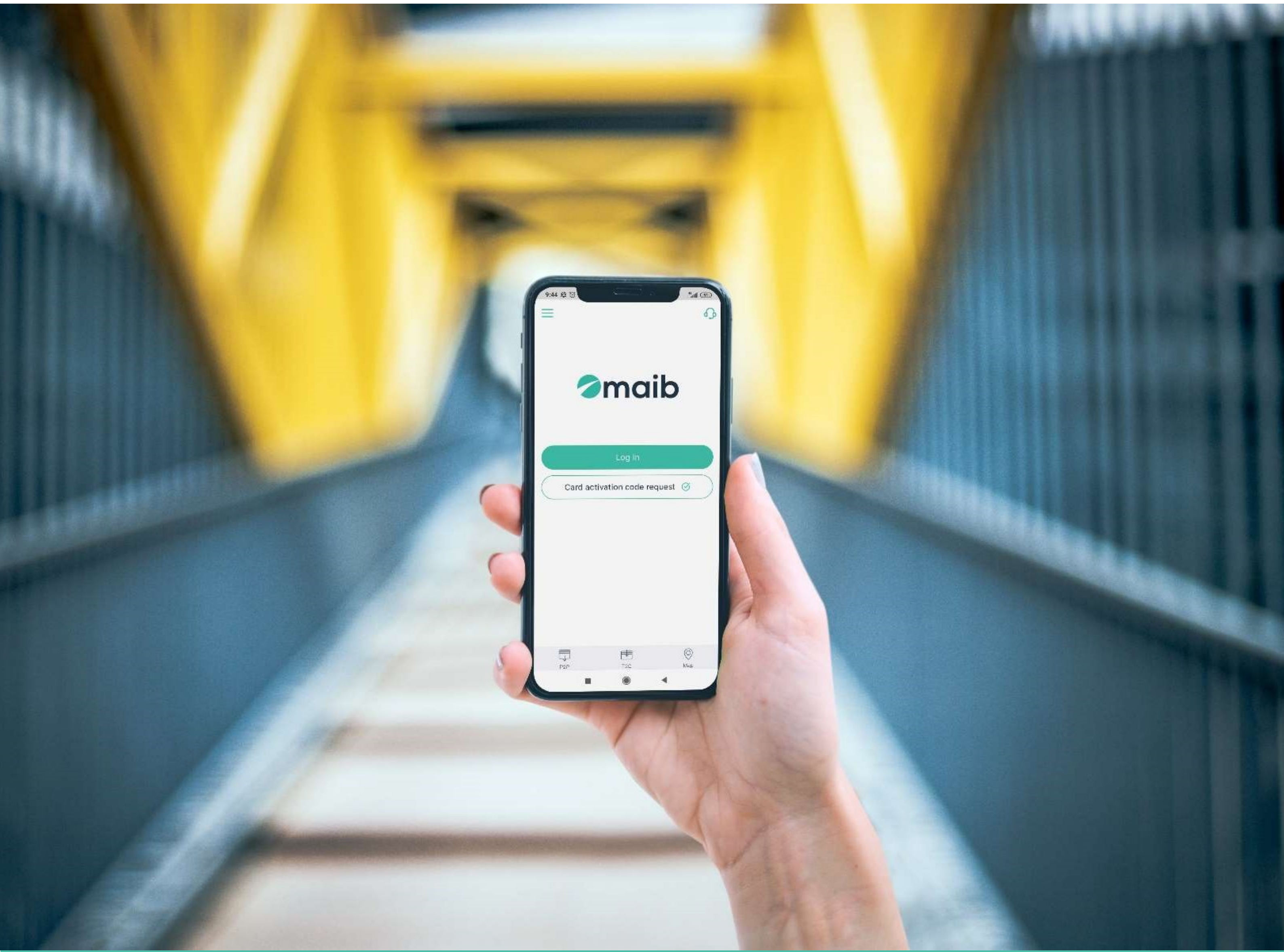
Financial Results
2Q and 1H 2023



2Q and 1H 2023 Financial Results

Content:

maib Report 2Q and 1H 2023

Consolidated Financial Results

2Q 2023 P&L Highlights

- **Net Profit** for 2Q 2023 reached MDL 316.3 million (2Q 2022: MDL 263.6 million), up by 20.0% YoY and down by 7.3% QoQ
- **Return on average equity**[1] (ROE) stood at 17.7% (2Q 2022: 18.0%)
- **ROE before expected credit losses and tax**[1] (ECL) stood at 21.3% (2Q 2022: 26.7%)
- **Return on average assets**[1] (ROA) stood at 3.4% (2Q 2022: 4.0%)
- **Cost to income** stood at 49.6% (2Q 2022: 46.5%)
- **Cost of risk**[1] stood at 0.0% (2Q 2022: 1.5%)
- **Net interest margin**[1] (NIM) stood at 4.99% (2Q 2022: 5.62%)
- Basic **quarterly earnings per share**[4] (EPS) stood at 3.0 MDL (2Q 2022: 2.5 MDL)

1H 2023 P&L Highlights

- **Net Profit** for 1H 2023 reached MDL 657.8 million (1H 2022: MDL 534.9 million), up by 23.0% YoY
- **Return on average equity**[2] (ROE) stood at 19.0% (1H 2022: 22.9%)
- **ROE before expected credit losses and tax**[2] (ECL) stood at 23.3% (1H 2022: 28.1%)
- **Return on average assets**[2] (ROA) stood at 2.9% (1H 2022: 3.4%)
- **Cost to income** stood at 50.7% (1H 2022: 49.7%)
- **Cost of risk**[2] stood at 0.4% (1H 2022: 0.3%)
- **Net interest margin**[2] (NIM) stood at 5.66% (1H 2022: 5.22%)
- Basic **semiannual earnings per share**[4] (EPS) stood at 6.3 MDL (1H 2022: 5.2 MDL)

Balance Sheet Highlights as of 30 June 2023

- Total **assets** amounted to MDL 46,173 million, up by 4.3% QoQ and by 18.2% YoY
- **Loans and advances to customers** (gross) stood at MDL 23,276 million, up by 4.1% QoQ and up by 9.2% YoY
- **Net loans to deposits ratio** stood at 65.7%, down by 0.8 pp QoQ and down by 6.7 pp YoY
- **Non-performing loans** (NPL) were 3.3%, up by 1.0 pp QoQ and up by 0.4 pp YoY
- **NPL coverage** and **ECL coverage ratios** stood at 145.7% and 4.8%, respectively, on 30 June, 2023, compared to 173.6% and 5.0% as of 30 June, 2022
- Total **customers deposits** amounted to MDL 33,711 million, up by 5.5% QoQ and up by 20.5% YoY
- The Bank's **Capital Adequacy Ratio**[3] and Tier 1 capital[3] stood at 23.7% and 21.7%, respectively

Market share as of 30 June 2023:

- Market share of **total assets** - 31.9%, down by 0.4 pp YoY
- Market share of **total loans** - 37.9%, up by 2.4 pp YoY
- Market share of **total deposits** – 31.6%, down by 1.1 pp YoY

1 Based on 2Q-annualized (3 months) financial results
2 Based on cumulative 6M-anualized financial results
3 Capital Adequacy Ratio and Tier 1 capital are presented on the standalone basis (Bank only). There is no requirement to calculate and submit these regulatory indicators on a consolidated basis. The other companies within the Group (subsidiaries of Bank) are non-banks, representing approx. 1% of total equity, 3% of net operating income and 2% of total income of the Group.
4 During 1Q 2023 maib had a 100:1 stock split. Pre-split reported quarterly EPS for 2Q 2022 were MDL 254.0/share. Pre-split reported 6M 2022 EPS were MDL 515.4/share.

Operating highlights

- **MAIBank user** numbers exceed 500 thousands (up by 8% QoQ and up by 41% YoY);
- 68% Monthly Retail Active Users (MAU%);
- 33% of Daily Active Retail Users to Monthly Retail Active Users (DAU/MAU%)
- 59% of number of retail deposits and 45.5% of number of retail loans **originated online** during 2Q 2023;
- 85.5% out off of number of retail transactions with cards are **cashless** in 2Q 2023;
- More than **1 million cards issued** (in circulation) by the end of 2Q 2023, up by 5% QoQ;
- Over 12K new **MAIBank users** connected every month (average 2Q 2023);

Economic and Country Updates

- Economy struggles from the effects of 2022 drought in agriculture. GDP declined by 2.4% in 1Q 2023;
- Projected Moldovan economic growth for 2023 – ranging from 1.8% up to growth by 2.5% (according to projections of IMF, World Bank, Vienna Institute for Economic Studies and local Ministry of Economy);
- [1]Revised Moldovan projected economic growth for 2024 – ranging from 3.5% to 4.3% in 2024 by same range of forecasters;
- The monetary policy easing continued at June 2023 NBM: the base rate was decreased to 6.0% (by 4.0 pp); required reserves ratio maintained at 34% for MDL;
- [2]Inflation declining further: In July 2023 the inflation rate has dropped to 10.8%, a decrease from the 21.9% recorded in March 2023;
- In June 2023 Moldova hosted the second Summit of The European Political Community (EPC) with all head of states present. Moldovan Government hopes to begin Accession Talks by end of 2023.

Additional Information Disclosure

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

- **2Q and 1H 2023 Financial Results**
- **2Q and 1H 2023 Financial Results presentation**

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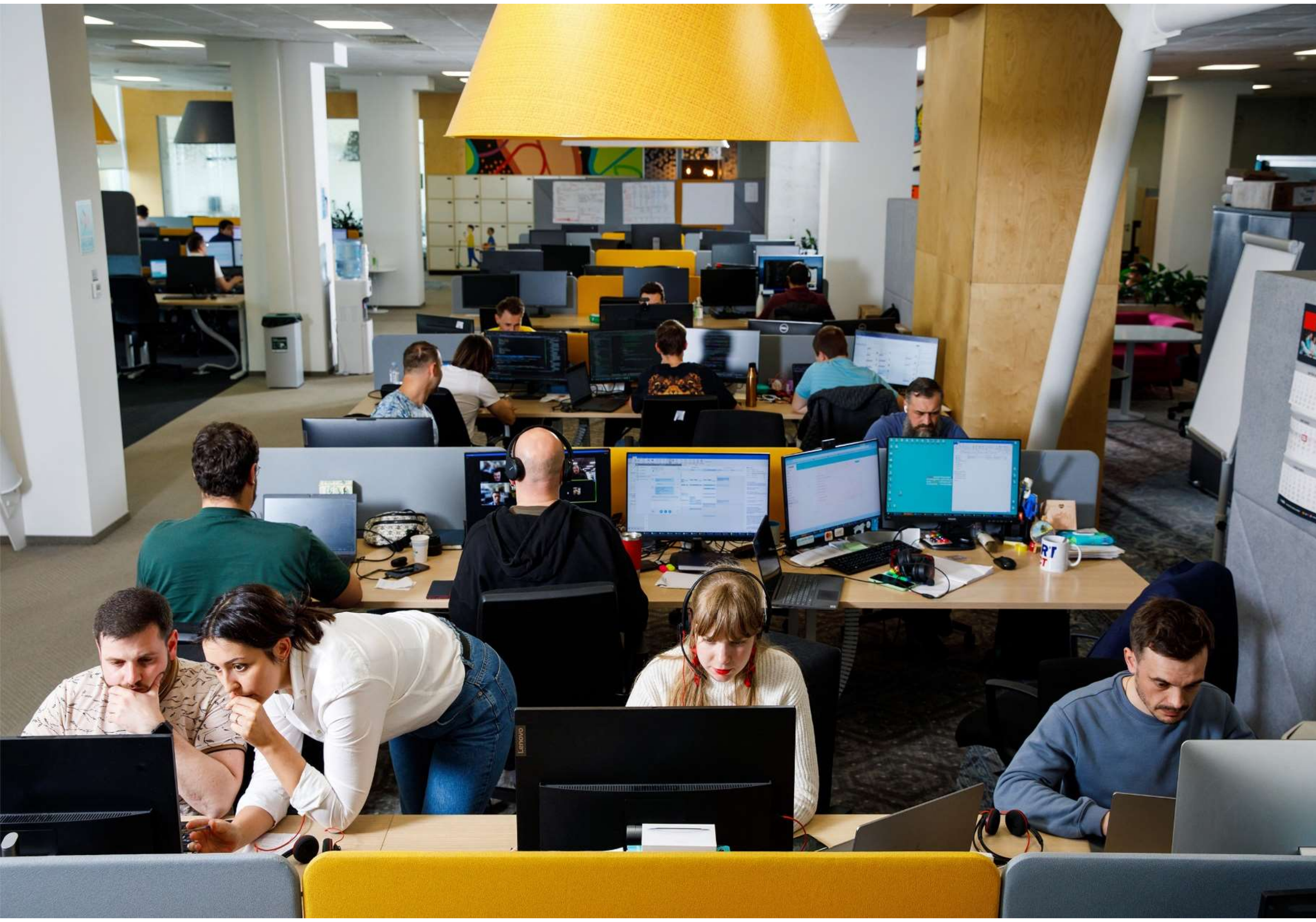


Maib at a glance

Maib is the largest bank in Moldova (by total assets), with total assets of MDL 46.2 billion, representing over 31.9%[1] of market share by total assets as of 30 June 2023. **Maib** is a leader in the Moldovan market by loans, deposits, brand perception and most other key indicators.

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

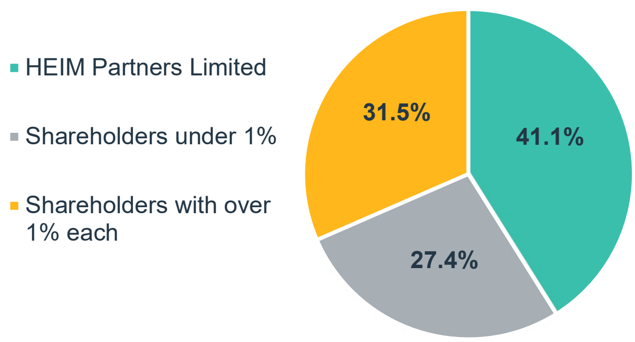
The key areas of operations of **MAIB-Leasing** are leasing of vehicles (over 90% of business activity) and agricultural machinery, as well as other leasing projects. **Moldmediacard's** mission is to design, develop and offer modern and efficient technological solutions in the payments industry. Its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

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

The Bank's gross loan portfolio totaled MDL 23,276 million as of June 30, 2023, out of which 33% is represented by retail clients and 67% across legal entities (40% Corporate and 27% SMEs). Maib loan portfolio covers 37.9%[1] of the market as of 30 June 2023.

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

Maib shareholder structure is as follows:



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

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

In June 2023 maib held its Annual General Shareholders Meeting (AGM). Key decisions taken during the AGM:

- distribution of the Bank's annual profits for 2021-2022, including the annual dividends for the period. Shareholders voted in favor of the proposed divided of MDL 1.91 per share. Total dividend distribution amounted to MDL 198.2 million (this distribution was pre-approved by the NBM);
- adoption of profit distribution policy for 2023, whereby 30% to 50% of the Bank's 2023 profits are allocated to dividend payment subject to approval by the National Bank of Moldova;
- adoption of the share buyback of up to 5% of outstanding share (5,188,170 share) at a fair price. The term of the buyback is up to one year from adoption of the resolution. The buyback is subject to the approval of the National Bank of Moldova.

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

Disclaimer

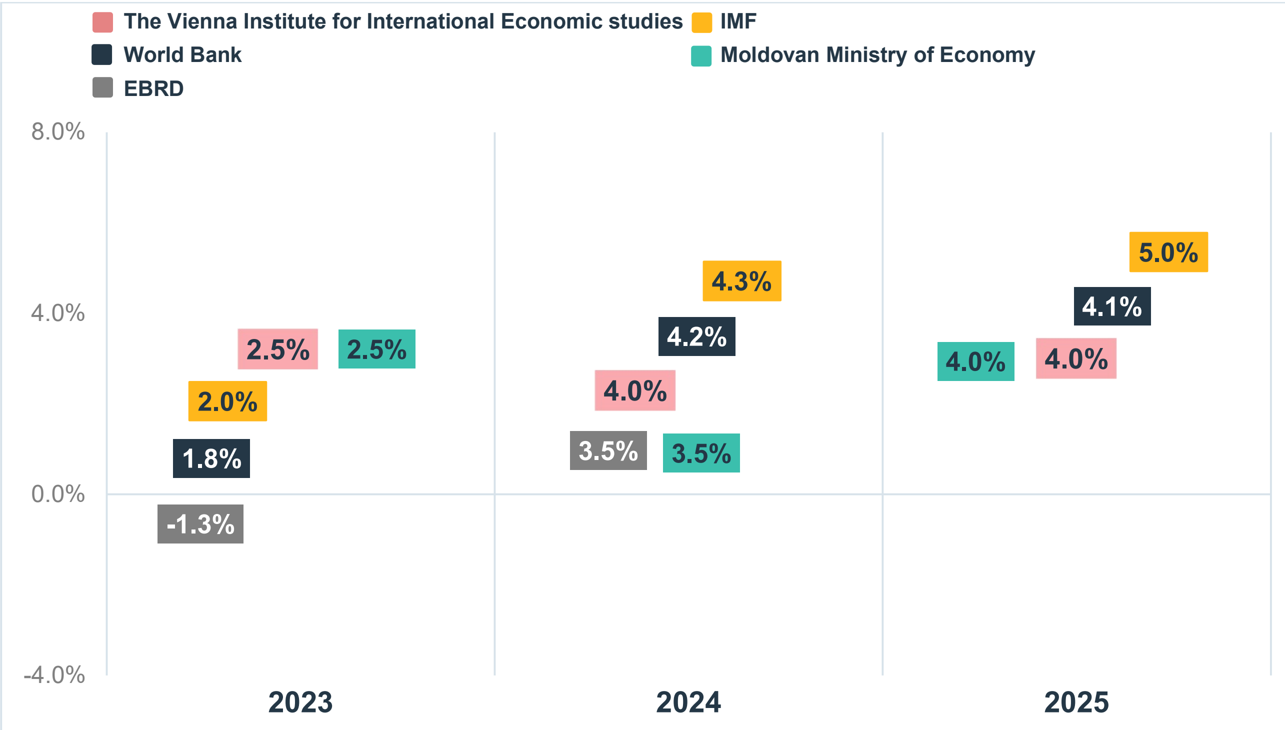
Presented results are based on Group **unaudited consolidated** results of the second quarter (2Q) and first half (1H) of 2023. The balance sheet and income statement within these results are prepared based on International Financial Reporting Standards ("IFRS"), as adopted by IASB. The results are accompanied by limited disclosure notes, including financial and non-financial information. For comparison of quarterly results, consolidated results from the first quarter of 2023 and the second quarter of 2022 are used. For comparison of semiannual results, consolidated results of the first half of 2022 are used.

Economic outlook

Economy struggles but end-of-the year recovery expected

The war in Ukraine, alongside the energy crisis, high inflation and 2022 drought in agriculture continued to negatively affect the Moldovan economy in 2023. Severe drought experienced in the summer of 2022 Moldova followed by a decline in agricultural production and sales. As a result, Moldovan economy has seen a decline of 5.9%1 in real terms in 2022 and continued to experience a decline of 2.4% in 1Q 2023. As per the forecasts of the Ministry of Economy and a range of international financial institutions, the Moldovan economy is widely expected to recover at the end of 2023. According to most major international forecasters the economy is going to grow in 2023 between 1.8 and 2.5 percent in real terms. Recovery is widely expected to continue in 2024 according to the same range of forecasters.

Estimated 2023 - 2025 latest forecasts[2]:



In the first quarter of 2023, Moldova's economy experienced a decline of 2.4% on a year-over-year basis. This was preceded by a substantial contraction of 10.6% in the fourth quarter of 2022. Household spending saw a reduction of 2.6%, while gross capital formation contracted by 0.4% year over year. On a quarterly basis adjusted for seasonal variations, the Moldovan economy grew by 1.1% in 1Q 2023. The economic data for Q2 2023 has not been available at the time of writing of this report.

Overview of key sectors of the economy[1]

In the first 5 months of 2023, the industrial sector decreased by 6.4% year-on-year. The manufacturing industry was the most affected by the conflict in the region. It declined by 7.9% year over year. The energy sector also declined by 0.9%, as households and industrial consumers cut the usage of energy due to high energy prices. Extractive industry also saw a major decline of 10.9%, prompted by the decrease in demand from construction.

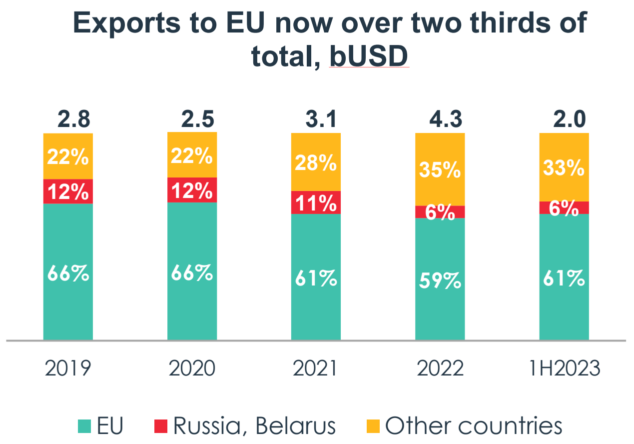
Overall agricultural production in the first half of 2023 amounted to MDL 6.4 billion and was lower than in the same period in 2022 by 1% in real terms. The decrease in agricultural production was caused by the falling livestock sector by 1.4%. In the first half of the year, the livestock sector contributed to 85% of total agricultural production. In addition, crop production grew by 2.7%. The negative consequences of the drought are still being felt through 2023 due to delayed sales of the crops from 2022.

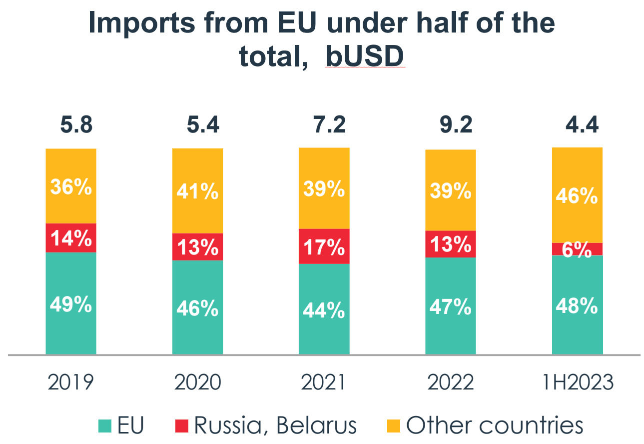
[1] Source: National Bureau of Statistics of Moldova
[2] According to revised forecasts of: World Bank (April 2023), International Monetary Fund (April 2023), EBRD (February 2023), Vienna Institute for Economic Studies (January 2023) and Moldavian Ministry of Economy (April 2023)

Trade gap continues to increase

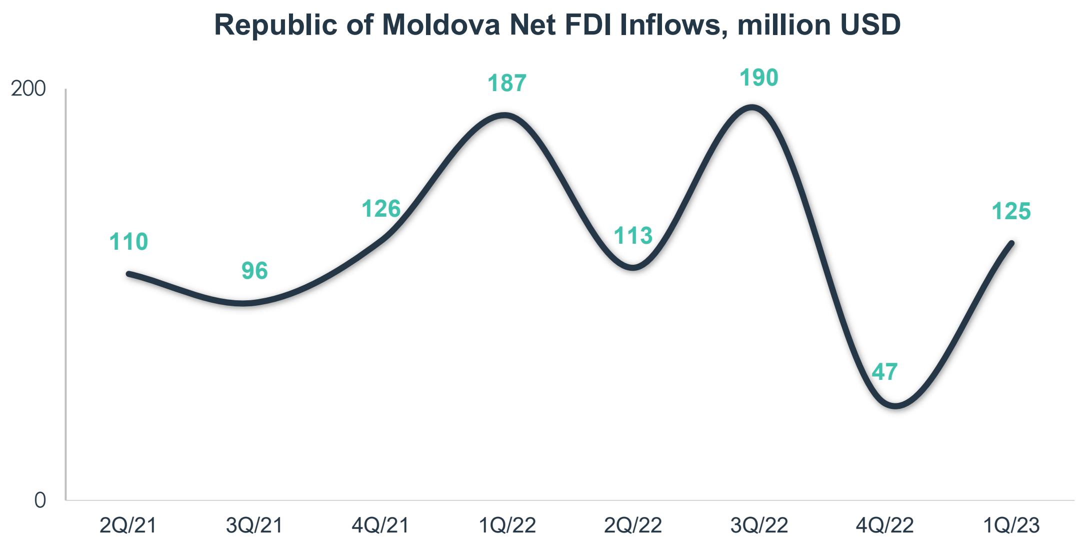
Between January and June of 2023, the total value of exports decreased by 10.9% compared to the previous year, reaching USD 2042.2 million. Excluding re-exports, the total value of exports amounted to USD 1365.8 million. Exports of local goods, accounting for 66.9% of total exports, went down by 20% and re-exports of foreign goods increased by 15.7%. The value of imports increased by 0.5% in 6 months, reaching USD 4371.6 million. Imports exceeded exports by 2.1 times. Trade gap increased by 13.1%.

Foreign direct investment totaled USD 125 million in 1Q 2023, with the majority of investments coming from the European Union, which accounted for 87% of the total.





**Source: Maib analysis according to the data published by National Bureau of Statistics*



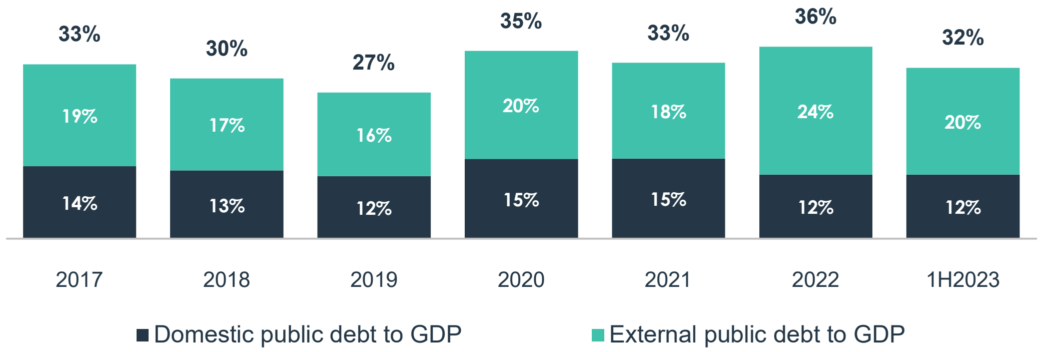
Source: National Bank of Moldova

Growing government revenue

In 1H 2023, Government revenues stood at MDL 47.1 billion, which represents an increase of 12.9% compared to the same period of 2022. The increase in revenue was largely driven by increased receipts from taxes and duties on goods produced, rendered services, and imported goods, increased wage income, grants received from the EU. At the same time government expenses reached MDL 54.7 billion, an increase of 20.2% year over year. Cumulatively in the first half of 2023 the budget deficit reached MDL 7.2 billion, 2.1 times higher than in January-June 2022 (MDL 3.4 billion).

As of the end of June 2023, the government debt reached MDL 99.9 billion, higher by 28.3% compared to the same period of 2022. The Debt-to-GDP ratio declined to 32.4% compared the year end 2022 due to substantial nominal growth of GDP which outpaced the growth of government debt. The government's increased spending to cover the energy bills of the low-income households was a major contributor to the expansion of the deficit and government debt.

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



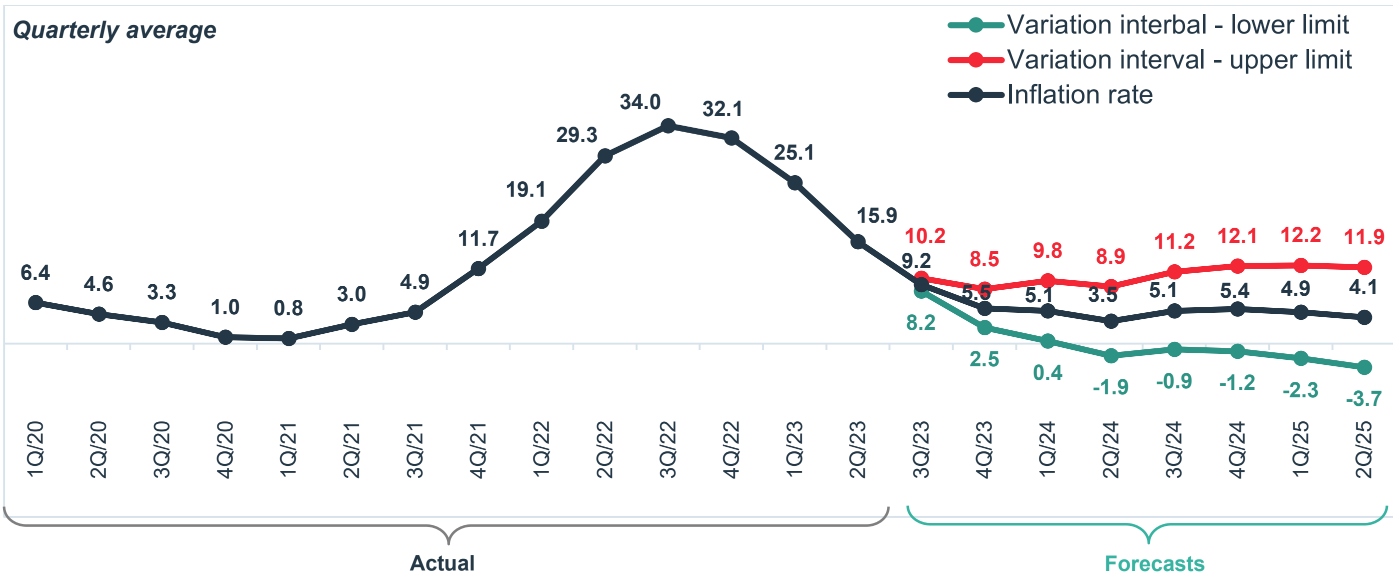
Source: Ministry of Finance

Inflation down substantially

The war in Ukraine along with the energy crisis led Moldova to experience the highest inflation in the last 15 years. Inflation peaked in October 2022 at 34.6%. However, due to the tight monetary policy of the National Bank of Moldova (NBM) the inflation came down substantially. As of June 2023 inflation came down to 13.2%.

In 2022, the National Bank of Moldova (NBM) adopted a tight monetary policy to counter high inflation and maintain price stability. The primary tools used by the NBM were the base rate and reserve requirements, both of which were kept at elevated levels throughout the year to reduce money supply, slowdown investment, and encourage savings. The highest base rate set by NBM reached 21.5% in August 2022.

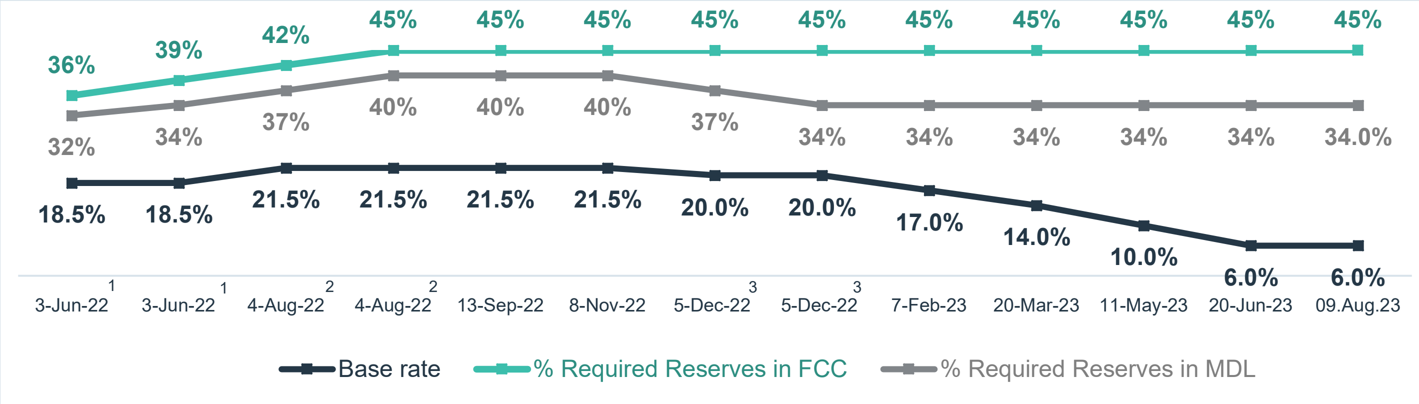
Annual inflation rate, %



Source: National Bank of Moldova

In 2023 the inflation rate continued to decrease due to contractionary policy promoted by NBM in previous year and also gradual decline in energy prices. Since the inflation started falling, the NBM began to lower the base rate in order to stimulate the economy. At the end of 2Q 2023 the base rate stood at 6%. Furthermore, as part of the monetary policy relaxation, the NBM decided to decrease the reserve requirements for MDL deposits from 40% in December 2022 to 37% in January 2023, and then to 34% in February 2023. Since then, the reserve requirements have remained unchanged. In the near future, the NBM anticipates a further decline in inflation absent any new supply shocks and expects it to reach 6-7% by the end of 2023 according to NBM Inflation Report no.3 (issued in August 2023).

Rates on monetary policy instruments



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

Source: National Bank of Moldova

National currency gains strength in 2Q 2023

In the first half of 2023 the national currency (MDL) rose by 4.6% against the US dollar in nominal terms (from 19.16 USD/MDL on 1 January 2023 to 18.28 MDL on 30 June 2023). Against the EUR, the national currency appreciated by 2% (20.37 EUR/MDL to 19.96 EUR/MDL). Throughout the 2022, the MDL remained stable amidst the challenging economic conditions. In 2Q 2023 the MDL continued to appreciate, attributed to reduced demand for foreign currency and significant inflows of external financial aid in foreign currency from international partners1.

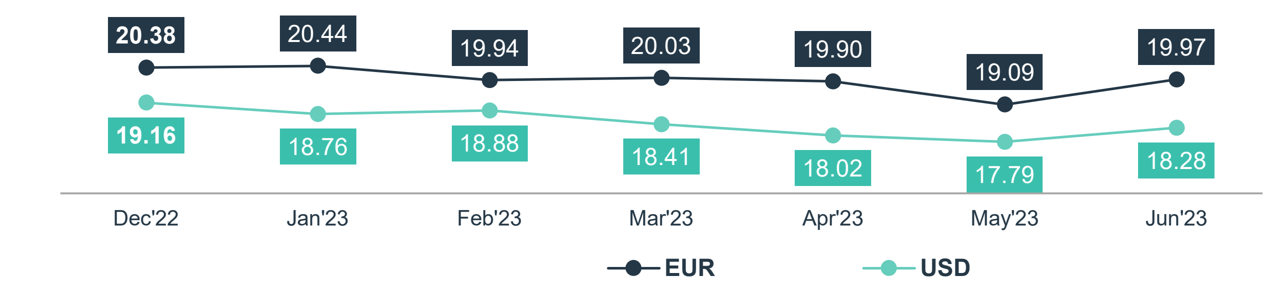
In the second quarter of 2023, the National Bank of Moldova (NBM) has again achieved historical high reserves totaling USD 4.9 billion. The continuous growth in reserves can be attributed to several factors, including:

- inflow of foreign currency as part of the assistance programs from external partners
- appreciation of the exchange rates of the component currencies of foreign exchange reserves against the US dollar
- income from the management of foreign exchange reserves

In the first quarter of 2023, Moldova received a total of USD 437 million in remittances from abroad, with a significant portion originating from the EU, accounting for 52% of the total increasing by 16% compared to the same period of the last year. This inflow of remittances contributed significantly to the growth of Moldova's foreign exchange reserves, thereby improving the country's ability to manage its balance of payments and financial stability.

EUR and USD exchange rates

Month-end



Source: National Bank of Moldova

Banking sector growth continued in first half of 2023

The ongoing conflict in Ukraine and the resulting surge in inflation have compelled the banking sector to adjust to the challenging environment that has arisen in 2022. The reversal of the inflation growth and the emergence of disinflationary pressures have prompted the National Bank of Moldova (NBM) to adopt a more accommodative monetary policy stance. As a result, it is anticipated that lending activity will regain momentum, particularly starting from the third quarter according to NBM Inflation Report no.3 (issued in August 2023).

Throughout 2Q 2023, there has been consistent growth in the banking sector's assets, reaching MDL 144.6 billion. This represents a 20% increase compared to the previous year. In terms of lending, the aggregated loan portfolio of banks as of June 2023 has risen by 0.6% since the beginning of the year, reaching MDL 62 billion. Year-on-year, the banking sector's loan portfolio has expanded by 3%. Notably, the loan to deposits ratio stands at 0.58, indicating ample resources for expanded lending, and demonstrating the banking sector's liquidity readiness to support the economy.

High interest rates on deposits, particularly in MDL, attracted large number of savers in 2H 2022 and 1H 2023. As of the end of the second quarter in 2023, the deposit balance within the banking system has reached MDL 106. 6 billion, showing a substantial 24% increase compared to the previous year. This surge in deposits is largely attributed to the elevated base rate maintained by the NBM. Nevertheless, a slowdown in savings and deposit growth is projected by the end of 2023.

Profitability in the banking sector also saw an increase, with net profit growing 58% year-on-year. This surge can be mainly attributed to the high interest rates.

Despite the challenges, the banking sector remains robust and well-capitalized at the end of the second quarter in 2023. It boasts a Capital Adequacy Ratio (CAR) of 31.7% and a Liquidity Coverage Ratio (LCR) of 277.5%, ensuring its resilience and ability to withstand adverse financial conditions.

Continued external macro-assistance and financial aid

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

In the first half of 2023, Moldova continued to receive macro-assistance and grants from the IMF and the EU, amounting to a total of EUR 163 million. These grants extend the energy vulnerability package that was introduced in 2022. In addition the provided assistance are aimed for creating a supportive environment for entrepreneurs and development of the economy overall. The EU has been a reliable supporter of Moldovan economy, providing a range of regional programs aimed at supporting economic development and market opportunities. Since October 2021, the EU has provided more than EUR 1.09 billion in support to Moldova through grants and loans. This financial aid has focused on areas such as humanitarian aid, trade development, and energy security consolidation.

Source: Delegation of European Union in Moldova, Moldova Ministry of Finance

Operating highlights in detail

Maib receives loan from IFC

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

Funded risk sharing facility agreement with EBRD

Maib has signed a funded risk sharing facility agreement with EBRD aimed at enhancing maib's lending capabilities to customers in Corporate and SME segments. This agreement is another one in the long list of successful maib-EBRD collaborations, such as EUR 35 million loan under EBRD Resilience and Livelihoods framework, EUR 15 million loan under EU4Business and EBRD Credit Line (both signed in 2022), and unfunded risk-sharing framework agreement signed in 2021.This agreement allows maib to optimize deployment of capital, provide large financing to companies while complying with regulatory requirements on loan concentration, reduce its exposure to potential losses and also enhance the offering to customers with the help of EBRD's technical assistance and advisory support.

Inaugural maib bond offering for domestic market

At the end of May 2023 maib closed on its first ever domestic bond issue after obtaining all the necessary approvals from the Moldovan securities regulator, the National Commission for Financial Markets (CNPF). This is a first corporate bond offering in Moldova in nearly twenty years. The total value of the issue was MDL 58.5 million, and it was placed primarily with retail customers. The bond has a maturity of 3 years and pays a quarterly coupon. It has a floating interest rate (re-set annually) tied to the rate on maib's one year term deposit plus 2% premium. The bond is puttable by the holder up to a certain amount. For maib the bond offering presents an innovative way to diversify its funding base while meeting all the regulatory requirements. It is also another step towards developing the capital markets in the country. Maib's Retail business unit handled distribution of the bond offering via branches and digital channels. It is the first placement of securities out of MDL 400 million bond program envisioned by maib.

Maib Publishes its First Sustainability Report

In June 2023 maib released its inaugural Sustainability Report, disclosing its impact beyond purely financial metrics. This report provides detailed information on maib's sustainability strategy buildout, responsible business activities, carbon footprint, social responsibility, and governance in 2022. It aims to create a benchmark to improve upon in future years. The report was produced with the support of the Technical Assistance Facility of the Green for Growth Fund, and with the assistance of the European Union under the EU4Energy Initiative.

2023 maib AGM results

On the 15th of June maib held its Annual General Shareholder Meeting (AGM) in Chisinau. Holders of 76.7% of the votes were present at the meeting. All resolutions presented at the AGM were passed with the requisite majority of two thirds of the votes. At the meeting, the following decisions were taken: approval of 2022 financial reports, MDL 1.91/share dividend for 2021-2022, allocation of 30-50% of 2023 profits for dividends (NBM approval awaited), endorsement of 5% share buyback, reappointment of PWC as 2023-2025 auditor, and agreement on revisions to Supervisory Board regulations and Bank's statute.

Maib named Best Bank in Moldova in 2022 by EMEA Finance and Euromoney

Maib has been named the Best Bank in Moldova for the second consecutive year by EMEA Finance. EMEA Finance magazine, a financial publication aimed at business leaders in banking and finance, is published six times a year. EMEA Finance holds annual awards where it recognizes the best banks and finance providers in Europe, the Middle East, and Africa. In 2022, the banking sector in Moldova faced significant challenges due to the energy crisis and the consequences of the war in Ukraine. The energy crisis, high inflation, coupled with drought in the agriculture sector, had a significant impact on Moldova's overall economy. Despite the adverse conditions, maib remained well-capitalized and maintained a leading position in all banking segments, showcasing its strength and stability. Furthermore, maib exhibited strong growth prospects, indicating its potential for future success.

Alongside EMEA Finance, Maib has been recognized as the Best Bank in Moldova at the Euromoney Awards for Excellence 2023. This prestigious award underlines maib's leading position in the Moldovan banking system, as measured by market share, profitability and growth, as well as maib's continued investments in customer service and innovation. Euromoney Awards for Excellence is based on multiple factors assessed via performance data, surveys, and banking expert views. Euromoney's annual awards programme, which was established in 1992, attracts over 2,000 submissions from more than 500 of the world's leading banks in 113 countries and recognizes excellence across global, regional and individual country categories.

Bank's Strategy

1 Build new level of customer experience

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

2 Transform the operating model to Agile

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

3 Become an orchestrator for the digital financial ecosystems

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

4 Set up a sustainability framework affecting every decision

- Setting up an operating framework that evaluates all maib activities from the point of view of their social and environmental impact

Further strengthen **leadership** position across all markets and segments, including **payments**

Sustainable profitability, enabled also by a disciplined approach to **costs**

Key selected operating milestones achieved during 1H 2023:

New level of customer experience

- **Maib** launched a **new product – local Factoring**
- **Maib** launched its **artificial intelligence-based chatbot - maib support**
- **Maib** named Best Bank in Moldova at the **Euromoney Awards 2023**
- **Maib** launched a new service via electronic signature**: requesting the loan tranche online**
- **Maib** named the **Best Bank in Moldova** for the second consecutive year by **EMEA Finance Europe Banking Awards 2022**
- **Maib** launched a new service: **100% digital MTPL insurance***
- **Maib** launched **Google and Apple Pay for business**
- **Maib** launched **GoEcomm** – the e-commerce program that supports small and medium-sized businesses
- **Maib** offers business customers a new level of banking through the use of **electronic signature** (early repayment, signing loan agreement)

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

- CasaHub App (launched in 2Q 2023)
- Mortgage video consultations
- Developing Seller's bot assistant for DriveHub. Planned launch launch in 4Q 2023
- Buy RCA insurance online in DriveHub
- OnePOS launch (cash register and POS, all in one devide)
- New **functionalities** added in **maibank**

ESG

- Inaugural sustainability report published in 2Q 2023
- Ongoing "Greening maib" project sponsored by GGF
- Sustainability strategy and governance outline adopted by maib Supervisory Board
- Full strategy and sustainability KPIs to be adopted in 3Q 2023

Maib **Agile transformation** continues: the **fourth wave,** including three **orchestras** has been launched:

- ✓ Corporate Sales
- ✓ Corporate Support
- ✓ IT Platforms

*Motor Third Liability Insurance or RCA insurance

2Q 2023 CONSOLIDATED FINANCIAL RESULTS

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

	2Q 2023	1Q 2023	2Q 2022	% QoQ change	% YoY change
Net interest income	526.7	656.0	503.3	-19.7%	+4.7%
Net fee and commission income	106.9	112.9	98.6	-5.3%	+8.4%
Net foreign exchange gains	108.1	98.3	110.1	+10.0%	-1.8%
Other operating income	12.2	17.8	21.3	-31.3%	-42.5%
OPERATING INCOME	**753.9**	**884.9**	**733.2**	**-14.8%**	**+2.8%**
Personnel expenses	(224.6)	(251.6)	(208.8)	-10.7%	+7.6%
Depreciation and amortization expenses	(41.2)	(37.9)	(29.4)	+8.7%	+40.0%
Other operating expenses	(108.5)	(167.9)	(102.9)	-35.4%	+5.4%
OPERATING EXPENSES	**(374.3)**	**(457.4)**	**(341.1)**	**-18.2%**	**+9.7%**
OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE AND INCOME TAX	**379.7**	**427.5**	**392.1**	**-11.2%**	**-3.2%**
Credit loss allowances and provisions	(19.1)	(43.6)	(94.9)	-56.2%	-79.9%
PROFIT BEFORE TAX	**360.6**	**384.0**	**297.1**	**-6.1%**	**+21.4%**
Income tax expense	(44.2)	(42.5)	(33.6)	+4.0%	+31.9%
NET PROFIT	**316.3**	**341.4**	**263.6**	**-7.3%**	**+20.0%**
- attributable to shareholders of the Bank	*316.3*	*341.3*	*263.6*	*-7.3%*	*+20.0%*
- attributable to non-controlling interests	*0.0*	*0.1*	*0.1*	*-75.4%*	*-77.7%*

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

	30 June 2023	31 March 2023	30 June 2022	% QoQ change	% YoY change
Cash and balances with banks	14,779	14,384	13,060	+2.7%	+13.2%
Investments in debt and equity securities	6,170	5,744	3,119	+7.4%	+97.8%
Net loans and advances to customers, including:	22,151	21,254	20,253	+4.2%	+9.4%
Corporate customers	8,930	8,846	8,521	+1.0%	+4.8%
SME customers	5,929	5,532	4,800	+7.2%	+23.5%
Retail customers	7,292	6,876	6,932	+6.1%	+5.2%
Finance lease receivables	272	264	234	+2.9%	+16.1%
Premises and equipment, intangible assets, right of use assets and investment property	2,232	2,146	1,775	+4.0%	+25.8%
Other assets	569	465	626	+22.2%	-9.1%
Total assets	**46,173**	**44,258**	**39,067**	**+4.3%**	**+18.2%**
Due to banks and borrowings	3,535	3,704	2,394	-4.6%	+47.6%
Due to customers, including:	33,711	31,966	27,973	+5.5%	+20.5%
Corporate customers	4,872	4,482	4,106	+8.7%	+18.7%
SME customers	6,331	6,207	6,017	+2.0%	+5.2%
Retail customers	22,508	21,277	17,850	+5.8%	+26.1%
REPO	-	-	1,303	-	-100.0%
Subordinated debt	510	516	502	-1.2%	+1.4%
Lease and other liabilities	1,133	985	887	+15.0%	+27.7%
Bonds issued	87	-	-	+100.0%	+100.0%
Total liabilities	**38,975**	**37,171**	**33,059**	**+4.9%**	**+17.9%**
Total equity attributable to owners	**7,198**	**7,086**	**6,007**	**+1.6%**	**+19.8%**
Non-controlling interest	*1*	*1*	*1*	*+5.3%*	*-7.1%*
Total equity	**7,199**	**7,087**	**6,008**	**+1.6%**	**+19.8%**
Total liabilities and equity	**46,173**	**44,258**	**39,067**	**+4.3%**	**+18.2%**

GROUP **KEY FINANCIAL RATIOS**[1]	30 June / 2Q 2023	31 March / 1Q 2023	30 June / 2Q 2022
ROE, %	17.7	19.9	18.0
ROE less cost of risk, %	21.3	24.9	26.7
ROA, %	2.8	3.1	2.7
ROA less cost of risk, %	3.4	3.9	4.0
NIM, %	5.0	6.4	5.6
Loan yield, %	10.9	10.9	9.3
Cost of funding, %	4.6	4.7	2.3
Cost of deposit, %	4.2	4.2	1.2
Cost to income ratio, %	49.6	51.7	46.5
LTD ratio (at period-end), %	65.7	66.5	72.4
Cost of risk[2] , %	0.0	0.8	1.5
NPL ratio[2] (at period-end), %	3.3	2.3	2.9
CAR[3] (at period-end), %	23.7	21.8	22.1

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

1H 2023 CONSOLIDATED FINANCIAL RESULTS

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

	1H 2023	1H 2022	% YoY change
Net interest income	1,182.7	931.4	+27.0%
Net fee and commission income	219.8	178.6	+23.0%
Net foreign exchange gains	206.4	226.0	-8.7%
Other operating income	30.0	36.2	-17.0%
OPERATING INCOME	**1,638.9**	**1,372.2**	**+19.4%**
Personnel expenses	(476.2)	(387.5)	+22.9%
Depreciation and amortization expenses	(79.1)	(61.0)	+29.6%
Other operating expenses	(276.4)	(233.9)	+18.2%
OPERATING EXPENSES	**(831.7)**	**(682.4)**	**+21.9%**
OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE AND INCOME TAX	**807.2**	**689.8**	**+17.0%**
Credit loss allowances and provisions	(62.7)	(89.1)	-29.6%
PROFIT BEFORE TAX	**744.5**	**600.8**	**+23.9%**
Income tax expense	(86.8)	(65.9)	+31.7%
NET PROFIT	**657.8**	**534.9**	**+23.0%**
- *attributable to shareholders of the Bank*	*657.6*	*534.8*	*+23.0%*
- *attributable to non-controlling interests*	*0.1*	*0.1*	*+13.2%*

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

	30 June 2023	31 December 2022	% YTD change
Cash and balances with banks	14,779	14,606	+1.2%
Investments in debt and equity securities	6,170	4,370	+41.2%
Net loans and advances to customers, including:	22,151	21,412	+3.5%
Corporate customers	8,930	9,391	-4.9%
SME customers	5,929	5,203	+13.9%
Retail customers	7,292	6,817	+7.0%
Finance lease receivables	272	272	+0.1%
Premises and equipment, intangible assets, right of use assets and investment property	2,232	2,157	+3.5%
Other assets	569	351	+62.1%
Total assets	**46,173**	**43,168**	**+7.0%**
Due to banks and borrowings	3,535	3,640	-2.9%
Due to customers, including:	33,711	31,357	+7.5%
Corporate customers	4,872	4,526	+7.7%
SME customers	6,331	6,357	-0.4%
Retail customers	22,508	20,474	+9.9%
REPO	-	-	-
Subordinated debt	510	510	0.0%
Lease and other liabilities	1,133	988	+14.6%
Bonds issued	87	-	+100.0%
Total liabilities	**38,975**	**36,495**	**+6.8%**
Total equity attributable to owners	**7,198**	**6,672**	**+7.9%**
Non-controlling interest	*1*	*1*	*+12.3%*
Total equity	**7,199**	**6,673**	**+7.9%**
Total liabilities and equity	**46,173**	**43,168**	**+7.0%**

GROUP **KEY FINANCIAL RATIOS**[1]	30 June / 1H 2023	30 June / 1H 2022
ROE, %	19.0	22.9
ROE less cost of risk, %	23.3	28.1
ROA, %	2.9	3.4
ROA less cost of risk, %	3.6	4.2
NIM, %	5.7	5.2
Loan yield, %	10.8	8.8
Cost of funding, %	4.6	3.9
Cost of deposit, %	4.2	1.1
Cost to income ratio, %	50.7	49.7
LTD ratio (at period-end), %	65.7	72.4
Cost of risk[2] , %	0.4	0.3
NPL ratio[2] (at period-end), %	3.3	2.9
CAR[3] (at period-end), %	23.7	22.1

[1] Indicators calculated based on cumulative semiannual (6 months) annualized financial results

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

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

Highlights of 2Q and 1H 2023 financial performance

Quarterly profit up 23% YoY in 1H 2023

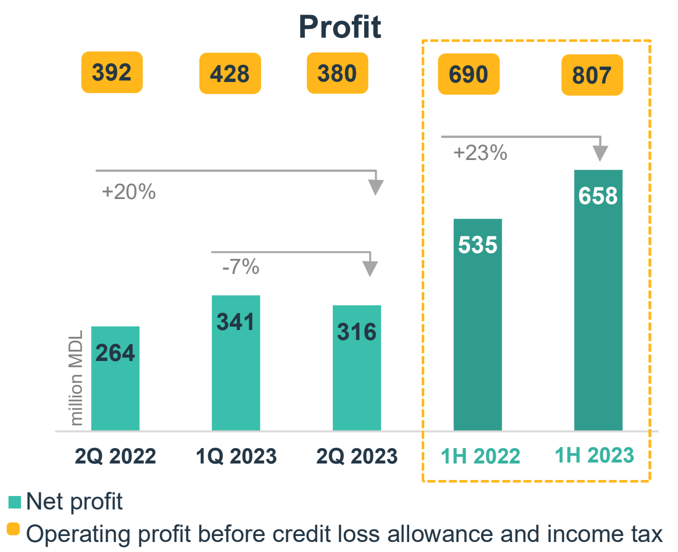
The Group generated **net profit** of MDL 316.3 million in the second quarter of 2023 (up by 20.0 % YoY and down by 7.3% QoQ), ending the first six months of 2023 with a net profit of MDL 657.8 million (up by 23.0% YoY). The decline in profitability quarter over quarter was primarily driven by a contraction in net interest income. However, this impact was partially offset by decrease in operating expenses and reduced expected credit loss (ECL) charges related to the loan portfolio.

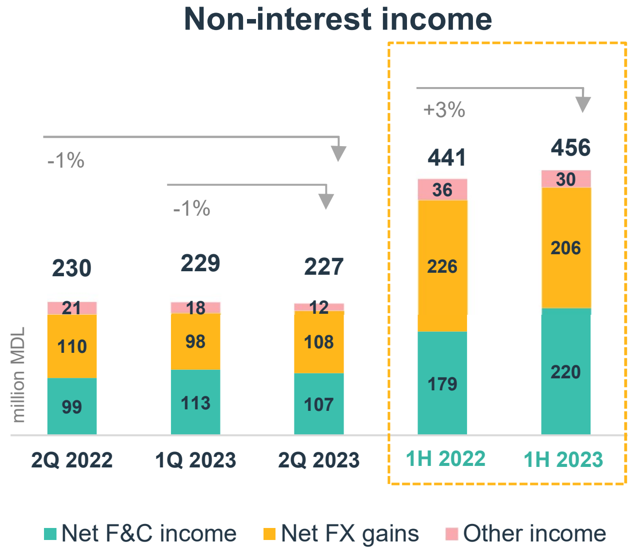
Key contribution to the Group's profitability in 1H 2023 came from **net interest income** generated by loans to customers' portfolio and the debt securities. Net interest income generated by these portfolios contributed 77% of the year-on-year interest income growth. As a result, the Group achieved robust profitability, with ROE and ROA of 19.0% and 2.9%, respectively, for the first half of 2023.

As compared to its local peers, the Bank's profitability is slightly lower, this being the result of the Bank's strategic decision to support businesses and population during challenging and uncertain times neither investing in high-yield money market instruments, which enabled the Bank to expand its loans market share.

Non-interest income which represents nearly one third of the total operating income remained relatively unchanged in the second quarter of the year as compared to the previous one, reaching MDL 227.2 million. Net foreign exchange gains reached MDL 108.1 million, a 10.0% increase compared to the first quarter of the year. QoQ increase in net foreign exchange gains was driven by higher volumes of forex exchange transactions among corporate clients and exchange offices.

Total **non-interest income** amounted to MDL 456.2 million in 1H 2023, marking a 3.5% YoY growth. The largest contribution to the growth of non-interest income in 1H 2023 as compared to the same period of 2022 was of the net fee and commission income, which increased by 23.0%. The year-on-year increase in net fee and commission income was primarily driven by settlement operations, international money transfers and card transactions income (interchange income, merchant fee and commissions related to issuance of cash through ATM and POS terminals etc.).





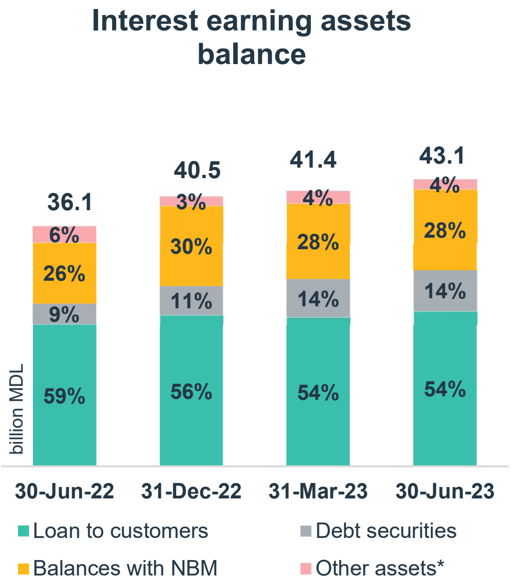
Easing monetary policy affects net interest margin

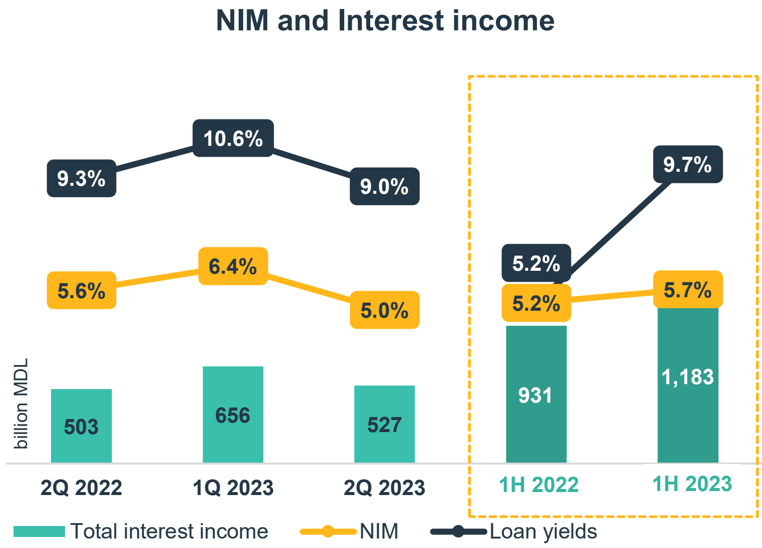
In 2Q 2023, the Group's **net interest margin** (NIM) stood 5.0%, down by 1.4 pp QoQ and 0.6 pp on a YoY basis. QoQ decrease was mainly driven by lower yields on required reserves and debt securities portfolio.

The key contributor to the decline in interest income from required reserves is the decrease in interest rate on required reserves, particularly for reserves maintained in the national currency. In particular, the interest rate on required reserves in national currency declined by 7.3 pp during second quarter of 2023. The decline in interest income generated by debt securities portfolio resulted from portfolio repricing at lower rates, the effect being partially offset by over 7% increase in investment in the debt securities portfolio during second quarter of the year.

Loan book yield has not changed significantly during the second quarter of the year. However, provided the falling interest rate environment, maib anticipates that the loan portfolio growth will be offset by downward repricing in the second half of the year, , similar to what was observed during the second quarter of the year – 4.1% QoQ growth, which will ensure the Bank maintains a consistent level of NIM.

Slight decrease in **cost of funding** on a QoQ basis is attributable to lower wholesale funding cost, in particular reduction by 3 pp of interest rates for borrowings from Office for External Assistance Programs Management (within Ministry of Finance) in the second quarter of 2023.



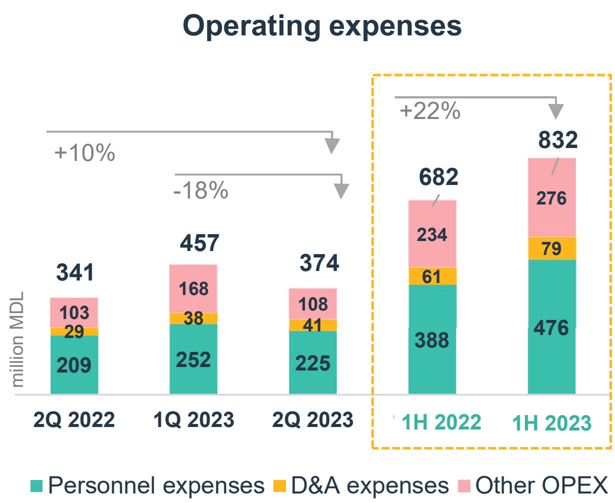


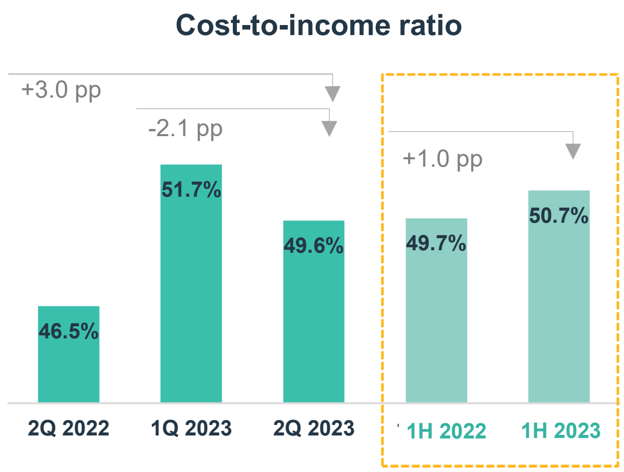
*Other interest earning assets include due from banks and finance lease receivables

Cost-to-income ratio (CIR) down in 2Q 2023

In the second quarter of 2023, Group's **operating expenses** (OPEX) amounted to MDL 374.3 million, down by 18.2% QoQ and up by 9.7% on a YoY basis. The largest contribution to the QoQ decrease of operating expenses is attributable to the decrease of other operating expenses coupled with the reduction in personnel expenses. The significant QoQ decrease of other operating expenses was mostly driven by the payment of contribution to Resolution Fund in 1Q 2023.

In the first half of 2023 **operating expenses** were up by 21.9% compared to 1H 2022, primarily driven by higher personnel and other operating expenses. The YoY increase in personnel expenses was for the most part driven bythe implementation of the new grading system in 2022, in line with the market trend, as well as high inflation. The year-on-year increase in other operating expenses were driven by increased rent expenses, utilities, consulting, and maintenance of intangible assets, representation and legal expenses.





During the second quarter of 2023, the Group improved its cost to income ratio to 49.6% vs 51.7% in 1Q 2023. Cost to income ratio for 6M 2023 was 50.7%, up by 1.0 pp on a YoY basis. Considering the ongoing inflation decline, the Group anticipates the alleviate the cost pressures during the remainder of the year. Cost to income ratio is one of the key performance indicators, closely monitored by the Group, particularly in the light of business growth and development of strategic initiatives.

Amid demanding economy, no significant deterioration of portfolio quality

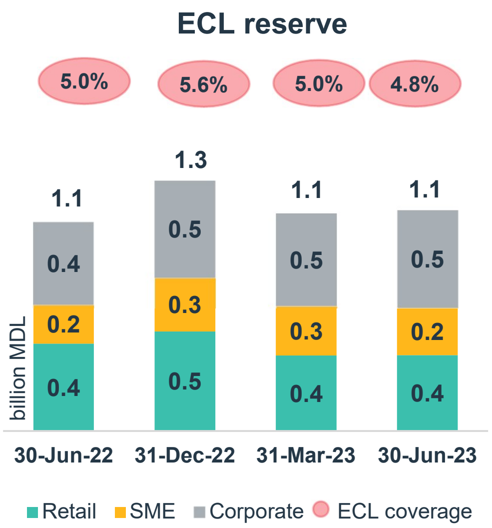
The annualized cost of risk related to the loan to customers' portfolio remained consistent in 2Q 2023, slightly showing a slight improvement of 0.8 pp compared to previous quarter. This improvement is primarily attributable to retail and SME loans.

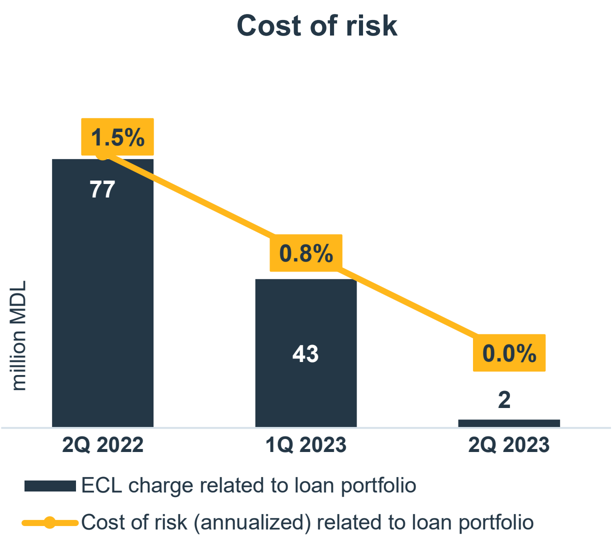
The share of non-performing loans (NPL) in total portfolio has increased by 1.1 pp QoQ and 0.4 pp YoY, mostly driven by corporate NPLs, in particular default of several significant exposures in the Bank's portfolio.

The impairment charges in 2Q 2023 related to loans to customers' stood at MDL 2.3 million, which is nearly 95% lower as compared to the first quarter of 2023. Notably, retail and SME loan portfolios exhibited a bolder QoQ decline in risk costs, offset by impairment charges related to corporate defaults.

During 2Q 2023, the Bank reviewed and updated the forecasts used in forward-looking component of the expected credit losses model, to reflect the expected economic recovery projected by major international forecasters. The update of macroeconomic forecasts, coupled by an overall stable dynamic in portfolio quality, underscored by lower default rates in the Retail and SME portfolios, healing of previously deteriorated exposures together with loan portfolio growth determined lower risk costs in 2Q and 1H 2023 as compared to the similar periods of 2022.

Nevertheless, given the persistent economic uncertainty, the Bank remains vigilant in managing credit risk, closely monitoring is portfolio quality through its early warning system and maintaining prudent and proactive approach.



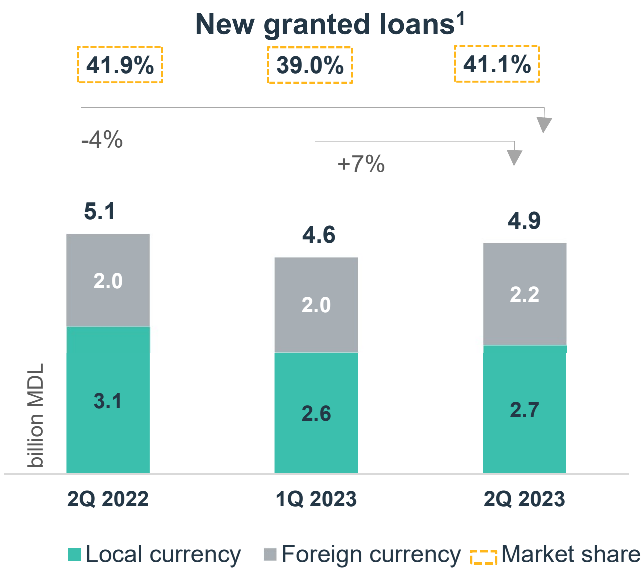


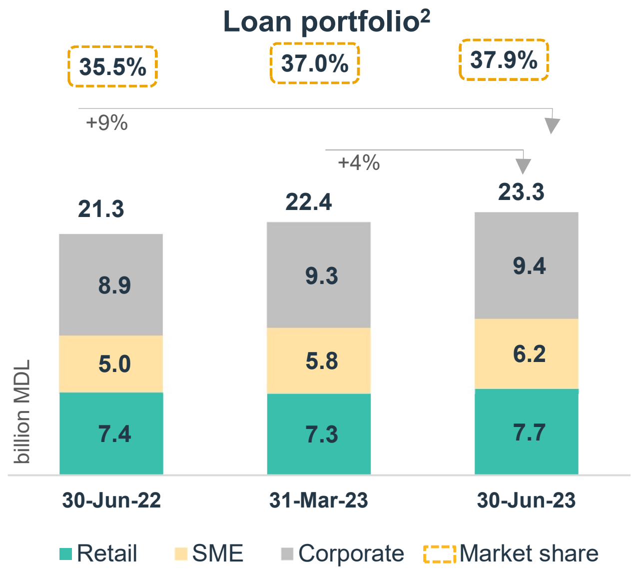
Restart of lending growth following a slowdown

As of 30 June 2023, **gross loan portfolio** reached 23,276 million, up by 9.2% YoY and 4.1% QoQ. Maib increased its leading position on the lending market up to 37.9% or by 0.9 pp during second quarter of 2023, supported by a greater share of the new loans granted in the market. The largest part of QoQ loan book growth was nearly evenly spread between Retail and SME segments. As a result, Retail and SME loan book grew by 5.8% and 6.7% QoQ, respectively. During the second quarter of 2023, the Bank's presence in the Retail lending sector grew, with its market share rising by 1.0 pp reaching 32.8% by the end of June 2023.

In terms of lending to businesses, the Bank's market share saw a significant increase of 2.1 pp from June 2022, out of which almost 1 pp of this increase occurred during the second quarter of 2023. This brought the Bank's market share in loans to businesses to 40.9% by end of June 2023.

The recent high growth pace in SMEs lending was maintained. Notably, the SME loan book experienced its most significant expansion in the past year, growing by more than 23%. This expansion in the SME lending resulted in an increased proportion of SME loans within the Bank's overall loan portfolio, rising from 22% to 27% over the course of the last 12 months. As a result, by the end of second quarter of 2023, the Bank's market share in SME lending had reached a level of 37.1%.





Source: National Bank of Moldova, maib financials

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

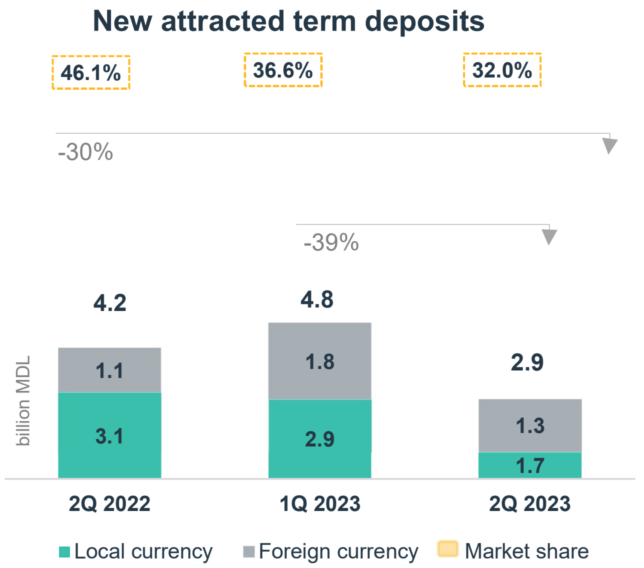
Deposit growth driven by retail segment

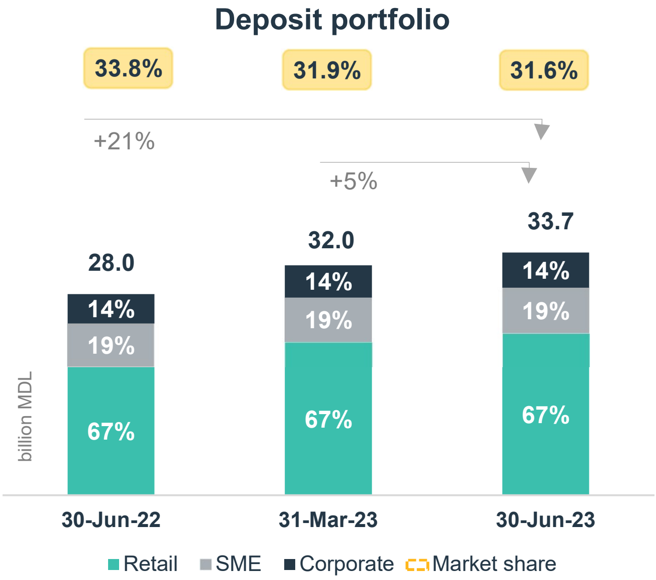
Customers' deposits portfolio stood at MDL 33.7 billion as at 30 June 2023, marking a 5.5% QoQ and a substantial 20.5% growth on a YoY basis. The Bank's market share in deposits has marginally decreased to 31.6%, this being attributed to decrease of deposits from legal entities.

QoQ growth of deposit portfolio was largely propelled by retail customers, making up over 70% of QoQ deposit growth. As a result, retail deposit portfolio increased by 5.8% QoQ and 26.1% YoY, reaching a market share of over 35% as of June 30, 2023. The increase in retail deposits was noticeable in both term and current deposits, with a particular contribution of term deposits in both national and foreign currency.

At the same time, portfolio of deposits attracted from businesses reached MDL 11.2 billion at 30 June 2023, up by 4.8% QoQ and 10.7% on a YoY basis, mostly driven by large corporate clients.

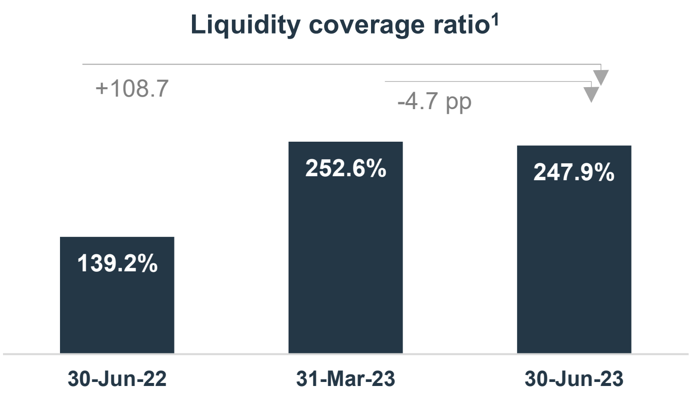
In terms of deposit portfolio structure by currency, a faster growth was observed in deposits denominated in domestic currency, both from means of newly attracted deposits and conversion of existing deposits in foreign currency deposits. Consequently, there has been a slight shift in the structure of deposits portfolio towards local currency, which now constitutes 60% of total deposit book as of 30 June, 2023.





Source: National Bank of Moldova, maib financials

Ample liquidity enabling lending



Maib continues to maintain a comfortable liquidity position. As of 30 June 2023, total **liquidity coverage ratio** (LCR) stood at 247.9%, well exceeding the minimum requirement of 100%. During 2Q 2023 LCR has slightly decreased mainly due to increase in customers deposits.

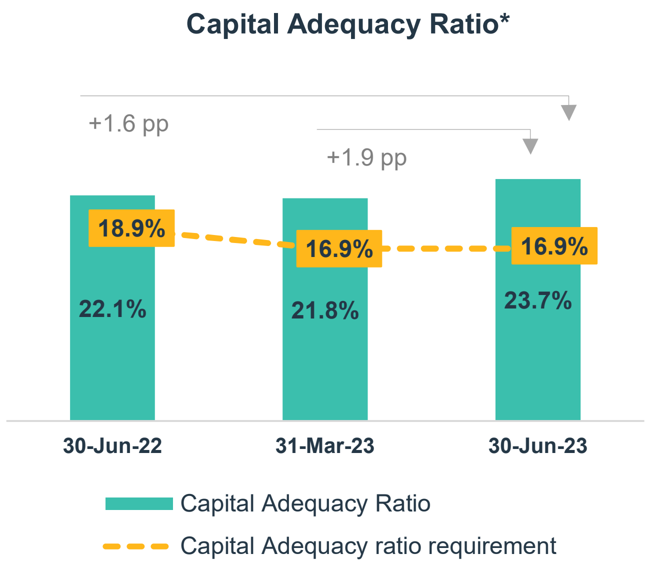
Source: National Bank of Moldova; maib financials

Note: maib has revised its methodology for calculation of LCR, particularly in terms of deposit cash outflow. The method was applied for retrospective calculation of LCR as of 31 March 2023 and 30 June 2023. LCR value presented for 30 June 2022 is according to the previously used methodology (NBM requirement for LCR as of 30 June 2022 was 80%).

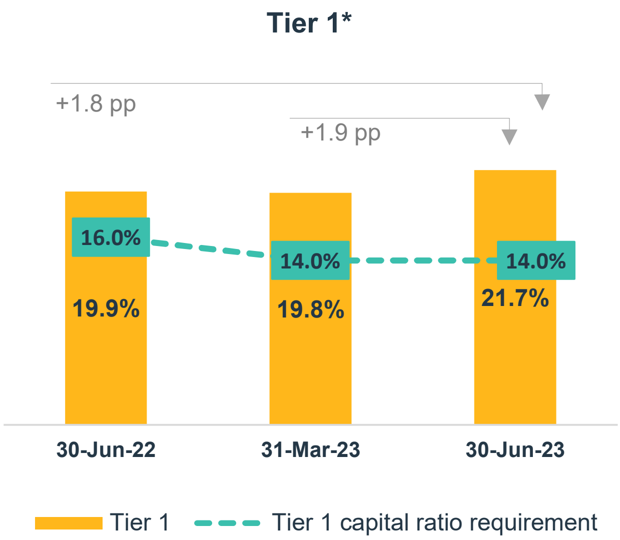
[1] Liquidity coverage ratio is presented on the <u>standalone basis</u> (Bank only). There is no requirement to calculate and submit these regulatory indicators on a consolidated basis. The other companies within the Group (subsidiaries of Bank) are non-banks, representing approx. 1% of total equity,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

Strong capital position

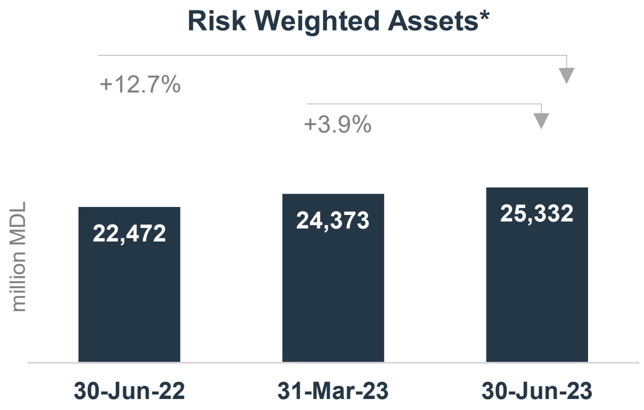
Capital Adequacy Ratio (CAR) and **Tier 1** stood at **23.7%** and **21.7%,** respectively, as of 30 June 2023, remained comfortably above minimum level of 16.9% for CAR and 14.0% for Tier 1. The QoQ increase of CAR was mostly attributable to profits capitalization.



Source: National Bank of Moldova



Source: Maib financials



Source: National Bank of Moldova; maib financials

Risk weighted assets (RWA) amounted to MDL 25,332 million, up by 3.9% QoQ and by 12.7% on a YoY basis. The largest contribution to the growth of the RWA balance in 2Q 2023 as compared to 1Q 2023 was increase of the Bank's exposure to investment companies. The YoY increase in the balance of RWA was driven by increase in Bank's exposure to loans covered by real estate collaterals (mortgages) and investment companies.

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

SEGMENT REPORTING
Retail banking

Key business highlights

Retail banking provides consumer loans including credit cards facilities and mortgage loans, as well as funds transfers and handling of customers' accounts and deposits.

Market share retail loans[1]:
32.8%
Up by 1.0 pp QoQ
Up by 2.3 pp YoY

Gross loan[2] portfolio:
MDL 7.7 bn
Up by 5.8% QoQ
Up by 4.1% YoY

Term deposits in local currency:
MDL 9.2 bn
Up by 4.6% QoQ
Up by 52.0% YoY

MAIBank users:
>500 thousand
Up by 8 % QoQ
Up by 41 % YoY

Cards portfolio[3]:
1.0 million
Up by 5% QoQ
Up by 25% YoY

POS portfolio:
>13,400
Up by 4% QoQ
Up by 24 % YoY

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

- Expansion of **retail customer** base by 23K during 2Q 2023;
- **Card penetration** of client base is over 64%;
- Expansion of **MAIBank usage base** by another 37K users during 2Q 2023;
- **User base** of MAIBank is over 68% of all active clients portfolio;
- **10 YoY** increase of the number of transactions with cards;
- Over **59%** of new **deposits** in 2Q 2023 were opened **online**;
- More than **1 million cards in circulation** reached during 2Q 2023, up by 25% YoY;
- **POS network** expanded by 4% QoQ and 24% YoY;
- **45%** of active customers have **loan products**;
- **Cashless transactions** reached 86% of all transactions by number in 2Q 2023;
- Over **2.5K Alto clients** (premium banking), with a 100% penetration of cards, 31% - loans and 20% - deposits;
- Launched a new product – **corporate bonds**, which is mainly aimed at Retail segment with a total value of MDL 400 million over 4 tranches

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

Retail banking
2Q 2023 and 1H Financial performance

UNAUDITED QUARTERLY INCOME STATEMENT highlights, million MDL

	2Q 2023	1Q 2023	2Q 2022	% QoQ change	% YoY change
NET INTEREST INCOME	**286.2**	**359.8**	**276.0**	**-20.5%**	**+3.7%**
NON-INTEREST INCOME, out of which:	**94.9**	**98.9**	**95.7**	**-4.1%**	**-0.8%**
Net fee and commission income	35.4	40.6	32.3	-12.8%	+9.6%
Foreign exchange gains, net	52.1	47.1	47.9	+10.7%	+8.9%
Other operating income	7.4	11.2	15.4	-34.5%	-52.2%
OPERATING INCOME, NET	**381.1**	**458.8**	**371.7**	**-16.9%**	**+2.5%**
DIRECT OPERATING EXPENSES, out of which:	**(135.2)**	**(150.9)**	**(125.5)**	**-10.4%**	**+7.7%**
Staff costs	(79.3)	(72.7)	(67.8)	+9.2%	+17.0%
Depreciation	(20.7)	(17.4)	(16.7)	+18.7%	+23.7%
Other operating expenses, including:	(35.2)	(60.8)	(41.0)	-42.1%	-14.1%
Deposits Guarantee Fund	(4.4)	(3.9)	(3.1)	+13.7%	+41.6%
Resolution Fund	(0.6)	(23.9)	(0.3)	-97.5%	+95.3%
INDIRECT ALLOCATED EXPENSES	**(121.6)**	**(112.5)**	**(68.2)**	**+8.1%**	**+78.3%**
OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE AND INCOME TAX	**124.3**	**195.4**	**178.0**	**-36.4%**	**-30.1%**
Impairment and provisions charges	1.4	(10.2)	(59.6)	-113.7%	-102.4%
PROFIT BEFORE INCOME TAX (PBT)	**125.7**	**185.1**	**118.4**	**-32.1%**	**+6.2%**
Income tax expense	(15.5)	(20.6)	(13.3)	-24.6%	+16.5%
NET PROFIT	**110.3**	**164.5**	**105.1**	**-33.0%**	**+4.9%**

UNAUDITED SEMIANNUAL INCOME STATEMENT highlights, million MDL

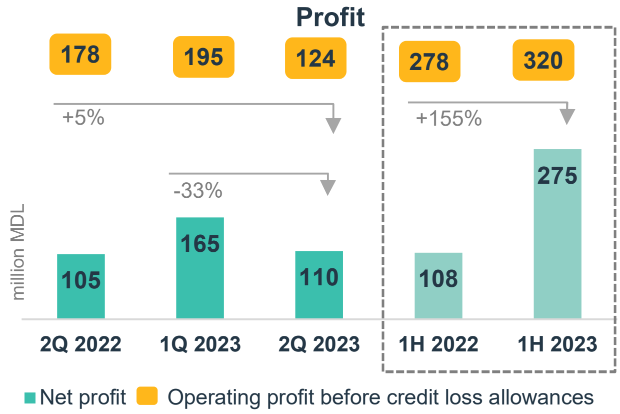
	1H 2023	1H 2022	% YoY change
NET INTEREST INCOME	**646.1**	**517.2**	**+24.9%**
NON-INTEREST INCOME, out of which:	**193.8**	**171.6**	**+13.0%**
Net fee and commission income	76.0	54.6	+39.2%
Foreign exchange gains, net	99.3	88.7	+11.9%
Other operating income	18.6	28.2	-34.1%
OPERATING INCOME, NET	**839.9**	**688.8**	**+21.9%**
DIRECT OPERATING EXPENSES, out of which:	**(286.1)**	**(252.1)**	**+13.5%**
Staff costs	(152.0)	(128.7)	+18.1%
Depreciation	(38.1)	(29.1)	+30.8%
Other operating expenses, including:	(96.0)	(94.3)	+1.8%
Deposits Guarantee Fund	(8.3)	(7.4)	+11.5%
Resolution Fund	(24.4)	(24.5)	-0.3%
INDIRECT ALLOCATED EXPENSES	**(234.1)**	**(158.4)**	**+47.8%**
OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE AND INCOME TAX	**319.7**	**278.4**	**+14.8%**
Impairment and provisions charges	(8.8)	(157.0)	-94.4%%
PROFIT BEFORE INCOME TAX (PBT)	**310.9**	**121.3**	**+156.3%**
Income tax expense	(36.1)	(13.6)	+165.1%
NET PROFIT	**274.8**	**107.8**	**+155.0%**

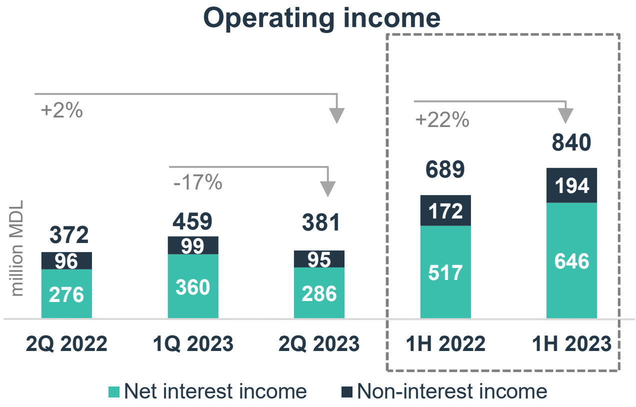
	2Q Financial performance[1]			1H Financial performance[2]	
KEY FINANCIAL RATIOS	**30 June/ 2Q 2023**	**31 March/ 1Q 2023**	**30June/ 2Q 2022**	**30 June/ 1H 2023**	**30 June/ 1H 2022**
Cost of deposit, %	5.4	5.2	1.5	5.3	1.3
Cost to income ratio, %	67.4	57.4	52.1	61.9	59.6
Cost of risk, %	-0.4	0.0	3.0	-0.2	3.8
LTD ratio (at period end), %	32.4	32.3	38.8	32.4	38.8
NPL ratio (at period-end), %	2.7	2.6	4.1	2.7	4.1

[1] Indicators calculated based on quarterly (3months) annualized financial results
[2] Indicators calculated on cumulative semiannual (6 months) annualized financial results

- In 2Q 2023, Retail Banking achieved a **net profit** of MDL 110.3 million, reflecting a 4.9% YoY increase but a 33.0% QoQ decline primarily attributed to reduced net interest income resulting from higher cost of funds acquired.

- Comparing first half of 2023 to the same period of 2022, 155% YoY rise in **net profit** was primarily propelled by increase in net interest income and reduced risk costs. In the first semester of 2022, the Bank built substantial credit allowances, as part of its prudent, proactive approach to credit risk associated to the retail loan portfolio amidst economic turbulences and geopolitical uncertainties emerged since the beginning of the war in neighboring Ukraine.



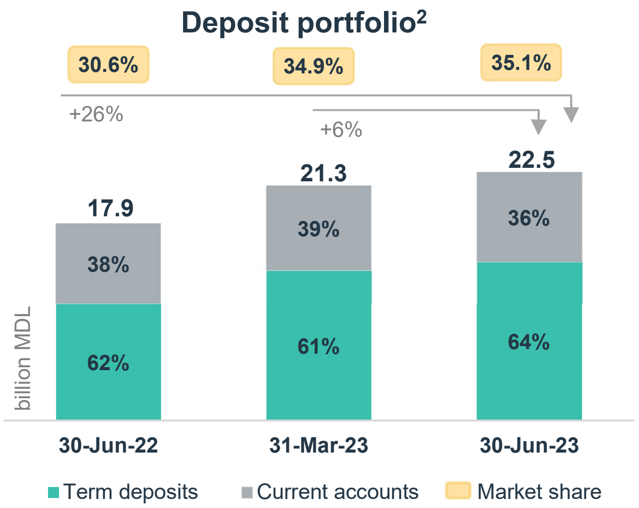


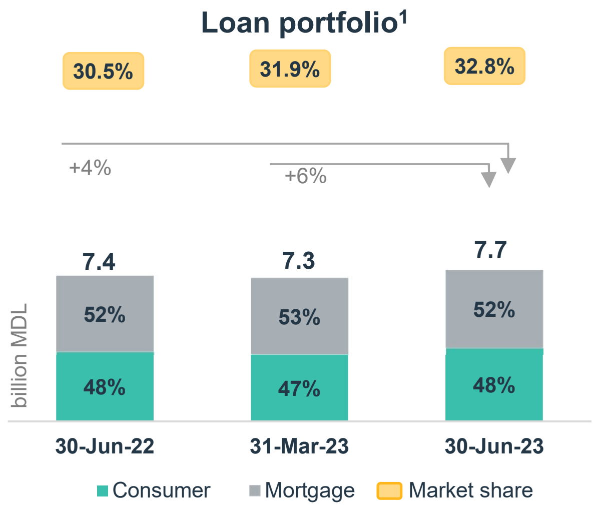
- In 2Q 2023, Retail Banking **non-interest income** totaled MDL 94.9 million, reflecting a 4.1% QoQ and 0.8% YoY decrease. The QoQ non-interest income decline is attributable to reduced net fee and commission income driven by higher costs related to the Bank's expansion into issuing and acquiring businesses. The Bank accomplished a 4.7% QoQ and 25% YoY growth in the number of cards in circulation. At the same time, by the end of second quarter of 2023, maib POS portfolio increased by 4.4% QoQ and 24.3% YoY, as a result of the expansion of number of partners. However, the dip in net fee and commission income was largely counterbalanced by increase of net foreign exchange gains, bolstered by higher FOREX transactions volumes (+19.4% QoQ and +18.1% YoY).

- In 2Q 2023, **retail net interest income** reached MDL 286.2 million, up by 3.7 YoY and down by 20.5% on a QoQ basis. The cumulative 6-month net interest income stood at MDL 646.1 million, higher by 24.9% YoY. The quarter-on-quarter decrease in net interest income was triggered by higher costs of acquiring resources and interest expenses on deposits driven by QoQ growth of deposit portfolio by 5.8% YoY. At the same time, the YoY rise in net interest income was mainly driven by the overall growth in yields on all financial instrument coupled with increase of income generated by investments in money market instruments.

- **Cost of risk** for retail loan portfolio in 2Q 2023 stood at -0.4%, down by 0.4 pp QoQ and 3.4 pp YoY. During 1H 2023, the Bank did not incur risk costs associated to the retail portfolio, following the revised forward-looking forecasts in the expected credit loss model, aligning with expected post-2023 economic recovery. In terms of loan quality, retail portfolio showed a significant improvement during first-half of 2023, also due to partial write-off of older non-performing consumer portfolio in 1Q 2023. At the same time, retail default rates, PAR30 and PAR90 indicators continue to follow a decreasing trend, proving the Bank's healthy loan growth.

- Maib had over 960 **retail clients** at 30 June 2023, up by 2.4% QoQ and 5.9% on a YoY basis, underscoring the continuous improvements in the Bank's customer experience and development of digital channels, especially mobile app Maibank. This strategic focus resulted in a significant increase in the number of Maibank users, transactions volume and number. In 2Q 2023, over 59% of deposits and 45% of loans were contracted via Maibank.





- **Retail gross loan portfolio** reached MDL 7.7 billion as at 30 June 2023, growing 5.8% QoQ and 4.1% YoY. **Consumer** lending was the main driver of quarter-on-quarter growth of the loan portfolio, marking a 9.2% QoQ increase. Following the consumer lending slowdown trend started in 2022, as a consequence of a mixture of factors (monetary policies measures, changes in regulation related to lending, inflationary pressures and energy crisis), the consumer portfolio has started its recovery in second quarter of 2023. The recovery trend is supported by NBM monetary policy relaxation started in 2022 so far, which has positively impacted lending, consumption and national economy. In terms of **mortgage lending**, maib sustained an upward trend, achieving a 2.6% QoQ expansion.

- **Maib** further strengthened is **retail lending market position**[3] on 30 June 2023, reaching a leading level of 32.8%, up by 1.0 pp QoQ and by 2.3 pp on a YoY basis. The expansion occurred in both consumer and mortgage lending, standing at 36.8% (up by 1.2 pp QoQ and 3.1 pp YoY) and 29.1% (up by 0.7 pp QoQ and 2.1 pp YoY), respectively.

- **Retail deposits portfolio** has continued its growing trend, reaching the level of MDL 22,508 million by the end of June 2023, up by 5.8% QoQ and 26.1% YoY basis, driving over 70% of total deposit portfolio QoQ growth. Deposits denominated in local currency contributed mostly to the QoQ increase in Retail deposit portfolio, recording 6.5% QoQ growth. The overall deposit portfolio structure by currency has not changed during 2Q 2023, mostly consisting of deposits denominated in local currency – 61%. The YoY increase in retail deposits was mostly prompted by term deposits in local currency by 52%, determined by the increase in the interest rates during 2022 in line with the market trend. Bank's **market share**[3] in **Retail deposits** stood at 35.1% at the end of the second quarter of 2023, up by 0.2% QoQ and 4.5% on a YoY basis.

[1] Amount represents IFRS gross exposure, i.e. principal plus related accrued amounts of interest and commissions, adjusted with amortized cost
[2] Amount includes principal and related accrued interest
[3] Source: National Bank of Moldova

SME Banking*

Key business highlights

SME Banking serves Micro, Small and Medium sized enterprises. SME customers are classified as below:

- **a Micro enterprise** is the one with an annual sales revenue than not exceeding MDL 18 million
- **a Small enterprise** is the one with an annual sales revenue over MDL18 million
- **a Medium enterprise** is the one with an annual sales revenue over MDL 50 million

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

Market share SME loans[1]:
37.1%
Up by 3.8 pp QoQ
Up by 6.1 pp YoY

Gross Loan portfolio[2]:
MDL 6.2 billion
Up by 6.7% QoQ
Up by 23.5% YoY

Cards portfolio[3]:
>12 thousand
Up by 12.0% QoQ
Up by 65.4% YoY

Deposits portfolio:
MDL 6.3 billion
Down by 2.0% QoQ
Up by 5.2% YoY

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

- Nearly **31K** active **SME customers** at 30 June 2023, up by 5.5% YoY;
- **6% YoY** increase in number of **Internet Banking** clients;
- **6% YoY** increase in number of **active customers with POS-terminals**;
- Portfolio generated by **IFI lending programs** increased by 10.7% reaching the share of 35.2% of total loan balance as of 30 June 2023;
- Volume of **card** transaction for SME clients up by 33% YoY;

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

SME banking
2Q 2023 and 1H Financial performance

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

	2Q 2023	1Q 2023	2Q 2022	% QoQ change	% YoY change
NET INTEREST INCOME	**134.3**	**156.1**	**115.8**	**-14.0%**	**+16.0%**
NON-INTEREST INCOME, out of which:	**77.0**	**72.5**	**72.1**	**+6.2%**	**+6.7%**
Net fee and commission income	47.7	45.9	42.8	+4.0%	+11.6%
Foreign exchange gains, net	28.6	27.0	28.1	+5.8%	+1.7%
Other operating income	0.6	(0.4)	1.2	-253.9%	-46.6%
OPERATING INCOME, NET	**211.2**	**228.6**	**187.9**	**-7.6%**	**+12.4%**
DIRECT OPERATING EXPENSES, out of which:	**(47.2)**	**(62.0)**	**(54.9)**	**-23.9%**	**-14.1%**
Staff costs	(29.8)	(31.8)	(29.9)	-6.3%	-0.2%
Depreciation	(5.5)	(5.4)	(6.9)	+1.9%	-19.6%
Other operating expenses, including:	(11.8)	(24.7)	(18.1)	-52.2%	-34.8%
Deposits Guarantee Fund	(1.3)	(1.1)	(1.4)	+19.0%	-3.6%
Resolution Fund	0.6	(11.9)	(0.2)	-104.8%	-387.6%
INDIRECT ALLOCATED EXPENSES	**(45.2)**	**(53.6)**	**(45.8)**	**-15.6%**	**-1.3%%**
OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE AND INCOME TAX	**118.9**	**113.0**	**87.3**	**+5.2%**	**+36.2%**
Credit loss allowances and provisions	12.6	(60.0)	(41.2)	-120.9%	-130.5%
PROFIT BEFORE INCOME TAX (PBT)	**131.4**	**53.1**	**46.1**	**+147.6%**	**+185.1%**
Income tax expense	(15.4)	(5.9)	(5.2)	+162.0%	+197.1%
NET PROFIT	**116.0**	**47.2**	**40.8**	**+145.8%**	**+184.2%**

UNAUDITED SEMIANNUAL INCOME STATEMENT highlights, million MDL

	1H 2023	1H 2022	% YoY change
NET INTEREST INCOME	**290.4**	**206.3**	**+40.7%**
NON-INTEREST INCOME, out of which:	**149.5**	**140.6**	**+6.3%**
Net fee and commission income	93.6	81.7	+14.6%
Foreign exchange gains, net	55.6	57.5	-3.3%
Other operating income	0.2	1.4	-84.0%
OPERATING INCOME, NET	**439.8**	**347.0**	**+26.7%**
DIRECT OPERATING EXPENSES, out of which:	**(109.2)**	**(105.7)**	**+3.3%**
Staff costs	(61.7)	(54.3)	+13.6%
Depreciation	(11.0)	(10.5)	+4.7%
Other operating expenses, including:	(36.5)	(40.9)	-10.7%
Deposits Guarantee Fund	(2.5)	(2.6)	-4.5%
Resolution Fund	(11.3)	(12.4)	-8.8%
INDIRECT ALLOCATED EXPENSES	**(98.8)**	**(92.7)**	**+6.5%**
OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE AND INCOME TAX	**231.9**	**148.5**	**+56.2%**
Impairment and provisions charges	(47.4)	(79.3)	-40.2%
PROFIT BEFORE INCOME TAX (PBT)	**184.5**	**69.2**	**+166.6%**
Income tax expense	(21.3)	(7.7)	+177.2%
NET PROFIT	**163.2**	**61.5**	**+165.3%**

	2Q Financial performance[1]			1H Financial performance[2]	
KEY FINANCIAL RATIOS	30 June/ 2Q 2023	31 March/ 1Q 2023	30June/ 2Q 2022	30 June/ 1H 2023	30 June/ 1H 2022
Cost of deposit, %	0.9	1.0	0.3	0.9	0.3
Cost to income ratio, %	43.7	50.5	53.6	47.3	57.2
Cost of risk, %	-0.9	4.2	2.6	1.6	3.1
LTD ratio (at period end), %	93.6	89.1	79.8	93.6	79.8
NPL ratio (at period-end), %	2.5	2.1	2.6	2.5	2.6

[1]Indicators calculated based on quarterly (3 months) annualized financial results
[2] Indicators calculated based on semiannual (6 months) annualized financial results

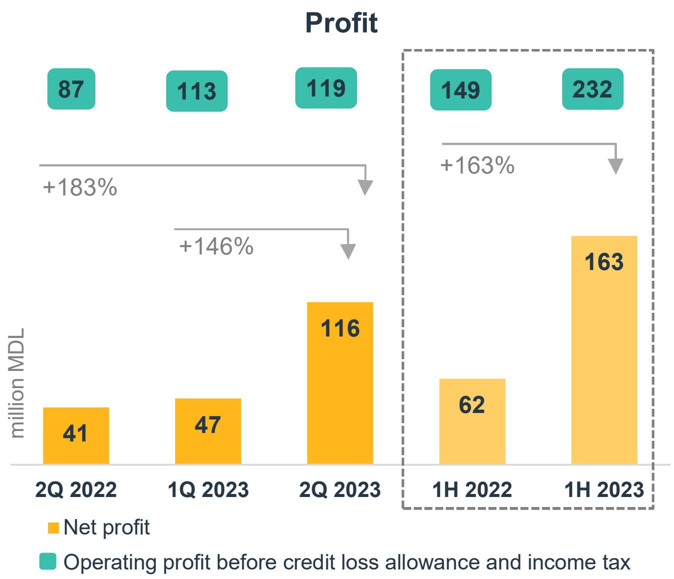
- SME Banking has generated a strong **quarterly net profit** of MDL 116.0 million in 2Q 2023, up by 145.8% QoQ and by 184.2% on a YoY basis. The QoQ net profit growth is mostly attributable to lower risk costs. The operating profit before credit loss allowance and income tax has increased by 5.2% QoQ, being mostly propelled by optimization of operating expenses, in particular contribution to the Resolution Fund, reflected also in improved cost-to-income ratio, by 6.8 pp QoQ.

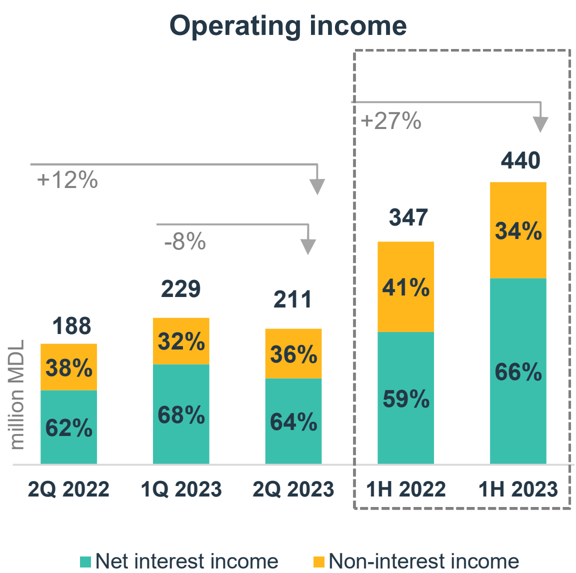
- **Net operating income** has decreased by 7.6% QoQ, the decrease being mainly attributable to net interest income decline by 14% QoQ, particularly due to higher funding cost.

- **Half-year net profit** reached MDL 163.2 million, up by 165.3% YoY. The particular contribution to the net profit growth was elevated net interest and net fee and commission income, coupled by lower risk costs. The semiannual net interest income stood at MDL 290.4 million, marking 40.7% YoY increase fueled by higher yields and 23.5% YoY loan portfolio growth.

- In 2Q 2023, **non-interest income** stood at MDL 77.0 million, marking a 6.2% QoQ and 6.7% YoY growth. The QoQ increase in non-interest income was driven by several income streams, with the primary contribution of net fee and commission income, along with net foreign exchange income. The rise in net fee and commission income was propelled by increased SME customers payments volumes and services tailored to package products. Net foreign exchange gains grew by 5.8% QoQ due to improved transaction margins in 2Q 2023.

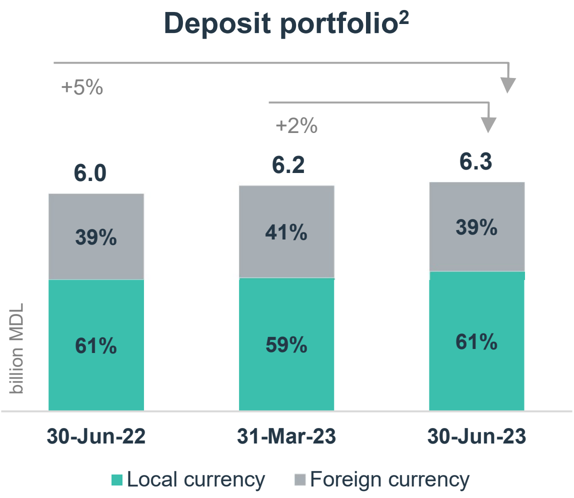
- Semiannual non-interest income marked a 6.3% YoY growth, being boosted by net fee and commission income, which marked a nearly 15% YoY increase, primarily driven by settlements, product packages, cards and cash management commission income.

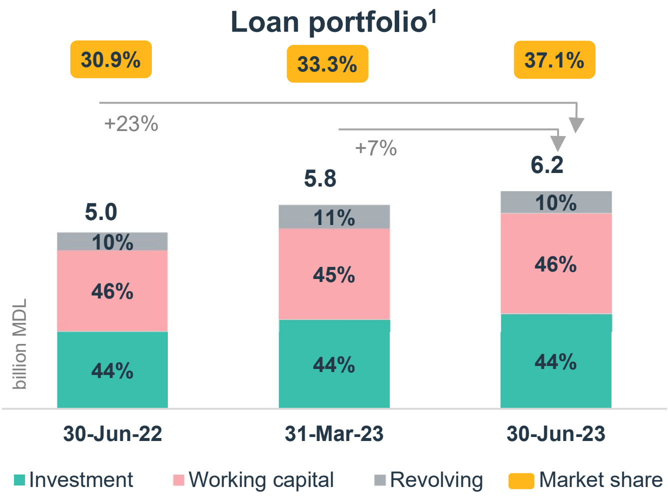




- **Cost of risk** for SME loan portfolio at the end of 2Q 2023 stood at -0.9%, down by 5.0 pp QoQ and by 3.5 pp on a YoY basis. QoQ reduction in cost of risk is attributable to revised forward-looking forecasts in the expected credit loss model, aligning with expected post-2023 economic recovery. At the same time, improved dynamics of default rate, healing of previously deteriorated exposures and upturn of the lending activity contributes to the overall improvement of portfolio quality, reflected in lower risk costs.

- Additionally, in terms of loan quality, SME portfolio showed a positive trend in PAR30 indicator, decreasing by 0.7 pp during 2Q 2023 down to 1.1%.





- The Bank served nearly 31 thousand active **SME customers** as of 30 June 2023, up by 1.0% QoQ and up by 5.5% YoY, reflecting continuous improvements in products, services and digital channels, notably Internet Banking.

- **SME gross loan portfolio**[1] amounted to MDL 6.2 billion as of 30 June 2023, up by 6.7% QoQ and by 23.5% on a YoY basis. The largest contribution to the QoQ growth in SME loan portfolio was of the working capital loans, these representing 69% of the QoQ portfolio growth. Also, the share of working capital loans in total SME portfolio has increased by 1.0 pp QoQ, up to 46%. The concentration of SME loan portfolio is spread mainly between agriculture and trade industries, both representing over 78% of SME portfolio. The SME loan portfolio has been gaining a higher share in the Bank's loan portfolio, reaching 27% at the end of 2Q 2023, up by 1.0 pp QoQ. The YoY increase in SME loan portfolio was almost evenly spread between working capital and investment loans. **Maib**'s **market share**[3] in SME loans reached **37.1%** by the end of 2Q 2023, up by 3.8 pp QoQ and by 6.1 pp YoY.

- Over the same period of time, the growth of the Bank's SME portfolio was consistently propelled by **loan agreements** signed with international financial institutions. In 2Q 2023, maib signed a senior loan with International Finance Corporation and risk-sharing facility agreement EBRD, both of which aiming to support Bank's efforts to improve access to bank financing for SMEs and Corporate customers. In this regard, SME loan portfolio financed by other financial institutions increased by 10.7% QoQ and 27.5% YoY.

- **SME deposit portfolio**[2] reached MDL 6.3 billion as at the end of June 2023, marking a 2.0 % QoQ and 5.2% YoY increase. The QoQ deposit growth was notably attributable to local currency deposits, now comprising 61% of the SME portfolio. YoY growth in SME deposits was driven by term deposits denominated in foreign currency, as result of new attractive non-lending products offered to SME clients, which incentivized business customers to keep their earning in term deposits accounts for a longer period of time.

[1] Amount represents gross exposure, i.e. principal plus related accrued amounts of interest and commissions, adjusted with amortized cost
[2] Amount includes principal and related accrued interest
[3] Source: National Bank of Moldova

CORPORATE Banking

Key business highlights

Corporate Banking provides loans and other credit facilities to Moldovan's large corporate clients and other legal entities (excluding SMEs), as well as services covering payments and other needs of corporate customers.

Loans market share[1]:
44.5%
Down by 2.1 pp QoQ
Down by 1.9 pp YoY

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

Gross loan portfolio[2]:
MDL 9.4 billion
Up by 1.2% QoQ
Up by 5.4% YoY

Deposits portfolio:
MDL 4.9 billion
Down by 8.7% QoQ
Up by 18.7% YoY

Corporate Banking showed a sustainable growth in 1H 2023 in terms of new customers attracted and volume of new loans, deposits and transactions performed with support of **maib**. A snapshot of the corporate achievements is presented below:

- **93%** of corporate customers use **maib Internet Banking**;
- **97%** of corporate clients payments were online;
- **5%** YoY increase in number of clients with **payroll projects**;
- **15% YoY** increase in volume of **documentary transactions**;
- **450+ business cards** in circulation as of 30 June 2023;
- Significant increase in MDL **payments** volume (annual volume is up by +16% YoY);
- **4%** YoY increase in number of **electronic transactions**.

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

Corporate banking

2Q and 1H 2023 Financial performance

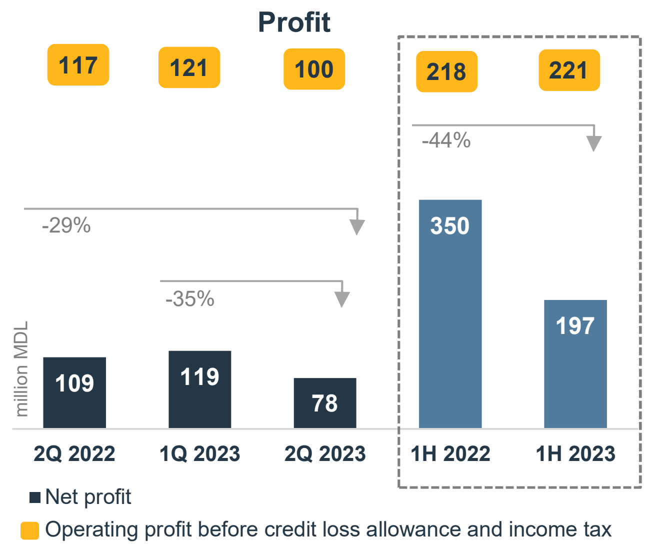
UNAUDITED QUARTERLY **INCOME STATEMENT** highlights, million MDL	2Q 2023	1Q 2023	2Q 2022	% QoQ change	% YoY change
NET INTEREST INCOME	**95.3**	**131.9**	**105.7**	**-27.8%**	**-9.9%**
NON-INTEREST INCOME, out of which:	**40.8**	**37.6**	**47.7**	**+8.6%**	**-14.4%**
Net fee and commission income	13.2	13.0	11.5	+1.6%	+14.7%
Foreign exchange gains, net	27.2	25.3	35.1	+7.5%	-22.6%
Other operating income	0.5	(0.6)	1.1	-175.9%	-56.0%
OPERATING INCOME, NET	**136.1**	**169.5**	**153.5**	**-19.7%**	**-11.3%**
DIRECT OPERATING EXPENSES, out of which:	**(15.5)**	**(21.5)**	**(15.6)**	**-27.9%**	**-0.8%**
Staff costs	(7.6)	(8.1)	(9.2)	-6.5%	-17.9%
Depreciation	(0.7)	(0.7)	(0.7)	+4.0%	+5.4%
Other operating expenses, including:	(7.2)	(12.7)	(5.7)	-43.3%	+26.0%
Deposits Guarantee Fund	(0.9)	(0.8)	(0.8)	+11.8%	+14.0%
Resolution Fund	(0.2)	(8.8)	(0.5)	-97.5%	-55.6%
INDIRECT ALLOCATED EXPENSES	**(20.3)**	**(27.0)**	**(21.4)**	**-24.7%**	**-5.2%**
OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE AND INCOME TAX	**100.3**	**121.1**	**116.5**	**-17.1%**	**-13.9%**
Credit loss allowances and provisions	(12.3)	12.9	7.7	-195.2%	-259.7%
PROFIT BEFORE INCOME TAX (PBT)	**88.0**	**134.0**	**124.2**	**-34.3%**	**-29.1%**
Income tax expense	(10.4)	(14.9)	(14.9)	-30.0%	-30.1%
NET PROFIT	**77.6**	**119.1**	**109.3**	**-34.8%**	**-29.0%**

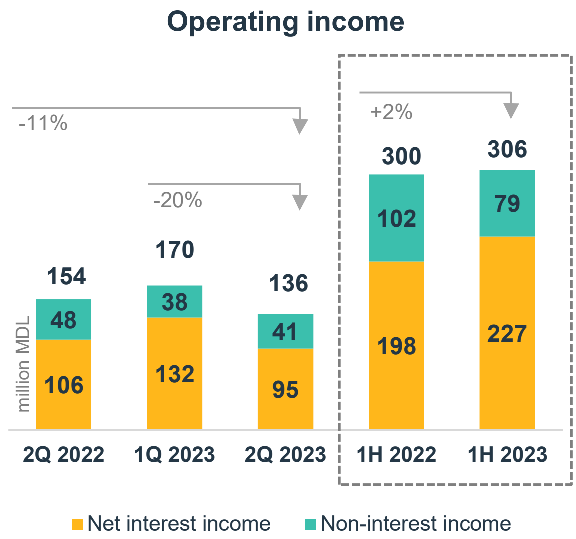
UNAUDITED SEMIANNUAL INCOME STATEMENT highlights, million MDL	1H 2023	1H 2022	% YoY change
NET INTEREST INCOME	**227.1**	**197.7**	**+14.9%**
NON-INTEREST INCOME, out of which:	**78.5**	**102.4**	**-23.4%**
Net fee and commission income	26.2	21.6	+21.1%
Foreign exchange gains, net	52.5	79.7	-34.2%
Other operating income	(0.2)	1.2	-112.8%
OPERATING INCOME, NET	**305.6**	**300.1**	**+1.8%**
DIRECT OPERATING EXPENSES, out of which:	**(36.9)**	**(36.3)**	**+1.8%**
Staff costs	(15.6)	(14.8)	+5.7%
Depreciation	(1.4)	(1.1)	+31.6%
Other operating expenses, including:	(19.9)	(20.3)	-2.2%
Deposits Guarantee Fund	1.7)	(1.6)	+8.0%
Resolution Fund	(9.0)	(10.7)	-15.6%
INDIRECT ALLOCATED EXPENSES	**(47.3)**	**(46.1)**	**+2.5%**
OPERATING PROFIT BEFORE CREDIT LOSS ALLOWANCE AND INCOME TAX	**221.4**	**217.7**	**+1.7%**
Impairment and provisions charges	0.6	175.8	-99.6%
PROFIT BEFORE INCOME TAX (PBT)	**222.0**	**393.5**	**-43.6%**
Income tax expense	(25.3)	(44.0)	-42.5%
NET PROFIT	**196.7**	**349.5**	**-43.7%**

	2Q Financial performance[1]			1H Financial performance[2]	
KEY FINANCIAL RATIOS	**30 June/ 2Q 2023**	**31 March/ 1Q 2023**	**30June/ 2Q 2022**	**30 June/ 1H 2023**	**30 June/ 1H 2022**
Cost of deposit, %	3.3	4.3	1.3	3.7	0.8
Cost to income ratio, %	26.3	28.6	24.1	27.6	27.5
Cost of risk, %	1.0	-0.6	-0.3	0.2	-3.9
LTD ratio (at period end), %	183.3	197.4	207.5	183.3	207.5
NPL ratio (at period-end), %	4.3	2.1	2.0	4.3	2.0

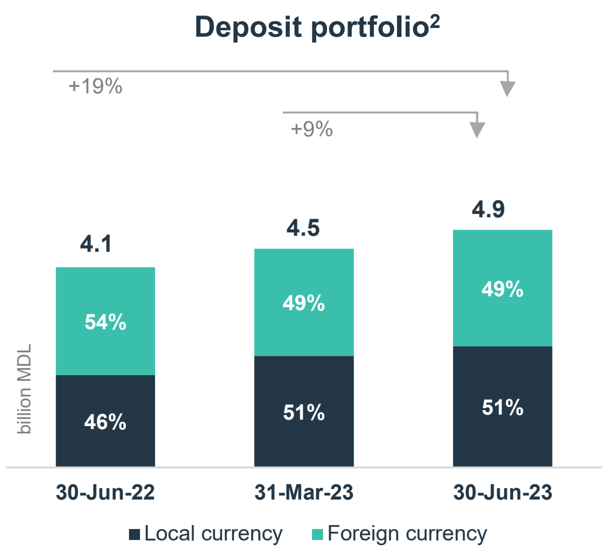
[1] Indicators calculated on quarterly (3 months) annualized financial results
[2] Indicators calculated on semiannual (6 months) annualized financial results

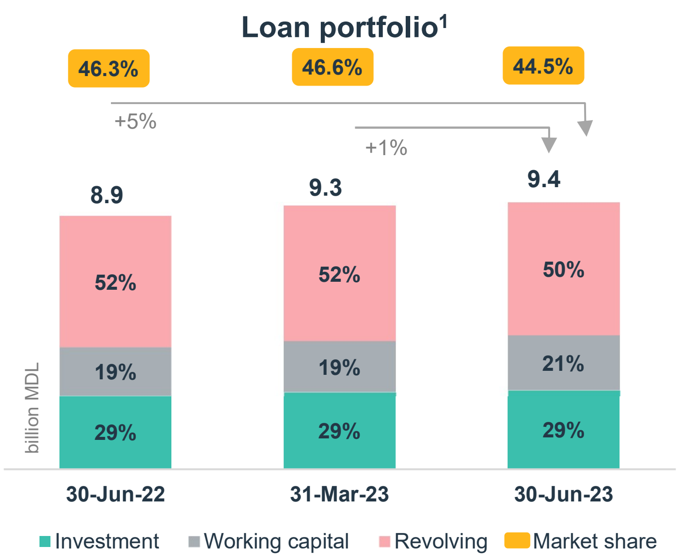
- In 2Q 2023, the Corporate Banking **net profit** amounted to MDL 77.6 million, down by 34.8% QoQ and by 29.0% on a YoY basis. The quarter-on-quarter drop in net profit was mainly driven by decrease of net interest income and higher risk costs as compared to the previous quarter of the year.
- Quarterly **net operating income** declined by 19.7% QoQ to MDL 136.1 million. The decrease in net interest income was primarily due to higher funding costs, partially offset by non-interest income.
- The rise in QoQ **non-interest income** is attributable to higher net foreign exchange gains, propelled by increased margins and volumes of foreign exchange transactions (up by over 3.1% QoQ).
- Half-year **net operating income** reached MDL 305.6 million, reflecting a 1.8% YoY increase. This growth was predominantly propelled by a strong net interest income generation, which marked a 14.9% YoY growth, up to MDL 227.1 million. The YoY rise of semiannual net interest income was primarily related to increase in yields, coupled with loan balance 5.4% YoY growth. Concurrently, net fee and income amounted MDL 26.2 million, marking a 21.1% YoY rise. This increase was driven by settlement operations, commission from loans, guarantees and letters of credit.





- In 2Q 2023, **cost of risk** associated to Corporate loan portfolio stood at 1.0%, higher by 1.6 pp QoQ. The QoQ increase in cost of risk was primarily determined by defaults of several significant corporate exposures. The Bank has already developed a plan and initiated a loss recovery actions related to these exposures.





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

- **Corporate gross loan portfolio**[1] stood at MDL 9.4 billion as of 30 June 2023, up by 5.4% YoY and 1.2%QoQ. The QoQ expansion in the Corporate gross loan portfolio is driven by working capital and investment loans, notably emphasizing working capital loans that achieved over 7% QoQ growth, increasing their share in the total portfolio by 2 percentage points QoQ (up to 21%).

- Corporate loan exposure per industries remained unchanged, primarily diversified across food and trade sectors, collectively representing over 58% of loan portfolio. **Maib**'s **market share**[1] in Corporate loans was 44.5% by the end of 2Q 2023, down by 2.1 pp on a QoQ basis.

- Corporate **deposit portfolio** reached MDL 4.9 billion as at June 30, 2023, up by 8.7% QoQ and by 18.7% YoY. The QoQ increase in corporate deposit portfolio is attributable both to current and term deposit accounts, which marked a 10% and 7% QoQ growth, respectively. The structure of the deposit portfolio by currency remained unchanged, with a bolder growth in deposits denominated in local currency. YoY deposit portfolio growth was mostly due to term deposits in foreign currency, the balance of which has quadrupled since June 2022. The attractive products offered by maib propelled the clients to extend the duration of their earnings kept in the Bank's accounts, this resulting in a significant increase in share of corporate term deposits in total corporate portfolio – up to 41% in 2Q 2023 from 18% in 2Q 2022. Consequently, the share of business-held term deposits rose up to 17% by the end of 2Q 2023, out of which 12% are owed to corporate customers.

[1] Source: National Bank of Moldova

Subsequent events

Latest Monetary Policy decision. On 8 August 2023 the Executive Committee of the NBM, adopted the decision to maintain at the same level interest rates for the main monetary policy operations, as follows:

- the base rate applied to major short-term monetary policy operations maintained at 6%
- interest rates for overnight loans maintained at 8%
- interest rates for overnight deposits maintained at 4%
- the required reserve ratio of funds attracted in MDL and non-convertible foreign currency maintained at 34% of the reserve base
- the required reserve ratio of funds attracted in freely convertible currency maintained at 45% of the reserve base

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

Important legal information:
Forward-looking statements

This document contains forward-looking statements, such as management expectations, outlook, forecasts, budgets and projections of performance, as well as statements concerning strategy, objectives and targets of the Bank, as well as other types of statements regarding the future. Words such as “believe,” “anticipate,” “estimate,” “target,” “potential,” “expect,” “intend,” “predict,” “project,” “could,” “should,” “may,” “will,” “plan,” “aim,” “seek” and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. The management of the Bank believes that these expectations and opinions are reasonable, and based on the best knowledge, however, the management of the Bank would like to underline that no assurance can be given that such expectations and opinions will prove to have been correct. As such, these forward-looking statements reflecting expectations, estimates and projections are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond the control of the Bank, include, among other things: macroeconomic risk, including currency fluctuations and depreciation of the Moldovan Leu; regional and domestic instability, including geopolitical events; loan portfolio quality risk; regulatory risk; liquidity risk; capital risk; financial crime risk; cyber-security, information security and data privacy risk; operational risk; COVID-19 pandemic impact risk; climate change risk; and other key factors that indicated could adversely affect our business and financial performance, which are contained elsewhere in this document. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results. No part of this document constitutes, or shall be taken to constitute, an invitation or inducement to invest in maib shares, and must not be relied upon in any way in connection with any investment decision. Any forward-looking statements are only made as at the date of this report. Maib does not intend and undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this document should be construed as a profit forecast. In addition, even if the results of operations, financial condition and liquidity of the Group, and the development of the industry in which the Group operates, are consistent with the forward-looking statements set out in this report, those results or developments may not be indicative of results or developments in subsequent periods.

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

Glossary

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