-GRUP S.R.L.

We have been in the agricultural business for over 15 years. We have orchards with plums, apricots, peaches, cherries and tart cherry. We use intermediaries to export to the European market: to Romania, Poland and France. Most of what we produce is exported, about 80%. At the start of our business almost everything we made went to CIS countries. Now, the split is about 50/50 between CIS and EU markets.

Why the EU market?

Because it's a free market, a competitive market, and to enter you need quality products, not just any goods are accepted. Standards are set at the highest level and to succeed you need a lot of money, brains, investment and patience and of course a reliable financial partner.

We have been **maib** customers since 2010, since the beginning of our business. We have a nice, fruitful collaboration especially in recent years.

We are also very happy about online transactions we do via **maib**. It is easy and fast. Fees, charges, interest rates it is all very competitive at **maib**, which is good for business as entrepreneurs can benefit from advantageous prices. The team is responsive, fast, professional.

**Maib** financed us to purchase planting material and a high-performance irrigation system, which has greatly contributed to the quality of the fruit grown in our orchard, and we have moved forward with exports to the EU market.

The EU market gave us the opportunity and motivation to grow and sell our production. I would like to mention that it is a fair market. If with suppliers in the CIS there can sometimes be doubts about receiving money for goods delivered, in the EU we have no such problems, the goods are delivered - the money is transferred. Everything is more secure, more transparent.



## Sales channels

In order to better understand, anticipate and fulfill customer expectations and needs, Business Banking division implemented a variety of approaches and uses a mix of sales channels to reach its customers:

- 50 branches (125 Micro-client specialists) – serving Micro-segment customers.
- 5 hubs (33 Relationship managers, 5 Regional Directors) – for serving SME-customers. Each SME client has a dedicated Relationship Manager.
- On field sellers – 17 hunters for attracting new Micro customers.
- Central sellers – 4 dedicated sellers for Green Energy & Partnership projects and Contact Center.
- Web development of new electronic solution, expected pilot release date 31/03/2023.
- Mobile application – development of new solution, expected pilot release date 31/05/2023.

## SME hubs. current status

### Botanica HUB

**511** customers  
**132** with loans  
**Regional director:** Neonila Negruta

**Average: 95** active clients/Employee  
**26** credit clients/Employee  
**5** Relationship Managers

### Centre HUB

**608** customers **179** with loans  
**Average: 79** active clients/Employee  
**26** credit clients/Employee  
**Regional director:** Marin Bivol  
**7** Relationship Managers

### Miron Costin HUB

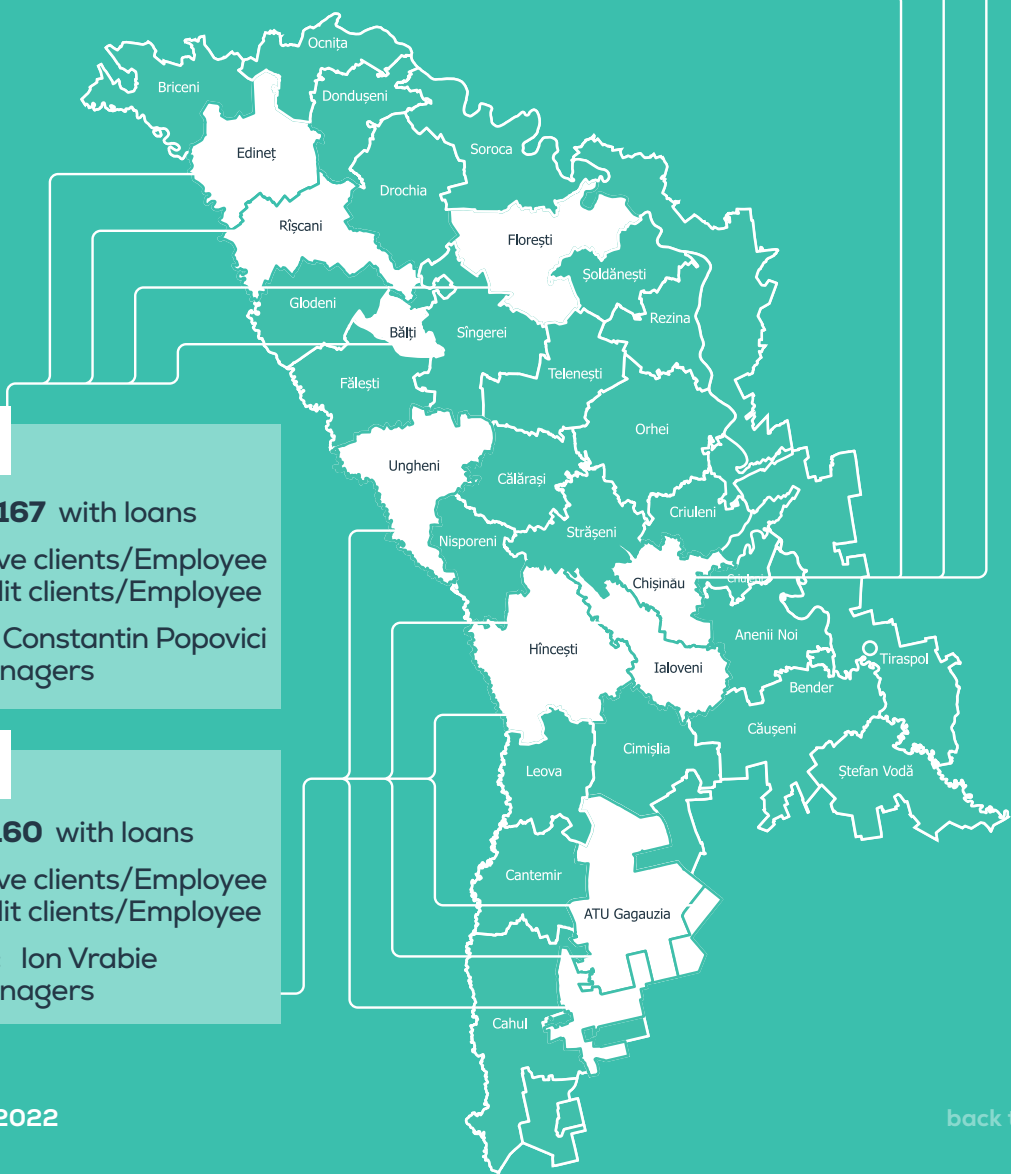
**506** customers **155** with loans  
**Average: 90** active clients/Employee  
**31** credit clients/Employee  
**Regional director:** Adrian Munteanu  
**5** Relationship Managers

### North HUB

**383** customers **167** with loans  
**Average: 43** active clients/Employee  
**28** credit clients/Employee  
**Regional director:** Constantin Popovici  
**6** Relationship Managers

### South HUB

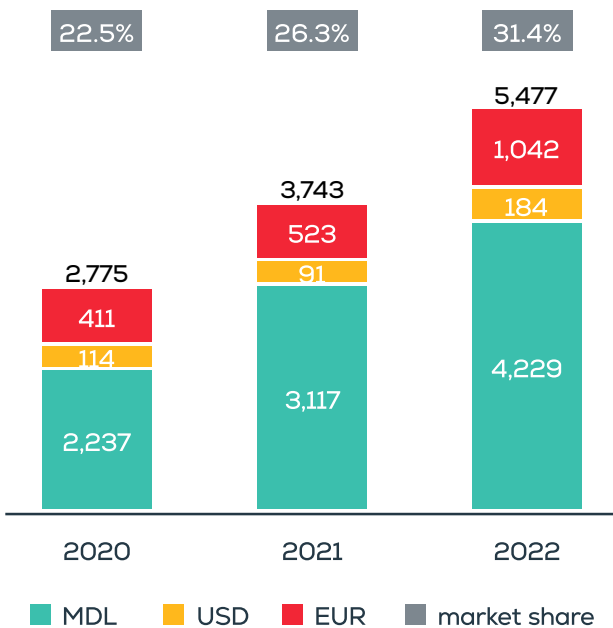
**339** customers **160** with loans  
**Average: 34** active clients/Employee  
**18** credit clients/Employee  
**Regional director:** Ion Vrabie  
**9** Relationship Managers



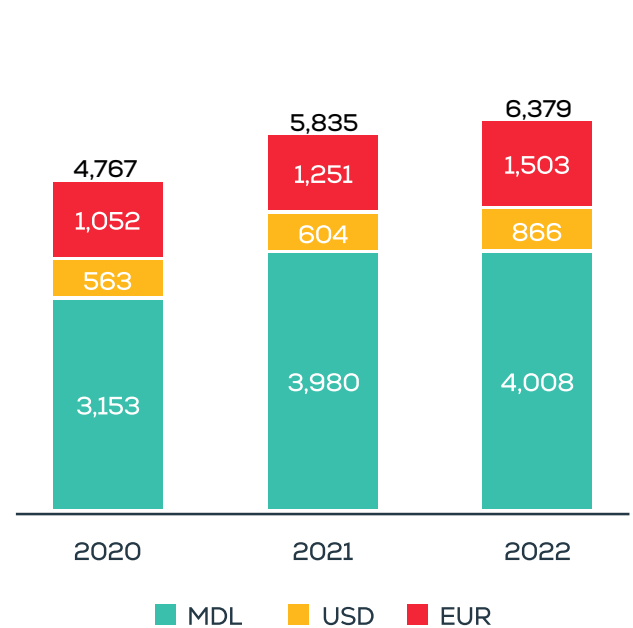
## Main SME Business Unit indicators

SME division had a strong performance during 2022. The loan portfolio of SME clients stood at 5,477 mln MDL at the end of 2022, and saw an increase of 46.3% as compared to the end of 2021. This growth occurred in a disciplined manner, without sacrificing the quality of the loan portfolio, and in spite of unstable economic and political situation. On top of it, **maib** further consolidated its leadership in SME loans, with a market share of 31.4% (+5.1% vs 2021). The deposit portfolio increased as well as compared to 2021, reaching MDL 6,379 million at the end of 2022. This contributed to **maib**'s overall strong loan to deposit ratio, demonstrating sustainable ability to finance further lending growth.

### Loan portfolio (mln MDL)

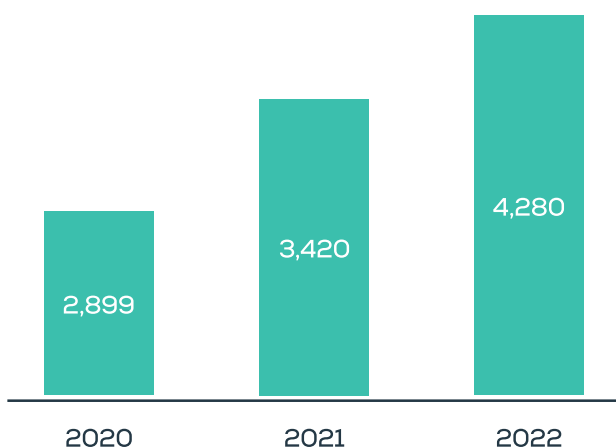


### Deposit portfolio (mln MDL)

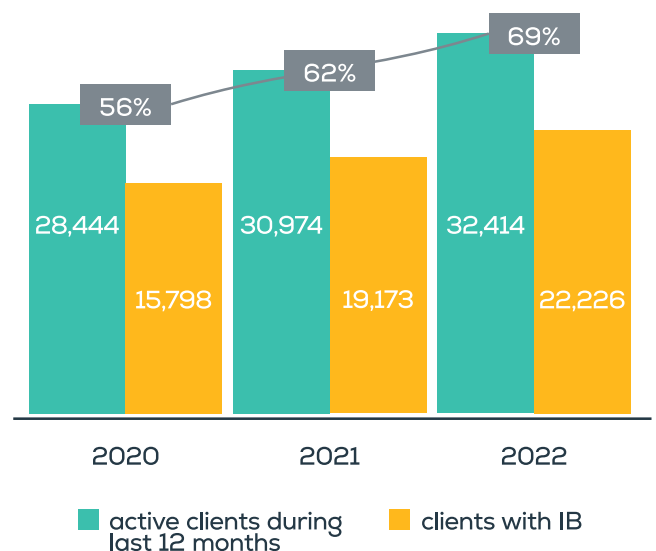


New customer acquisition further improved in 2022, due to change undergone in the structure and process of Business Banking sales as well as improving ability of the sellers, active search for clients and direct sales, recommendations from existing clients, lead management generation, and launch of a single customer support center.

### New customers

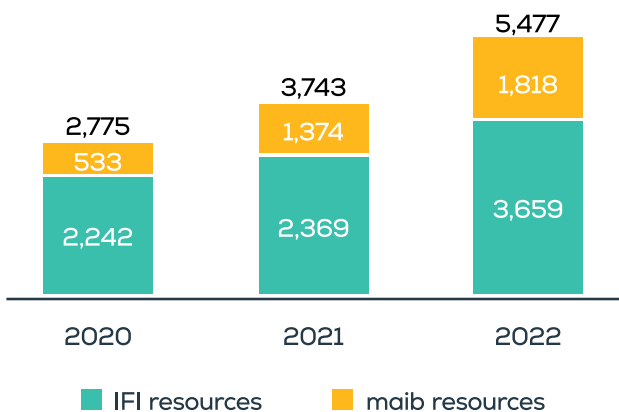


### Active customers with Internet Banking

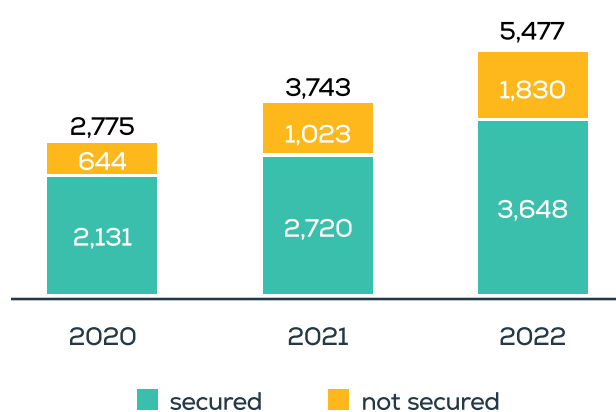


Number of clients which use internet banking, as well as proportion of those who use internet banking out of total number of active customers (active clients are those with transactions in the last 12 months), is constantly increasing. It grew by 16% compared to end of previous year – highlighting the importance of digital channels and remote transactions offered by **maib**. As a result, a strategic direction set for 2023 is the development of remote e2e customer experience and launch of New Internet / Mobile Banking.

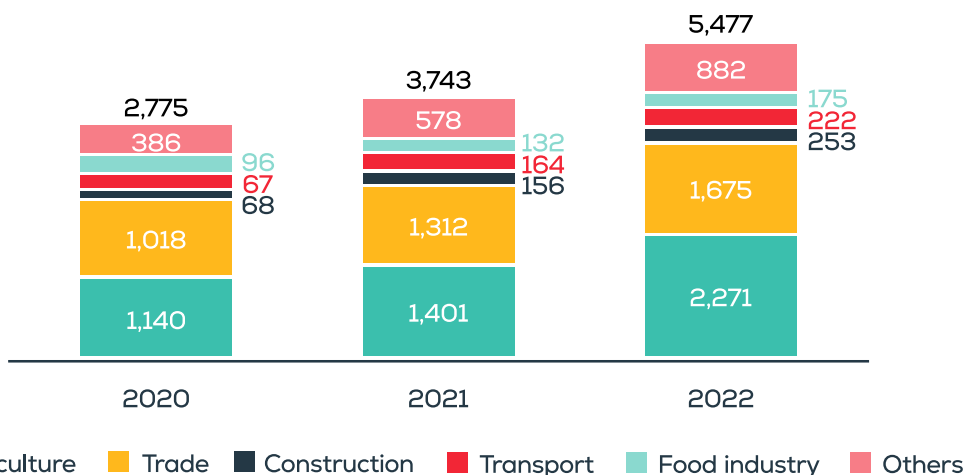
### Portfolio by resources (mln MDL)



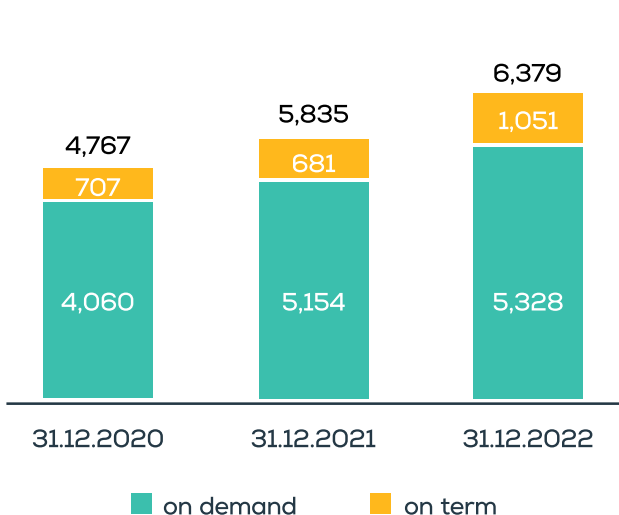
### Portfolio by type (mln MDL)



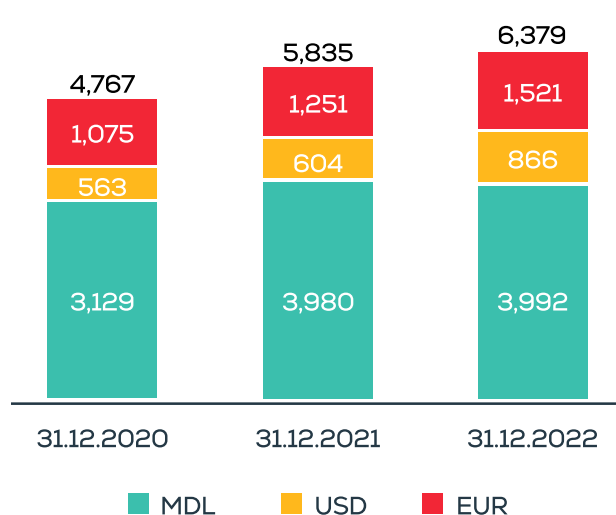
### Portfolio by industry (mln MDL)



### Deposits portfolio by term (mln MDL)



### Deposits portfolio by currency





## Maib helps exporters

### Customer story

**Igor Golban**  
Founder and  
Administrator  
Biantti SRL



At Biantti SRL, our former name, we started our activity with our own 20 hectar of land, multi-year plantation of walnuts, almonds, and hawthorn.

In the meantime, we developed and diversified our activity, becoming producers of oils, natural juices, natural vinegars, dried fruits, teas, seeds. Now we package seeds, nuts, dried fruit and lettuce, these are the main product lines that we have at the moment.

Of what we produce about 20-25% we redirect to the foreign market and about 75-80% to domestic trade. We have started exporting in 2021-2022, the first destinations being Romania, Poland, Canada, Germany and Estonia.

About the EU market I can say that there is a very strong competition, both in price and quality, with competitive products from Romania, Turkey, Poland. We are making a huge effort to compete on the EU market and it is not easy. Often the prices offered by our competitors are lower than ours, the loans are cheaper, the machines are more efficient.

The EU is a great new market for us, but in order to continue and grow our business, we need to invest in better technology, qualified staff and quality raw materials.

Our intention is to get better every year, to automate and modernise our processes, and a reliable partner like **maib** is the right fit.

**Maib** always supported us with competitive loans. We have 3 loans with **maib**, one we paid off, two more to go, but we are moving forward and we are confident. I can say that we received more than just funding, we received professional advice, support and most importantly – speed and efficiency.

The process was, simply, fast. We took out loans for both machinery and working capital, and received virtually the best interest rates, coupled with positive and friendly attitude. We were clearly told what was best and suitable for us, and that was a major advantage.

What I would like to mention, is the professionalism of the staff, their openness, speed, support. We had no impediments with the collateral, the package of documents, formalities etc. We are delighted with the way things have been handled.



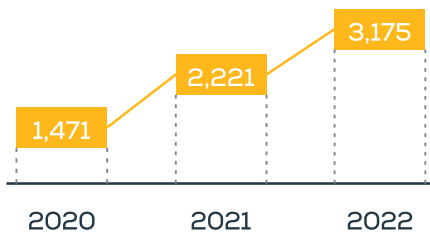


## performance by product

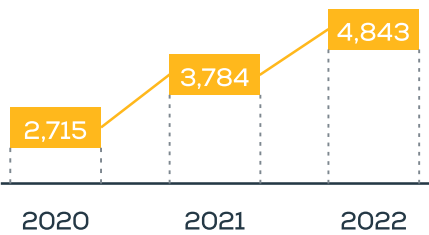
**Maib** has adapted the business model to the specific needs of the SME segment offering innovative products and services, up-to-date technologies and safe networks. Since 2021, Business Banking division bundled current accounts, business cards, internet banking, salary project and other products into comprehensive bank service packages (business start promo, business forte promo, IT business) for the most demanding requirements and necessities of the customers.

More Business Banking clients chose **maib** products in 2022. 3,175 POS & E-commerce payment solutions installed (+43% vs 2021), 4,843 business cards issued (+28% vs 2021) and 6,781 packages' subscriptions (14 times more than in 2021). This is thanks to the through alignment of **maib** product line with customer needs and expectations.

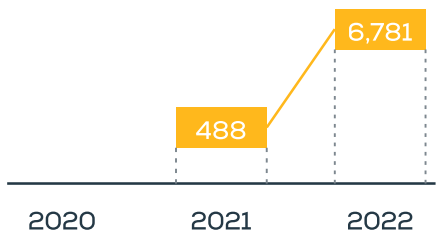
### New POS & E-comm



### New Business Cards

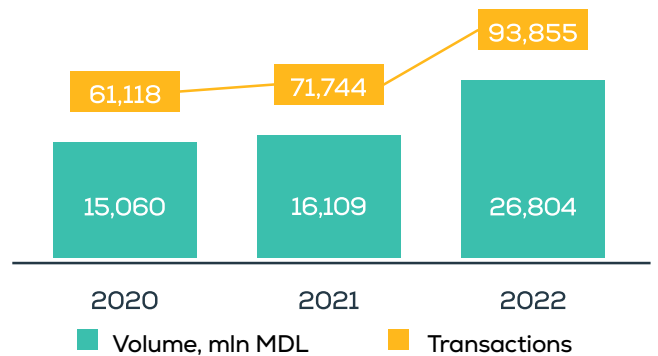


### New Bank Service Packages



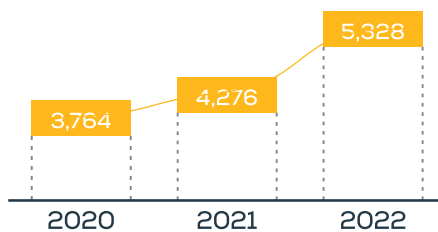
Due to quality, speed and customer centricity of **maib** operations, forex transactions volume increased in 2022 by 66% compared to 2021. The same trend was seen in the average volume of forex transactions, which were up during 2022 by 27% from MDL 224,000 to MDL 285,000.

### FOREX transactions

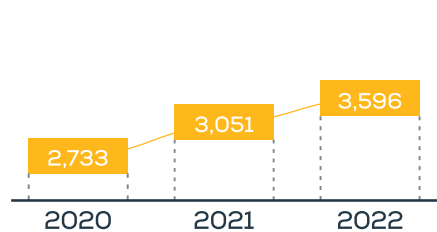


## Portfolio overview

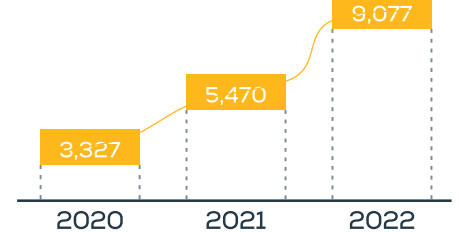
### Forex, clients



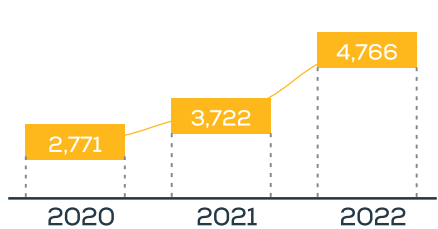
### FCY payments, clients



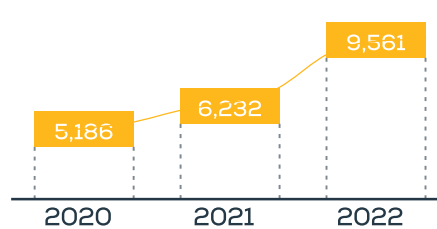
### Business cards



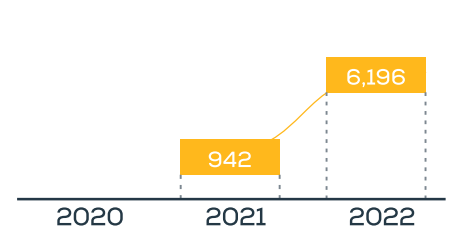
### Clients with POS terminals



### Clients with salary projects



### Packages



## other value-add products

**Maib's** set objective is to introduce banking services, which are more convenient and efficient, and where each interaction with client is swift and effective. As such, **maib** constantly comes up with additional products that offer our customers a supportive environment where they can solve their daily business needs. The list of other in-house services will be expanded in 2023 with options like collateral registration, mobile signature, tender consulting, etc.

### Lending partnership

100+ partners with different types of activities (agricultural machinery, inputs, irrigation system etc.) sell products through **maib** loans.

Statistics	2020	2021	2022
Volume of Loans, mln MDL	67.5	362.5	378.7
No. of Loans	152	546	620
AVG Loan ,ths	444	664	611

### Non-lending partnership.

First bank in Moldova with consulting services offered to 1000+ clients from portfolio of 30+ partners:

- Accounting
- Business-Consulting
- HR-consulting

Referral Program to ensure customer acquisition

## challenges of 2022

### Severe drought consequences

**Restructuring of loans of agricultural customers** in 2022 was a major initiative through which **maib** supported its SME clients working in agriculture industry which were affected by the severe drought on one hand, by consequences of the war in Ukraine, energy crisis and record inflation, on the other.

During 2022, a total of 490 loans with a total volume of MDL 421 mln, were restructured some of them being offered with grace period on principal amount and/or interest.

### War in Ukraine impact

**Maib reacted fast and effective to the impact of the Ukrainian crisis** on banks' customers, proactively offering direct solutions for all those customers who had over 20% exposure to the affected markets (Ukraine, Russia, and Belarus).

Additionally, **maib** organized a dedicated conference to offer experts' guidance for the expected scenarios on the economy evolution in the actual conditions.

During this period **maib** continued to actively support Ukrainian business people to open new businesses in Moldova, and international organizations to provide aid to Ukrainian refugees.



## Agricultural exporters invest in quality to reach European market

### Customer story

**Carolina Moisei**  
Administrator  
Ravolis SRL



Ravolis SRL's main activity is the export of sunflower seeds of different varieties (black, white, multicolored). About 90% of the seeds are exported and only 10% go to the domestic market.

We buy from local producers, to whom we also supply the raw material for cultivation, and then we take it from the field. The sunflower seeds are brought to the factory, processed using state-of-the-art machinery, so that we have a 99.99% finished product. The seeds are then sorted by size and packed in bags. Our country has a great agricultural and geographical advantage, which allows us to grow sunflowers. The soil also allows hybrid varieties to grow.

We export both to the EU (Romania, Bulgaria, Poland) and to former CIS countries (Lithuania, Belarus, Ukraine), as well as to the Middle East. Entering the EU market has not been difficult because there is demand. We just need to deliver - quality. We cannot enter the markets of some countries because of stringent quality criteria such as ISO certification.

We are working on this to get all the necessary certifications and conquer the markets of other EU countries.

It's easy to work with Europeans, that's for sure. Working with them gives security, clarity and confidence. We know for sure that the contract will be honoured and we know for sure that the money will be paid.

In the beginning we worked with another bank and when the time came to change the financial partner - **maib** was the best choice. The conditions offered were advantageous and fitted us well.

I can mention that all the processes were smooth and the team always had a very professional approach. I would like to say a big thank you to the Telenesti team for all their support along the way.

At **maib** we were initially funded to buy raw material, but 3 years ago we accessed investment loans to buy the machinery. Recently we received a loan in foreign currency (euro), from which we plan to buy more raw material, so that we can cultivate using more land provided by other farmers. This way, we grow our business, but also helping other farmers to survive in the market.

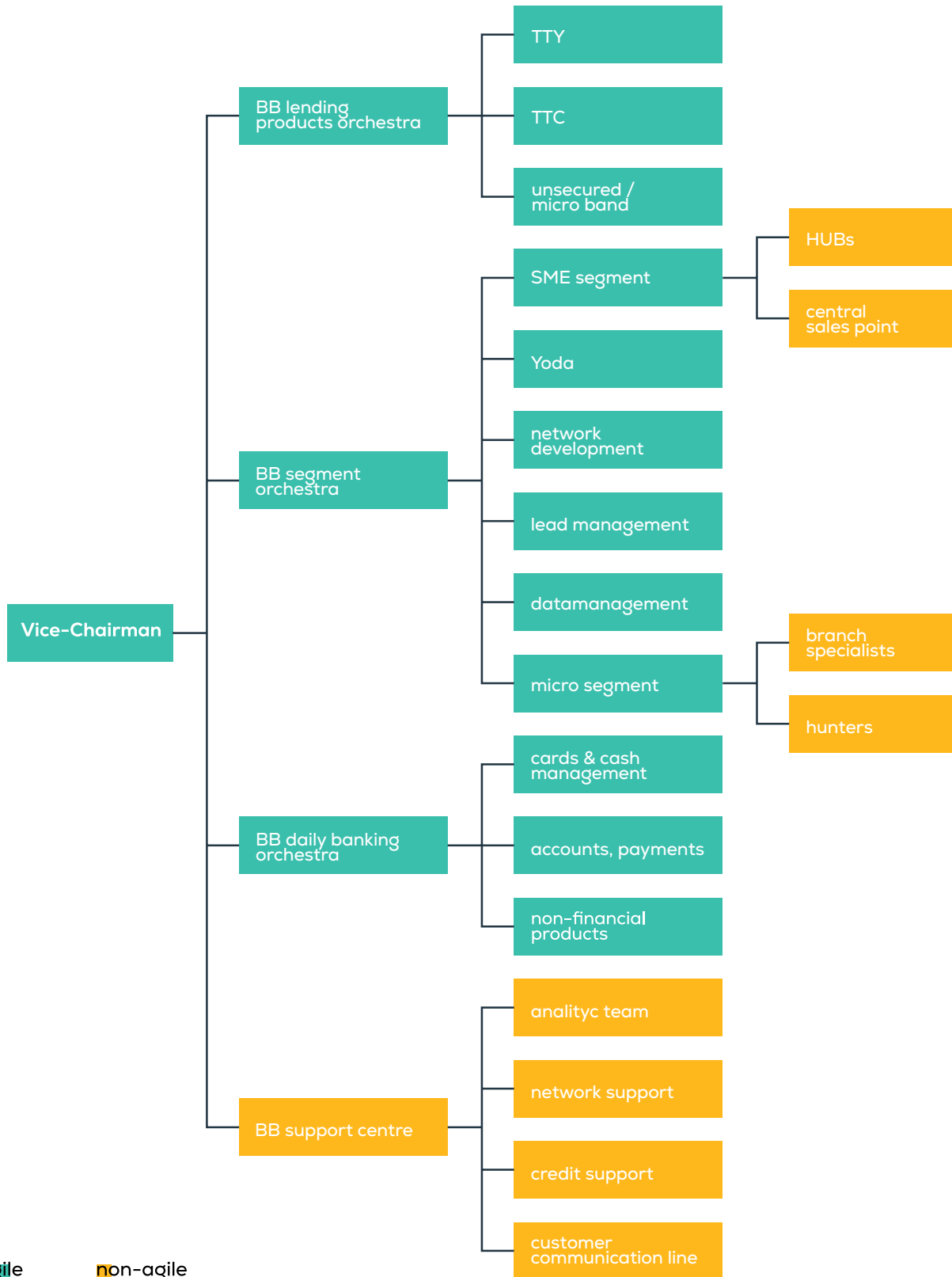


**(new, agile) organisational structure**

**Agile way of working implemented in SME business unit**

Almost all SME back-office have been organized in 3 Agile Orchestras – BB Segment, BB Lending and BB Daily Banking

The only team yet to undergo the transformation (Support & Care Center) will move to Agile in mid-2023



agile non-agile

**critical success factors of SME unit**

**Customer Experience Strategy** helped the bank to identify processes, products and services that could have been improved in order for **maib** to become the number one choice for SME customers, particularly in banking products and consultancy services. The strategy was based on 3 core principles:



**Easy and fast functionality**  
 “One click away”  
 Convenient Customer Journey  
 Fast response



**Accessible and clear**  
 Transparent and reliable  
 Clear messages  
 Less/No bureaucracy



**Emotionally pleasant**  
 Empathy  
 Positive emotions  
 Willingness to recommend **maib** further

**Time-To-Yes indicator (time to decision)** shows how fast maib clients get financing solution. It helped the bank to offer loans at the right time and to ensure the continuity of its clients businesses. Results for 2022:

- SME – 86% of applications with final decision in 3 days
- Micro – 89% of applications with final decision in 1 day

The results of **Customer Experience Study** (interviews held with 982 randomly selected BB clients, July-August 2022

**62%** NPS **78.9%** Clients will use **maib** products/services during next 12 months.

**Satisfaction level:**

- 6.4** The quality of information and solutions offered by front-office employees
- 6.5** The efficiency and speed of processing payments
- 6.6** Cash transactions
- 6.0** Speed of credit issue
- 6.4** Internet banking
- 6.4** CSAT (need to write what it is)

\*maximum score 7

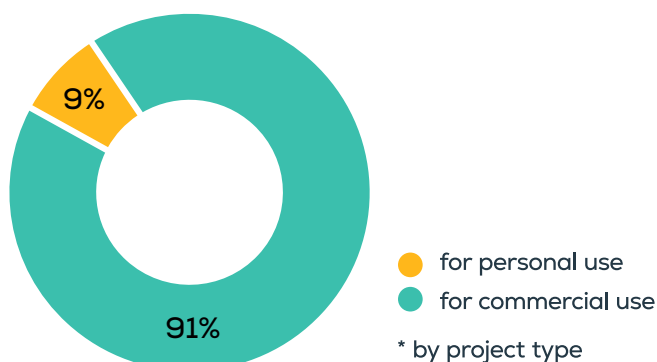


**Branches with SME** clients is an ongoing series of meetings with **maib** customers which aim to collect direct feedback in order to understand the quality of the existing products and service portfolio, as well as whether the innovations the Business Banking division is working on are precisely those that meet the current banking needs of our customers. After each meeting, the bank creates an action plan to improve services and products, fulfill clients' needs and anticipate their expectations.

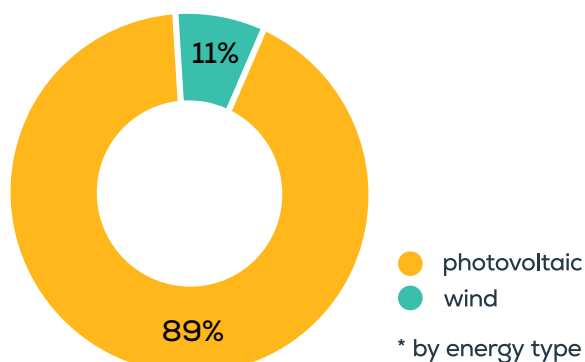
**Maib conference dedicated to alternative energy solutions** brought together entrepreneurs interested in diversifying energy resources and green financing, suppliers of facilities dedicated to alternative resources, government officials, focusing on the current regulatory framework, practical aspects of connecting to the grid, success stories, transition to alternative resources, available plans and programs for alternative energy sector and **maib's** experience in financing green energy projects.

During 2022, **maib** supported businesses that planned to invest in energy generation from alternative resources by offering them discounts and special conditions. As a result Business Banking unit originated 84 loans with a total value of MDL 215 mln covering renewable energy solutions.





### renewable energy projects by use



### renewable energy projects by type of energy source



### plans for 2023

- 
**Remote e2e customer experience**  
 BB Customer Care Center, remote e2e lending process, account opening & closure, packages management
- 
**New Internet Banking/Mobile Banking**  
 Pilot start, launch of the product, migration of all customers from old internet banking to new solution
- 
**Branch experience improvement**  
 Service model refreshment, customer's waiting time/overall time in branch reduction, cash transactions optimization
- 
**Ecosystems & Related financial services**  
 Events, trainings & other meetings with BB clients; e-signature, public tender aggregators, tax indemnity support, business partner verification, etc.

# corporate business unit

**Dumitru Baxan**  
VP in charge of  
Corporate Business unit



## at a glance

**478**

Number of clients

**10.017**  
bIn MDL

up 9.2% y-o-y  
corporate gross loans

**56.01**  
mIn USD

up 2% y-o-y  
trade finance volume

**4.5**  
bIn MDL

up 23% y-o-y  
corporate deposits

**642**  
mIn MDL

up 33.9% y-o-y  
gross interest income on loans

**687**

mIn MDL  
up 29.3% y-o-y  
operating income

**44%**

Corporate Gross Loans share of Total Loans of the Bank

**98.6%**

ibanking transactions performed in ibanking, by # of transactions

**99.2%**

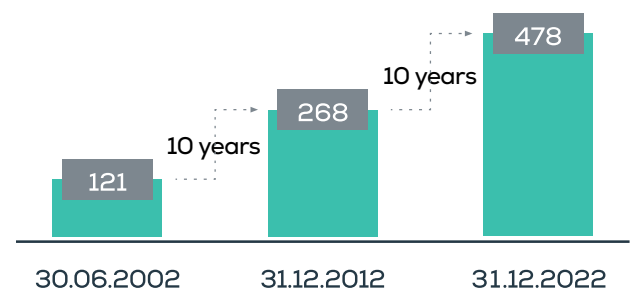
Retention rate Corporate Clients Portfolio

**2.0%**

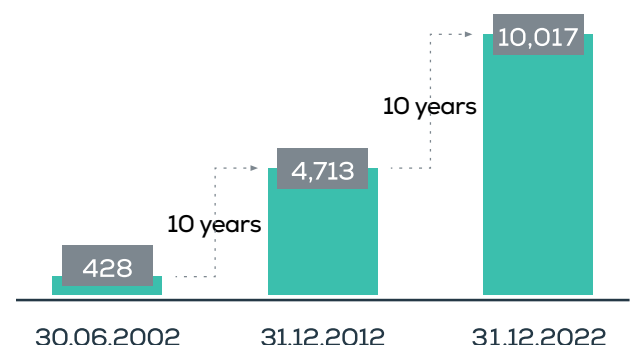
NPL ratio

- In over 20 years of activity, Corporate Business Unit formed a key competitive advantage – developing sustainable long-lasting relationships with clients. The key operating principle of the unit: establishing close direct links with corporate customers by providing effective support in their business through an individual approach which allows anticipating the banking needs of customers.
- Corporate Business Unit ethos is closely aligned with the bank's mission: we create simple and smart financial solutions, that help our businesses customers to be more succesful.
- Corporate Business Unit began in 2002 with 121 corporate clients and a loan portfolio of MDL 428 million, reaching 478 corporate clients and a loan portfolio of 10 billion MDL by end of 2022. The existing portfolio of customers includes some of the first clients of the unit in 2002, and **maib** is immensely proud of the fact that we helped those customers grow and become succesful.

### customer base (number of clients)



### corporate gross loans (mIn MDL)



## building a competitive advantage

Key to the success of **maib** Corporate business relates to a number of unique solutions:

- Client-centric structure: each corporate client has a direct one-stop-shop type of interaction with a dedicated relationship team. There are 9 teams made up of a relationship director, each of whom has an extensive experience in banking, and 2 assistants. The setup ensures that any issue can be resolved and any need addressed in the simplest possible way for the customer. In case of more complex request, it is quickly escalated to the level of head of corporate relationships or Vice President in charge of Corporate Business Unit or the CEO.
- Commitment and dedication to customer needs: the relationship director is fully available and ready to attend to the customer needs, so that the customer can fully rely on the **maib** relationship.
- On average each relationship director manages about 53 customers, including 20 customers with loans. Any **maib** service or product can be contracted with the help of the director, who will provide guidance on the bank's products as well as manage and support interactions with the Bank's departments. The relationship director offers solutions ranging from lending products, deposits, payment products, FX services, trade finance, offline and internet purchase services, secure cash collection and transportation to cross-functional retail offerings (payroll projects, POS-terminals, e-commerce, etc.).
- Sales Support Department was created in the summer of 2022 within the Corporate Business Unit in order to add value to the front office: execution of non-loan transactions related to corporate customers, including opening of current accounts/business card accounts, connection/disconnection to electronic services, customer customer support and some other duties previously outsourced to branches. As a result, the department provides direct support to each relationship director and their customers to get a fast and high quality result/response.
- Possibility of financing large and very large projects, including the option of risk sharing with international financial institutions.
- Modern and secure digital banking products and banking services/products offered to employees of corporate clients (salary cards, meal vouchers, **maib liber**, preferential interest rate loans, deposits, etc.).

For 20 years **maib** Corporate Business Unit focused on resolving challenges for our customers and focusing on solutions, and 2022 was no exception. In the post-pandemic year, expected to be one of recovery, **maib** and its clients were forced to operate in a totally different socio-economic context as the result of the war in Ukraine, energy crisis, uncertainty, elevated inflation, lost markets and disrupted supply chains. **Maib** stood by its customers in order to provide support and continuity for its customer base.







## Helping customers upgrade and diversify their business

### Customer story

Bio-Alianta SRL and Rockscor Brewery SRL are two companies owned by the Scorpan family. The family began their business in 2004 by offering sugar beet collection and transportation services. After recognizing the strategic importance of sugar beet cultivation in Moldova, the business expanded into large scale cultivation of sugar beet and other crops in 2010 on an area of 1.7 thousand hectar. This turned out to be an early commercial success, and the group decided to invest in production infrastructure to increase the economic efficiency of their business and to produce higher added value products.

In 2020, the group invested EUR 5 million in a premium craft brewery in Ghindești (Floresti), and two restaurants, thus begun the history of Rockscor Brewery. In 2022, Bio-Alianta Srl invested EUR 3.5 million in a modern complex to manufacture bakery products. Both investments were unique and bold considering the competition from neighbouring countries.

**Viorel Scorpan**  
Administrator  
Bio-Alianta SRL and  
Rockscor Brewery SRL



**Maib** financially supported these projects and trusted the development plans. The implementation of these projects ensured the sustainable development of the group of companies by implementing high-quality and environmental management standards in order to enable export to Europe, where standards are demanding, and also developing higher value-add revenue streams for the group. Today, Bio-Alianta Srl manages a vast agricultural holding of over 5.5 thousand hectares of land and is export-oriented, while Rockscor Breweri has become a very noticeable and talked-about tourist attractions in the north of the country, increasing both turnover and profitability, and also being featured in many Instagram feeds thanks to its groundbreaking design. The group is grateful for **maib's** support and looks forward to collaborating in the future.



## progress in 2022

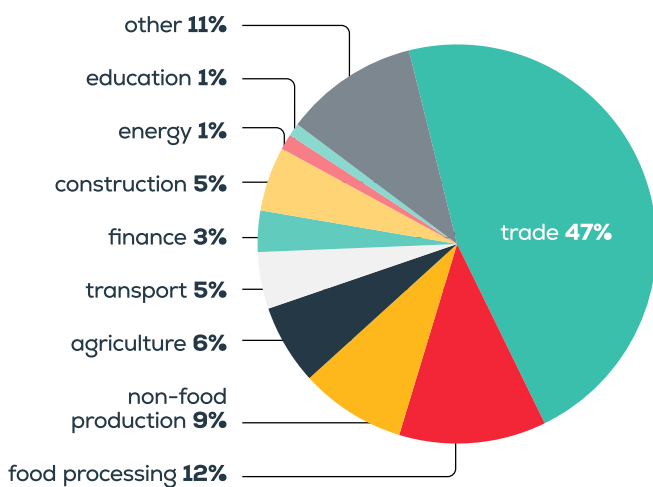
### Growth of corporate clients' loan portfolio

As of year end 2022, the total loan portfolio of Corporate division reached MDL 10,017 million, recording a 9.2% increase compared to year end 2021. The share of corporate clients' loan portfolio constitutes 44% of the total loan portfolio of the bank. Of the total number of clients serviced by the Corporate Division, 32% are borrowers. The largest share (73%) is made

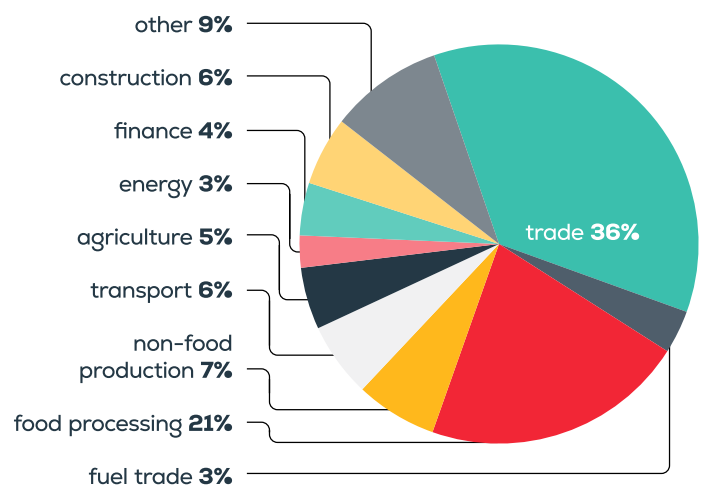
up by loans designated as working capital (revolving credit, overdraft). The balance of loans in foreign currency was 66%. The average balance per client was MDL 55.2 million.

For 47% of corporate clients the main type of activity is Trade (including fuel trade), in the loan portfolio structure Trade also has a significant share of 39% (as of 31.12.2022).

### corporate clients by segment, end of 2022



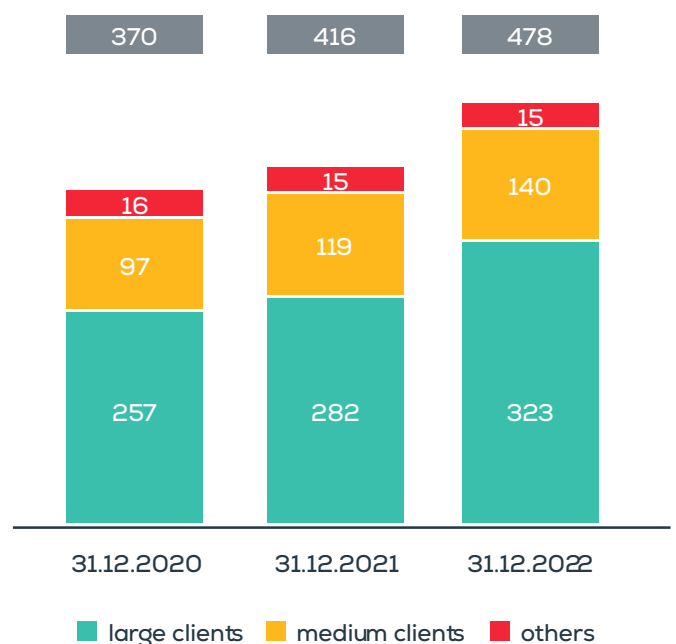
### loan portfolio by segment, end of 2022



### Increasing and maintaining the deposit portfolio

As of year end 2022 the deposit portfolio reached MDL 4,536 million, up 22.7% compared to year end 2021, which was mainly thanks to the increase in the share of term deposits as a result of **maib's** special offers in the corporate customer segment. The share of foreign currency deposits accounted for 53% of the total corporate deposit portfolio.

### customer base



**Increased use of Trade Finance instruments**

With the disruption of trade with Ukraine, Russia and Belarus, increased logistical costs for companies dependent on imports and the need for customers to not only find new business partners, but also to establish new logistical routes, there was an increased demand in the bank's trade finance instruments (especially guarantees and letters of credit). Their use allowed not only to maintain but to also increase the volumes of non-loan transactions, totalling USD 56 million in 2022 in the corporate client segment. The average value of a transaction for bank guarantees amounted to USD 23.5 thousand in 2022 (USD 19.8 thousand in 2021; USD 13.6k in 2020).

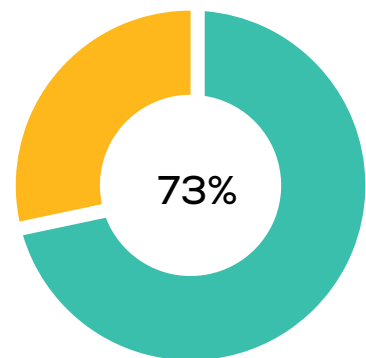
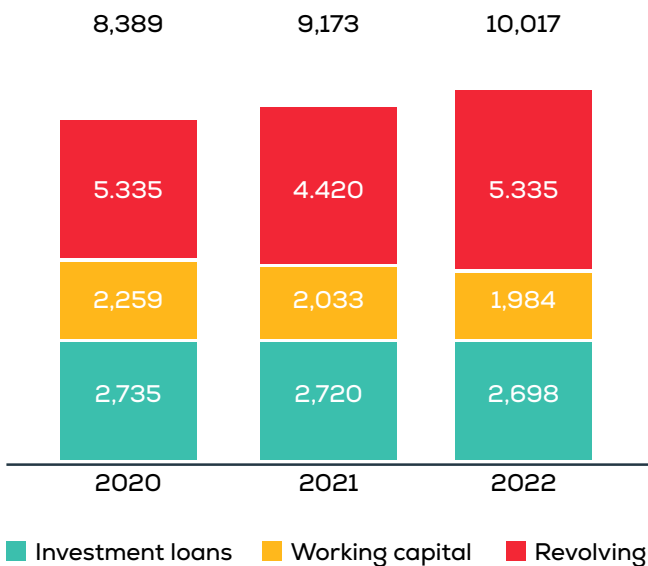
**Maintaining customer portfolio and attracting new customers**

During 2022, 50 new active clients were added, while retention rate within the division was 99.2%.

**Increase productivity and efficiency of business processes**

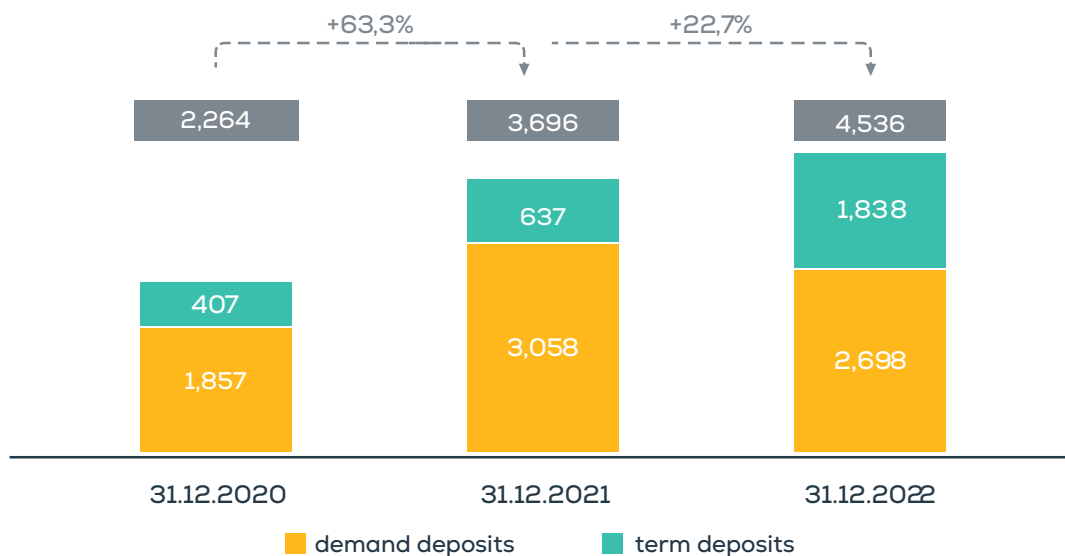
In 2022 the share of transactions carried out by customers electronically (payments in MDL and FX, foreign exchange transactions) made up 98.6% (98.5% in 2021, 98% in 2020), demonstrating a continued efficient use of Internet-Banking solution by corporate customers. There was also an increase in the volume of transactions carried out with business cards, given the wider availability of bank ATMs with Cash-in functionality. During the last 3 years, the number and volume of payments in MDL has been increasing in the corporate client segment, with the average value of a payment reaching MDL 156 thousand.

**loan portfolio by destination, mln. MDL**

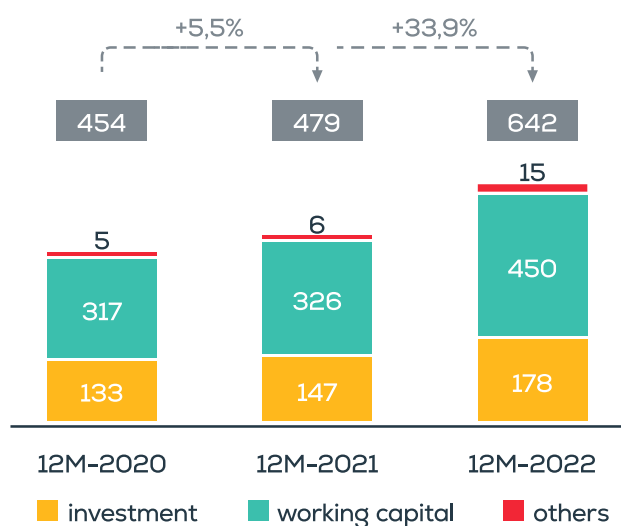


The largest share (73%) goes to credits for financing current activity (revolving, current, overdraft).

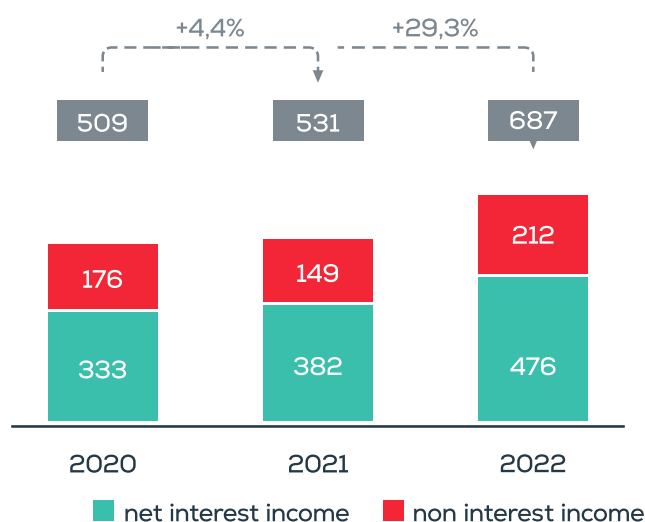
## corporate deposits (mln MDL)



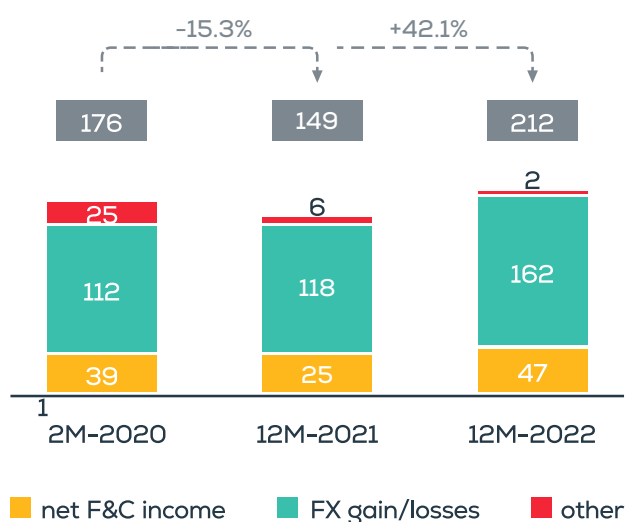
## gross interest income on loans (mln MDL)



## operating income (mln MDL)



## non-interest income (mln MDL)



- **Gross interest income on loans increased significantly during the last 3 years** being mainly influenced by the considerable increasing of corporate loans balance from MDL 8,210 mln MDL on 31.12.2020 to 10,041 mln MDL on 31.12.2022.
- Corporate Operating income increase was determined by the increase of both (**net interest income on loans & non interest income**).
- **Non interest income** had a cyclical character caused by decreasing of other indirect incomes during the years. In 2020 indirect incomes had an impressive figure (25 mln MDL) due to the income from unpaid outdated dividends. FX gains and Net F&C Incomes registered a constant increasing for 2020-2022 period.

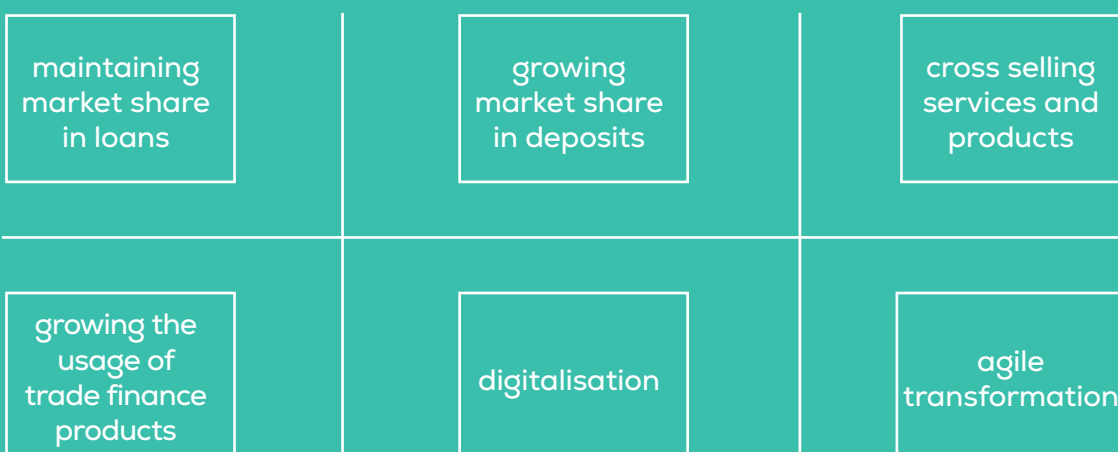
## business segments with specific customer needs

Having developed trusting relationships with our clients over many years of partnership, we have been able to form a unique perspective on key business needs and provide them with solutions even in more challenging times. The Bank is privileged to be a servicing bank and lender to many of the nation's top companies, including:

- The Bank supports Moldova's largest wineries and are proud that our wines are among the best in the world;
- The Bank supports the food processing segment, including the production of fruit and vegetable juices, as well as the processing and preservation of fruit and vegetables; we are proud that fruit and vegetable juices and preserves are highly appreciated both at home and abroad;
- The Bank team is proud to support the pillar of the national economy, agriculture, and is proud that agricultural products from the Republic of Moldova are in demand both at home and abroad;
- The Bank also supports the energy sector and support energy efficiency projects.

### strategic focus in 2023

In 2023, the Bank will continue focusing on the market leading performance of the Corporate Business Unit. In addition to what has been achieved in 2022 we aim to further improve and widen the digital offering and also undergo the agile transformation of the division. Below is the summary of strategic goals for 2023.





## European resources for growing business

### Customer story

WeTrade SRL began with an acquisition of a sugar beet seed processing plant in Soroca, in the northeast of Moldova. At the same time the family owning the company was involved in sugar beet cultivation abroad with landholding of 3,500 hectares, of which 2,000 were under irrigation. In 2007 the present brand WeTrade has been launched together with incorporation of WeTrade SRL. **Maib** has been with the company from the start.

After a few years WeTrade also started a farming business, incorporating a company WeTrade Agro SRL, with 18,000 hectares of farmland under management, subsequently extended to 27,000 hectares. After 6 years the farming business was successfully and profitably spun off to a strategic buyer. In year 2018 WeTrade revised the business model for sugar beet seed processing facility and switched to the confectionary sunflower seed processing factory. The following year WeTrade acquired another plant next door to the seed processing facility to expand capacity.

**Evgheni Svecinikov**  
Cereale de Aur,  
Wetrade



A new business received a new name - Cereale de Aur (Golden Cereal). Another new business was launched in 2020 with the family returning to farming with the initial 800 hectares of farmland under management, which currently grew up to 3,000 hectares.

In 2021 together with **maib** and the support from EBRD and EU4BUSINESS financing program Cereale de Aur invested EUR 2 million in a new production line to achieve the highest quality of end product - a sunflower seed dehulling facility with the European Union as the target market. The company is certain of the success of the new enterprise.

Today WeTrade SRL is one the key players in the agricultural market in Moldova and Cereale de Aur is the biggest exporter of confectionary sunflower seeds and sunflower seed kernels from Moldova primarily to the EU. From the very beginning and throughout all this time **maib** has been a reliable partner to WeTrade Group. **Maib** has provided financing and other instruments to the Group to support its evolution and branching out into new segments. We are proud to be customers of the biggest and the most reliable Bank in Moldova.



**WeTrade**<sup>®</sup>





**Maib's** key focus is on – framework, risk management, compliance and reporting. Information Technology remains the priority for the Bank.

## IT department at a glance:



## Key IT processes during 2022

Strategic directions of the IT department:

- Digital transformation of **maib's** products and services
- Alignment of IT infrastructure and processes with both digital and agile transformations
- Growth and upskilling of the IT team in the fields of software development, DevOps, Quality Assurance, UX/UI design, business & system analytics.

overview of IT department's work in 2022



**Business Process Management (BPM)**

Launched client-critical processes: Secured Loans, Lead management, General Agreement, card operations (Acquiring) in branches via Single Window in new front-end BPM system for branches

Corporate and Business Banking units

Improved “Time To Yes” and “Time To Cash”

Integration of CRM module with the **maibank** mobile app enabling customer data update

Retail business unit

Update of customer data remotely (without branch visit)

Initiated the process of creating its own Business Process Management (BPM) Competence Center, to develop automated processes in-house

All front office

Time to market improvement for all products



**Core Banking System**

Non-stop functionality was implemented to process clients operations 24/7

All front office

24/7 operationality



**Card operations**

Merchant Portal for e-Commerce  
Automation of accounting and clearing processes with merchants

Card acquiring clients

Live info for merchants



**Debt collection**

Implemented a new debt collection system, integrated with Contact Center

Internal processes/ risks

Streamline procedures



## Analytical platform



- Build and implemented DataLake for all bank data;
- Implemented a modern Reports platform.
- Launched **maib IT academy**, with data analysis course for **maib** employees and 3rd parties;
- Tested decision-making models, based on artificial intelligence

Entire bank, all areas of operations

Improve reporting and forecasting

## Data Center



Started building new Data Center corresponding to Tier III (Uptime Institute) requirements

Entire bank, all areas of operations

Build up capacity, create critical failure backup

## Mobile application



- Apple Pay, Google Pay, Garmin Pay;
- First fully digital card - Digital First;
- Implemented bulk payment of utility bills;
- Mobile app for kids – KidsApp with cashback.

Card issuing clients

Improve functionality, offer new customer friendly solutions

## Internet Banking for legal entities



Initiated implementation of new Internet Banking solution for legal entities

Corporate and Business Banking (SME)

unitsConvenience for customers

## Ecosystems



- **DriveHub**: redesign main page, adding advertising, chat with the seller;
- **CasaHub**: redesign of the site and the addition of key functionality;
- Initiated the **AgricolaHub** ecosystem development process;
- Launched development of **maibPay** payments portal.

**maib** ecosystems

Convenience and value for customers

## IT Transformation and vision for 2023

Ensuring the shortest time to market for new and innovative products, taking into account the experience of various fintechs, the Bank made a major effort to upgrade its IT team. Headcount was up by 16% year-on-year and this trend is expected to continue in 2023. Additional rationale for increased headcount is to reduce usage of external providers in critical areas of development.

In the context of the Bank's agile transformation, several key dimension of change were identified for IT department:

- personnel (people and new skills);
- adapting the organizational structure to the Bank's strategic objectives (focus on products, services, systems, customer needs);
- simplifying/optimizing internal IT development/support processes and inter-team interaction;
- building the new culture of autonomy, responsibility and focus on results.

At the same time, **maib** is also considering setting up an IT focused subsidiary to accommodate efficiency improvements, innovation, development and support of new digitized products/services, while balancing the unique challenges of scarcity of IT talent.

Another major challenge for **maib** is continuing need for infrastructure and process modernization. Key areas for **maib** in this respect are:

- implementing modern software development tools and practices (microservices, containerization, etc.);
- automation of integration and deployment processes (CI/CD pipelines);
- automation of IT system health monitoring and analyzing their performance metrics;
- expanding the use of cloud services for non-critical data privacy areas and complying with national personal data protection legislation.

An area of major importance in the coming year is the widest possible use of the possibilities offered by the centralized Data Warehouse and the analytical tools for working with data, with initiatives planned in Big Data, Artificial Intelligence and Machine Learning.

The strategic areas will continue to be developed in the next year, the basic directions being the Core Banking System, the business process automation system (BPM), the mobile application (**maibank**), the new Internet banking for legal entities and the construction of the new Data Center.



# ecosystems

One of **maib**'s strategic pillars is to become a financial ecosystems' leader. The plethora of initiatives to address that strategic pillar are grouped under the common title "Hub".

## What is HUB?

- HUB is a set of customer-centric ecosystems.
- HUB is based on partnership.
- HUB connects those who seek a product or service and those who offer.

## Rationale for existence

**Maib** client-centric strategy means offering a one-stop-shop platform for all clients' specific needs like automobiles, housing or payments.

## Rollout strategy

HUB ecosystems have hybrid rollout strategy, which is implemented in 2 phases.

Phase 1 (2021-2023) – creation of a new point of contact with existing and potential customers and a lead generation channel for banking and other related products: loans, insurance and e-commerce. Becoming a first point of contact, a necessity, one of the top apps used on the mobile phone, one of the top webpage visited. Scaling a platform effect where the ecosystem self-sustaining because it is useful both for buyers and for sellers.

Phase 2 – once the ecosystem reaches the stage where it is one of the key applications on the phone, a necessary point of contact for both buyers and sellers, monetize it via



a combination of commission for third party services, advertising fees, and other means. Use to generate leads for **maib**'s own products and services.

## Competitive strength of maib HUB

- Signed up and integrated all official car dealerships and biggest used car parking in Moldova in DriveHub catalog;
- Signed up and integrated all developer companies and biggest real estate agencies in CasaHub catalog;
- Automated upload of listings;
- Daily listings renewal, no duplicates;
- Partners technical support line we are especially proud of.

We benchmark ourselves internationally not just against banks but non-banking providers as well. We look at similar offerings from the likes Kaspi (Kazakhstan) and TBC Bank (Georgia), and also non-banking solutions like RIA (Ukraine),


<div style="text-align: center; font-weight: bold; font-size: 1.2em;">DRIVEHUB</div> <ul style="list-style-type: none"> <li>• Find, choose &amp; buy automobile</li> <li>• Automobile maintenance</li> <li>• SOS</li> </ul> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="text-align: center;">  web         </div> <div> <p>DriveHub was launched 1 November 2021</p> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="text-align: center;">  app         </div> <div> <p>DriveHub application was launched in April 2022</p> </div> </div>	<div style="text-align: center; font-weight: bold; font-size: 1.2em;">CASAHUB</div> <ul style="list-style-type: none"> <li>• Find, choose &amp; buy real estate</li> <li>• Real estate ownership</li> </ul> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="text-align: center;">  web         </div> <div> <p>CasaHub was launched in April 2022</p> </div> </div>	<div style="text-align: center; font-weight: bold; font-size: 1.2em;">AGRICOLAHUB</div> <ul style="list-style-type: none"> <li>• B2B agro platform to find partners &amp; business solutions</li> </ul> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="text-align: center;">  web         </div> <div> <p>AgricolaHub was launched in October 2022</p> </div> </div>
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## Ecosystems: what was achieved in 2022

- The Bank have created unifying naming (HUB) and unified visual identity for all projects – March 2022
- **DriveHub** mobile application launch (retail segment) – April 2022
- **CasaHub** platform launch (retail segment) – April 2022
- **CasaHub** – real estate price estimation service launch – June 2022
- **DriveHub** carwash & repair stations map launch – June 2022
- **CasaHub** – real estate evaluation for mortgage service launch – September 2022
- **AgricolaHub** launch (SME segment) – October 2022
- At the end of the year, we have formed cross-functional team dedicated to ecosystems

## 2022 in numbers

	DRIVE HUB	CASA HUB
number of services	4	5
total listings	9 000	12 000
total partners	43	40
unique visitors, monthly	80 000	65 000
returning visitors, monthly	15%	25%
weekly retention	16%	17%



## focus for 2023

- Increase number of services
- Improve UX
- Increase organic traffic
- Increase weekly retention

To make platforms sustainable we need to gain users interest and trust. We'll measure user interest in weekly retention and their trust in number of listings they added.

## plans for 2023

- **CasaHub** launch mobile application
- **CasaHub** launch of cadastral property verification
- **CasaHub** legal online consultations
- **CasaHub** online insurance
- **DriveHub** car verification services
- **DriveHub** online insurance
- **DriveHub** car maintenance services



## Tangible results already

CasaHub Partner feedback

Alexei Curti

President of Real Estate Agency RE/MAX Moldova



In my opinion, CasaHub is an ambitious project, which has a good chance of development in the shortest possible time. And the arguments are very simple:

1

It is a project by **maib**, a national banking leader, and it will not fail and will become a leader in time

2

It is already one of the platforms with the most real estate offerings on the market. It's a only matter of time and scaling the learning curve before the platform takes its place in the minds of potential customers

3

New services and useful information constantly appear allowing customers to find better solutions. Surely the services offered will only increase

4

Most importantly we can see tangible results from this partnership. I believe that the partnership with CasaHub will bring us many more sales in the near future, not to mention the effect it will have on our business over time.



more than just business



MOLDOVA FOR PEACE  
MOLDOVA PENTRU PACE  
МОЛДОВА ЗА МИР

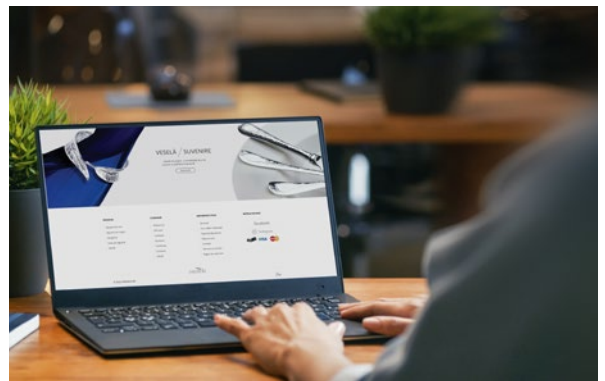


DOPOMOGA.GOV.MD



**Maib's** reaction to the outbreak of war in Ukraine was almost instantaneous.

- An account was opened to collect financial aid for refugees from Ukraine in Moldova;
- Special cards were issued jointly with UNHCR (United Nations High Commissioner for Refugees);
- Many staff members responded to requests for assistance for citizens of Ukraine.



The ecosystem team created the website [dopomoga.life](https://dopomoga.life), launched on 26 February, just 2 days after the war began. Thanks to close open collaboration with egov and its input, on March 1 the site became the official website of the Government of the Republic of Moldova for Ukrainian citizens who are forcefully displaced and found refuge in Moldova [dopomoga.gov.md](https://dopomoga.gov.md). Throughout the 2022, the ecosystem team supported the development of the platform. The site has become one of the most relevant among the .gov.md platforms. This was noted both by the AGE management and personally by Iurie Turcanu, First Deputy Prime Minister for Digitization. During the 10 months of 2022 half a million unique users visited the site.

### Iurie Turcanu

Ex Deputy Prime Minister  
responsible for Digitalisation



We are proud of the project that has once again proven that digitalization is not just code – it is about the people and for the people

# people

Svetlana Bodaci  
HR director



People is the key priority for **maib** and is its primary strategic focus. **Maib's** success is driven by its dedicated and highly skilled workforce, which is managed by the Human Resources (HR) department.

The HR department at **maib** is responsible for recruiting, training, and developing employees to ensure that the bank has the necessary talent to meet its strategic objectives. The department works closely with the business units to identify staffing needs and to develop job descriptions that attract the best candidates.

In addition to recruitment, the HR function at **maib** is responsible for employee engagement, performance management, and compensation and benefits. The Bank places a strong emphasis on employee development, offering a range of training and development programs to help employees enhance their skills and advance their careers. Overall, **maib's** HR plays a critical role in the Bank's success by ensuring that it has the right people in the right roles, and that those people are engaged, motivated, and supported in their ongoing development.

## Key numbers

Nr. of employees as 31 December 2022:	2,430 employees (FTE)
Employee turnover:	13% voluntary turnover (26% total turnover)
Employee engagement:	88%
Average training hours per employee per year:	18

## 2022 overview

The Bank have set high ambitions for 2022 with strong accent on attracting, retaining and developing the employees. Building the right competencies is key to success of **maib** and significant focus and investment have been made into sustaining customer centricity competencies and leadership this year.

The first quarter saw the launch of Customer Centricity Program Trainings for all Retail, Business Banking, Corporate employees and middle management team.

In August, **maib academy** opened its door to **maib** employees and our small guests. More than 300 of kids from different schools participated at **maib** financial education workshops



Following that, and in a partnership with Stanford University 50 **maib** top and middle managers were enrolled to the Leaders Development Program.

Since the start of the year, 1,917 **maib** employees participated in various development programs, as trainings, workshops, courses and webinars.

The Bank has continued to adapt our operations and take steps to bring more engagement and motivation.

In today's and tomorrow's extremely competitive talent market, we continue to focus on attracting and retaining the appropriate people. The Bank are actively and consistently trying to future-proof our staff by combining strategic workforce planning with targeted upskilling activities to drive our shift toward automation, digital, and agile skill profiles (among others).

The Bank have launched the IT academy and 18 participants strengthen their knowledge in Data Science.



In partnership with ASEM it was inaugurated Student Lab, the simulation of an actual branch for students' practical activities

In 2023 we aim to continue to invest in employee training, leadership development and building a culture that supports maib strategy. The Bank also plan to rollout a Bank-wide large scale health and fitness benefits program for **maib** employees, which is unmatched in Moldova.



### Violeta Codrean

Participant in the **maib internship** program, 2nd edition

It is said that everything begins with the first time, and every career - with a first step. In my case, this step constitutes the **maib internship** program. This program was and remained an opportunity and, simultaneously, a challenge I managed to cope with brilliantly. It represents the basis I need to have a successful career in the financial-banking field in the future. My experience at **maib** is valuable, exciting, dynamic, in a word - it's wow.







**Tatiana Medvedeva**  
Head of Training &  
Development (in 2022)



When I think back to 2022, it was a very intense year for me, full of emotions. Feels like yesterday, it was the end of February and we were preparing to launch the first trainings in the Customer Centricity training program. A complex training program consisting of 3 modules, with a lot of focus on company values and customer centricity.

Over 10 months since launch around 1000 employees took part in Customer Centricity Management, Service + and Sales + modules to increase their professional customer interaction skills and develop the key behaviors to create the best possible experience for every existing or potential customer.

These are not the classic trainings where we tell how to sell or talk to the customer according to pre-set patterns. It's very much about being aware of the role of each of us, what it's like to be part of the **maib** culture and the lives of our customers.

In parallel, we were literally and figuratively building the **maib academy** training centre, which in August opened its glass doors wide to our employees to offer them the most beautiful and colourful learning experiences.

We have adapted the learning programme for new employees, experimenting each time with more and more interactive techniques for learning materials that until recently were the most boring subjects. We added many simulations to make each new employee more comfortable with the new challenges. We believe that a happy employee equals a happy customer, and professional growth through training is one of those important elements in this balance of happiness.

**Why do you recommend professionals to join maib?**

When I think of a good employer, I think of the prospect of professional growth, and in this category **maib** is the clear leader. **Maib's** commitment to training and development is unparalleled in Moldova at the moment. It is one of the principal strategic objectives at **maib**. Business books talk about corporate culture of big well-known fancy companies, where every professional dreams of working. And **maib** is the next company they'll be writing business books about, for sure.

# agile vision

Agile transformation launched at **maib** at the end of 2021 is not just about changes in the Bank's structure. It is a much more complex transformation that goes a long way to change the interaction between people in the organisation, to instill team ownership and responsibility for objectives that are set by teams themselves. Three main objectives were set at the start of the transformation:



customer at the center



increasing efficiency and speed of delivery of banking products



becoming a magnet for talent

The agile transformation team worked with the best consultants in the field focused on 4 main directions:



structure



processes



people



information Technology

## agile in numbers

300

**maib** employees working under agile WoW as of the end of 2022

7

orchestras

600

colleagues to work in agile WoW by end of 2023

## agile team launches in 2022

First waves of agile teams covered Retail Banking and Business Banking (SME) product divisions. They followed the Spotify model otherwise known as the "Tribe Model". As a result 7 orchestras (**maib** moniker for the Tribe) were created around a common goal, in 3 waves:

**May 2022** - the first 2 orchestras were launched: Retail Banking Lending Orchestra and Business

Banking (SME) Lending Orchestra.

**August 2022** - 2 more orchestras launched: Retail Banking Daily Banking Orchestra and Business Banking (SME) Segment Orchestra.

**November 2022** - 3 more orchestras launched: Retail Banking Segment Orchestra, Retail Banking Payments Orchestra and Business Banking Daily



### agile glossary at maib

**Orchestra** – a large cross functional Agile team with a responsibility for an entire business line;

**Band** – cross-functional teams focused on a single product, service or a product line;

#### The basic roles in the Orchestra are:

- **Orchestra Lead** – the main coordinator, the strategist of the Orchestra, who provides the vision and makes sure the work is on the right track;
- **Orchestra Tech Lead** – as most of products and services are digital now, Tech Lead is the leader of the Orchestra from the IT point of view;
- **Agile Coach** – drives the efficiency of the teams, facilitates the teamworking sessions in accordance with the Scrum framework and provides the support for the whole Orchestra;
- **Product Owner** – the leader of the single product or service development team with a vision and overall responsibility. Produce Owner leads the Band;
- **Accord Lead** – leader with a responsibility for developing a specific functional skill within the Orchestra;

- **Band Member** – team members gathered around a product or process. Each Band Member is responsible for meeting the objectives set by the team.

**Agile WoW (Way of Working)** – this is what **maib** now calls work in 7 Orchestras launched so far;

**Scrum framework** – is the Agile project management approach, which relies heavily on multiple iterations of work. According to Scrum methodology, teams plan tasks carefully together, and the whole process is broken down with specific assigned tasks to each team member;

**Sprint** – 2-week long iteration, aimed at delivering a product or an improved feature. The results of the Sprint are presented in a special session where feedback is collected, and the performance of the team is analysed for future improvement;

**Quarterly Business Review (QBR)** – an elaborate quarterly process of performance review and planning, which is one the centerpieces of Agile Way of Working.



## Anișoara Cîrlan

Manager mortgage products

### When did you start working at maib?

I joined **maib** on April 1, 2021.

### How has embracing Agile been for you?

Embracing Agile has been like being a curious child discovering something new. Initially, I struggled to retain all the new information coming my way, but now that I've adapted to the Agile concept, I see no other way to organize product development work.

### What changes have you noticed in your work?

Agile has made our daily work much more organized, transparent, and autonomous. We have better visibility on the development and achievement of business outcomes, and we've learned more about accountability, ownership, and meeting deadlines to deliver new features for clients.

### What did you expect Agile to be like and how does it compare to your experience?

Initially, I had no clear image of what working in Agile would be like, but I knew changes were coming. What surprised me was how quickly we can make decisions together as a team that directly impact the customer.

### What have you learned through Agile?

I've learned new tools for organizing the product backlog and the importance of communicating with customers through organized face-to-face interviews. A happy customer is the strategy of a business.

### How does Agile impact the customer experience?

Agile helps us meet the customer's expectations quickly and with high quality because the team reacts to customer signals.

### How much has the speed of product releases increased?

The speed of product launches has significantly increased due to having all the necessary development skills within the team.

### Why is Agile recommended for creating a great employee experience?

Agile encourages leaving your comfort zone, discipline, accuracy, and continuous development. I've grown more professionally in the 9 months since joining **maib** than in the previous 5 years.

### Can you share any interesting examples from your work?

One of the most memorable events was launching the foreign currency mortgage project with the goal of making it the first choice for clients investing in their homes. The product exceeded expectations with over 40% of all mortgages granted in foreign currency by January. We also organized an event for real estate partners to celebrate the launch of the product.

## agile Way of Working drives performance improvement

Under agile WoW the interaction between colleagues and teams becomes much easier. All Orchestras are located together in specially designed spaces with necessary equipment and technology to deliver results quickly and efficiently.

The way of setting objectives and monitoring performance are given special attention, moving from annual to quarterly planning process within the QBR, which allows teams to focus on shorter term results making the entire organisation more agile.

Select key achievements by the 7 Orchestras launched in 2022:

- Increasing market share for consumer loans and mortgages and the number of cards in issue;
- 1 million cards issued in use by end of 2022.
- launch of the FX mortgage product for retail segment;

- launch of the first digital card in Moldova and launch of specialised card product focused on freelancers;
- launch of the single pledge centre to ensure branch support
- increase of the Customer Satisfaction Score (CSAT) by 10% for SME (Business Banking) customers;
- 10% increase in MDL payments processed automatically by the system;
- work on renewable energy loan for SME segment.

## agile transformation plans for 2023

The following teams are planned to join Agile WoW in 2023:

- April 2023: Corporate team, IT and Operations team
- July 2023: Debt Recovery team
- November 2023: Call Centre and select Branch teams



**Doina Fetco,**  
Head of Agile  
Competence Centre at **maib** (in 2022):

“The Agile Transformation project is the number one priority and the main challenge for the Agile Competence Center team. The focus for 2023 is to streamline and stabilize the work of existing Orchestras and adjust the methodology for the new teams. Their tasks and workflow will be different from teams already operating under the Agile WoW (way of working). We have the best teams of consultants at our disposal and a lot of enthusiasm for the project so we will definitely succeed”.

# operations & logistics

**Marcel Teleuca**  
VP in charge  
of operations



The Operations & Logistics division is a centralized hub of shared support services.

In today's dynamic and competitive business environment, having an efficient and effective shared services hub is essential for any financial institution. The Operations & Logistics function primarily aims to streamline the operations, reduce costs, and improve service quality. **Maib's** long-term objective is to enhance customer satisfaction by providing timely, accurate, and cost-effective support services to internal & external stakeholders. Operations

team strives to achieve this goal by leveraging technology, optimizing processes, and in vesting in our people. Operations & Logistics teams are committed to delivering world-class support services that enable business units to focus on their core activities and achieve their strategic objectives.

The Operations & Logistics division comprises of banking Operations, card Operations, Procurement, Project office, Administration, Cash management and the Agile Transformation teams.

## significant initiatives in 2022:

Functions	2022 Achievements
Operations	<ul style="list-style-type: none"> <li>• Coped well with a dramatic increase in Payment volumes (+45%) due to the war in Ukraine</li> <li>• Processing speed &amp; straight through processing were achieved in multiple processes leading to customer delight</li> </ul>
Card Operations	<ul style="list-style-type: none"> <li>• Apple Pay, Google Pay and Garmin Pay were introduced</li> <li>• 120,000 cards for Ukrainian refugees were issued</li> <li>• Contactless transactions at <b>maib</b> ATM's</li> </ul>
Procurement	<ul style="list-style-type: none"> <li>• Implementation of an e-platform for procurement</li> <li>• Average processing time for purchases reduced from 60 days to 50 days</li> </ul>
Administration	<ul style="list-style-type: none"> <li>• Renovated &amp; equipped 22 branches &amp; 11 Agencies</li> <li>• Optimization of the bank's car fleet</li> <li>• Commissioned the Centralized physical archive</li> </ul>
Cash Operations	<ul style="list-style-type: none"> <li>• Handled a substantial 53% increase in cash processed volume in 2022, especially a massive increase in ATM cash withdrawals in the first months of the war in Ukraine</li> <li>• Centralization of ATM management</li> <li>• New cash processing centre commissioned</li> </ul>

## New maib Head Office

**Maib** is finalizing construction of the new headquarters. As the largest bank in Moldova, **maib** is creating a flagship building for our corporate office in the very center of the capital not far from the Parliament building. This project is now 90% completed. The new flagship office boasts 11 floors with state-of-the-art working spaces hosting **maib**'s corporate functions, a

modern gym and fully equipped kitchens and a town hall auditorium and also a lounge for **maib**'s clients. The building is constructed with the use of modern energy efficiency solutions and systems. The building is expected to be fully furnished and finalized and a smooth relocation is planned for the second quarter 2023.



## Priorities for 2023

Key priorities and objectives for 2023 are:



Operations & Logistics division will go Agile shortly.



Continue rapidly automating and optimising our processes and ensure simplicity, effectiveness and client centricity.



Relocating some of our teams to achieve optimizations in Space management and provide a State-of-the-Art office for our most important assets – our people.



We continue to build strength in our various teams by recruiting skilled professionals and constantly looking at our structure and making it leaner, transparent and effective.

# investments and brokerage service

**Maib** is a registered broker serving clients who want to invest in financial instruments on Moldovan Stock Exchange and carries a range of proprietary investment activities. Its brokerage is market leading in Moldova with broad reach of investors. The bank has an investment policy that stipulates a flexible approach to proprietary investments. Given the opportunity, **maib** can invest its own funds in debt or equity securities and take controlling stakes in companies.

## Overview of own investment activity in 2022

At the end of 2022, **maib's** proprietary investment portfolio (investments in subsidiaries, investments in equity securities and investments in municipal bonds) was MDL 199,6 million. This represents a substantial increase from 2021 when the total value of **maib's** portfolio was MDL 143 million. During the year, **maib** served as an intermediary to the subscription of municipal bonds issued by the Chisinau City Hall. The portfolio is made up primarily of two investments – majority participation in **maib leasing** (100% ownership) and Moldmediacard (99% shareholding). The bank continuously monitors the performance of its subsidiaries and is actively involved in management at the Board level.

## Overview of brokerage activities

**Maib** is an active intermediary of transactions on the Moldovan Stock Exchange. However, the Exchange remains inactive. During the year,

**maib** acted as a broker in 82 transactions, a 140% increase over 2021 level, when the number was 34. The volume of transactions reached MDL 21 million slightly below MDL 22 million in 2021. **Maib** is an active promoter of reforms of **Moldovan** capital markets. It aims at expanding and creating workable capital markets. These markets allow issuers to raise funds for their projects, while savers and fund managers can deploy their capital profitably.

## Municipal bonds issue

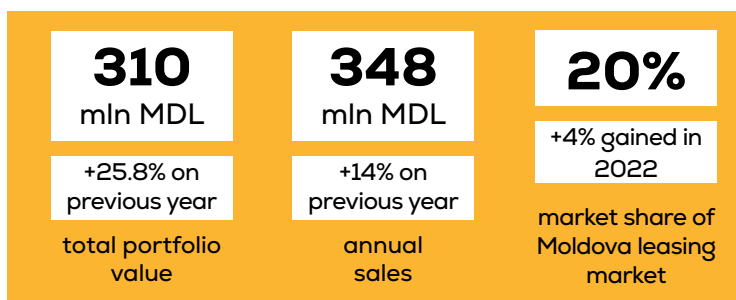
In 2021, **maib** won the opportunity to be a sole manager and bookrunner of the first Chisinau municipal bonds issue, with a total value of MDL 65 million. The bank took care of all necessary requirements and in March 2022, Chisinau municipal bond issue with a total value of MDL 65 million was launched. **Maib** managed the allocation and placement of the bonds. The total book registered 56 subscribers, including 3 legal entities and 53 individuals. The placement was registered with the National Commission for Financial Markets. For the municipality the funds represented an ability to invest in its transport network without the need to apply for bank loans. Considering that this was a first transaction of its kind in a long time, it represents an important milestone for the bank, highlighting **maib's** ability to raise funds for its corporate clients directly from the open market. For Moldovan businesses it opens another avenue for financing and for **maib** a potential source of non-interest income.





(100% subsidiary)

## At a glance



**Maib leasing** is leasing subsidiary of **maib** founded in 2002. During its 20 years of operations, **maib leasing** financed over 5,000 customer projects. Its key areas of operations are leasing of vehicles (over 90% of business activity) and agricultural machinery, as well as other leasing projects. While operating as a separate entity, **maib leasing** carries the name and the ethos of the Bank.

## 2022 overview

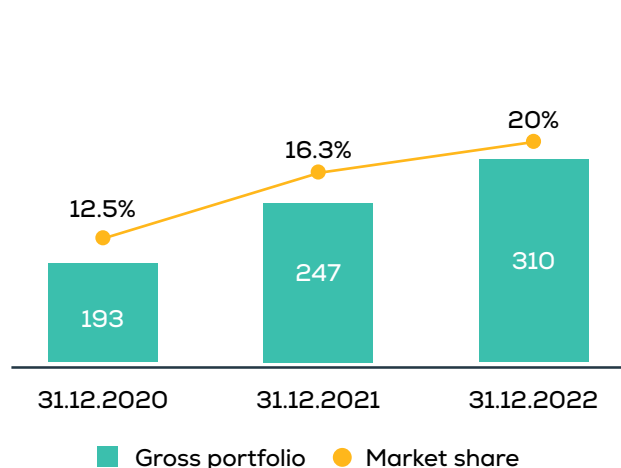
**Maib leasing** had a good 2022 with sales increasing by MDL 44.4 million compared to 2021. Additionally, **maib leasing** gained 4 percentage points of share of Moldovan leasing market bringing the total to 20%. During the year, the focus was on improving the customer experience, but also prevent on managing the

risks of historical non-performing loans in light of the economic downturn. Despite this fact, the net profit of **maib leasing** surpassed the plan for 2022, amounting to 2.3 million MDL.

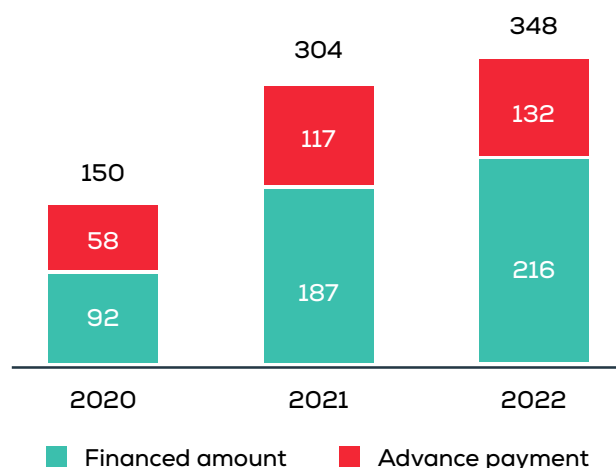
## 2023 plans

In 2023, **maib leasing** plans to continue customer experience innovations and improvements. Particular attention during 2023 will be paid to growing the portfolio while balancing the requirements of the legal framework with higher interest rates and inflation pressure. Other challenges would be diversification of portfolio by improving investments and client base. In addition, the development strategy will focus on the digitalisation and expansion of remote services.

## Gross portfolio evolution and market share (mln MDL)

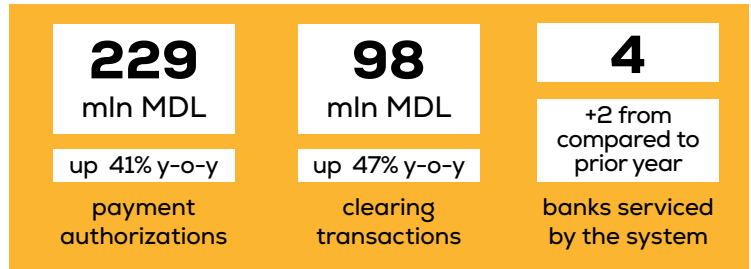


## Annual sales (mln MDL)



(99% owned subsidiary)

**At a glance**



The company is a market leader in providing card processing services. The Bank has partnered with Mastercard, VISA and American Express with over 22 years of experience in the Moldovan market. Moldmediacard's mission is to develop, realise and offer modern and efficient technological solutions in the payments industry. Its solutions cover all aspects of card processing.

**2022 overview**

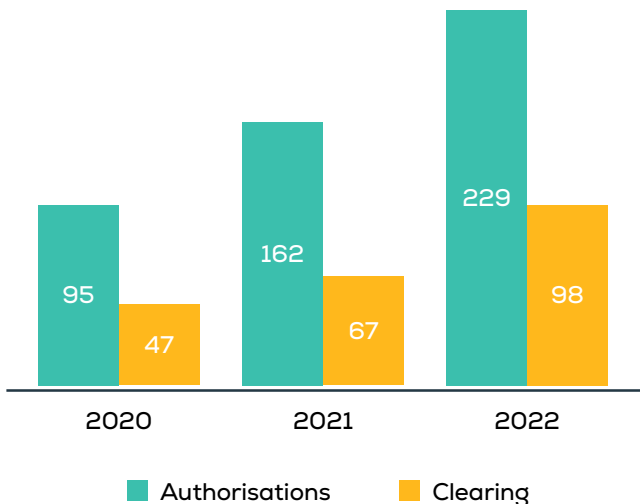
Total revenue recorded in 2022 was MDL 32.8 million. The gross profit for 2022 was MDL 5.4 million. In 2022, Moldmediacard recorded an increase in volumes of transactions processed. The company processed 229 million authorisations and 98 million clearing transactions. This represents an increase of 41% and 47% respectively compared to 2021.

**2023 priorities**

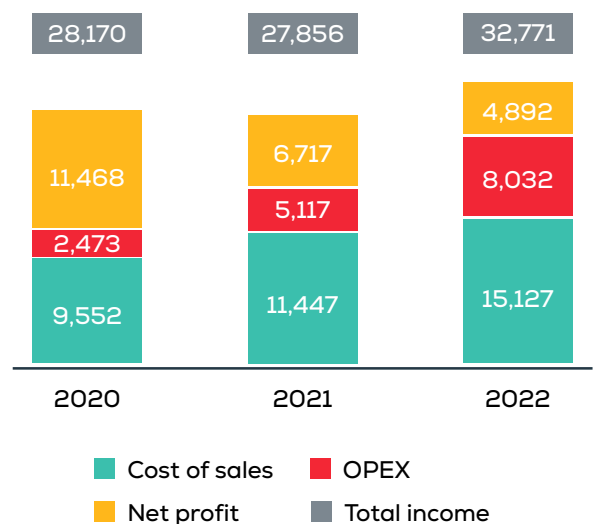
The overall strategy of Moldmediacard is aimed at fully aligning itself with customers' expectations and needs. Moldmediacard strives to continually provide customers with quality services, to be their reliable partner, to ensure sustainable development and business continuity. Moldmediacard plans to continue:

- Offering attractive bundled solutions (analysis, development, certification, testing, integration) to its customers;
- Continue to attract new customers (banks / financial institutions / aggregators) to its card payments processing solutions;
- Retaining and attract talent in IT's highly competitive labour market;
- Implement Card Payment Industry newest technologies and trend services.

**number of transactions (mln MDL)**



**income statement (thous MDL) (preliminary)**





## near term outlook



# economic outlook for 2023

In 2022, Moldova faced a number of challenges due to the energy crisis resulting from the conflict in Ukraine. Disrupted supply chains and increasing international energy prices led to a rise in inflation. During the year Moldovan government put substantial efforts into its energy independence from Russia related to uncertainty with gas supplies in the political context of Russian invasion of Ukraine. This involved pursuing gas delivery agreements with Romania and purchasing energy from the open market. Moreover, Moldova also tried to reduce any economic dependence on Russia resulting in only 4.4% of exports going to Russia in 2022, a decrease of 31.2% compared to the previous year.

International partners, including the EU, EBRD and IMF, continue to support Moldova in securing alternative supply routes and building out gas transport infrastructure, as well as providing grants and financial macro-assistance. In terms of macro-assistance, the

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

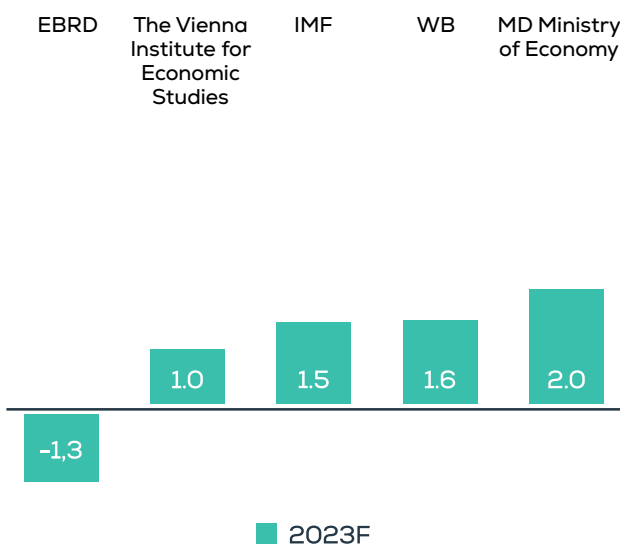


## economic forecast for 2023

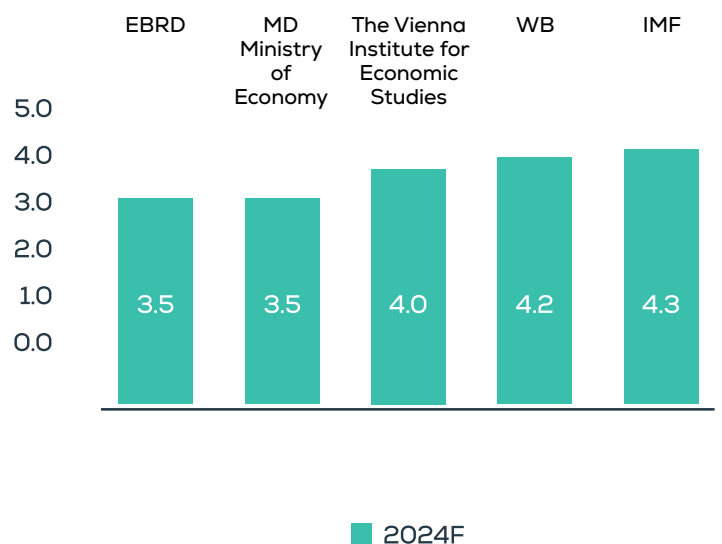
Moldova's economy faced challenges in 2022 but is expected by major international forecasters to recover with growth up to 2.0% in 2023. In 2022, the economy declined by 5.9% in real terms, with a decline in agriculture of nearly 25% and a decrease in household consumption and fixed investment.

Here are the predictions of the main international forecasters for 2023 and 2024:

### Real GDP Growth Forecast 2023



### Real GDP Growth Forecast 2024



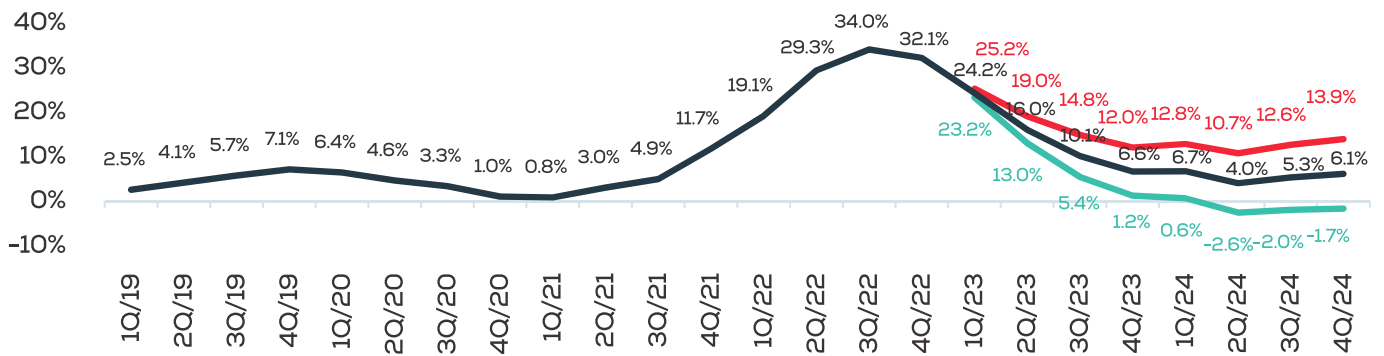
## inflation forecasted to drop in 2023

In 2022, Moldova has seen the highest inflation in 15 years peaking at 34.6% in October 2022 as a result of the energy crisis and disruption of supply chains which drove prices up. As the inflation reached 25.9% in February 2023, NBM expects that inflation will continue to

drop through the year and will reach its target level of 5% at the beginning of 2024 given no external shocks. Latest forecast shows that NBM expects inflation to reach 6.6% at the end of 2023.

### Annual inflation rate and forecasts

Quarterly average



Source: National Bank of Moldova

■ Variation interval - lower limit

■ Variation interval - upper limit



# strategic plans

In 2023 aims to continue to execute on its strategy.

## Build a new level of customer experience

- Finalize the branch redesign of the remaining branches
- Further upgrade of the branch operating model to increase the offloading to digital channels while focusing on added value sales and consultations in branch
- Upgrade of mobile application focused on additional security, new features and enhanced user experience
- Continue driving transactions via digital channels, including ecosystems



## Become the orchestrator of financial ecosystems

- Launch **CasaHub** application
- Improve stability and add functionality to **CasaHub** and **DriveHub**
- Continue enhancing commercial partnerships to display listings via **maib** ecosystems

## Transform the operating model to Agile

- Continuously improve existing Agile structures
- Agile transformation in Corporate segment, Operations and select Branches
- Move into new headquarters better suited for Agile way-of-work

## Include sustainability considerations into every major decision

- Approve proposed sustainability strategy and sustainability governance framework
- Implement climate risk management within the Bank





# governance





**Vytautas  
Plunksnis**  
Chairman of the  
Supervisory Board

Dear Shareholders,

We are pleased to present you this overview of **maib** corporate governance and work done in 2022.

Supervisory Board is responsible for ensuring sound management and long-term success of the Group, which can only be achieved with an appropriate governance framework. During the year we have continued to operate in accordance with the bank's Corporate Governance Code (the "Code").

The Board is entirely committed to the principles of good corporate governance and is of the view that good governance delivers a series of strategic and organisational benefits. Good governance gives us as a Board, confidence that we are making the right decisions, keeping in mind what is truly in the Group's long-term interest. It allows us to consider the opinions of our stakeholders, including our shareholders, our customers, our employees and our suppliers. It enables us to be a driver for the banking sector and for the Republic of Moldova.

During 2022, the Board continued to address the effects of the COVID-19 pandemic. This crisis has had a strong impact on the activity of private sector companies, generating many changes in their communication strategy, supply chains, employee health and safety and many others. We have adapted our ways of working to ensure that we as a Board can continue to provide effective oversight and support management in their efforts. We also engaged with a wide range of stakeholders, including customers, employees

and the Moldovan Government to ensure we responded appropriately to their needs during that difficult period. During 2022 the Board efforts on tackling the post-pandemic effects of COVID-19 were focused on the diversification of the offering to clients in order to better meet the needs of the segments affected by the COVID-19 pandemic, implementation of all safety measures to protect customers and employees and prevent any contagion in the bank's premises, safe business continuity which involved upgrading its IT infrastructure and adapting workflows, flexible working hours, remote working contracts and the implementation of new environmental and energy protection measures.

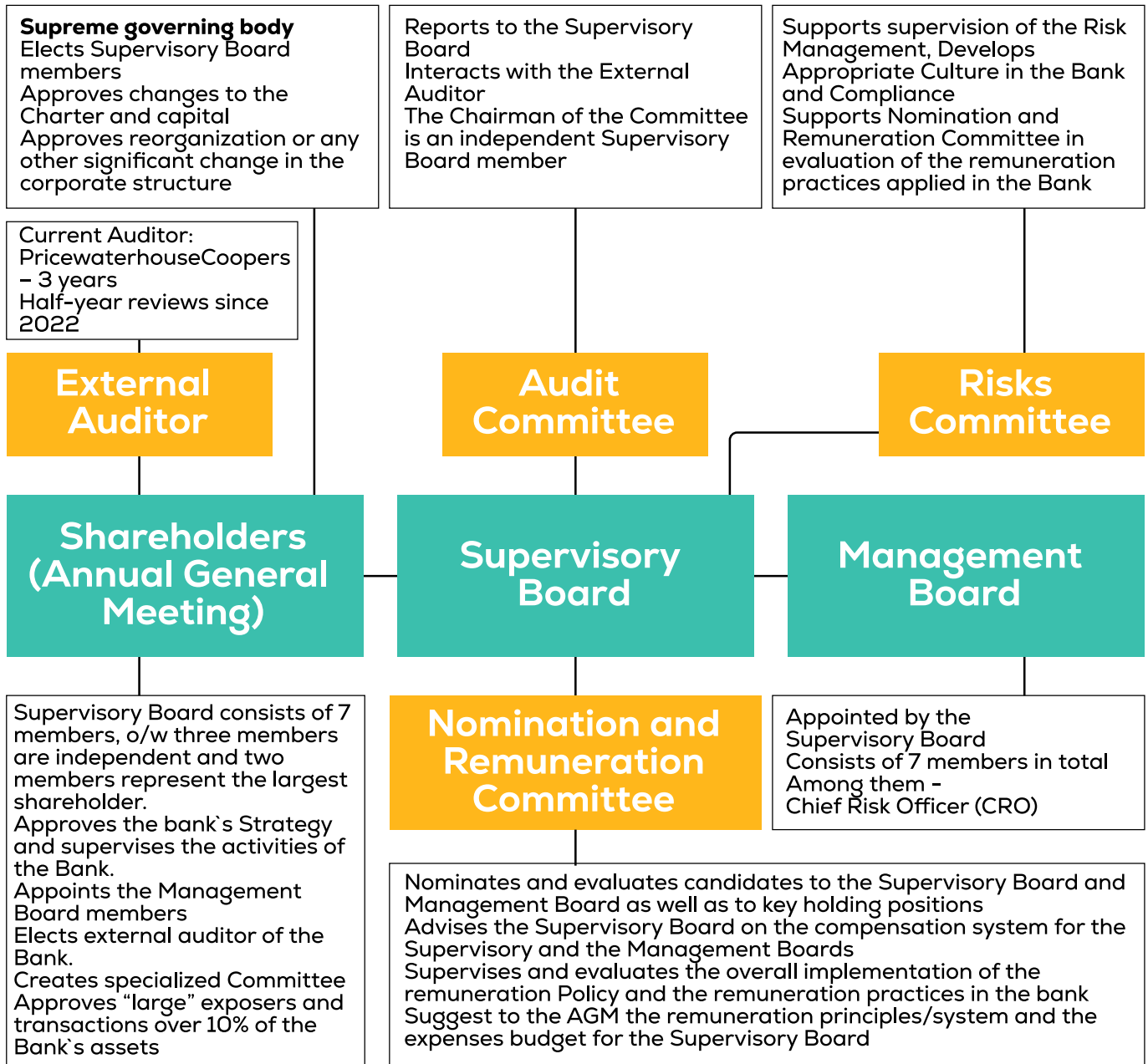
Economic and political prospects linked to the Russian-Ukrainian conflict also led to increased uncertainty, along with fuel and energy shortages and a potential decline in economic growth. Currently, the bank has no direct exposure to clients based in Ukraine or the Russian Federation. The credit rating of some of the clients exposed to risk due to their economic and business ties to these geographical areas led to an increase in credit risk provisions. All exposures related to these two countries are closely monitored and carefully managed. At the time of writing, the bank's management has taken into account the economic and political outlook and the measures taken by the Moldovan Government and the NMB. In view of the public information available at this time, the bank's management does not expect that current events to have a significant impact on the bank's ability to continue as a going concern. Given that the economic policy situation is still being defined, the uncertain duration of the conflict and unpredictable intensity of the political and economic measures taken and restrictions implemented, it is still premature to quantify the potential impact on the bank's financial results for 2023.

Although our response to the Russian-Ukrainian conflict and the post-COVID-19 pandemic have been the central priority of the Board this year, the Board has given additional focus to developing, monitoring and assessing our corporate culture, and has given consideration to the Group's values and purpose.

We remain committed to working with our management to ensure that our high standards extend beyond the boardroom and are implemented throughout the business in the successful delivery of the Group's strategic priorities.



**corporate governance structure**



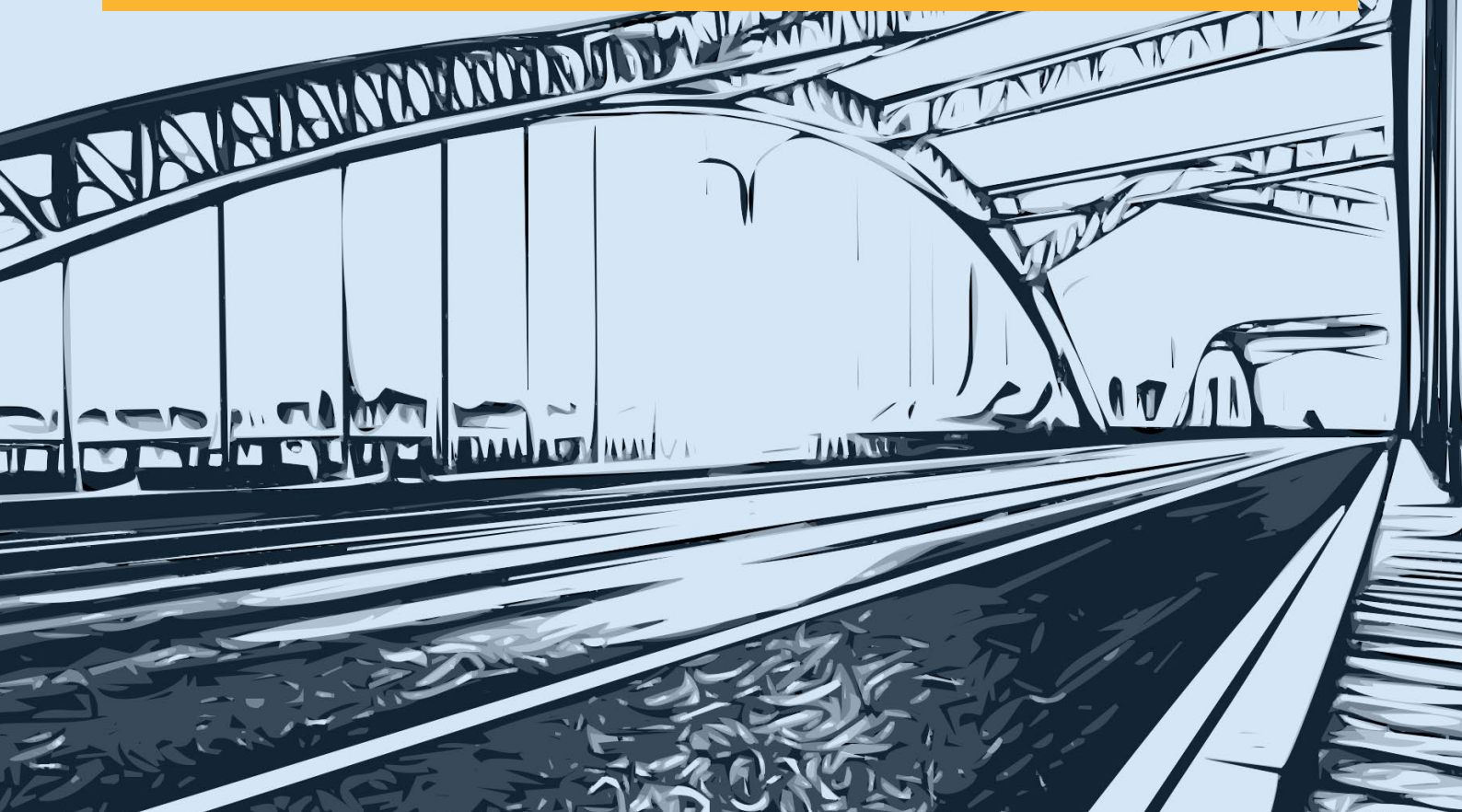
# supervisory board responsibilities

The Supervisory Board's basic responsibilities are to ensure the business development and financial soundness of the Bank, to oversee the implementation of the risk strategy and the way in which the Bank's activities are organized and regulated. The Supervisory Board regularly monitors and evaluates the effectiveness of the Bank governance framework, including the governance principles, and takes appropriate action to address any deficiencies.

The Supervisory Board ensures that the Bank maintains an effective cooperation relationship with the supervisory authorities through its active involvement in the major issues of the Bank and keeping up with the significant changes in its activity and in the socio-economic environment, acting to protect the Bank interests. Moreover, the Supervisory Board approves, on the proposal of the

Bank Management Board, the decision to issue bonds, except for convertible bonds, as well as the report on the results of the bonds issue and modifies in this respect the Bank Charter as well as decides on the acquisition and redemption of the Bank securities in accordance with the Moldovan legislation in force.

The Board is assisted in its work by three specialized Committees: the Risk Committee, the Audit Committee, the Nomination and Remuneration Committee. Each member of a Committee, including its Chairperson, is elected from among the Supervisory Board members, where at least 1/3 of them are independent members, for a period corresponding to the mandate of the respective composition of the Supervisory Board. The specialized Board Committees report directly to the Supervisory Board.



# supervisory board

**Maib's Supervisory Board** is the overarching management body with regulatory and supervisory functions of the bank business, including how the strategic objectives are achieved, how the bank organizes its activity, risks management, how the bank complies with the requirements of the legislation and regulations in force. The Supervisory Board consists of seven members, elected by the General Shareholders Meeting from amongst the candidates identified by the Nomination and Remuneration Committee of the bank, in accordance with bank's Charter and the legislation in force.

## Vytautas Plunksnis

Chairman of the Supervisory Board



- Chairman of the Supervisory Board since July 2020
- Other current positions: Head of Private Equity, INVL Asset Management; partner at INVL Baltic Sea Growth Fund; Chairman of the Supervisory Board of Eco Baltia; Chairman of the Management of Ecoservice, NRD Systems, Investors Association; board member of various portfolio companies
- Since 2006 worked in different positions within Invalda INVL Group companies

## Vasile Tofan

Member of the Supervisory Board



- Appointed to **maib's** Supervisory Board in 2018
- Other current positions: Chairman of Supervisory Board of Purcari Wineries Public Company Limited; Member of Consultative Boards of Anex and Intellias
- Since 2021: Senior Partner at Horizon Capital Advisors LLC Office in Ukraine (joined in 2012)
- Previously worked Consultant at Monitor Deloitte and Senior Manager, Corporate Strategy & Alliances at Philips
- Founded Ovuline (now Ovia Health)
- Graduated from Erasmus University of Rotterdam (public management), MBA from the Harvard Business School

## Victor Miculet

Vice-Chairman of the Supervisory Board



- Chairman of the Supervisory Board in 2002-2020; Vice-Chairman since 2020
- Other current positions: Chairman of the Association of Authorized Cars Importers
- 1996: founder, CEO of "Auto-Space" LTD, authorized dealer of BMW, Mini, MAN, Honda and Mitsubishi cars

## Natalia Vrabie

Member of the Supervisory Board



- Appointed to **maib's** Supervisory Board in 2013
- 1991 to 2013: managerial positions in **maib**, including position of CEO, Chairman of the Management Board during 1996-2013
- Over 50 years of banking experience

**Ivane Gulmagarashvili**  
Member of the  
Supervisory Board



- Appointed to **maib's** Supervisory Board in 2020 as an independent member
- Other current positions: Member of Supervisory Boards of Agricover Holding and TAM Faktoring AS
- 2015 to 2018: Head of New Products, 4finance Group
- Previously worked at Barclays and Barclays Cards, Bank of Georgia
- Graduated from Tbilisi State University (marketing), MBA from the Clarion University of Pennsylvania

**Konrad Kozik**  
Member of the  
Supervisory  
Board



- Appointed to **maib's** Supervisory Board in 2020 as an independent member
- Other current positions: Member of the Supervisory Board of ISP Bank Albania
- 2014 to 2019: CFO, Member of the Management Boards of Allianz Russia and Poland
- Previously worked at UniCreditBank
- Graduated from Navarra University, MBA from Luigi Bocconi University

**Maryna Kvashnina**  
Member of the  
Supervisory  
Board



- Appointed to **maib's** Supervisory Board in 2018 as an independent member
- Other current positions: CEO of Naftogaz Digital Technologies; Partner at Edenlab; Financial Services Network Co-Chair for Eastern Europe, YPO – Young Presidents' Organization
- Since 2019: IT Director of Naftogaz Ukraine
- 2013 to 2015: Vice President of Management Board of Delta Bank
- Previously worked at Finstar Financial Group, PrivatBank
- Founder of Pharmacy Network Apteka Dobrogo Dnya (2006); Co-Founder of PAY2YOU (2015)



# supervisory board committees and their responsibilities

**The Risk Committee** is responsible for providing support to the Supervisory Board on the Bank current and future risk appetite and risk strategy, as well as monitoring the implementation of this strategy by the Management. The Risk Committee also assists the Supervisory Board in determining the nature, volume, format and frequency of risk information.

**The Audit Committee** exercises the supervisory function of the Bank internal control system, monitors the accounting and financial practices applied in the Bank and supervises the work of the internal audit.

**The Nomination and Remuneration Committee** identifies and proposes to the Supervisory Board, candidates for the position of Supervisory Board member, evaluates and presents to the Supervisory Board the relevant opinion on the candidates for the positions of the Management Board members and the key positions. In carrying out the duties assigned to it, the Appointment and Remuneration Committee periodically assesses at least once a year, the performance, structure and size of the Supervisory Board and the Management Board and makes recommendations in

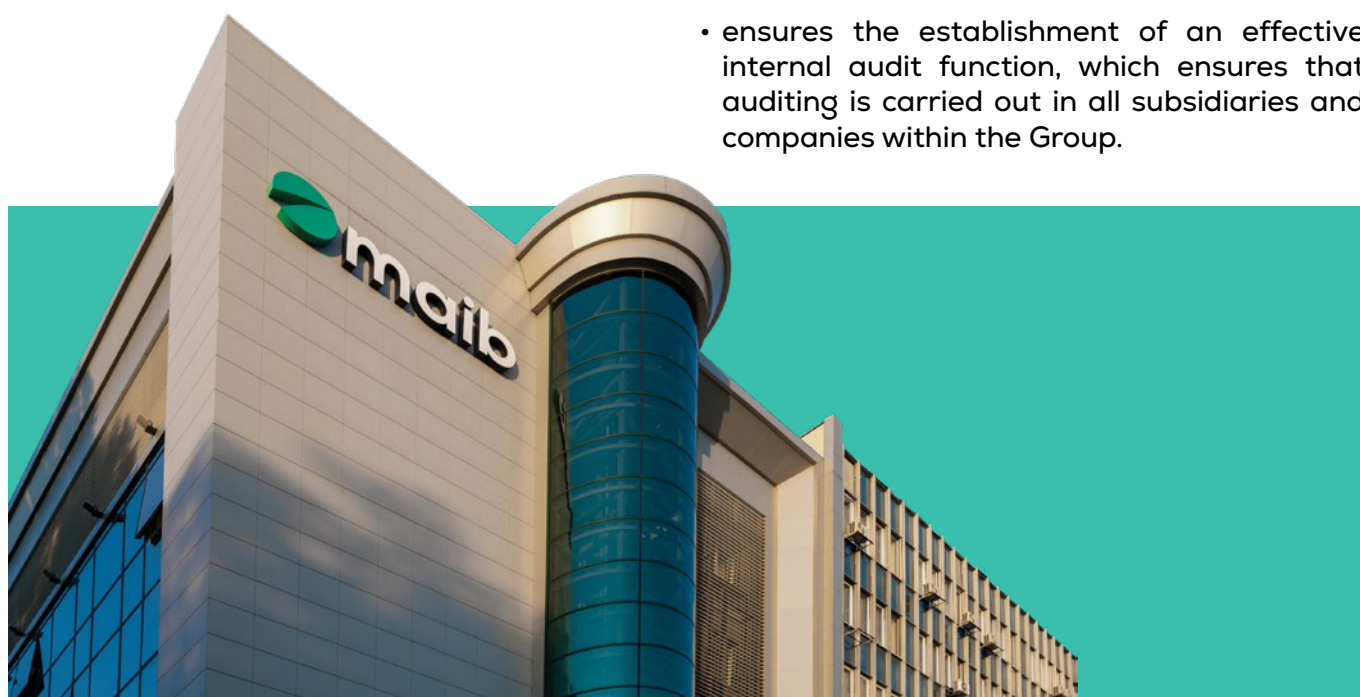
the field. In addition, the Committee is responsible for examining the remuneration and incentive policies and practices created for risk management, capital and liquidity management.

## **The Supervisory Board's Role within the Group**

Within the Group structure, the Supervisory Board of the bank (as a parent company) has the overall responsibility for the appropriate corporate governance at Group level and for ensuring that policies and mechanisms for proper governance of the Group's structure, operations and risks are in place.

The Supervisory Board of the bank has the following basic responsibilities:

- defines an appropriate structure of the management bodies of subsidiaries, taking into account the significant risks to which the Group and the subsidiaries are exposed;
- ensures that sufficient resources are available to monitor the compliance of subsidiaries with all applicable
- legislation, regulatory and governance requirements;
- ensures that an effective relationship with the supervisory authority is maintained;
- ensures the establishment of an effective internal audit function, which ensures that auditing is carried out in all subsidiaries and companies within the Group.





### Vasile Tofan

Head of Nomination and Remuneration Committee of the Supervisory Board

Dear Shareholders,

**Maib**'s success is inherently correlated with the quality and diversity of the talent we manage to attract to the bank, as well as the soundness of the incentives system we have in place, in the broadest sense of the word. To that end, I am pleased to share the accomplishments of the Nomination and Remuneration Committee, which is responsible for nominating and evaluating candidates to the Supervisory Board and Management Board as well as other key positions in the bank, advising on remuneration systems and policies and supervising their implementation. Our mission is to attract and retain top talents while fostering a transparent, fair, and motivating remuneration system for all **maib** employees as we aim to have the best team on the market to deliver our ambitious strategy. In 2022, we brought on board many strong professionals, including Macar Stoianov (Vice President for Finance), Eugeniu Brinzila (Head of Treasury), Viktor Razhev (Head of IT), Aelita Orhei (Head of Legal Department), Natalia Nasco Filimon (Head of Card Department), Vasile Postolachi (Head of Projects Department), Liliia Bondarenko (Head of Business Banking Support Center), and many others.

It was a year with an adverse macro and geopolitical backdrop, so the Nomination and Remuneration Committee had to rise to these challenges, and ensure that the Performance Objectives for the Management Committee of **maib** in 2022 were shaped accordingly and aligned with the revised strategy. These

## nomination and remuneration committee report

objectives were designed to be both challenging and motivating, while remaining adequate to the changing circumstances of the year.

We also placed significant emphasis on ensuring compliance with all National bank of Moldova (NBM) updating instructions. For example, as a result of these efforts, the Committee made the decision to separate the positions of Head of Compliance Function and Head of Risk Management Function in accordance with NBM guidance.

To ensure alignment with the Bank's Digital Agenda, the Nomination and Remuneration Committee spearheaded the creation of a Digital Transformation Office and the restructuring of the Digital Committee into a Digital Transformation Committee, which now reports directly to the Executive Committee of **maib** and oversees the transformation of internal IT systems and processes.

We are proud to report that **maib** prioritizes gender diversity, with 71% of employees in 2022 being women, who also occupy key position in the leadership of the bank, be it the Supervisory Board or the Management Committee.

Remuneration wise, we have a classical three tier compensation structure, composed of a base salary, annual bonus and a Long-Term Incentive Program (LTIP). We are proud by the depth of our LTIP, which covers nearly 100 executives at the bank. Meanwhile, we continue offering highly competitive salaries, with an average of 18,797 MDL – almost double the nationwide average.

Going into 2023, our priorities will continue to be to attract the best talent to **maib**, ensure a sound succession planning program across all executive levels, adjust the compensation system in an ongoing alignment between resources, performance and risk, as well as keep investing in the development of our people, as we did with the Stanford Executive Education Program, in many senses a life-changing experience for the circa 60 of our colleagues.



**Ivane Gulmagarashvili**  
Chairman of the  
Audit Committee

The Audit Committee is an independent entity, part of **maib**'s Supervisory Board comprised of two independent and two non-independent board members. The Board is satisfied that the committee members bring diverse background and extensive expertise in the field of banking and finance, and believes that the Audit Committee as a whole has a competence relevant to the sector in which the bank operates in.

We, as the Audit Committee members, assume responsibility to review and execute main reporting and accounting procedures and policies as well as facilitate and liaise with external auditor activities.

In 2022 the committee focused on the challenges brought by the war in Ukraine and the economic uncertainty it caused. We held regular and ad-hoc, in-person and virtual meetings to discuss, challenge and support the management across a number of areas, including identifying and monitoring of the control functions. In 2022 we reviewed 32 internal audit reports and monitored 123 recommendations in the areas of lending, IT, Information Security, Compliance and Operational Risks. We worked with external auditor to seek their guidance on appropriate treatments for accounting and valuation of the collateral.

The Audit Committee recognises the importance of the Internal Audit function to the control environment and as such spent considerable time in reviewing the Internal Audit Plan and

## audit committee report

approved its execution for 2023. The Internal Audit Plan is risk-based and aligned with the bank's strategy, increasing focus on risks and opportunities posed by customer-obsession, Agile methodology and the digitalisation process across the organisation.

As a Committee, we have worked closely with our colleagues on the Risk Committee to review and strengthen the tools and metrics used by the company to manage and report on AML and compliance as well as fraud risk management.

We also continued to ensure the integrity of the bank's published financial information and reviewed the judgements made by management and the assumptions and estimates on which they are based.

The Audit Committee reviews the external auditor's reports presented to the Audit Committee, which include the external auditor's observations on risk management and internal financial controls identified as part of its audit. Without management present, the Committee and PricewaterhouseCoopers discussed the key areas of audit focus, the suitability of the accounting policies, which have been adopted, and whether management's key reporting estimates and judgements were appropriate.

As a Committee, we are committed to ensure that the organisation maintains open mind-set to risk management and internal audit. Thus, the continued trainings and certification of the relevant employees has been paramount.

The Audit Committee is certain that the bank has the robust mechanisms set up for risk management and internal control to timely identify and address deficiencies and monitor the implementation of the internal and external recommendations. We will continue our work to monitor ongoing economic uncertainty and challenges posed in the neighbouring countries while further strengthening our tools for 2023.



**Konrad Kozik**  
Chairman of the  
Risk Committee

Dear Shareholders,

The war in Ukraine has highlighted the importance of banks having robust scenario planning and risk management strategies in place. Alongside the ongoing climate crisis and a global pandemic, the ability of organizations to deliver on their current and future business objectives is being thoroughly tested.

When you add in factors specific to the financial services sector, such as increased regulation to combat economic crime and manage digital currencies, the risk landscape remains complex and continues to change. Individuals and businesses are facing up to a period of volatility that could have major long-term consequences driven by geopolitical issues, and the macroeconomic picture that has worsened since the start of the year.

In response, the Risk Committee & Bank Risk Management revisited economic scenarios to help ensure they account for rises in commodity and energy prices, inflation, and interest rates. Particular attention was paid to those customers who are most vulnerable to these changes as well as those who may be affected due to close economic relation/dependency on Russian & Ukrainian markets. Gaining greater visibility of corporate clients' supply chains and trading activities, for example, enabled **maib** to manage their exposure more accurately.

Also, the start of 2022 has shown how quickly sanctions can be imposed on a country or regime that defies international norms. Consequently, **maib** ensured the time and resources needed to managing interbank transaction and avoid being

## risk committee report

used as a bridge for sanctions avoidance. Know Your Customer (KYC) and anti-money laundering (AML) processes were in the front of mind – review screening and control mechanisms, data and document access and storage procedures were adjusted in order to allow **maib** to act quickly and accurately when required.

Growing cybercrime was firmly in the spotlight of the Risk Committee. In this respect, the Committee set two clear objectives: boost **maib**'s cyber resilience and provide support to our customers by taking a security-by-design approach that marries day-to-day protection with a proactive approach to risk.

### Key purpose and responsibilities

The purpose of the Risk Committee is to assist the Board in fulfilling its responsibilities in relation to risk oversight and provide advice in relation to current and potential future risk exposures. This includes reviewing the bank's risk appetite and risk profile, the desired culture and how it has been embedded, assessing the effectiveness of the risk management framework and systems of internal control, and the bank's capability to identify and manage new types of risk. The key responsibilities of the Risk Committee are to:

- assist the bank's Board in establishing and monitoring the bank's current risk appetite and overall risk management strategy, taking into account all types of risks, to ensure their compliance with the business strategy, objectives, culture and bank's corporate values;
- oversee the implementation of capital and liquidity management strategies;
- provide recommendations to the bank's Board on the necessary adjustments to the Risk Management Strategy as a result of product changes in the bank's business model, market developments or recommendations issued by the Risk Management Function;
- provide support on the appointment of external consultants that the bank's Board



- may decide to hire for advice or assistance;
- analyse a range of possible scenarios, including crisis scenarios, to assess how the bank's risk profile would react to external and internal events;
- oversee the harmonisation of all significant financial products and services provided to customers with the business model and risk management strategy;
- assess the risks associated with the financial products and services offered as well as take into account the uniformity between the prices set for those products and services in relation to the profits derived from them;
- evaluate the recommendations of internal or external auditors and monitor the proper implementation of the measures in collaboration with the Audit Committee;
- - examine whether the incentives provided by remuneration policies and practices take into account the Bank's risk, capital and liquidity, as well as the likelihood of their further favourable development.

### **Composition of the Risk Committee and meetings**

The Risk Committee members are the following bank's Supervisory Board members: Konrad Kozik (Chairman, independent member), Vytautas Plunksnis, Maryna Kvashnina and Natalia Vrabie.

In addition to the members, the bank's Vice-chairwoman for the Risk & Compliance Area, the Risk Director & the Compliance Director attend meetings. Other members of management from time to time are invited to provide a deeper level of insight into key issues and developments.

Risk Committee meetings take place prior to the Supervisory Board meeting in order for the Risk Committee to report its activities and matters of particular relevance to the Board.

Over the course of the year, the Risk Committee considers a range of reports, which provides an analysis of:

- the bank's overall risk profile using both quantitative models and risk analytics;
- changes to the loan portfolio structure and quality;
- key risk exposures, including Credit, FX, IRBB,

- Liquidity, Compliance and Operational risks with detail of how those are managed;
- performance against risk appetite;
- emerging and potential risks, the drivers of risk throughout the bank;
- analysis of stress testing scenarios and the results of stress tests and reverse stress tests.

### **Risk management**

The Risk Committee assisted the Board in setting the bank's risk appetite and exposure in line with our strategic objectives and in making any necessary modifications as strategy evolves and when the risk environment changes. We also monitored risk exposure and actions to address risk, which included oversight and support of our executive management risk team. We work closely with the Audit Committee to ensure that our risk management framework and systems of internal control operate effectively and in compliance with National Bank of Moldova requirements.

### **Risk Committee effectiveness review**

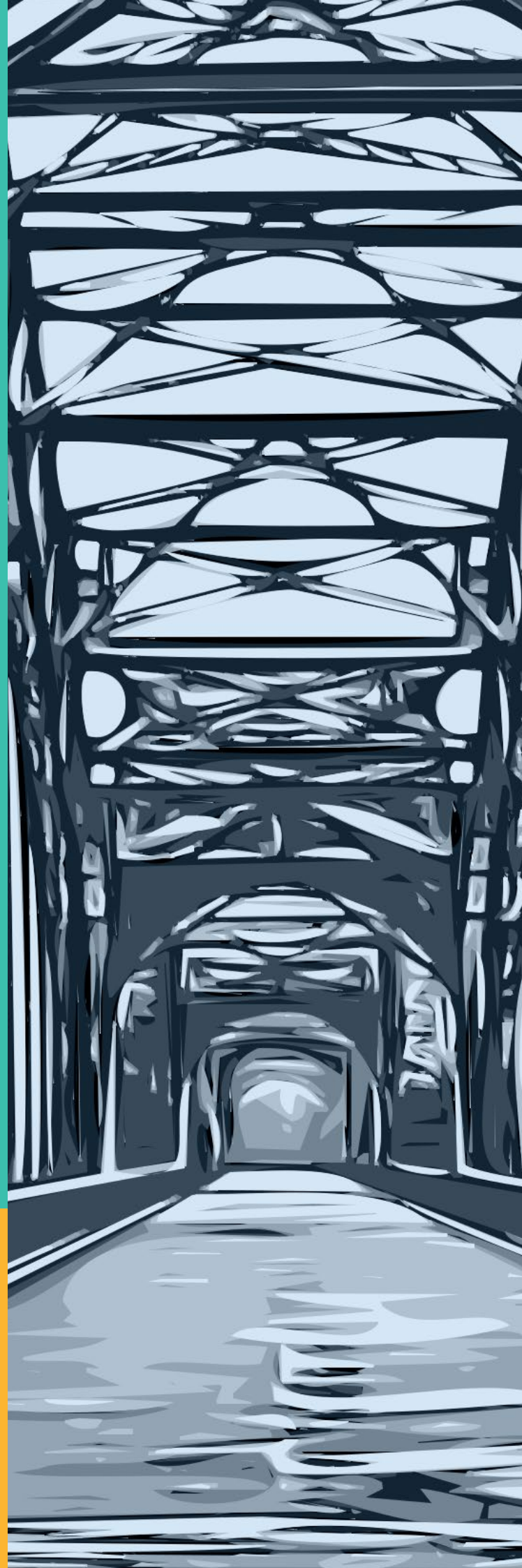
The Risk Committee self-assessed its effectiveness towards the end of the year. The evaluation was that the Risk Committee assesses and challenges the principal risks facing the Bank and that the Risk Committee operates and performs effectively.

During 2023, the Risk Committee will continue to ensure that short- and long-term implications are carefully weighed, risks assessed and strategies updated, and map changes to the market and its impact on maib customers, finance commitments and development plans.

While digital currencies may promise greater financial inclusion in some circumstances, there are concerns that they can be used to circumvent sanctions. We expect that the regulator will continue their scrutiny of this asset class, and the bank will need to be prepared to respond accordingly. As such we will continue to improve our risk strategies in relation to currency flows and cross-border payments.

# management board overview

**Management Board** is the executive body of the Bank, consisting of seven members, who perform the current management of the bank under the direct supervision of the Supervisory Board, and manage the bank business in a proper and prudent manner consistent with the strategy and management framework of the Bank business, approved by the Supervisory Board. As of November 2022, the Management Board consisted of seven members, including Macar Stoianov who joined the Board as a Vice-Chairman and Head of Finance, being approved by the NBM on 03/11/2022. The Management Board members are appointed by the Supervisory Board from amongst the persons identified and proposed by the Chairman of the Management Board and the Nomination and Remuneration Committee, in accordance with bank's Charter and the provisions of the legislation in force.



# management board

**Giorgi Shagidze**  
Chairman of the  
Management  
Board, CEO



- Joined **maib** in February 2021
- Other current positions: Member of the Supervisory Boards of Synergy Capital and Georgian Stock Exchange
- 2010-2020: Deputy CEO and Chief Financial Officer, as well as member of the Management Board at TBC
- 2008 to 2010: Global Operations Executive for Barclays Bank
- Deputy CEO of People's Bank of Georgia (2005-07)
- Graduated from the Tbilisi State University in 1997 and obtained an MBA from the University of Cambridge Judge Business School in 2008, Certified Financial Analyst

**Aliona Stratan**  
First  
Vice-Chairwoman,  
Retail Banking



- Joined **maib** in 2020 as First Vice-Chairwoman of the Management Board, Retail Banking
- Other current roles: Chairwoman of the Supervisory Board of maib Leasing, Board Member of Amcham Moldova and of AIOD
- 2018 to 2020: Vice President ABB Bank Armenia
- 2014 to 2018: Vice President leading bank in Armenia
- Previously worked at ProCreditBank Georgia, National Bank of Moldova
- Graduated from the Moldova State Agrarian University, MBA from Grenoble Graduate School of Business

**Dumitru Baxan**  
Vice-Chairman,  
Corporate Banking  
and Investments



- Joined **maib** in 2010 as Head of NPL Recovery Department
- 2019: appointed to the Management Board of maib as Head of Corporate Banking and Investments
- Previously worked at Banca de Economii, including as Vice President for Retail Banking and at National Bank of Moldova
- Graduated from Moldova Academy of Economic Studies

**Andrii Glevatskyi**  
Vice-Chairman,  
Business  
Banking (SME)



- Joined **maib** in 2019 as Counsellor in Risks
- 2019: appointed to the Management Board of maib as Chief Risks Officer and later, in 2021 – as Head of Business (SME) Banking
- 2009 to 2019: held different positions at Raiffeisen Bank Aval Ukraine, including Head of Retail Risks in 2015 to 2019
- Previously worked at Aval Bank Ukraine
- Graduated from the National Agrarian University

## Stela Recean

Vice-Chairwoman,  
Chief Risk Officer &  
Chief Compliance  
Officer



- Since 2018: Vice-Chairwoman of the Management Board, Chief Compliance Officer (since 2021 took also the role of Chief Risk Officer)
- 2014 to 2018: Head of Compliance Department
- 2000 to 2014: held different positions, including administration including head of office at PwC Moldova
- Previously worked at PwC and National Bank of Moldova
- Graduated from Moldova Academy of Economic Studies, ACCA, ACAMS, Licensed Auditor

## Marcel Teleuca

Vice-Chairman,  
Operations and  
Logistics



- Works in **maib** since 1994 (with a one year break, when worked as Head of Treasury of BTR Bank)
- 2010: appointed as Vice-Chairman of the Management Board
- Previously worked as Head of Treasury, Head of Dealing, dealer
- Graduated from Moldova Academy of Economic Studies

## Macar Stoianov

Vice-Chairman,  
Chief Financial  
Officer



- Spent seven years at McKinsey, the leading global strategy consultancy being involved in projects in the areas of business strategy, finance and risk, as well as digital transformation and core operations.
- Earlier in his career he held posts with KBC and ING, the leading European banking groups, where among other things he gained diverse experience in finance, risk management, including budgeting and pricing.
- Holds an MBA from Vlerick Business School, MSc and BA from Academy of Economic Studies in Bucharest Romania, Financial Risk Management (FRM) from GARP and is a CFA charterholder.



# statement of supervisory board members' responsibilities

The Members of the Supervisory Board are responsible for preparing the Annual Report and the consolidated and separate financial statements in accordance with applicable law and regulations.

The law no. 202/2017 on the activity of banks requires us to prepare financial statements for each financial year. As required, we have prepared the accompanying consolidated and separate statements in accordance with international accounting standards in conformity with the requirements of the Law no. 287/2017 on accounting and financial reporting.

We must not approve the accompanying consolidated and separate financial statements unless we are satisfied that they give a true and fair view of the state of affairs of the Group and the CB "MAIB" S.A. (the "Bank" or "Company") and of the profit or loss of the Group and the Company for that period.

Under the National Bank of Moldova Regulation on the disclosure requirements by banks, group financial statements are required to be prepared in accordance with International Financial Reporting Standards (IFRS).

In preparing the accompanying consolidated and separate financial statements, we are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. We are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions, to disclose with reasonable accuracy at any time the financial position of the Company and the Group, and to enable us to ensure that the consolidated and separate financial statements comply with the requirements of the Law no. 287/2017 on accounting and financial reporting.



We are responsible for such internal control as we determine necessary to enable the preparation of financial

statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to us to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

We are also responsible for preparing a Supervisory Board Report and Corporate Governance Statement that each comply with that law and those regulations. We are also responsible for the maintenance and integrity of the Company's website. Legislation in the Republic of Moldova governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- the consolidated and separate financial statements, prepared in accordance with the international accounting standards in conformity with the Law no. 287/2017 on accounting and financial reporting and IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the Group taken as a whole; and
- the Annual Report, including the statements about our strategy, includes a fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the principal risks and uncertainties that they face.

We consider that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and gives shareholders the information needed to assess the Group's position and performance, business model and strategy.

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By order of the Board,  
Secretary of the Supervisory Board  
Nina Teleaga



# supervisory board members report

The Members of the Supervisory Board present their Annual Report and the audited consolidated financial statements for the year ended 31 December 2022.

## Charter of the Bank

The Charter of the Bank may only be amended by a resolution at a general meeting of the shareholders. The process for the appointment and removal of Members of the Supervisory Board is included in our Charter. **Maib's** Charter is available on the Company's website. <https://www.maib.md/storage/publication/117/statutul-bancii-24-11-2021.pdf>

## Share capital and rights attaching to the shares

Details of the movements in share capital during the year are provided in Note to the consolidated financial statements on page of this Annual Report. As of the end of 2022 there was a single class of 1,037,634 ordinary shares of MDL 200 (two hundred) each in issue, each with one vote. The rights and obligations attaching to the Company's ordinary shares are set out in its Charter.

Holders of ordinary shares are entitled, subject to any applicable law and the Company's Charter, among others, to:

- have shareholder documents made available to them including notice of any general meeting;
- attend, speak and exercise voting rights at general meetings, either in-person or by proxy;
- elect or be elected as a member of the management bodies;
- participate in any distribution of income or capital;
- sell, pledge, place under trust or request redemption of the shares they own.

Holders of ordinary shares of at least 5% of the total number of shares are entitled, in addition to the rights provided above, to:

- propose items to the agenda of the general meetings of shareholders;

- nominate candidates for election as Supervisory Board members and Audit Commission members;

- call for extraordinary general meeting of the Supervisory Board.

Holders of ordinary shares of at least 10% of the total number of shares are entitled, in addition to the rights provided above, to:

- request extraordinary auditing of the economic and financial performance of the bank;
- request of the assessment of the share price based on the auditor's report;
- seek indemnification by instituting judicial proceedings for any statutory breaches by the bank's executives.

Holders of ordinary shares of at least 25% of the total number of shares are entitled, in addition to the rights provided above, to:

- call for extraordinary general meeting of the shareholders.



## Results and dividends

The Bank made a profit before taxation of MDL 1,3 billion for the year ended 31 December 2022. The Group's profit after taxation for the year was MDL 1,1 billion. The Company may by ordinary resolution declare dividends provided that no such dividend shall exceed the amount recommended by the Company's Supervisory Board. The Supervisory Board may also pay such interim dividends as appear to be justified by the profits of the Group available for distribution. However, resumption of dividends depends on the ultimate approval by the NBM.

## Long-term Incentive Plan ("The Plan")

In December 2021, the Company approved the long-Term Incentive Plan, designed to emphasize long-term, sustainable value creation, by aligning the interests of qualifying employees and shareholders. Under this Plan stock options are to be granted to top and middle management of the Company as part of their compensation package. The plan is structured based on phantom options, allowing for maximum flexibility in terms of the design of the program, while securing the intended economics of the plan. Thereby, while the awards are linked to the value of **maib**'s shares, they do not grant their holders ownership of the Bank or any entitlement to dividends thus avoiding the dilution of existing shareholders. **Maib**'s Plan is based on a best practice approach to executive compensation, meant to align incentives of management and shareholders, while putting the prudent, long-term development of the Bank front and center. In order to ensure the execution by **maib** of possible future bank obligations, that may result from the Plan, in June 2022 the Annual General Shareholders Meeting approved the purchase by **maib** of its own shares so that they could be assigned to employees in accordance with the provisions of the approved Plan.

## Powers of Supervisory Board members

The Supervisory Board members may exercise all powers of the Company subject to applicable legislation and regulations and the Company's Charter.

## Conflicts of interest

In accordance with the law no. 202/2017 on the activity of banks, the Directors have adopted a policy and procedure for the disclosure and authorisation (if appropriate) of conflicts of interest, and these have been followed during 2022. The Company's Charter also contain provisions to allow the Supervisory Board members to authorize potential conflicts of interest so that a member is not in breach of his or her duty under the law.

## Supervisory Board members' remuneration

The Supervisory Board members' fees and remunerations can be found in the notes to the financial statements, making part of this report.

## Supervisory Board members' interests

The Supervisory Board members' beneficial interests in ordinary shares of **maib** as at 31 December 2022 are shown together with any changes in those interests between the financial year-end and the date on which this Directors' Report was approved by the Board.

## Company Secretary

The Board appointed Mrs. Nina Teleaga to act as Company Secretary of the Supervisory Board in March 2022 and Mr. Cornel Sotnic as the Secretary of the Management Board in May 2022.

## Annual General Meeting

The AGM Notice is circulated to all shareholders at least 30 working days prior to ordinary meeting and 21 days in case of extraordinary meetings. All shareholders are invited to attend the AGM, where there is an opportunity for individual shareholders to question the Chairman and, through him, the Chairs of the Supervisory Board Committees. In addition, AGM Notice is published on the Company's website and in the National Commission for Financial Market's magazine "Capital Market" and/or in the Official Journal of the Republic of Moldova. After the AGM, shareholders can meet informally with the members of the Supervisory Board.



## Supervisory Board members' responsibilities

Statements explaining the responsibilities of the Supervisory Board members for preparing the Annual Report and consolidated and separate financial statements can be found in the Statement of Directors Responsibility of this Annual Report. A further statement is provided confirming that the Board considers the Annual Report, taken as a whole, to be fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

## Related party disclosures

Details of related party disclosures are set out in Notes to the consolidated financial statements included in this Annual Report.

## Code of Conduct and Ethics

The Board has adopted a Code of Conduct relating to the lawful and ethical conduct of the business, supported by the Group's core values. The Code of Conduct has been communicated to all members of the Supervisory Board and employees, all of whom are expected to observe high standards of integrity and fair dealing in relation to customers, staff and regulators in the communities in which the Group operates. Our Code of Conduct is available on our website: [https://www.maib.md/files/Codul\\_de\\_etica.pdf](https://www.maib.md/files/Codul_de_etica.pdf)

## Independent auditors

ICS "Pricewaterhouse Coopers Audit" SRL was appointed as an external auditor of the Company for the years 2020 – 2022.

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## Independent auditors

ICS "Pricewaterhouse Coopers Audit" SRL was appointed as an external auditor of the Company for the years 2020 – 2022.

## Major interests in shares

The table lists shareholders with voting rights of more than 5% as at 31 December 2022:

Shareholder	Number of voting rights	% of voting rights
Heim Partners Limited	426 365	41.09

## Post balance sheet events

Our disclosures relating to post balance sheet events can be found in the notes to the financial statements, making part of this report.

## Statement of disclosure of information to the auditor

We confirm that, so far as we are aware, there is no relevant audit information of which the Company's auditor is unaware and we have taken all steps that we reasonably believe should be taken as members of the Supervisory Board in order to make ourselves aware of any relevant audit information and to establish that the Company's statutory auditor is aware of such information.

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Secretary of the Supervisory Board  
Nina Teleaga

# shareholder engagement

**Maib** has a comprehensive shareholder engagement and communication programme and encourages an open and transparent dialogue with existing and potential shareholders. The programme covers all results, performance and strategy issues, as well as discussions relating to ongoing corporate governance. The Group has been taking into account matters which shareholders have indicated are of importance to them in written communications to their wider issue base, and also in individual phone calls and meetings with shareholders. This dialogue will be continuing during 2023.

Marcel Lazar is **maib**'s internal shareholder relations and affiliated parties' group officer, whose role includes acting as an intermediary for shareholders.

The Bank will engage with shareholders, including through the Company's forthcoming General Shareholder Meeting to be held later in 2023, and will also continue to communicate with shareholders on important developments throughout the year. Our annual results announcement, half-year results and quarterly results are supported by a combination of presentations and telephone briefings. Over the course of 2022, we have engaged with a large number of existing and potential investors, and participated in six investor conferences and road shows, most of which were virtual. In September 2022 **maib** participated in the Moldova - Romania: Capital Bridges forum in Bucharest, an event organized by **maib** in partnership with the Bucharest Stock Exchange, WOOD & Co. and Raiffeisen Bank International and supported by the Government of The Republic of Moldova, AmCham Romania and Romanian Business Leaders. It featured the Prime Minister of Moldova, Mrs Natalia Gavrilita and Mr. Nicolae Ciuca, the Prime Minister of Romania, who both took part in the ceremony and delivered the opening speeches. They were joined Mrs Odile Renaud-Basso, the President of the European Bank for Reconstruction and Development, and Mr Nicu Marcu, President of the Financial Supervisory Authority and Mr. Radu Hanga, Chairman of the Bucharest Stock Exchange. The event featured three panels where guests and potential investors had an

opportunity to receive an update from the members of the Board and Management, as well as from representatives of financial and public authorities on the Moldovan macroeconomic prospects and investment climate, as well as the Romania-Moldova financial and economic bonds. On 12 December **maib** together with the Bucharest Stock Exchange (BSE) held a forum titled Accessing International Capital Markets. The event was aimed at introducing Moldovan businesses and public officials to the opportunities presented by the capital markets. The forum was supported by WOOD&Co. investment bank, EBA Moldova and AmCham Moldova. The Moldovan business leaders had the opportunity to find out more about capital markets from the market participants and regulators. Event's speakers included Mr. Kent G Logsdon, US Ambassador to Moldova, Mr. Janis Mazeiks, EU Ambassador to Moldova, Mr. Octavian Armaşu, Governor National Bank of Moldova, Mrs. Angela Sax, EBRD, Head of Moldova Office, Mr. Chawani Rodgers Head of IMF Office in Moldova, Mr. Dumitru Alaiba, Minister of Economy and other public and financial authorities representatives. The participants talked about the capital market from different perspectives and shared their experience and opinions.

The Chairman has overall responsibility for ensuring that the Board understands the views of major stakeholders. The full Board is regularly kept informed of these views by the Chairman as well as management and the Investor Relations team and, to the extent deemed appropriate, the Group has taken active steps to adopt different ways of working in response to feedback received from shareholders and other stakeholders. Informal feedback from analysts and the Group's corporate advisors is also shared with the Board.

Our website, <https://ir.maib.md>, provides our shareholders with access to the Group's results, press releases, investor presentations, details on our engagement with communities and corporate and social responsibility framework, our leadership, as well as other information relevant to our shareholders. We also ensure that shareholders can access details of the Group's results and other news releases through our website.

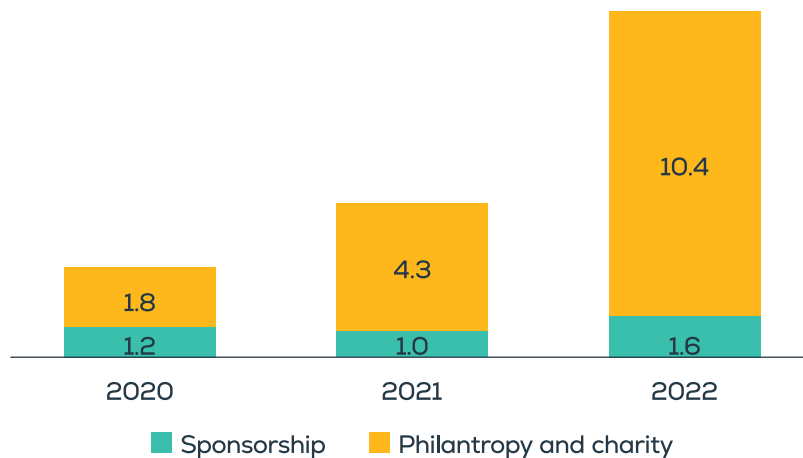
# corporate social responsibility, philanthropy and sponsorship

Corporate social responsibility, as well as philanthropic endeavors has long been a tradition at maib. **Maib** is actively involved in giving back to the community via a number of programs, which can be broadly subdivided into the following categories:

- supporting education;
- supporting and promoting art, culture and traditions;
- involvement in sport, wellbeing, active and healthy lifestyle;
- promoting public health, volunteering and good citizenship;
- supporting innovation, startups and fintech initiatives;
- acting responsibly towards the environment and supporting the community through various acts of charity.

Total spending on sponsorship and philanthropy increased significantly in 2022 compared to prior years.

**Sponsorship and philanthropy spending MDL million**



Source: **Maib** financial statements



## maib projects

### Education

**Maib** supports financial education for children and young people through regular interactive lessons in bank branches, teaching them to manage money responsibly and understand financial concepts.

**Maib** shares the experience of its professionals by giving lessons to students at universities and centers of excellence in Moldova, believing that proper preparation for the labor market requires interaction with the business environment.

**Maib** invests in students' financial education and professional training through the Student Lab by ASEM and maib, where students can

test banking services and products and carry out practical lessons related to banking.

**Maib** and Gladei Law Office and Partners support meritocracy and talent by offering merit scholarships and professional internships to law school students based on an essay contest.

**Maib** improves learning conditions in educational institutions by providing technology, stationery, and furniture, such as projectors, computers, and blackboards, to various schools and universities in Moldova.



### Art, culture and national traditions

"O seară în parc" is an annual concert in Chisinau featuring renowned soloists and a philharmonic orchestra.

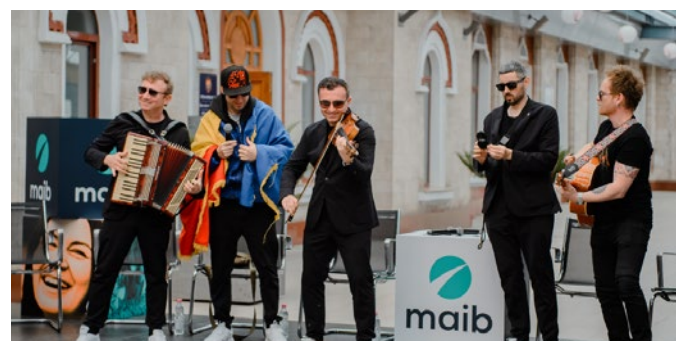
A concert celebrating Eugen Doga's 85th birthday organized as part of "Eugen Doga Cultural Year" to promote Moldova's most famous composer's work.

**Maib** sponsored Moldova's participation in Eurovision 2022 with the song "Little Train", performed by Zdob and Zdub and the Advahov Brothers.

The Gala of Musical Excellence is an event that awards the most dedicated people in Moldova's music industry.

**Maib** supported the community "Șezătoarea Basarabiei" to restore and promote the national Romanian shirt – "Ia".

**Maib** promotes national traditions and customs, including celebrating the International Day of the "Ia" by wearing traditional costumes.



## Competitive sport, active lifestyle and healthy living

**Maib** supports sports in Moldova, promotes Olympic values, and collaborates with the National Olympic and Sports Committee to recognize performance of athletes through awards and events.

**Maib** sponsors the Sports Press Laureates Gala in Moldova, recognizing the achievements of athletes, coaches, and sports journalists who

promote active and healthy lifestyles.

**Maib** encourages a healthy and active lifestyle through internal communities of bank employees who participate in sports events, including running, mini-football, and marathons, while passing on sports values to future generations.



## Public health, volunteering and good citizenship

**Maib** employees donated blood to save lives during an internal blood donation event organized by maib and the National Blood Transfusion Centre.

**Maib** supported the medical sector in the fight against COVID-19 by donating 500,000 lei to the Clinical Hospital for Infectious Diseases "Toma Ciorbă" and donating 10 High Flow Oxygen Therapy machines to the Institute of Emergency Medicine.

**Maib** supported the "For Ukraine - Charity Reception" organized by Hospices of Hope Moldova and the Embassy of Ukraine in Chisinau, with funds donated to Ohmatdyt Children's Hospital, refugee artists, and the ARIPILE SPERANȚEI Day Care and Palliative Home Care Centre.

**Maib** participated in the charity race "Fire to Boots on Bikes" to support the Hospice Angelus Moldova Foundation's efforts to help children and adults suffering from incurable diseases.

**Maib** supported the annual Hospice Angelus Moldova Football Cup to help provide professional medical care, social, and psycho-emotional services for people suffering from incurable diseases.

**Maib** participated in the Table Tennis Tournament organized by Hospice Angelus Moldova to support the noble mission of helping Ukrainian refugees and raising funds for providing free quality palliative care services to people suffering from advanced illnesses.

**Maib** donated about 40,000 lei to the Brânzeni temporary placement centre for people with disabilities (adults), Edineț, to facilitate rehabilitation processes for people temporarily placed in the institution.



## Innovation, startups and FinTech initiatives

Digital Transformation for Financial Institutions: **maib** participated in a conference on digital transformation for financial institutions, showcasing best practices and case studies in the fintech sector.

Fintech Moldova Conference 2022: **maib** supported a major event for companies and start-ups in the financial sector to implement financial technologies.

Launch of the Fintech HUB: **maib** supported the

launch of the first Fintech HUB in Moldova, a platform that encourages digital creativity and technological innovation in the ICT sector.

Fintech Accelerator: **maib** supported a Fintech Accelerator program, providing participants with access to training, mentoring, a collaborative workspace, introductions to potential customers or sponsors, and coaching from industry experts to bring their products to the local market.



## Initiatives related to environment and community support

**Maib Forest** is a reforestation project originally started in 2021. On a field with a high risk of landslides in Cruzești village, the bank's team planted 3000 seedlings of red oak, elm, hornbeam, ash, acacia, maple and shrubs, and 800 pine trees. In 2022 the 2nd edition of the **maib** forest planting event took place under the slogan "Planting today for future generations", with the area planted being extended and 2000 maple and acacia saplings planted. The reforestation action is carried out in partnership with the public association "Hai Moldova" on 5 November this year.

Invest Gagauzia: **Maib** supports local businesses by sponsoring the annual "Invest Gagauzia" forum, which aims to attract local and foreign investors to invest in ATU Gagauzia.

Grigore Vieru Boulevard: **Maib** supports the rehabilitation and modernization of

the boulevard in Chisinau, creating positive emotions for the city's inhabitants and visitors.

National Wine Day 2022: **Maib** and Mastercard are major partners of the 21st edition of the National Wine Day event, celebrating Moldovan wine and supporting local wine growers and makers.

Street Food & Wine Festival: **Maib** and Mastercard organize the popular outdoor food event, which takes place in both Chisinau and Balti, bringing good will and a festive atmosphere.

Acting responsibly in the context of the energy crisis: **Maib** implements measures to reduce electricity consumption in its offices to ensure continuous access to electricity for medical and educational institutions during the electricity shortage.



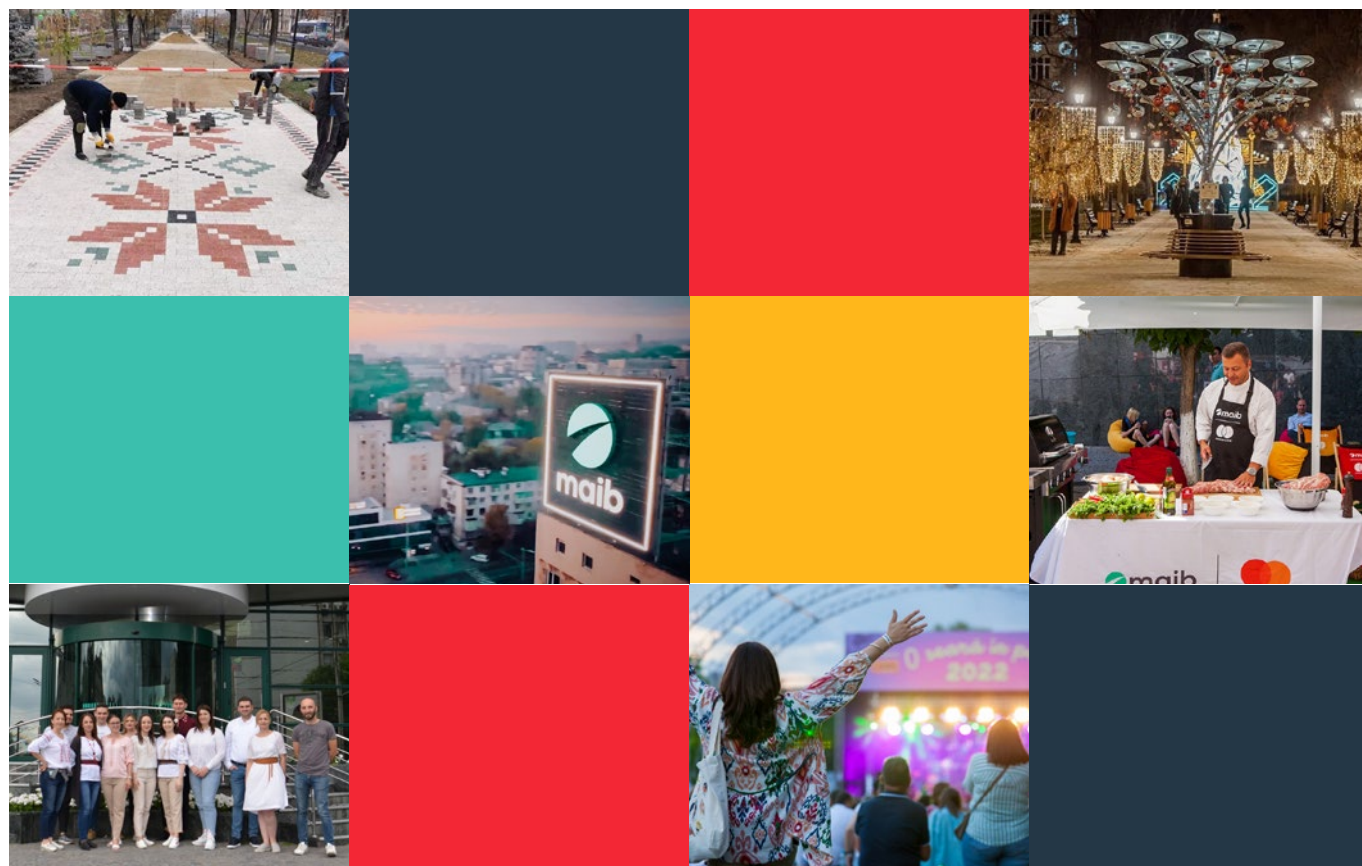
## Supporting Ukrainian affected by the war

- Donation to Ukrainian refugees

Since the start of the war in Ukraine maib stepped up its efforts to help the plight of Ukrainian people. In the early days of the invasion maib continued to exchange the Ukrainian hryvnia at favourable rate, introduced zero commission for a number of operations, card payments and withdrawals. **Maib** also set up a special monthly donation to the special account opened by the Government of Moldova to support refugees. The total donation for 2022 was MDL 10 million.

- Website dedicated to helping refugees

**Maib's** ecosystems team developed a special website [www.dopomoga.gov.md](http://www.dopomoga.gov.md), which contained useful links and the latest and most relevant topics for Ukrainian refugees in Moldova. **Maib** team created and developed the platform, which was then handed over to the government and became the official source of refugee related information.



# internal audit

The general purpose of the Internal Audit Department's activity is the independent, impartial and objective assessment of the sufficiency and efficiency of the management framework in accordance with the provisions of the legal and regulatory requirements and the Bank's internal regulations. The independence of the Internal Audit at **maib** is ensured through direct reporting to the Bank's Supervisory Board and continuous engagement with the Supervisory Board's Audit Committee.

In 2022 the Internal Audit activity was performed according to the Audit Plan, coordinated in advance with the Audit Committee and the Risk Committee and approved by the Bank's Supervisory Board. The plan was developed applying the risk-based approach and priorities outlined in line with **maib**'s development strategy. The Internal Audit Department has not encountered any impediments in performing its work and in providing its independent opinion. The Head of the Internal Audit Department regularly engaged with and reported the results of the

audit work to the bank's governing bodies: the Bank's Supervisory Board, the Audit Committee and the bank's Management Committee.

The annual internal audit plan for 2022 was fully fulfilled. The key issues covered during the year related to:

- prevention and fight against money laundering and terrorist financing;
- transactions concluded between the bank and its affiliated persons;
- internal capital adequacy / liquidity management process;
- **maib** remuneration policy;
- asset and liability management process (including transfer pricing);
- other material topics.

As part of the Internal Audit department's work, the internal auditors continuously develop their professional skills by undergoing training and upskilling activities.

**In their work, internal auditors apply and are guided by the following principles:**



integrity

objectivity

confidentiality

competence

For 2023 the Internal Audit has an ambitious plan, which is based on the analysis of risks associated with the activities and priority topics and aims to add value to the audited processes and to the bank as a whole.



# risk management

**Stela Recean**

VP in charge of risk management, legal and compliance



## Risk management – key pillar of maib’s culture of responsibility

**Maib** places critical importance on identification, evaluation, management and monitoring of risks that it faces through an integrated control framework supported by formal policies and procedures, clearly delegated authority levels and comprehensive reporting. The Board confirms that **maib**’s framework has been in place throughout the year under review and to the date of approval of this Annual Report. This framework is also integrated into both **maib**’s business planning and viability assessment processes.



### Overview

**Maib**’s Board, supported by its Audit and Risk Committees and the Management Board, is ultimately responsible for the **maib**’s risk management and internal controls. We believe that in order to have an effective risk management framework, there needs to be a strong risk management culture within the bank. In this section, we review how we ensure that managing risk is integrated into day-to-day business activities. We seek to create an environment where there is openness and transparency in how we make decisions and manage risks, whereby business managers are accountable for the risk management and

internal control processes associated with their activities. **Maib**’s culture also seeks to ensure that risk management is responsive, forward-looking and consistent.

### Maib’s framework

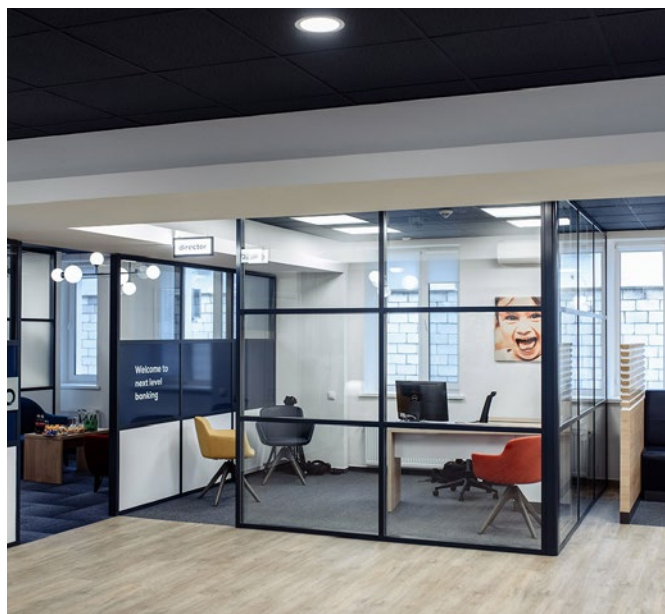
The Board’s mandate includes approving and overseeing the bank’s risk appetite and risk tolerance as well as monitoring risk exposures to ensure that the nature and extent of the main risks we face are consistent with **maib**’s overall goals and strategic objectives. The Board is accountable for reviewing the effectiveness of the systems and processes of risk management and internal control with the help of Audit and Risk Committees. The principal risks and uncertainties faced by the bank are identified through a bottom-up process. On a day-to-day basis, the Management Board is responsible for the implementation of the bank’s Risk Management Strategy and other internal control policies and procedures.

For each risk identified at any level of the business, the risk is measured, monitored and mitigated (as possible) in accordance with **maib**’s policies and procedures. The Management



Board regularly reviews the bank's exposure toward risks and assesses the implementation of the risk management and internal control policies and procedures.

**Maib's** reporting process enables key risks to be escalated to the appropriate level of authority and provides assurance to the Committees and the Board. Key developments affecting maib's principal risks and associated mitigating actions are reviewed quarterly (or more often, if necessary, on an ad hoc basis, outside of the regular reporting process) by the Risk Committee and the Board.



### Internal control

**Maib's** Board is responsible for reviewing and approving the Bank's system of internal control and its adequacy and effectiveness. Controls are reviewed to ensure effective management of risks we face. Certain matters – such as the approval of major expenditures, significant acquisitions or disposals and major contracts – are reserved exclusively for the Board.

**Maib's** specialized Committee of the Supervisory Board (Audit and Risk Committees) monitor internal control through regular reports and discussions with the Bank's Deputy CEO, Head of Risk Functions, Head of Internal Audit and other Management Board members (as required) on a quarterly basis. The bank's Internal Audit function reviews a number of areas pursuant to an annual programme approved by the Audit Committee.

### bank risk management

The bank strictly and explicitly separates the risk-taking activities from the risk management and control activities, ensuring an independent Risk Management Function from business lines.

The bank's risk management system is based on the principle of continually assessing risk throughout the life of any operation and includes such stages as:

- risk identification;
- qualitative and quantitative assessment of a particular risk;
- determination of an acceptable risk level;
- risk monitoring and mitigation;
- ongoing monitoring and control, allowing efficient adjustments in case of any changes in the conditions on which the preliminary risk assessment was made; and
- analysis of the effectiveness of the risk management system.

The principal risk management bodies of the Bank are the following: the Supervisory Board, Audit Committee, Risk Committee, Management Board, Risk & Compliance Division, Internal Audit.

**Supervisory Board** plays a crucial role in risk management by monitoring and overseeing the risk management activities of the bank in order to ensure that they are adequate and effective. The Supervisory Board provides guidance, sets policies, and reviews risk assessments and risk management reports to ensure that potential risks are identified and mitigated. Additionally, it helps to ensure that the bank is compliant with relevant laws and regulations related to risk management.

**Management Board.** The Management Board has overall responsibility for the bank's asset, liability and risk management activities, policies and procedures. In order to effectively implement the risk management system, the Management Board delegates individual risk management functions to each of the various decision-making and execution bodies within the Bank.



**Internal Audit Function.** The bank's Internal Audit is responsible for the regular review/audit of the bank's operations, activities, systems and processes in order to evaluate and provide reasonable, independent and objective assurance and consulting services designed to add value and improve the bank's operations.

The Internal Audit Department's scope of work is to determine whether the bank's overall risk management framework, internal control and corporate governance processes, as designed and represented by the Management Board, are adequate and functioning in a manner to ensure:

- material risks – including strategic, credit, compliance, market, liquidity, reputational and operational risks – are appropriately identified, measured, assessed and managed across the bank, including its outsourced activities;
- interaction between the various governance functions and risk management occurs efficiently and effectively;
- material financial, management and operational reporting is accurate, reliable and timely;
- the bank's and its employees' conduct is of high integrity, and their actions are in compliance with the bank's policies, standards, procedures, as well as applicable laws and regulations.

The Bank's **Internal Audit Department** carries out, annually, an independent assessment of the adequacy and compliance of the Bank activity with program on preventing and combating money laundering and terrorist financing, and of compliance with the requirements of the applicable legislation.

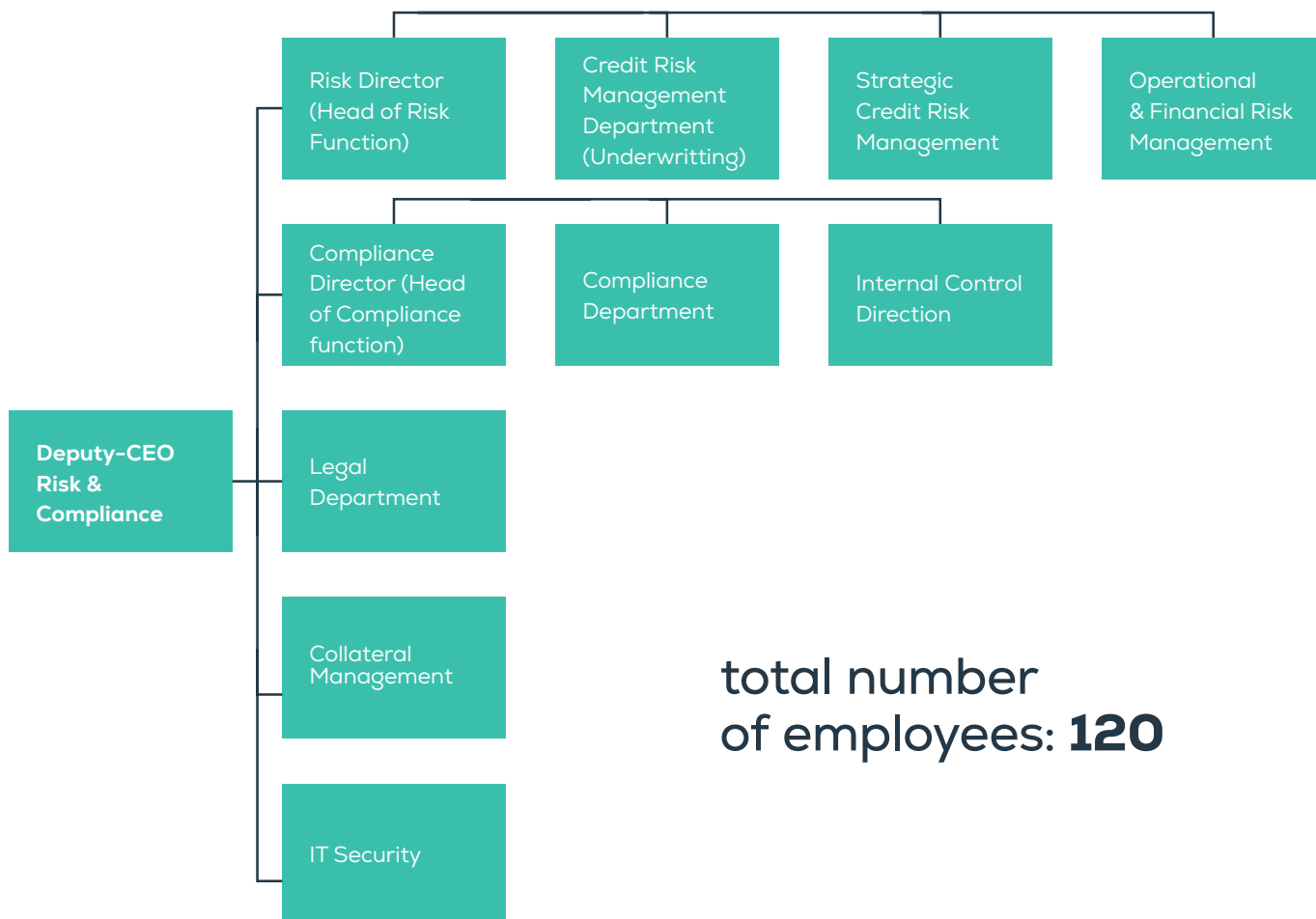


**Risk Management Function** is independent of the business lines. This functional and organisational separation is ensured also at the level of the management structure, through the existence of a member of the Management Board of the bank responsible only for the risk management area, which do not include any operational related activities, which the risk function has to control. In addition, there is an experienced person appointed by the Supervisory Board as Head of Risk Function, with sufficient stature, independence, resources and direct access to the Board. Head of Risk also has a “veto” right on Credit Committee Decisions. The Risk & Compliance Division:

- ensures the implementation of effective risk management processes;
- provides the bank with all relevant risk information to enable the bank to determine the level of the bank's risk appetite;

- develops and proposes for approval a prudent risk profile that is also in line with regulatory requirements;
- ensures the proper transposition of risk appetite within specific internal limits for business lines;
- ensures that the bank's risk profile is monitored and examined in relation to its strategic objectives;
- assesses how the identified risks may affect the bank's ability to manage its risk profile;
- assesses the impact of significant changes and exceptional transactions on the Bank's overall risk and report its findings directly to the bank's Management Committee/bank Board prior to the decision.

### risk & compliance division organizational Structure



total number  
of employees: **120**

## bodies implementing the risk management system

### Management Board

The Management Committee is responsible for:

- setting, approving and overseeing the implementation of the overall risk strategy, including the **maib**'s risk appetite and its risk management framework;
- maintaining an adequate and effective internal governance and internal control framework that includes a clear organisational structure and well-functioning independent internal risk management, compliance and audit functions that have sufficient authority, stature and **maib**'s resources to perform their functions.

### Asset and Liability Management Committee (ALCO)

ALCO is a risk management body that proposes policies and guidelines with respect to capital adequacy, market risks and respective limits, funding liquidity risk and respective limits, interest rate and prepayment risks and respective limits, money market general terms. Specifically, ALCO:

- assists the Management Board in monitoring the bank's level of liquidity risk exposure;
- plans the structure of the Bank's assets and liabilities and submits proposals on methods for optimising their structure;
- issues recommendations regarding the establishment, increase/decrease, termination/restoration of internal liquidity limits;
- issues recommendations on appropriate methodologies, models and limits for assessing and managing liquidity risk;
- issues recommendations on stress-scenario models for liquidity risk, based on market developments, accomplishment of the bank's strategic tasks and the bank's risk appetite;
- reviews the bank's liquidity risk reports and sets recommendations for the necessary measures to be taken;
- recommends ranges of interest rates for different maturities at which the Bank may place its liquid assets and attract funding.

ALCO is chaired by the bank's CEO and meets at any time deemed necessary, with decisions made by a majority vote of its members.

The **Credit Risk Management Department** manages credit risks with respect to particular borrowers and assesses their eligibility for loans, ensuring compliance with the bank's Credit Policies and specific product requirements.

The **Strategic Credit Risk Management Department** manages and assesses credit risk with respect to the overall loan portfolio and is responsible for providing recommendations on the improvement of loan portfolio quality to minimise credit losses. It develops the bank's portfolio quality control models/methods and ensures compliance with the bank's Credit Policies and established limits.

The **Operational & Financial Risk Management Department** identifies and assesses operational, market and liquidity risks within the bank. It also detects critical risk areas or groups of operations with an increased risk level and develops internal control procedures to address these risks, through (among other things) business-process redesign schemes, including document circulation, information streams, distribution of functions, permissions and responsibility.

The **Treasury Department** manages foreign currency exchange, money market and securities portfolio, and monitors compliance with the limits set by the ALCO for these operations. The Treasury Department is also responsible for management of short-term liquidity and treasury cash flow.

The **Legal Department** monitors all changes in relevant laws and regulations and ensures that those changes are properly reflected in the bank's procedures, instructions, manuals, templates and other relevant documentation.




Each of these departments has policies and/


or procedures in place that are approved by the bank's Management Board and/or the Supervisory Board (as required). The manuals and policies include comprehensive guidance for each stage of a transaction, including, but not limited to functions involved, their responsibilities & power of authority, the operational flow and reporting requirements



## Risk & Compliance Division

### Main responsibilities

	Key Responsibilities	Main functions
 <p><b>Credit Risk Management Department</b></p>	<p>Manages credit risks with respect to particular borrowers and assesses their eligibility to loans, ensuring compliance with the Bank's Credit Policies and specific product requirements.</p>	<ul style="list-style-type: none"> <li>• Underwriting retail (only exceptions)</li> <li>• Underwriting SME &amp; Corporate</li> <li>• Credit Control</li> </ul>
 <p><b>Credit Risk Strategic Management Department</b></p>	<p>Manages and assesses credit risk to the overall loan portfolio;</p> <p>Provides recommendations on the improvement of loan portfolio quality to minimize credit losses;</p> <p>Develops the Bank's portfolio quality control models/methods and ensures compliance with the Bank's Credit Policies and established limits.</p>	<ul style="list-style-type: none"> <li>• Portfolio management, including reporting.</li> <li>• Credit Policies</li> <li>• Modelling</li> <li>• Risks DataMart</li> </ul>
 <p><b>Collateral Valuation and Monitoring Division</b></p>	<p>Manages and assesses credit risk with respect to the collateral, establish through internal regulations the eligibility criteria of pledges in order to guarantee credit exposures of Corporate, Business Banking and Retail customers</p>	<ul style="list-style-type: none"> <li>• Collateral management: appraisal and valuation</li> </ul>

	Key Responsibilities	Main functions
 <b>Operational and Financial Risk Management Department</b>	<p>Identifies and assesses operational, market &amp; liquidity risks exposures of the Bank. It also detects critical risk areas or groups of operations with an increased risk level and develops internal control procedures to address these risks, through (among other things) business-process redesign schemes, including document circulation, information streams, distribution of functions, permissions and responsibility/</p>	<ul style="list-style-type: none"> <li>• Management of financial risks (IRR, FX Risk, Liquidity Risk, Counterparty risk) and operational risks, including external fraud</li> </ul>
 <b>Compliance Department</b>	<p>Management of the Bank exposure to Compliance risk</p>	<ul style="list-style-type: none"> <li>• Prevention of money laundering</li> <li>• Internal fraud</li> <li>• Conflict of interests</li> <li>• Code of Ethics</li> <li>• Whistleblowing</li> <li>• Compliance review of new products.</li> </ul>
 <b>Legal Division</b>		<ul style="list-style-type: none"> <li>• Support on credit activity for each business line (loans agreements, legal documents, collateral agreements , review of products, etc.)</li> <li>• General legal support</li> </ul>
 <b>IT Security Divison</b>	<p>Manages bank's exposure to IT security risk including cybersecurity risk</p>	<ul style="list-style-type: none"> <li>• IT security Policy and Data protection</li> <li>• Incidents management</li> <li>• Vulnerabilities management</li> <li>• Business Continuity Plan</li> <li>• Access control management ( access of employees to systems, application, etc.)</li> </ul>
 <b>Internal Control Division</b>		<ul style="list-style-type: none"> <li>• Management of financial risks ( IRR, FX Risk, Liquidity Risk, Counterparty risk) and operational risks, including external fraud</li> </ul>

## Risk measurement and reporting

The Bank measures risk using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on different forecasting models. These models use probabilities derived from historical experience, adjusted from time to time to reflect the economic environment. The Bank also models scenarios simulating the impact of extreme events. Monitoring and controlling of risks are primarily performed based on limits established by the Bank. These limits reflect the business strategy and market environment of the Bank, as well as the level of risk that it is willing to accept, with additional emphasis on selected industries.

The Bank maintains a management reporting system. On a monthly basis, short reports are produced, including details on compliance to

risk limits and evolution of main risk indicators. This information is presented and explained to the Management Board and the head of each business division. The report includes aggregate credit exposure, liquidity ratios and risk profile changes. The Bank's Management Committee assesses the appropriateness of the allowance for credit losses on a monthly basis.

The Management Board and the Supervisory Board receive a comprehensive risk report once a quarter, which is designed to provide all the necessary information to assess and draw conclusions on the Bank's risk exposure.

Specifically-tailored risk reports are prepared and distributed to all levels throughout the Bank in order to ensure that all business divisions have access to extensive, relevant and up-to-date information. A daily briefing is given to the Bank's Management Board and all other relevant employees of the Bank on the compliance to limits, evolution of liquidity, as well as any other risk developments.





# principal risks and uncertainties

## Credit risk

**Definition:** Credit risk is the risk that a borrower or counterparty will be unable to pay amounts in full or in part when due. Credit risk arises mainly in the context of the Bank's lending activities.

**Mitigation:** The general principles of the Bank's credit policy are outlined in the Credit Policies. The Credit Policies also outline credit risk control and monitoring procedures and the Bank's credit risk management systems. The Credit Policies are reviewed annually or more frequently, if necessary. As a result of these reviews, new borrower acceptance criteria and monitoring tools are introduced. The Bank also uses the IFRS and NBM's provisioning methodology in order to comply with regulatory requirements.

The Bank manages its credit risk by placing limits on the amount of risk accepted with respect to individual corporate borrowers or groups of related borrowers, operations and by complying with the exposure limits established by the NBM. The Bank also mitigates its credit risk by obtaining collateral, with a high focus on buildings and equipment.

The Bank's credit quality review process provides early identification of possible changes in the creditworthiness of counterparties, including collateral monitoring and revaluations.

## Loan approval procedures

The procedures for approving loans, monitoring loan quality and for extending, refinancing and/or restructuring existing loans are set out in the Bank's normative acts that are approved by the Supervisory Board and/or the Management Committee of the Bank. The power of authority for approving transactions are set in Credit Policies approved by the Supervisory Board.

The Bank evaluates legal entities clients on the basis of their financial condition, credit history, business operations, market position, management, level of shareholder support, proposed business and financing plan and the quality of the collateral offered. The decision for loan approval is based on the credit risk

manager's report.

The loan approval procedures for Retail Banking loans depend on the type of retail lending products. Applications for consumer loans, including credit cards and auto loans up to MDL 200,000 can be approved by the scoring system. Mortgages and transactions with exceptions from standard acceptance criteria are additionally examined by dedicated credit risk managers.

## Collateral

The Bank typically requires credit support or collateral as security for the loans and credit facilities that it grants. The main forms of credit support are guarantees and rights to claim amounts on the borrower's current account with the Bank or other assets. The main forms of collateral for corporate lending are charges over real estate properties, equipment, inventory and trade receivables, and the main form of collateral for retail lending is a mortgage over residential property.

An evaluation report of the proposed collateral is prepared by the Collateral Management team or by the third-party asset appraisal company (in case of real estate). In case of third-party valuation reports, the Bank reviews the applied methodology, and if flaws are identified, discounts the market value and establishes new liquidation value of the collateral.

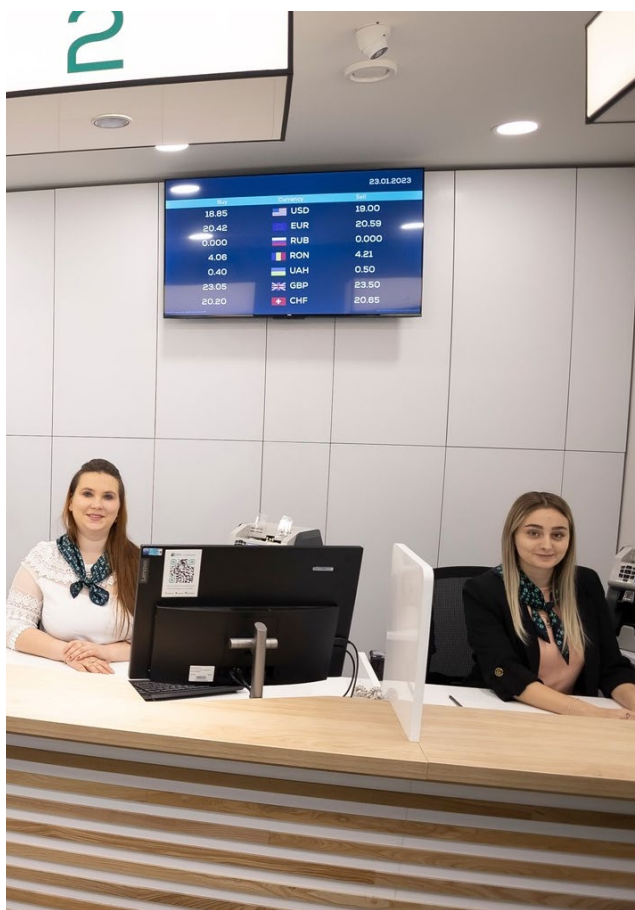
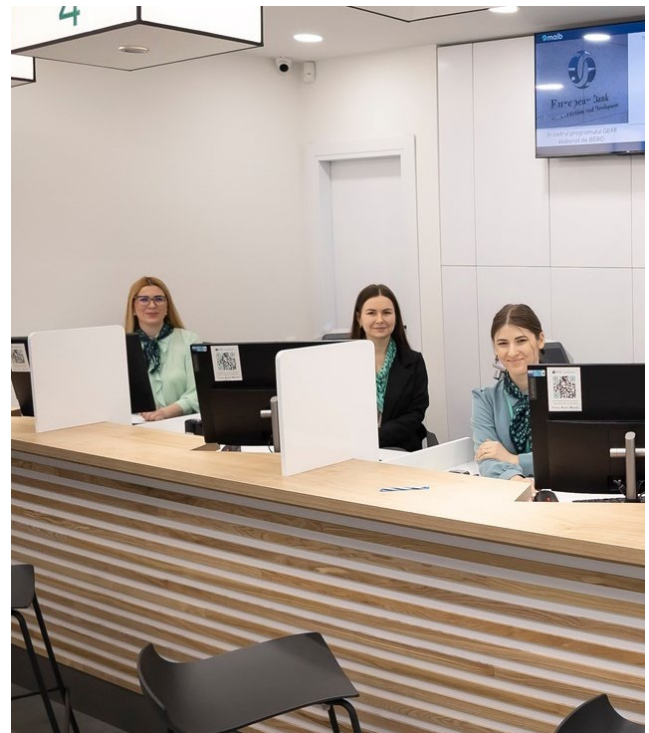
## Measurement

Exposure and limits are subject to annual or more frequent review. The Bank's compliance with credit risk exposure limits is monitored by the Strategic Credit Risk Management Department on a continuous basis. The allowance is based on the ECL associated with the probability of default in the next 12 months, unless there has been a significant increase in credit risk since the loan origination, in which case the allowance is based on the ECL over the life of the asset. The allowance for credit losses is based on forward-looking information, which takes into consideration past events, current conditions and forecasts of future economic conditions.

The Bank establishes the ECL of financial assets on a collective basis and on an individual basis when a financial asset or group of financial assets is impaired. The Bank creates the ECL by reference to the particular borrower's financial condition, the number of days the relevant loan is overdue, changes in credit risk since loan origination, any forecasts for adverse changes in commercial, financial or economic conditions affecting the creditworthiness of the borrower and other qualitative indicators.

Under the Bank's internal loan loss allowance methodology, which is based upon IFRS requirements, the Bank categorises its loan portfolio based on client segment, and products (in the case of Retail).

Individual assessment is mandatory for all defaulted debtors with aggregate exposures over MDL 10 million.



### Liquidity risk

**Definition:** Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with financial liabilities.

**Monitoring:** The Bank's liquidity risk management system foresees liquidity management in accordance with regulatory requirements ensuring systematic monitoring and analysis of risk factors regarding current and long-term liquidity. In order to manage liquidity risk, the Treasury Department performs daily monitoring of future expected cash flows on customers and banking operations, which is a part of the assets/liabilities management process. The Financial and Operational Risk Management Department is responsible for monitoring and evaluating the Bank's exposure to liquidity risk as well as the compliance with the approved risk appetite.

The liquidity risk management framework models the ability of the Bank to meet its payment obligations under both normal conditions and adverse circumstances. In 2022, the liquidity management framework was

successfully reviewed and improved during the first ILAAP process. The liquidity management framework is reviewed periodically to ensure it is appropriate to the Bank's strategy. Such review encompasses the funding scenarios, wholesale funding capacity, limit determination and minimum holdings of liquid assets. The liquidity framework is reviewed by the Risk Committee prior to approval by the Bank's Management Board.

**Mitigation:** The Bank's capability to discharge its liabilities is dependent on its ability to realise an equivalent amount of assets within the same period of time. The Bank maintains the excess of liquidity in the portfolio of government securities and short-term interbank investments that can be easily converted into cash. It also has committed credit lines that it can access to meet its liquidity needs. Such credit lines are available through the NBM's refinancing facility. In addition, the Bank maintains a significant amount of high liquid assets in cash deposits (mandatory reserve) with the NBM, the amount of which depends on the level of customer funds attracted. As of 31 December 2022, in line with the NBM's requirements, 37% of customer deposits in local currencies and 45% foreign currencies were set aside as reserves.

**Funding:** The Bank maintains a stable funding base comprising of short-term sources of funding (including Retail Banking, Business Banking and Corporate Investment Banking customer deposits, inter-bank borrowings and borrowings from the NBM) and longer-term sources of funding from International Financial Institutions (EBRD, IFC, EIB).

As of 31 December 2022, as of funding sources, the Bank's clients' deposits were 86.2%, borrowings – 9.7%, subordinated debt – 1.4%. In regards of the main resources – bank's clients' deposits – in accordance with national legislation, the Bank is obliged to repay such deposits upon demand of a depositor – in the case of early withdrawal, the interest on the deposit being foregone or reduced.

### Interest rate risk (IRRBB)

IRRBB risk exposure arises from mismatches of maturity and currencies between the assets and liabilities, all of which are exposed to market fluctuations.

Interest rate risk

**Definition:** IRRBB risk is the current or prospective risk to capital and earnings arising from movements in interest rates, which affect banking book exposures.

**Mitigation:** The Bank treats IRRBB as a significant risk and ensures a proper assessment, monitoring, and control in order to limit potential losses caused by adverse interest rate fluctuations so that such losses do not threaten the Bank's profitability, own funds or operational safety.

The Bank manages the exposure to IRRBB through the analysis of sensitive assets and liabilities within the interest rate review gap and through a system of limits and risk parameters approved by the Bank's Board. The Bank quantifies its exposure to interest rate risk in the banking portfolio in terms of affecting its economic value ("EVE") and net interest income ("NII") as a result of applying the shocks to changes in interest rates on the yield curve.

Estimating the sensitivity of the economic value of assets and liabilities outside the non-trading portfolio is calculated by comparing their present value to the value obtained as a result of the application of the interest rate curve to each pre-defined stress scenario. This responsibility of analysing and monitoring the IRRBB risk exposure is assigned to the Financial and Operational Risk Management Department.

Regular reporting on IRRBB risk is performed and submitted to the ALCO, Management Board, Risk Committee and Supervisory Board.

### Market Risk (FX Risk)

**Definition:** Currency risk is the risk of potential losses arising from foreign asset and liability positions that are denominated in currencies other than domestic currency and are exposed to foreign exchange volatility.

**Mitigation:** The primary objective for managing currency risk is to maintain the balanced structure of foreign assets and liabilities, which will eliminate the effects of fluctuations in exchange rates.

The Bank measures the currency risk through a regulatory-defined risk approach based the

open currency positions – as well as internally-developed key risk metrics based on VAR methodology – by identifying and applying an internal system set of indicators and limits. Through the year, the Bank performs several types of stress scenarios applied to exchange rates in order to evaluate the potential effect of extreme market events on earnings and capital.

### Operational risk

**Definition:** Operational risk is the risk of loss arising from systems failure, human error, fraud or external events.

**Mitigation:** The Bank is aware of the importance of managing the operational risk arising from its business activities as well as of the need to hold an adequate level of capital to absorb the potential losses associated with this type of risk. The Bank has an operational risk management framework that includes policies and processes for identifying, measuring/evaluating, analysing, managing and controlling operational risk, which are adjusted periodically according to the changes in the risk profile.

For more efficient management, the Bank uses procedures and support processes in operational risk management, namely:

- risk analysis and assessment of new products and activities;
- compliance procedures and related risk management;
- management of the outsourcing process, regulated by internal policies covering the outsourcing of the Bank's activities and operations;
- Business Continuity Management Plan characterised by maintaining and updating the business continuity plan;
- Information and communication technology risk management procedures.

The Operational and Financial Risk Management Department is responsible for development of policies, processes and procedures for managing operational risks in all products, activities, processes and systems, consistently implementing an operational risk framework throughout the Bank. The department is

responsible for the identification and assessment of operational risks, detecting critical risk areas and operations with an increased risk level, developing escalation processes, considering business recommendations and mitigation action plans.

To ensure that adequate risk management competency levels are achieved and maintained, the Bank provides regular staff education and training courses as part of the risk management process.

### Compliance risk

**Definition:** Subcategory of operational risk that refers to the current or future risk of damage to profits and capital that may result in fines, damages and/or termination of contracts, or that may damage the Bank's reputation as a result of violations or non-compliance with regulations, agreements, recommended practices or ethical standards

**Mitigation:** Compliance risk mitigation involves developing an internal regulatory framework necessary for the prevention and early identification of fraud, conflict of interest situations or abuse by bank employees. By examining the complaints received from employees, more vulnerable and at-risk processes and business segments are identified.

### Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) and Sanctions Compliance

The Bank's Compliance Department is responsible for the implementation of the Bank's internal program in the field of AML/CTF (including the development of AML/CTF policies and procedures, transaction monitoring and reporting, and employees' training) throughout the Bank and its branches. The AML/CTF internal program is based on the applicable legislation and the highest international standards, including FATF, Basel, EBA and Wolfsberg Group documents.

The Bank has adopted a risk-based approach within the AML/CTF process, which is developed

through the general AML/CTF policy, customer acceptance policies and international financial sanctions compliance policies. The risk-based approach implies determining of risk categories (products and services, distribution channels, customers, jurisdictions) and the factors that give rise to increased risks, the mitigation measures being applied proportional to the identified risks.


In order to identify suspicious transactions, the Bank's Compliance Department has implemented a centralised solution that links transactions, accounts and customers so that to be possible to see the enterprise-wide risk associated with each customer. The Bank is obliged to inform the Office for Prevention and Fight Against Money Laundering of Moldova on the transactions that fall under the legislation. These reports are currently filed out in electronic form in an offline mode by the Compliance Department. The reporting process is fully automated and is supported by a special

software application. Furthermore, the Bank operates specialized AML/CTF software, which meets industry requirements. The software allows fully automated transactions' monitoring and their screening against sanctions list, adopted by OFAC, EU and UN.

### Identifying, prioritising and managing maib's risks to support maib's goals and strategic objectives

We outline the principal risks and uncertainties that are most likely to have an impact on **maib's** strategic objectives, business model, operations, future performance, solvency and liquidity. These principal risks are described in the following table, together with the relevant strategic business objectives, key drivers/trends and material controls that have been put in place to mitigate the risks as well as the mitigation actions we have taken.

## Macroeconomic environment

Principal risk/uncertainty	Severe economic shock
 <p data-bbox="252 1675 430 1733">Key drivers/ trends</p>	<p data-bbox="604 1106 938 1133">Severe economic shock</p> <p data-bbox="604 1182 1445 1420">The economy contracted sharply in the second half of 2022 and will only emerge slowly from recession in 2023. Eroding real incomes, falling private consumption and declining investment are all consequences of the power shortage and the surging prices of energy and food. The government has passed the elevated cost of energy onto households, though it has provided some compensation to those in greatest need.</p> <p data-bbox="604 1442 1445 1541">Instead of the pre-war forecast growth rate of 4.5%, at the end of 2022, the Moldovan economy is expected to decline by 1.5 percent and to grow by 1.6 percent in 2023.</p> <p data-bbox="604 1563 1445 1626">Record high inflation; in December inflation rate reached 30.2% yoy (highest value being reported in August 34.2%).</p> <p data-bbox="604 1648 1445 1711">Slight depreciation of MDL against US dollar of 8.9% since beginning of the year.</p> <p data-bbox="604 1733 1445 1832">Agriculture as sector accounts for ca. 10% of GDP, 22% of employment and 45-50% of exports had a low production for 2022 due to lack of rainfall.</p> <p data-bbox="604 1854 1445 2056">The decrease in purchasing power as well as the energy crisis in the second half of the year also left its mark on the real estate market and long-term investments: there is a stagnation of prices, decreases in the volume of sales and works. New real estate projects have fallen sharply (50% drop). Next year the real estate market risks being in an equally bad situation.</p>



### Mitigation

In order to mitigate the increase in credit risk created by this downturn the bank ensured continuous review of:

- lending flow with migration from manual to automated controls
- creditworthiness assessment procedures including but not limited to: DSTI & LTV limits, loan amount & term, new scoring models;
- standardize the collateral valuation process and establish requirements for a externally prepared valuation reports;
- cease the lending of certain group of clients (eg: newly founded entities);
- increase collateral requirements with focus on mortgages and equipment, and decrease the share of inventories;
- ECL & provisioning policy with integration of multifactorial models in order to ensure integration of forward looking indicators as good as possible into ECL estimation;
- Improvement of EWS signals and monitoring of clients with high dependency on energy resources (gas, electricity) or with business partnerships with Russian Federation, Belarus or Ukraine.

## Increased outflow of deposits

### Principal risk/uncertainty



### Key drivers/ trends

Unexpected, rapid withdrawal of deposits by its customers in large volumes.

Regional instability might generate a lower conversion rate for deposits reaching maturity, especially on the Retail segment, which might prefer the conversion from MDL to EUR/USD and maintain the legally-allowed cash on-hand at Customs domestically.

At the same time, people with dual citizenship (Moldavian and Romanian) might transfer some of the foreign currency amounts to foreign banks.



### Mitigation

The Bank has developed a model based on the Basel III liquidity guidelines and ensures that the funding framework is sufficiently flexible to secure liquidity under a wide range of market conditions. Among other things, the Bank maintains a diverse funding base consisting of short-term sources of funding (including Retail Banking and Corporate Investment Banking customer deposits, inter-bank borrowings and borrowings from the NBM) and longer-term sources of funding from the International Financial Institution.

# Market movements of interest and currency rates

## Principal risk/uncertainty



### Key drivers/ trends



### Mitigation

Date and maturity mismatch for interest rate change for loans and deposits.

The inflation rate will drive individuals to hold most of their savings in EUR/USD.

The full switch to an index+margin interest rate is not yet fully present in the loan portfolio, and at the same time for already-switched loans, there is a mismatch between the date for the interest change for loans when compared to an existing deposit portfolio that has a fixed interest rate for certain promotional periods. As a result, in case of a significant turnover in market conditions, interest margins on assets and liabilities having different maturities may increase or decrease.

At the same time, as inflation and uncertainties in the European zone and Moldova continue to increase, with lower-than-initially-forecasted GDP growth, there is a risk that internally there will be a stronger demand on EUR/USD with increasing volumes of liabilities (accounts/deposits of Retail clients) in FCY, which will not be easily compensated on assets (loans) due regulatory requirements on FCY lending.

To ensure effective monitoring of the currency risk and increase the Bank's protection against a possible adverse evolution of the risk factors, the Bank analyzes the sensitivity of its opened currency positions (OCP) to the volatility of the exchange rates. Overall, during 2022 the Bank maintained an average level of OCP of 2.27% of Own Funds (OF). Preponderance average level OCP was below 2%, which is considered as a low risk level.

The Bank manages the exposure to the IRRBB through the analysis of sensitive assets and liabilities within the interest rate review gap and through a system of limits and risk parameters approved by the Bank's Board within the internal regulations. The monitoring of the exposure to the interest rate risk of the banking portfolio and compliance with internal limits is performed at least once a month. As for now, the Bank has a positive interest rate risk gap value and a favourable position in the context of a higher tempo of increasing loan interest rates on the market.

## Information systems and financial crime

### Principal risk/uncertainty



#### Key drivers/ trends



#### Mitigation

Cyber-security breaches, unauthorised access to maib's systems

Economy digitalisation, human error - including careless or negligent behaviour, such as using weak passwords, clicking on phishing emails, or falling for social engineering scams, vulnerabilities in software and hardware, advanced persistent threats (APTs), proliferation of connected devices and the Internet of Things (IoT) can create new attack surfaces and increase the potential impact of cyberattacks.

To mitigate cybersecurity risk, **maib** implements robust cybersecurity controls, including multifactor authentication, intrusion detection and prevention, and encryption. Regular cybersecurity training for employees is ensured. The bank conduct regular cybersecurity assessments and penetration testing to identify and address vulnerabilities with the assistance of external consultants. It ensures the usage of sophisticated anti-virus protection and firewalls to help protect against potentially malicious software and block attempts of unauthorised access to **maib**'s IT infrastructure.

Every year, the Business Continuity Plan is tested and includes internal and external penetration testing as well as back-up disaster recovery. Based on the results, improvement measures have been taken.

The Bank implemented "Privileged Access Monitoring" for employees with the highest privileged access to confidential and customer data, conducts regular software updates and patches to fix vulnerabilities and improve system security, backs up important data and storing it securely to ensure data can be restored in case of a security incident

The implementation of an advanced Fraud Management System is ongoing.



# going concern and viability statements

## Going concern statement

After making inquiries, the Management Board confirms that they have a reasonable expectation that **maib** has adequate resource to continue in operational existence for 12 months from the date the financial statements are authorised for issue. Therefore, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the accompanying financial statements.

## Viability statement

In order to consider the Bank's viability, the Board considered a number of key factors, including:

- the Bank's financial and operational position, including capital allocation and other key financial ratios;
- the Board's risk appetite;
- the Bank's business model and strategy;
- the principal risks and uncertainties;
- the effectiveness of **maib**'s risk management framework and internal control processes.

The key factors above have been reviewed in the context of **maib**'s current position and strategic plan, financial budgets and forecasts. The viability assessment involved a risk identification process, which included recognition of the principal risks to viability (risks that could impair the Bank's business model, future performance, solvency or liquidity), excluding risks not sufficiently severe over the assessment period.

For those risks considered sufficiently severe to affect **maib**'s viability, we performed stress

testing for the assessment period, which involved modelling the impact of a combination of severe and plausible adverse scenarios in **maib**'s ICAAP process.

The Bank has examined, among others, the following stress scenarios over the assessment period:

- significant decrease of GDP;
- decrease of house price index;
- depreciation of MDL.

The stress testing also took into account the availability and likely effectiveness of mitigating actions that could be taken to avoid or reduce the impact or occurrence of the identified underlying risks to which the Bank is exposed, such as a decline in lending activity and reduction of operating expenses. It also took into account the assumption that the Bank will be able to prolong or refinance existing borrowings, or increase the financing from international finance institutions, on terms similar to existing ones.

The Management Board members have also satisfied themselves that they have the evidence necessary to support the statement in terms of the effectiveness of the Bank's risk management framework and internal control processes in place to mitigate risk.

Based on the analysis described above, the Management Board confirms that they have a reasonable expectation that the Bank will be able to continue operations and meet its liabilities as they fall due during the examined time span.

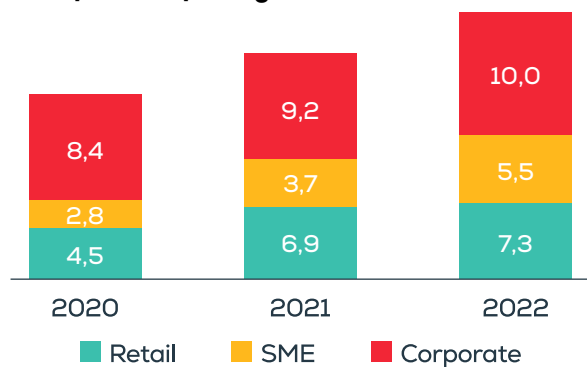


## select financial information

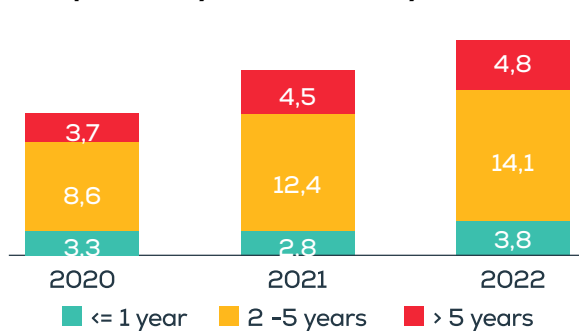
	2020	2021	2022
<b>NIM</b>	3.8%	4.1%	5.7%
<b>Yields on interest earning assets</b>	5.1%	5.2%	8.2%
<b>Yields on loans</b>	8.0%	8.1%	9.7%
<b>Yields on securities</b>	4.4%	5.2%	8.7%
<b>Cost of funding</b>	1.6%	1.3%	2.8%
<b>Cost of deposits</b>	1.6%	1.1%	1.8%
<b>Cost of retail deposits</b>	1.9%	1.5%	2.2%
<b>Cost of corporate deposits</b>	1.2%	0.5%	1.7%
<b>Cost of SME deposits</b>	0.6%	0.3%	0.5%
<b>Cost Income Ratio</b>	54.9%	55.0%	45.4%
<b>Cost per Assets</b>	3.4%	3.4%	3.5%
<b>RWA, M MDL</b>	17,964	21,287	24,388
<b>Own funds, M MDL</b>	3,511	4,472	5,418
<b>Tier 1</b>	19.5%	19.6%	20.2%
<b>CAR</b>	19.5%	21.0%	22.2%
<b>LCR</b>	242.3%	281.2%	378.3%
<b>Current liquidity</b>	43.7%	44.3%	43.3%
<b>Fee and commission income, M MDL</b>			
Net fee and commission income from card transactions	89,258	105,029	109,320
Other net F&C income	210,120	242,539	261,455
<b>Net fee and commission income</b>	<b>299,378</b>	<b>347,568</b>	<b>370,775</b>

Source: maib financial statements

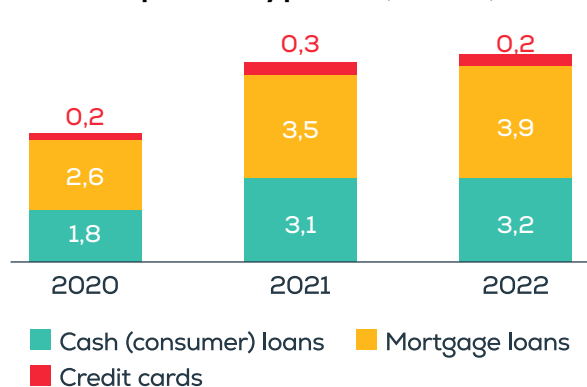
**Loan portfolio per segment (bln MDL)**



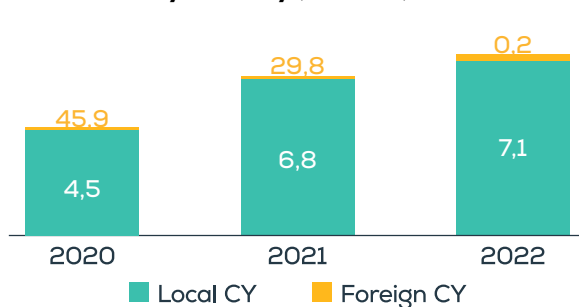
**Loan portfolio by residual maturity (bln MDL)**



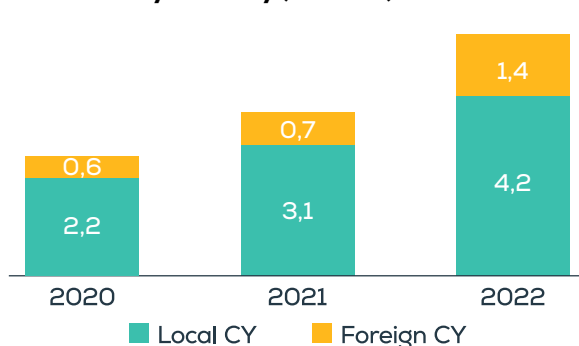
**Retail loan portfolio by product (bln MDL)**



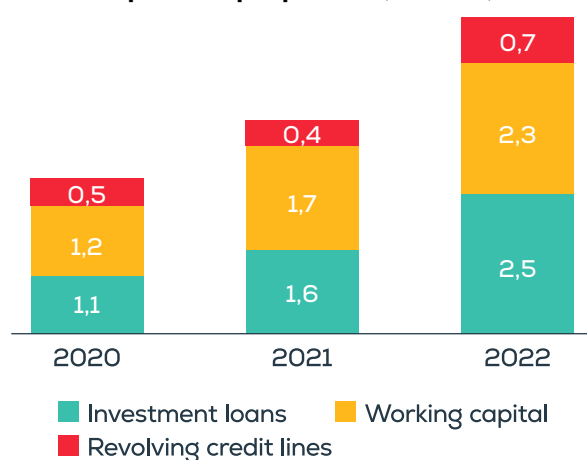
**Retail loans by currency (bln MDL)**



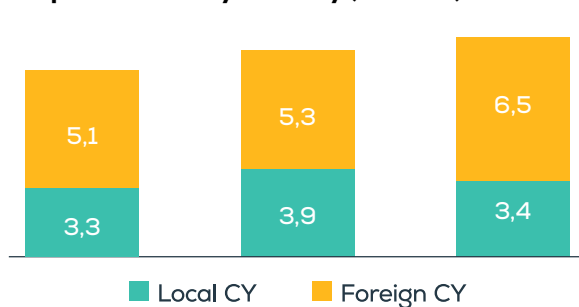
**SME loans by currency (bln MDL)**



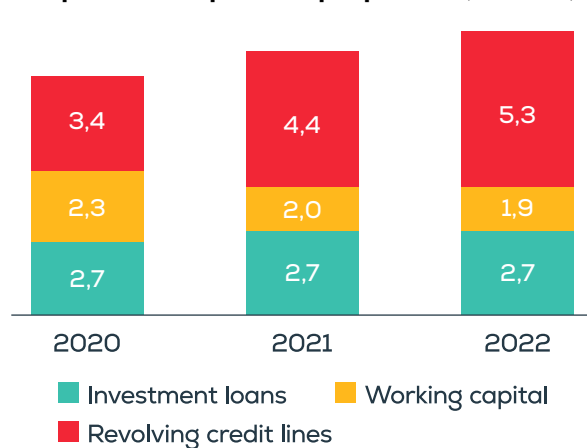
**SME loan portfolio per product (bln MDL)**



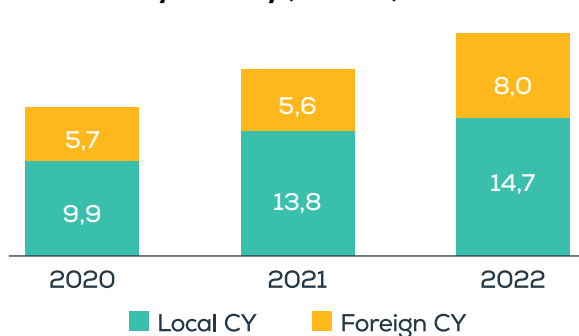
**Corporate loans by currency (bln MDL)**



**Corporate loan portfolio per product (bln MDL)**



**Total loans by currency (bln MDL)**



# glossary

## **Basic earnings per share**

Profit for the year attributable to shareholders of the Group divided by the weighted average number of outstanding ordinary shares over the same year;

## **Book value per share**

Total equity attributable to shareholders of the Group divided by ordinary shares outstanding at year end; net ordinary shares outstanding equals total number of ordinary shares outstanding at year end less number of treasury shares at year end;

## **Constant currency basis**

Changes assuming constant exchange rate;

## **Cost of funds**

Interest expense of the year divided by annual average interest-bearing liabilities;

## **Cost of risk**

Expected loss/ impairment charge for loans to customers and finance lease receivables for the year divided by annual average gross loans to customers;

## **Cost to income ratio**

Operating expenses divided by operating income;

**Gross loans to customers** throughout this Annual Report are presented net of ECL; Gross loans represent IFRS gross exposure, which includes principal and related accrued amounts of interest, commissions and penalties, adjusted with amortized cost.

## **Interest-bearing liabilities**

Amounts owed to credit institutions and international financial organizations, client deposits and notes and lease liabilities

## **Interest earning assets (excluding cash)**

Amounts due from credit institutions, balances with the Central Bank, investment securities (but excluding corporate shares) loans and advances to customers;

## **Leverage (times)**

Total liabilities divided by total equity;

## **Liquid assets**

Cash and cash equivalents, amounts due from credit institutions and investment securities;

## **Liquidity coverage ratio (LCR)**

High-quality liquid assets (as defined by NBM) divided by net cash outflow over the next 30 days;

## **Loan yield**

Interest income from loans to customers divided by annual average gross loans to customers and finance lease receivables;

## **Common Equity Tier I (CET1) capital adequacy ratio**

Common Equity Tier I capital divided by total risk-weighted assets, both calculated in accordance with the requirements of the NBM;

## **Tier I capital adequacy ratio**

Tier I capital divided by total risk-weighted assets, both calculated in accordance with the requirements of the NBM;

## **Total capital adequacy ratio (CAR)**

Total regulatory capital divided by total risk-weighted assets, both calculated in accordance with the requirements of the NBM;

**Net interest margin (NIM)**

Net interest income for the year divided by annual average interest earning assets excluding cash for the same year;

**Net stable funding ratio (NSFR)**

Available amount of stable funding (as defined by NBM) divided by the required amount of stable funding (as defined by NBM);

**Net loans**

In all sections of the Annual Report, except for the consolidated audited financial statements, net loans are defined as gross loans to customers and finance lease receivables less allowance for expected credit loss;

**Non-performing loans (NPLs)**

NPLs are those loans that met one more Group's /Bank's definition of default criteria. These include 90+ overdue days on contractual payments, as well as unlikeliness to pay criteria (e.g. enforcement for debt restructuring, decease, insolvency, internal ratings classification, probability of bankruptcy);

**NPL coverage ratio**

Allowance for expected credit loss of loans to customers and finance lease receivables divided by NPLs;

**NPL coverage ratio adjusted for discounted value of collateral**

Allowance for expected credit loss of loans to customers and finance lease receivables plus discounted value of collateral, divided by NPLs;

**Operating leverage**

Percentage change in operating income less percentage change in operating expenses;

**Return on average total assets (ROA)**

Profit for the year divided by annual average total assets for the same year;

**Return on equity (ROE)**

Profit for the year attributable to shareholders divided by annual average equity attributable to shareholders for the same year;

**Weighted average number of ordinary shares**

Average of daily outstanding number of shares less daily outstanding number of treasury shares;

**Weighted average diluted number of ordinary shares**

weighted average number of ordinary shares plus weighted average dilutive number of shares known to management during the same year;

**NMF**

Not meaningful.

# non-financial statement

## Corporate social responsibility

Corporate Social Responsibility ("CSR") is important in the context of the Group's image and its place as the leading financial institution in the country. Corporate social responsibility at **maib** means adherence to the standards of responsible business, as well as acting positively towards the communities we operate in. Therefore, the Group aims to balance its need to achieve profitability and its impact on the society and community, in order to build a sustainable organization.

## Responsible business practices

The Bank and the Group fully adheres to the legislation of Moldova, including the business standards set by various regulatory bodies. In **maib's** case, the principal regulatory body is the NBM, and **maib** fully adheres to the high level of responsible business practices set by the NBM. **Maib** has in place a Full-scale compliance function to ensure that our business practices are fully aligned with existing norms and regulations. In addition, **maib** is undergoes regular and ad hoc inspections by the regulatory bodies.

On top of complying with the legislation and norms, **maib** and the Group set transparency and responsibility as its priorities when dealing with customers. A number of initiatives have been implemented to ensure that our products are fair and transparent. For example, we simplified customer agreements and removed hidden fees on our products to enable the customer to make a clear and education choice. **Maib's** and the Group's conduct has been rewarded by the customer, as evidenced by our market share continued growth over the last few years across all segments. In addition, **maib** received a number of international awards from the leading international industry publications, such as Euromoney, The Banker, Global Banking and Finance Review, EMEA Finance.

## Social responsibility

The basic portfolio of social responsibility projects includes the following sectors: education, culture, sports, environment, health and charity. At the same time, the Group is open to support other areas, the fundamental criterion in their selection being the importance and lasting impact of CSR projects on community development.

- promoting initiatives that support education and networking, supporting startups and the IT sector, projects such as FinTech Moldova, AgTech Accelerator, Rokit Conference;
- supporting sport and the active lifestyle, supporting the National Olympic and Sports Committee, involving employees in various sporting events;
- sponsoring cultural events, such as " O seară în parc ", etc.;
- signing educational partnerships, including with the Academy of Economic Studies of Moldova, which includes conducting public lessons on various topics, book publishing, etc.;
- implementation of environmental protection actions, including by planting the **maib** forest;
- supporting multiple charitable actions, such as those carried out by Hospice Angelus Moldova, Hospices of Hope;
- supporting social initiatives and contributing to the renovation of Grigore Vieru Boulevard in Chisinau;
- providing support and donations to Ukrainian refugees in Moldova, including an MDL 10 million donation in 2022.

## Responsible employer

**Maib** fully adheres to the Moldovan labour regulation. Its HR department is in charge of ensuring full compliance with the law of **maib's** labour practices. In addition, the Human Resources management strategy includes the following priorities:

- Supporting the Group's business strategy by providing the necessary human resources for business continuity and development;

- Continuous promotion of the image of the employer which would contribute to the positioning of the Group as a preferential employer;
- Developing a proactive corporate culture in order to anticipate the needs of the Group by aligning the personal values of each employee with the values of the Group;
- Continuous improvement of the Group's employees and increase of labor productivity;
- Loyalty of the Group's employees, retention, attraction and development of talents; and
- Developing the team spirit and involvement of the Group's employees.

As of December 31, 2022, the total staff of the Bank comprised of 2,812 employees (2,430 full time equivalent), 17 employees were active in **maib leasing**, and the total staff of Moldmediacard was 14 employees.

#### **Anti-corruption and anti-fraud measures**

Both the Bank, as a parent company, and the subsidiary companies apply strict anti-corruption principles, which refer to the fact that employees are prohibited from making and accepting payments, either directly or through third parties, in order to accelerate or influence certain decisions, which could be interpreted as bribery. At the same time, any employee can communicate anonymously, through dedicated channels, about any suspicion regarding the inappropriate activity of other employees. At **maib** Compliance department is in charge of reviewing and investigating any suspected incidents or corruption and fraud.

#### **Respecting the human rights**

Both the Bank, as a parent company, and the subsidiary companies comply

fully with Moldovan legislation including the human rights guaranteed by it. The Group is committed to maintain and improve its internal systems and processes in order to ensure respect for human rights in the operations performed and in the management of human resources. The implemented processes ensure the exclusion of any forms of discrimination in hiring and promotion of employees, and for its employees the following principles of personal and professional behavior are encouraged, such as:

- moral integrity, freedom of thought and expression. The Group also refrains from financing projects that may violate fundamental human rights (for example, refraining from financing the production, procurement and / or sale of arms and drugs, etc.).
- environmental issues.

As a parent entity, the Bank promotes international social and environmental standards both as a resource consumer and as a financial institution. The Group constantly monitors and acts to reduce the consumption of resources with an impact on the environment. It also supports initiatives aimed at educating the population in the field of environmental protection. All projects funded by the Group are subject to a social and environmental assessment to facilitate the decision on whether an activity should be funded and, if so, how social and environmental issues should be addressed in the planning, financing and implementation process of projects. In 2022, the Bank continued to work with EFSE, Green For Growth Fund (GGF) and European Bank for Reconstruction and Development (EBRD), on creating a positive impact on society, supporting sustainable projects and financing the green economy.

Audited financial statements and management report, as required by the Moldovan legislation, can be found at the following address:

[https://www.maib.md/storage/publication/568/Consolidated\\_and\\_separate\\_financial\\_statements\\_and\\_independent\\_auditors\\_report\\_31-12-2022-en-02.pdf](https://www.maib.md/storage/publication/568/Consolidated_and_separate_financial_statements_and_independent_auditors_report_31-12-2022-en-02.pdf)