

# Maib Performance and Vision

## Maib Park

5 October 2024

# our presenting team



**Macar Stoianov**  
maib CFO



**Giorgi Shagidze**  
maib CEO



**Evgenii Risovich**  
Investor Relations



**Aliona Stratan**  
maib First Deputy CEO



**Sergiu Groza**  
Head of Digital Platform

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## Presentations

(11:30)

**Giorgi Shagidze**, CEO

Maib overview

**Evgenii Risovich**, Head of Investor Relations

Country overview

**Aliona Stratan**, maib First Deputy CEO, Retail

Retail business strategy

**Sergiu Groza**, Head of Digital Platform

Maibank user experience

**Macar Stoianov**, CFO

Maib financials

## Lunch and networking

(12:30)

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# Maib overview

Country overview

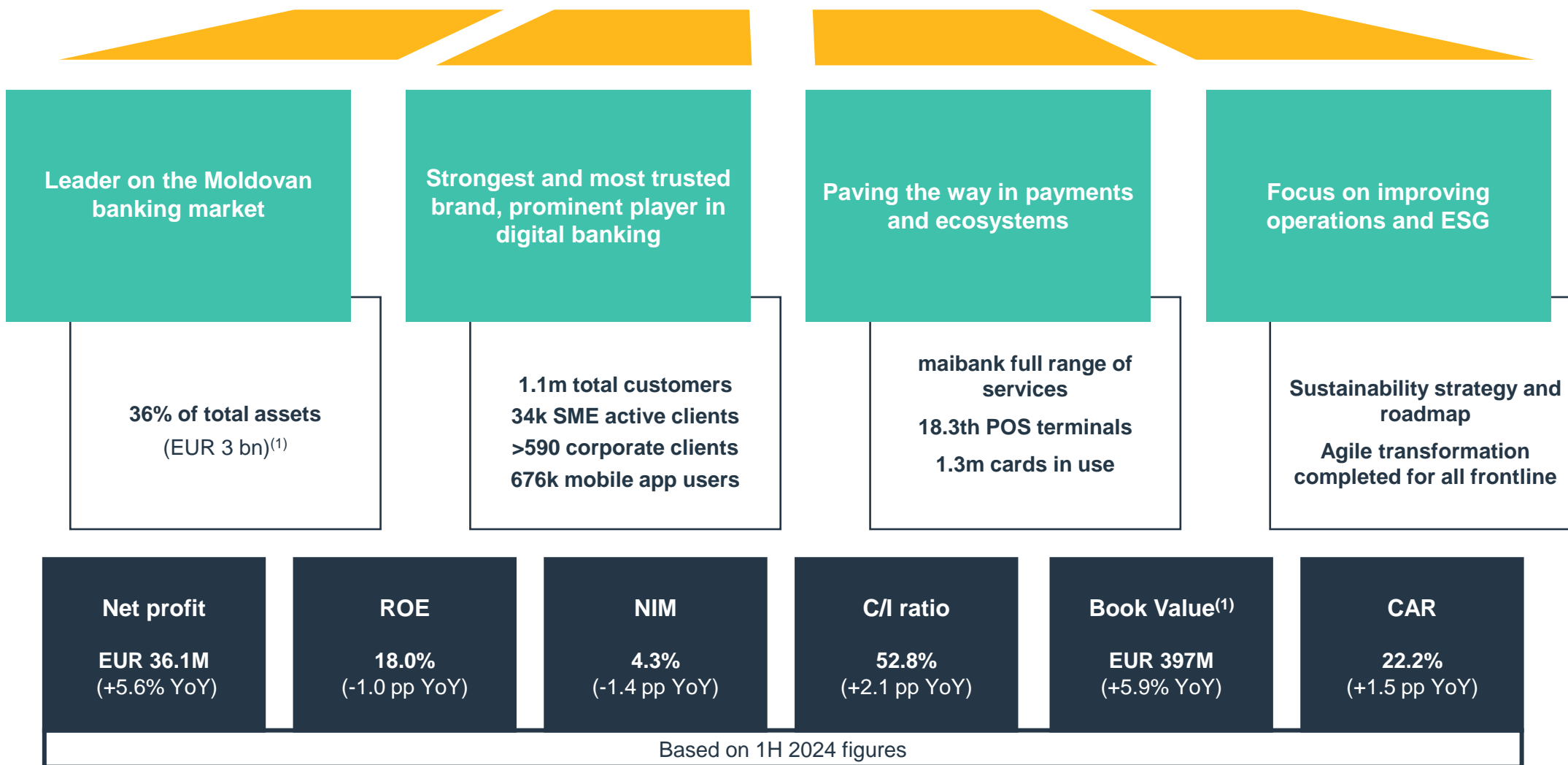
Retail business strategy

Digital user experience

Maib financials



**Giorgi Shagidze,**  
maib CEO



(1) FX rate EUR/MDL 19.1901 as of 30 June 2024 (2) FX rate EUR/MDL 19.2071 average exchange rate during 1H 2024

# Key investment highlights

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

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

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

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

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

**6**  
Excelling at all relevant financial indicators

# 1 Moldova at a glance

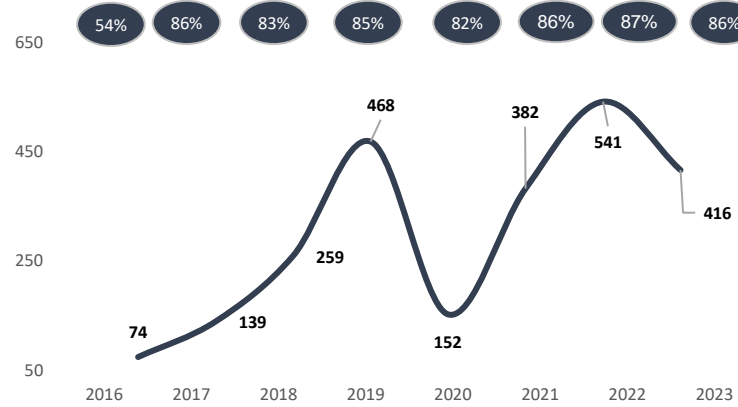
## Key facts

- Population\*: **2.5 mln**
- GDP (2023)\*\*: **USD 17.3 bln**
- GDP per capita (2023)\*\*: **USD 6,900**
- Real GDP CAGR ('15-'23): **2.0%**
- Forecast real GDP CAGR '24-'27: **3.1%\*\*\***
- Debt to GDP (2023): **35%\*\*\***
- Growing urban population (urban vs. rural: 43%/57%)
- Fitch rating: 'B+', Outlook Stable

(\* Source: National Bureau of Statistics of Moldova; (\*\*) FX rate used at 31.12.2023 (\*\*\*) Source: Ministry of Finance

## FDI rebound despite the war in Ukraine

Moldova net FDI Inflows 2016-2022, mUSD

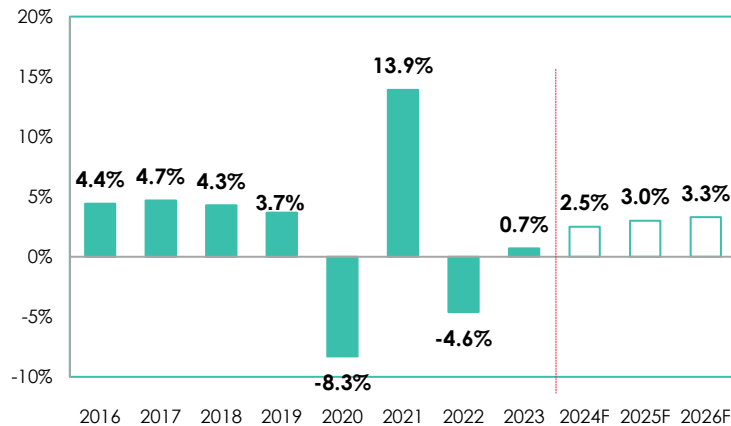


Source: NBM □ Share of FDI from EU, % — FDI

## Location

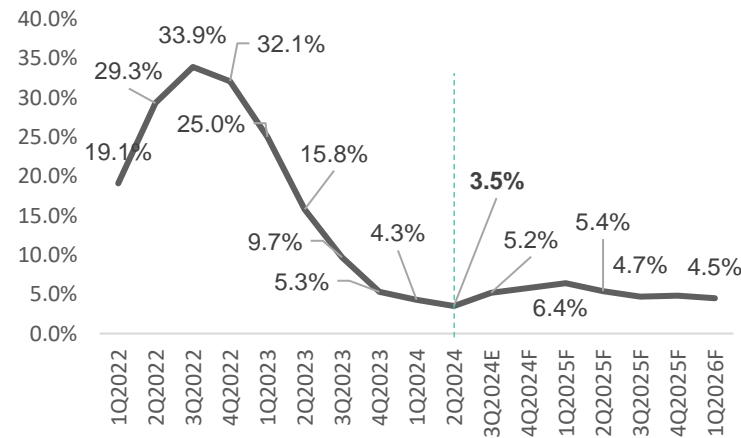


## GDP to return to growth



Source: Ministry of Economy and Infrastructure of Moldova (as of August 2024)

## Inflation within the target corridor



Source: NBM

- Proximity to the European Union: Moldova shares borders with an EU member state Romania. This location provides Moldova with access to the EU's large consumer market.
- Shared heritage and language with Romania leads to deeper economic and political ties
- Romania has granted over 700k citizenships to Moldovans since 2000
- **Moldova has started accession negotiations in June of 2024, just 2 years after becoming an EU candidate country.**

# Leading position in an attractive market

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

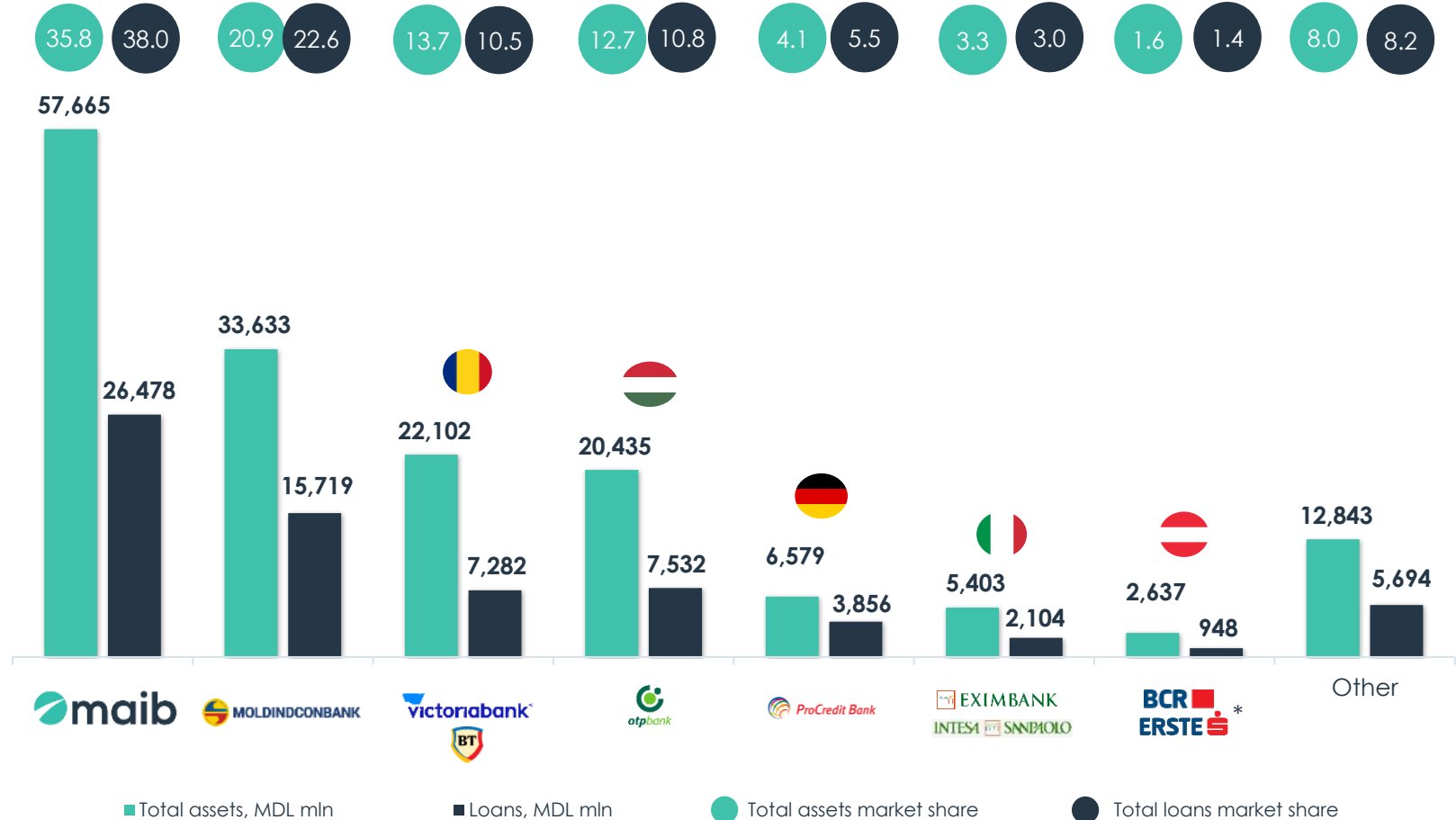


## Banking sector snapshot

- There are 11 commercial banks in Moldova in total**
  - Banking sector remains open with foreign banks' subsidiaries already present in the market (Romania, Hungary)
  - Four largest systemically important banks dominate the market with over 80% of total assets of the banking system
  - There are no state-owned banks at present
- National Bank of Moldova enforces prudent behaviour via modern and conservative regulations**
  - Capital and liquidity requirements are one of the highest in the region
  - The capital adequacy ratio (CAR) calculation is fully aligned with EBA regulation and Basel III standards.
  - Liberal economic regulation: full currency convertibility and no capital control

## Banking sector landscape

Commercial banks by total assets in Moldova, as of 30 June 2024 (MDL mln)



Source: NBM; \*Erste assets in Moldova were acquired by Victoriabank, transaction completed in 2024

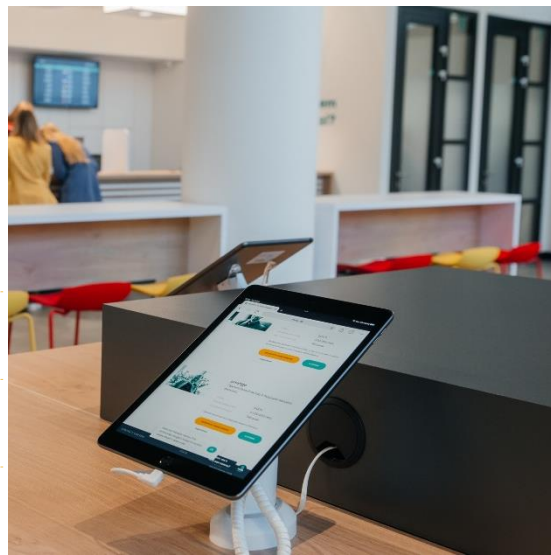


# 2 Award winning franchise and customer experience



## Network

	#1	#1	#2
	382	16.8k	102
Competitor 1	274*	10.5k*	158
Competitor 2	234*	8.3k*	62
Competitor 3	64*	1.6K*	20



Source: NBM, maib and competitors information at 30 June 2024 (\* 31 March 2024)

## Alto



**Alto is the first premium banking offering in Moldova.**

**It aims to capture the high value-add loyal customer**

- The service offers:**
- A personal manager
  - Priority service and a special service area in branches
  - Exclusive packages such as reward cards.



## Awards in all categories

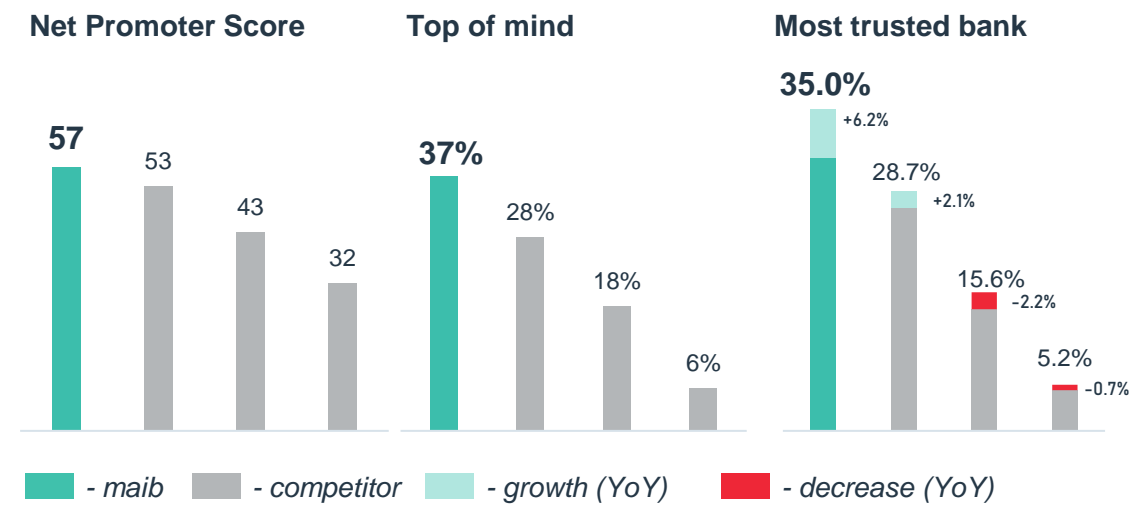
“EMEA FINANCE”  
Best Digital Bank in CEE & CIS and Best Bank in Moldova 2023

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

“GLOBAL FINANCE”  
Best Bank in Moldova 2024

“EUROMONEY”  
Best Bank in Moldova 2023

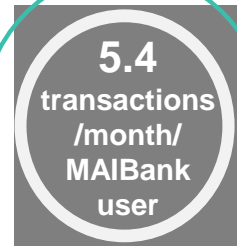
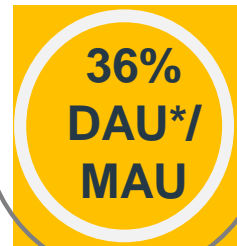
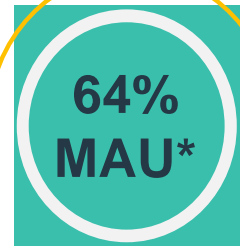
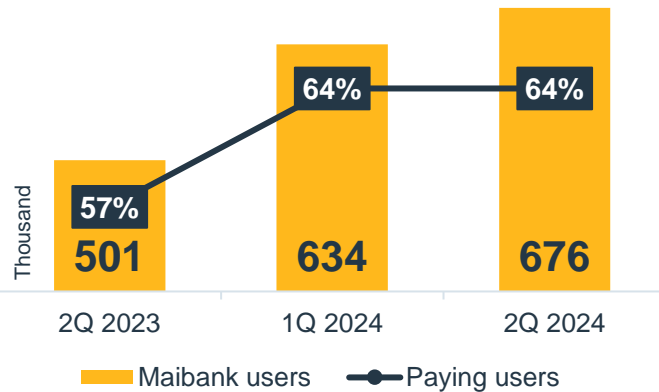
## Runaway brand leadership



Source: Maib internal brand study January 2024

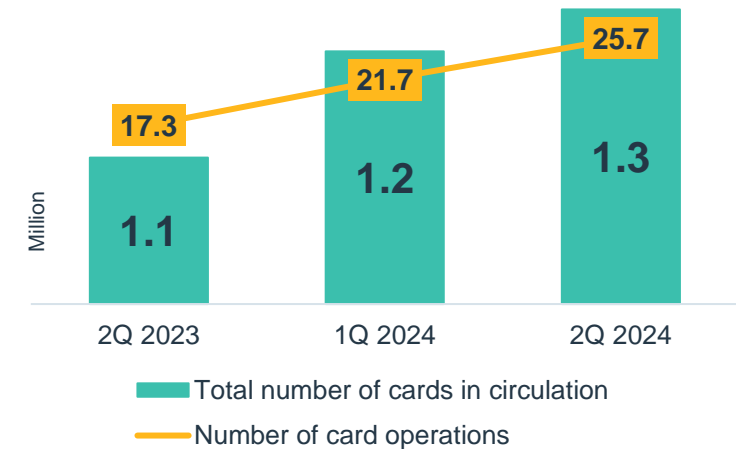
# 3 Advancing digital and payment solutions

## MAIBank retail users



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

## Maib cards in circulation



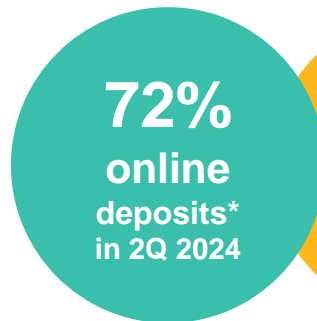
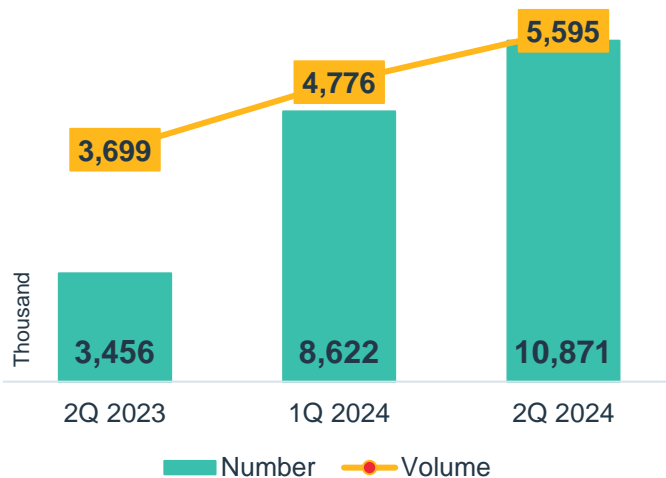
Maib launched full digital onboarding for citizens in September 2023;



maib digital onboarding

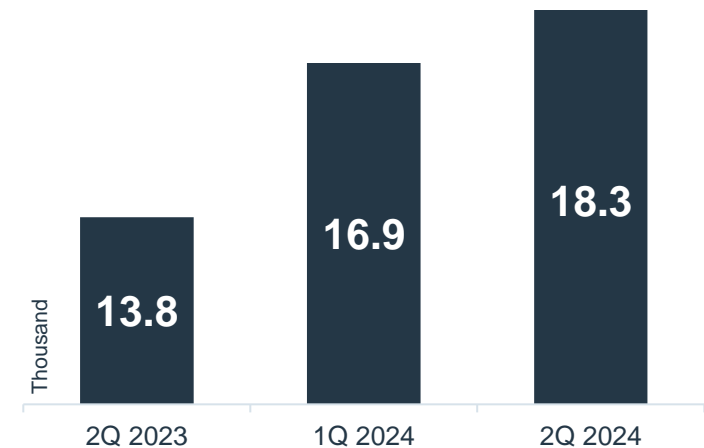
Future plans include extending this service for the diaspora (Over 1m Moldovans live abroad)

## MAIBank online payments\*



\*by number

## POS & E-COMM terminals portfolio



\* Maibank payments includes now transactions on deposits, loans, a2a, p2p pulling in addition of the previous ones

# 4 Strong management and governance

## Strong management team

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

**7 years**

Average tenure with maib of present management board

**22 years**

Average experience of the management team in financing and banking sector



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



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

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

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



## Best-in-class corporate governance framework

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

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

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



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

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

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



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

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

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



# 5 Transforming into future-proof financial institution



### Customer experience

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

### Digitalization

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

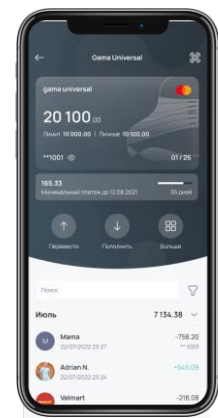
**Strategic focus areas**

### Payments

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

### Branch offloading 2.0

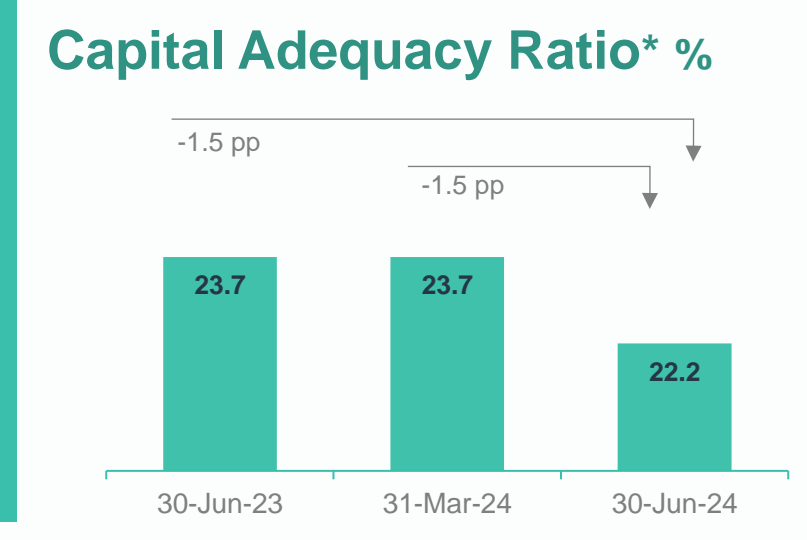
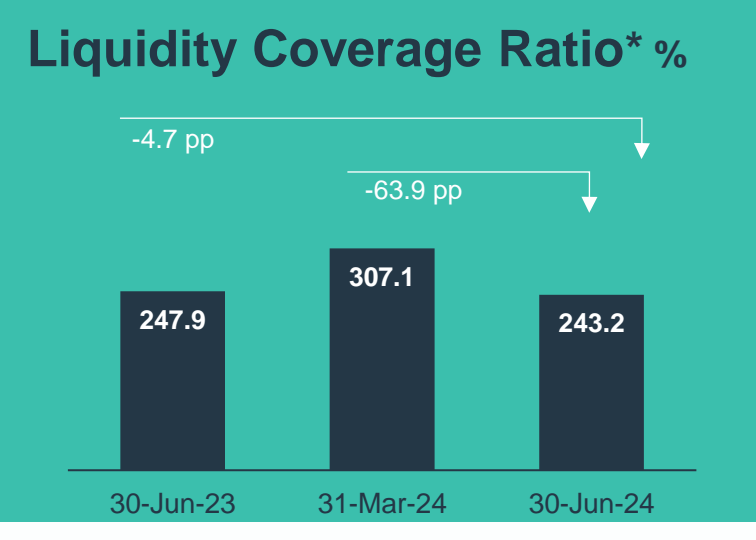
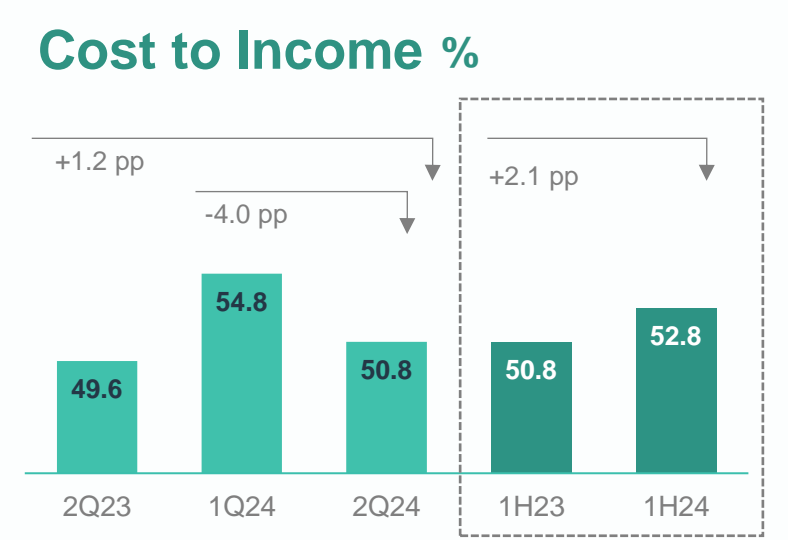
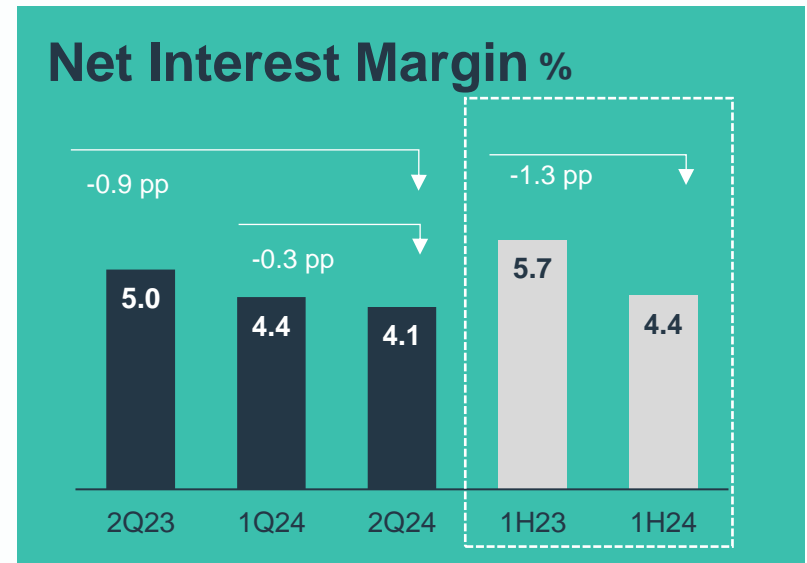
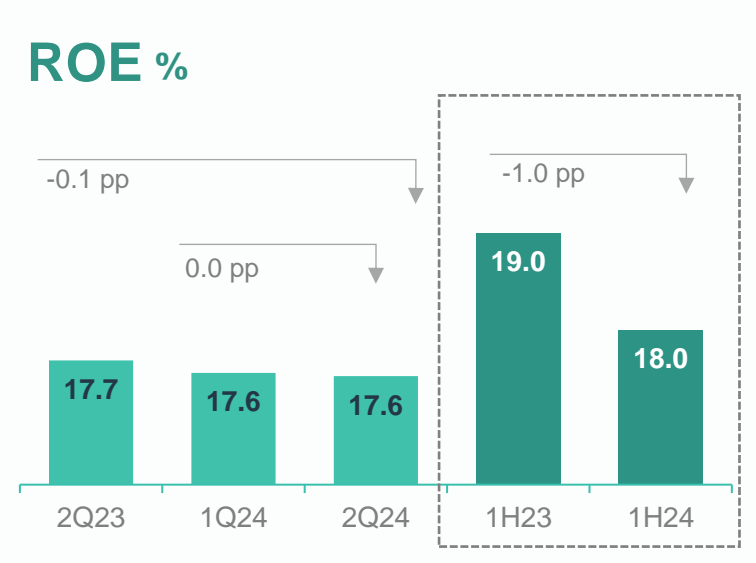
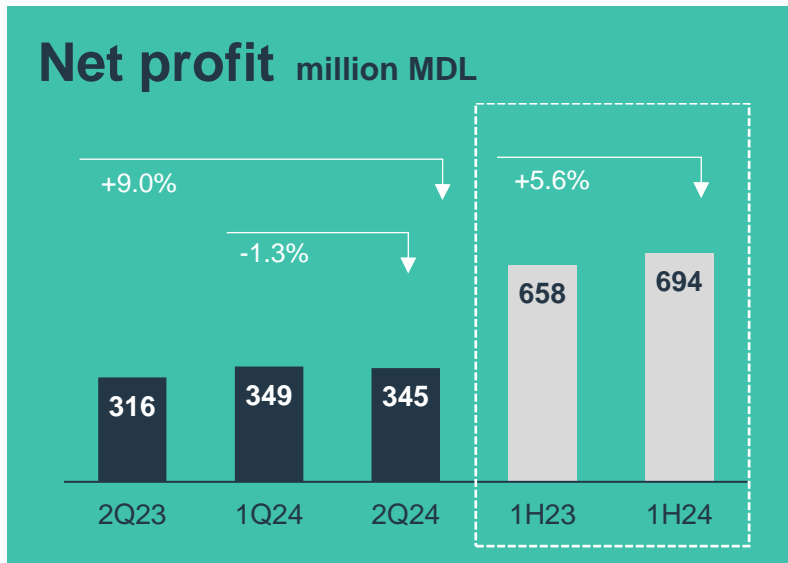
- Streamlining existing branches
- Offloading low value day-to-day transactions into the app
- Improving facial recognition



Also focused on:  
**IPO on BVB and diaspora banking**

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

# 6 Excelling at relevant financial indicators



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



Maib overview

# Country overview

Retail business strategy

Digital user experience

Maib financials

**Evgenii Risovich,**  
Head of Investor Relations

# Moldova – at a glance

Macroeconomic highlights



## COUNTRY HIGHLIGHTS

**USD 6,900**  
GDP per capita 2023

**2.2%**  
GDP growth in 1H 2024

### Average of growth forecasts<sup>1</sup>:

**2.7%**  
2024

**3.7%**  
2025

**4.2%**  
2026

**5.1%**  
Inflation in August 2024

**B+**  
Rating by Fitch

**32.6%**  
Debt-to-GDP at  
1H 2024 end

**3.6%**  
Base rate as of October  
2024

**USD 912 mil.**  
Remittances in 1H 2024  
down 6.3% YoY

**3.8%**  
Budget deficit as a % of  
GDP at 1H 2024 end

## Country data snapshot

	1H 2024	1H 2023	FY 2023
GDP (MDL bil)	142.2	136.0	300.4
GDP Growth (%)	2.2	-2.3	0.7
FDI (USD mil)	105.4	192.5	416.3
Trade deficit (USD mil)	(2,536)	(2,329)	(3,739)
Budget deficit (% of GDP)	3.8	5.3	5.2
Remittances (USD mil)	912.6	973.7	1,946
	2Q 2024	1Q 2024	2Q 2023
Inflation (%)	3.5	4.3	15.8
Debt-to-GDP (%)	32.6	32.3	33.3

## Moldova – EU timeline

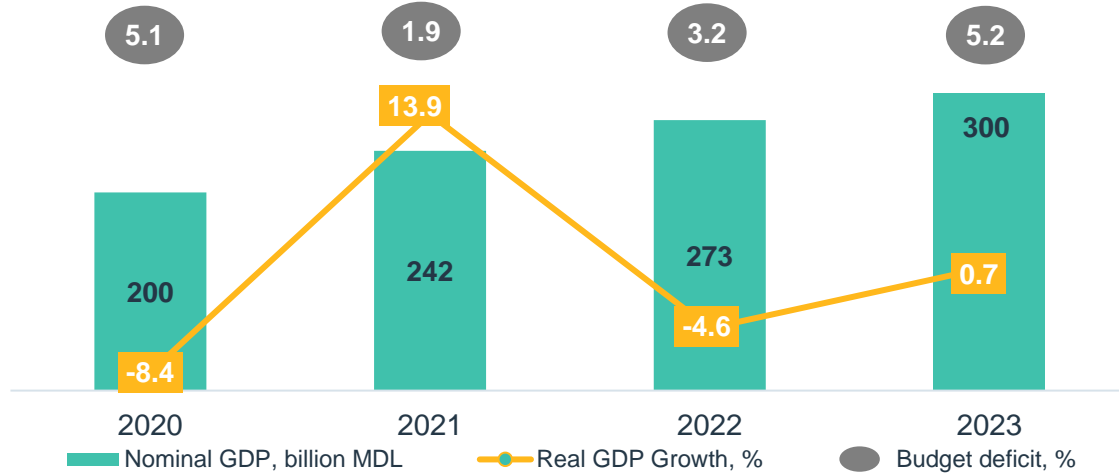
<b>2030 (expected)<sup>3</sup></b>	Full alignment with EU acquis
<b>October 2024</b>	EU referendum
<b>June 2024</b>	EU-Moldova Intergovernmental Conference
<b>December 2023</b>	European Council decides to open accession negotiations
<b>June 2023</b>	Commission updates on progress
<b>February 2023</b>	Report on alignment with EU acquis
<b>June 2022</b>	EU Candidate status granted
<b>March 2022</b>	Application for EU membership
<b>June 2014</b>	Association Agreement with EU signed

<sup>1</sup> According to revised forecasts of: World Bank (January 2024), International Monetary Fund (April 2024), EBRD (September 2024), Vienna Institute for Economic Studies (July 2024) and Moldavian Ministry of Economy (August 2024)  
Source: Moldova Statistics, NBM, Ministry of Finance, Ministry of Economy, Ministry of Energy

# EU accession predicted to drive economic growth

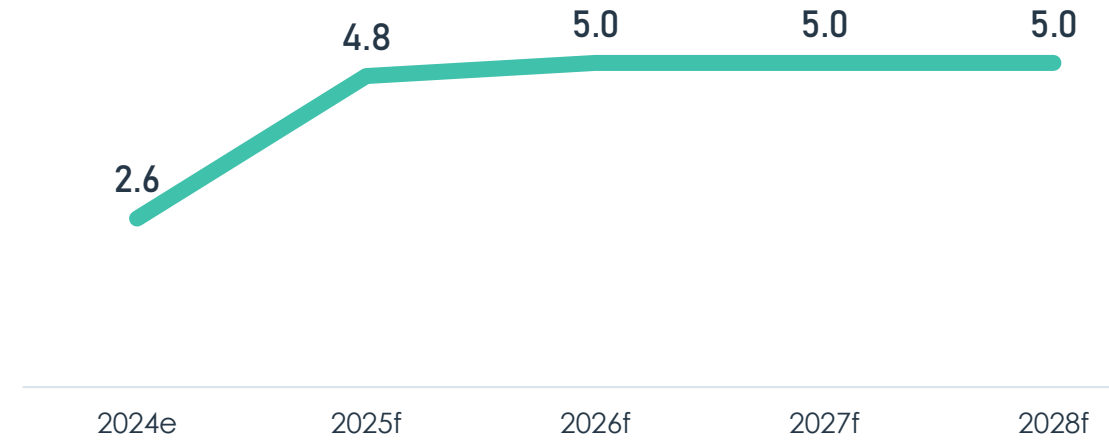
Moldova's macroeconomic performance in light of EU accession

## GDP recovered in 2023



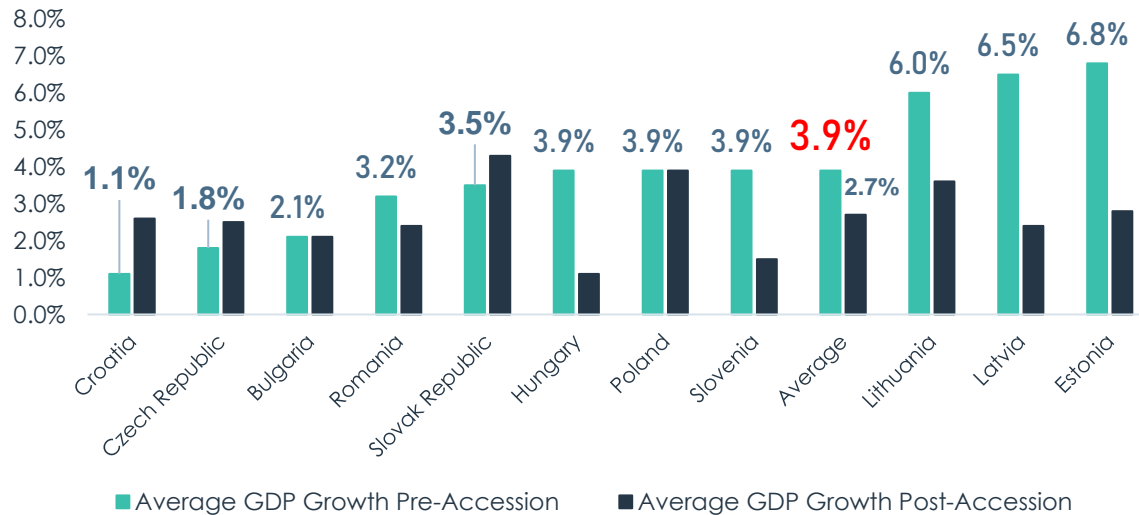
Source: Ministry of Finance and Ministry of Economy of Moldova

## IMF's forecasts high growth for Moldova in medium term



Source: IMF

## EU candidacy typically accelerates growth pre-accession



Source: World Bank

## ... and leads to reduction of the income gap

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

Source: World Bank, income gap with rest of EU



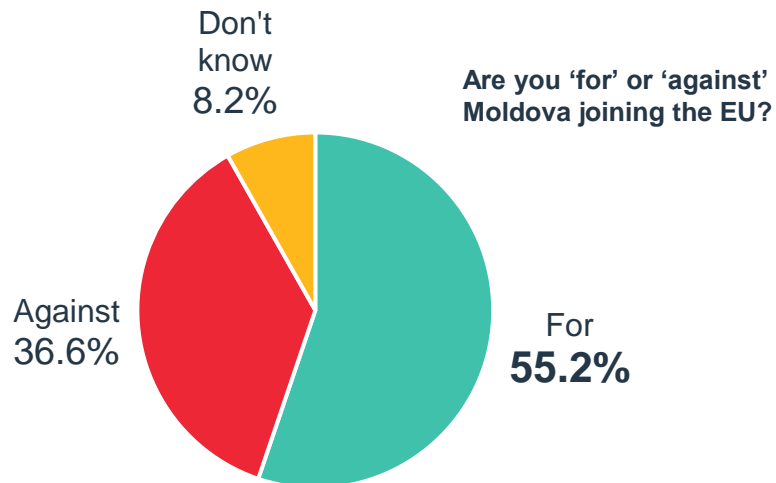
# EU alignment both political and on the ground

Strong support to EU accession helps consolidate and stabilize domestic politics

## EU referendum

- An EU accession **referendum** is scheduled in the country for **October 2024** coinciding with presidential elections.
- Through this referendum the government wishes to enshrine Moldova's EU ambitions in the constitution, so that future governments follow through on the will of the people.

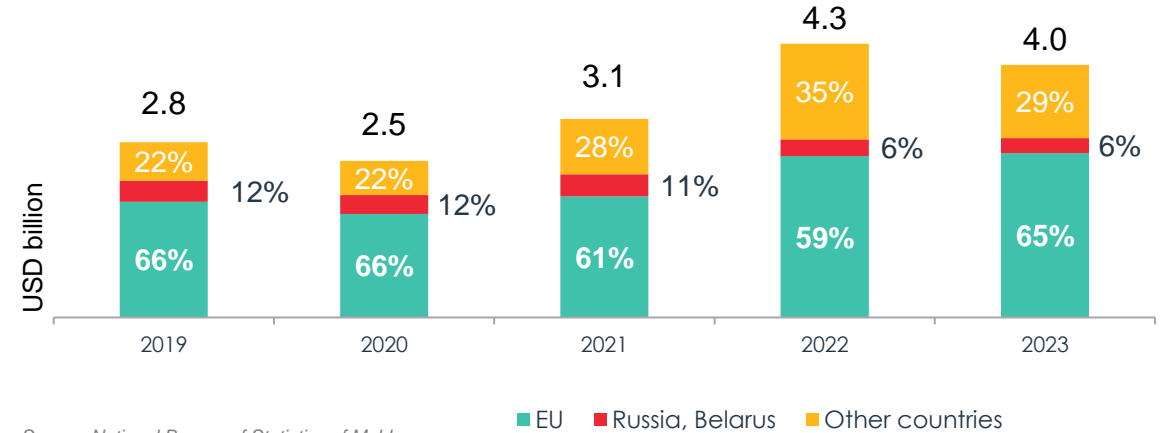
When asked whether they would support EU accession, **55%** of the population said **yes**



Source: Idata barometer August 2024

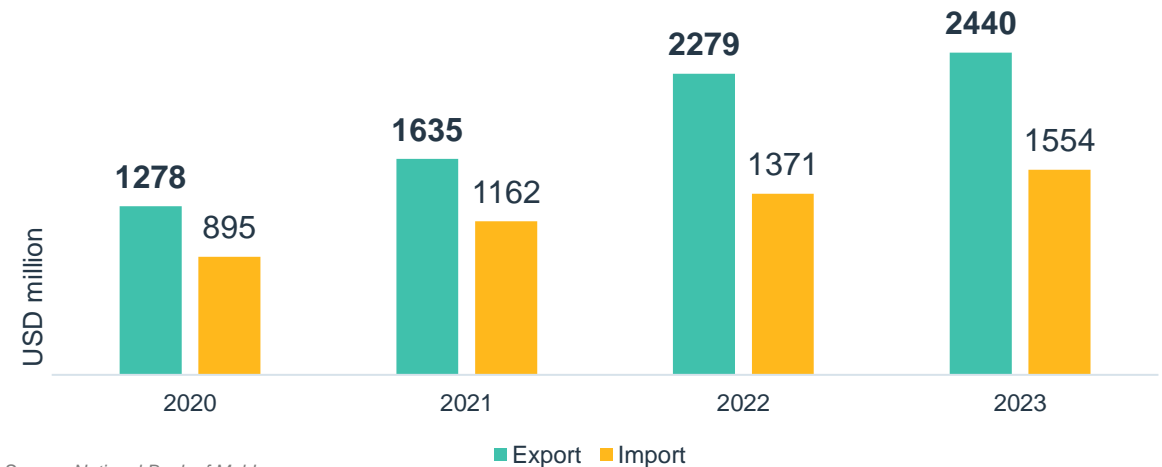
## Trade with the EU is at an all time high

### Exports of goods



## Growing service exports driven by IT "nearshoring" aimed at EU

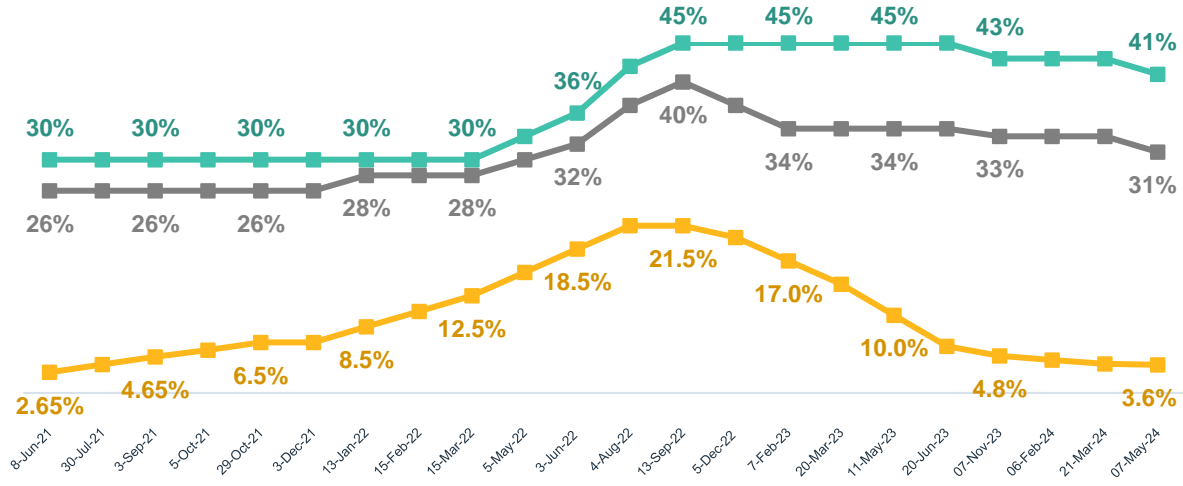
### Net exports, services



# Current monetary policy set to stimulate the economy

National bank (NBM) acts decisively in both directions when necessary

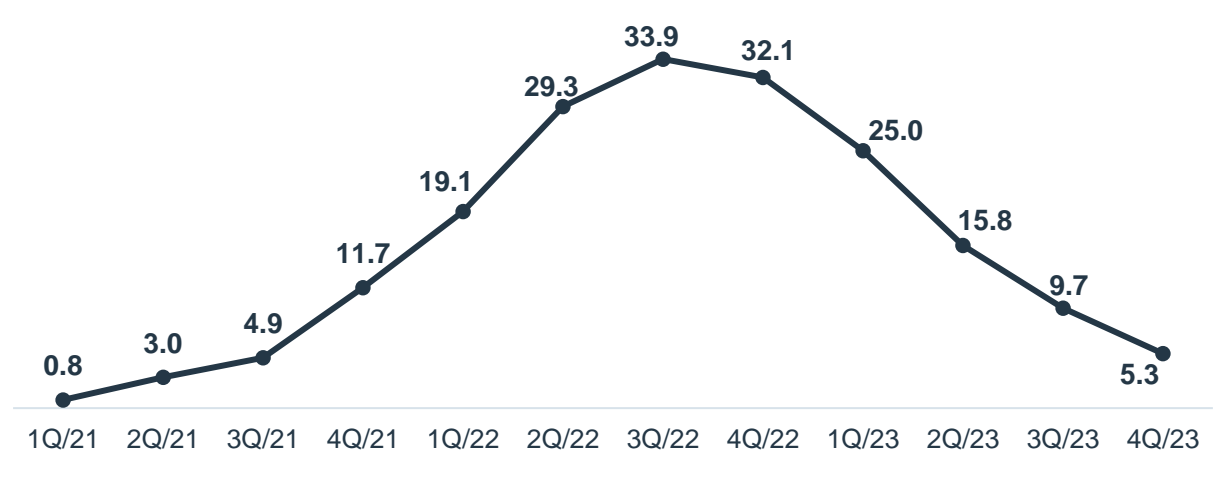
## Monetary policy tightened drastically in 2022...



Source: National Bank of Moldova

Base rate % Reserves in FX

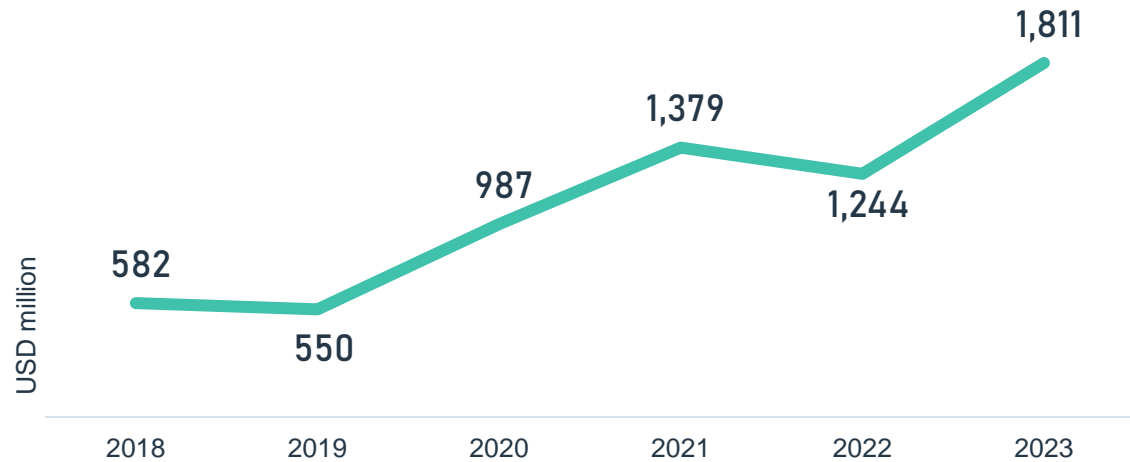
## ... and helped tame inflation



Source: National Bank of Moldova

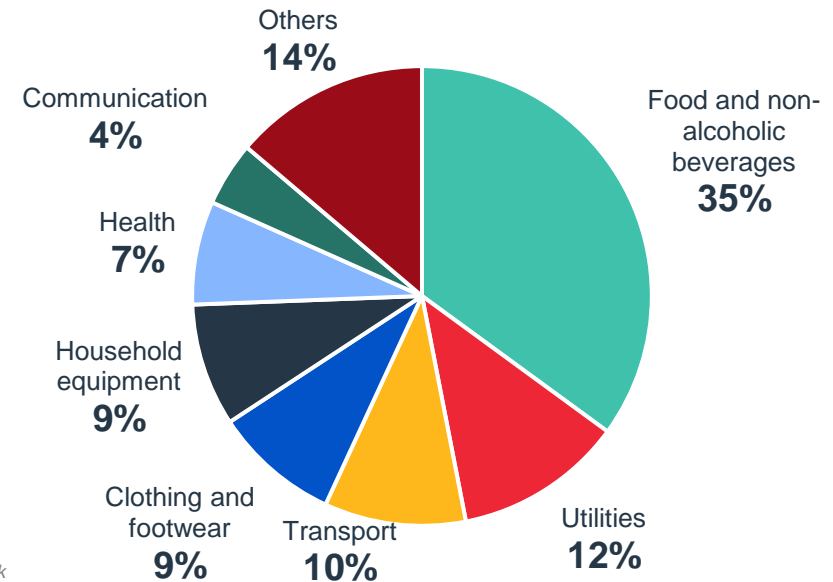
## Issuance of government debt

Total value of government securities



Source: Ministry of Finance of Moldova

## Snapshot of CPI

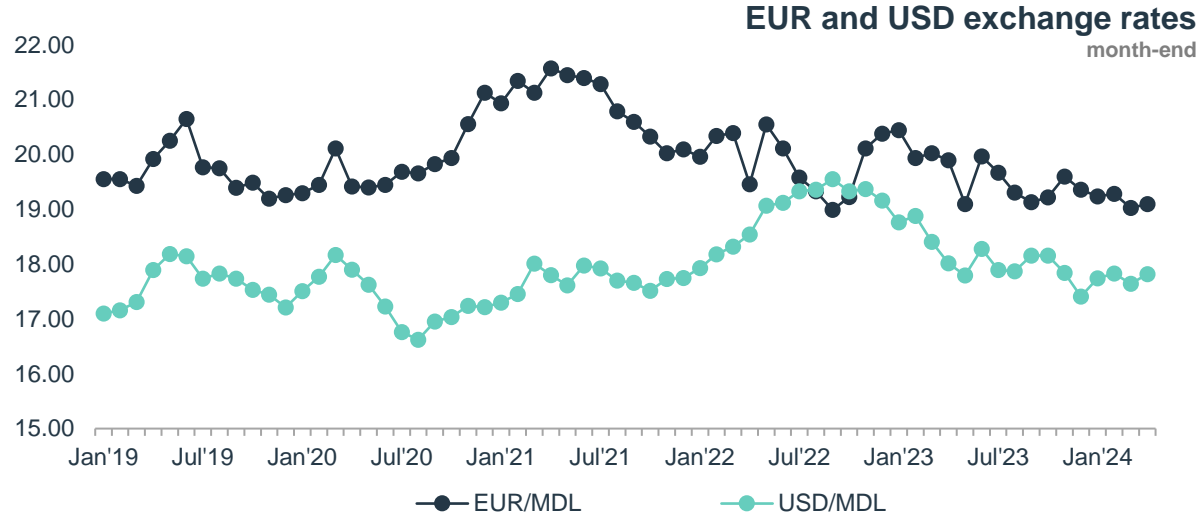


Source: World Bank

# Open economy, stable currency, high level of reserves

Despite a very open economy, the currency remained stable for over 20 years

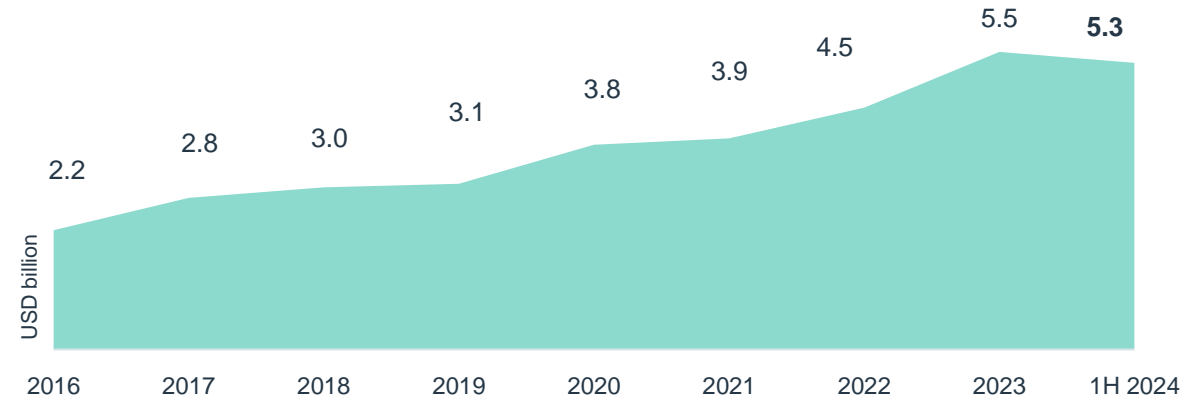
## Local currency (MDL) stable against reference currencies...



Source: National Bank of Moldova

## ...underpinned by high level of reserves

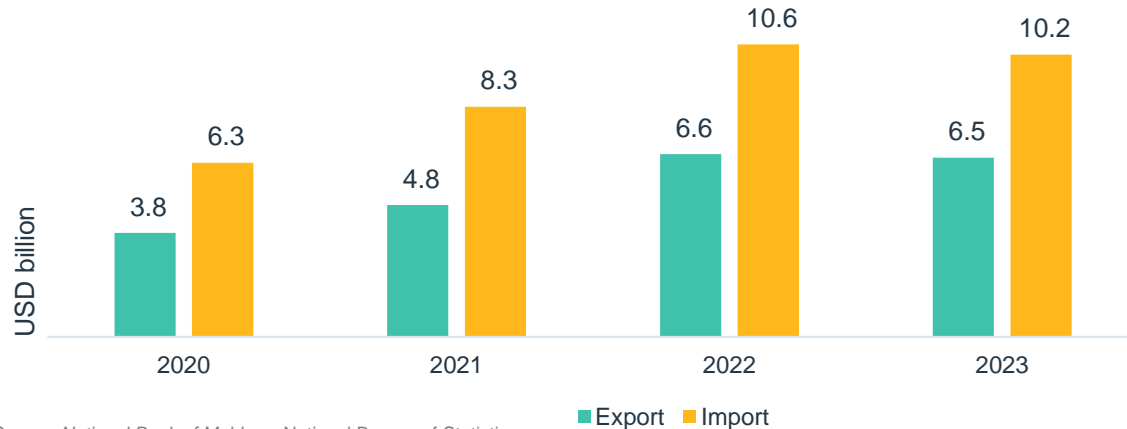
### NBM official reserves



Source: National Bank of Moldova

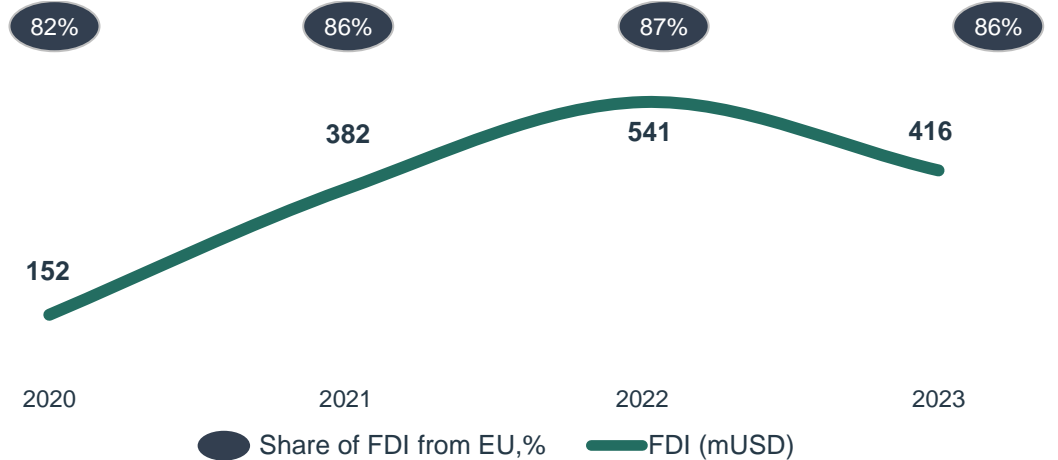
## Volume of trade continues to grow

### Trade balance (goods and services)



Source: National Bank of Moldova, National Bureau of Statistics

## FDI higher than in pre-COVID times, driven by EU investment

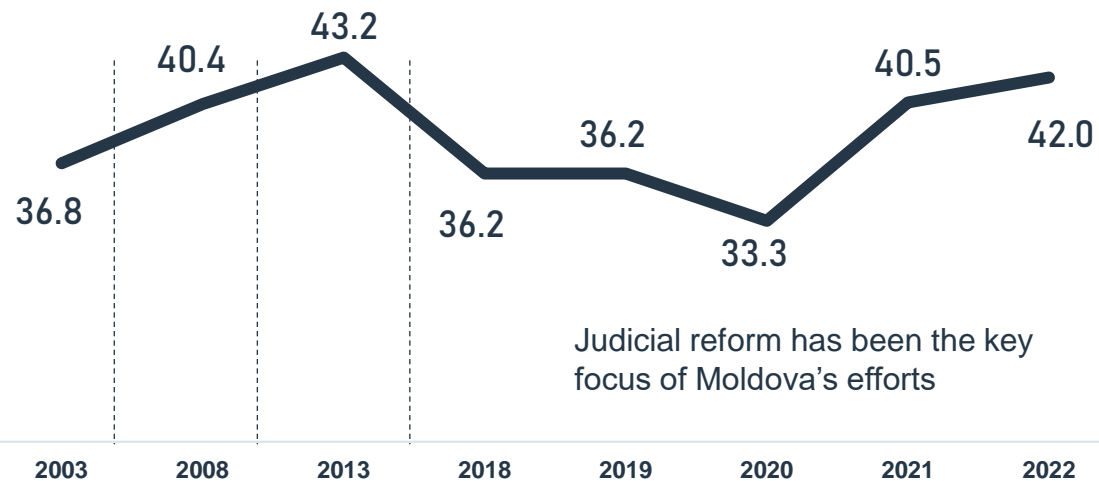


Source: National Bureau of Statistics, Ministry of Economic Development and Digitalization

# Steadily improving governance 1/2

As measured by World Governance indicators by the World Bank, percentile rank (%)

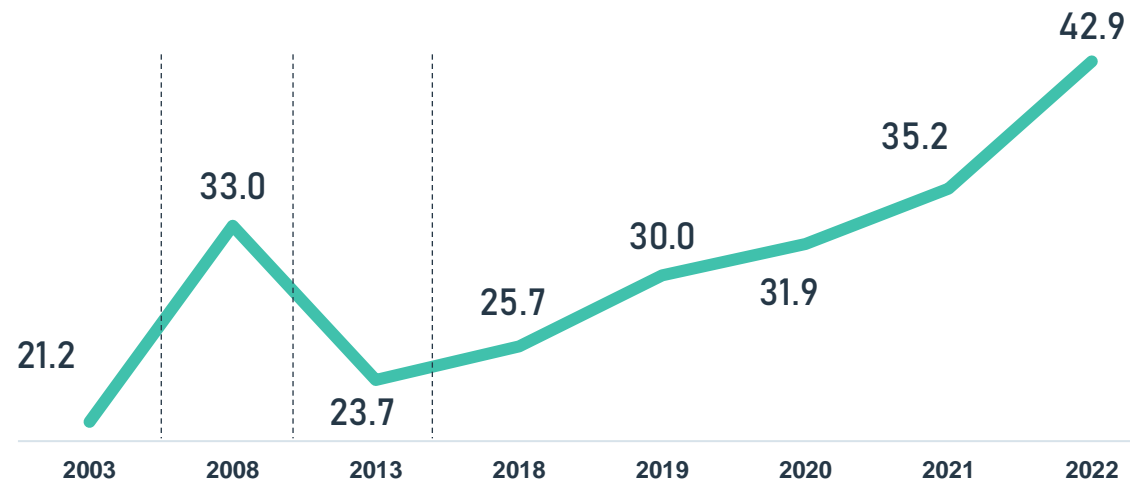
## Rule of Law



Judicial reform has been the key focus of Moldova's efforts

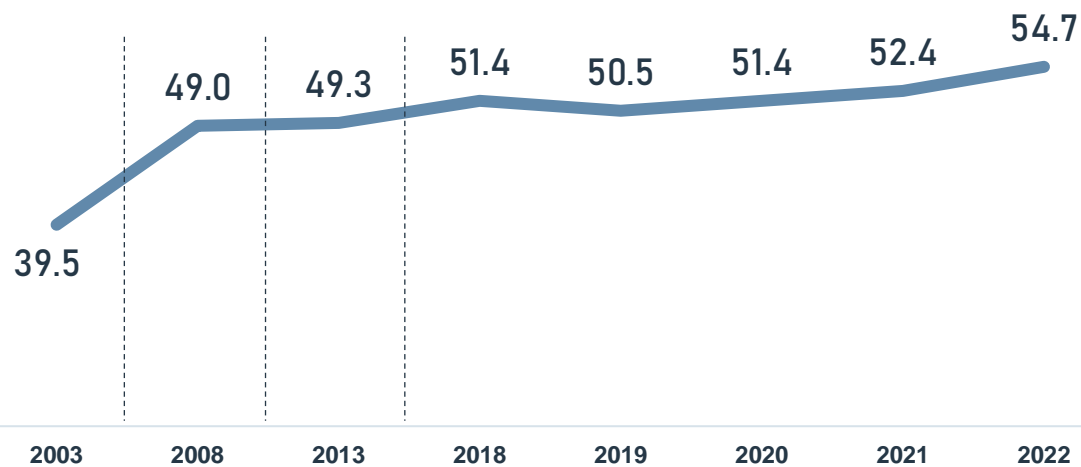
Source: World Bank Governance Indicators

## Control of Corruption



Source: World Bank Governance Indicators

## Regulatory Quality



Source: World Bank Governance Indicators

## Peer group

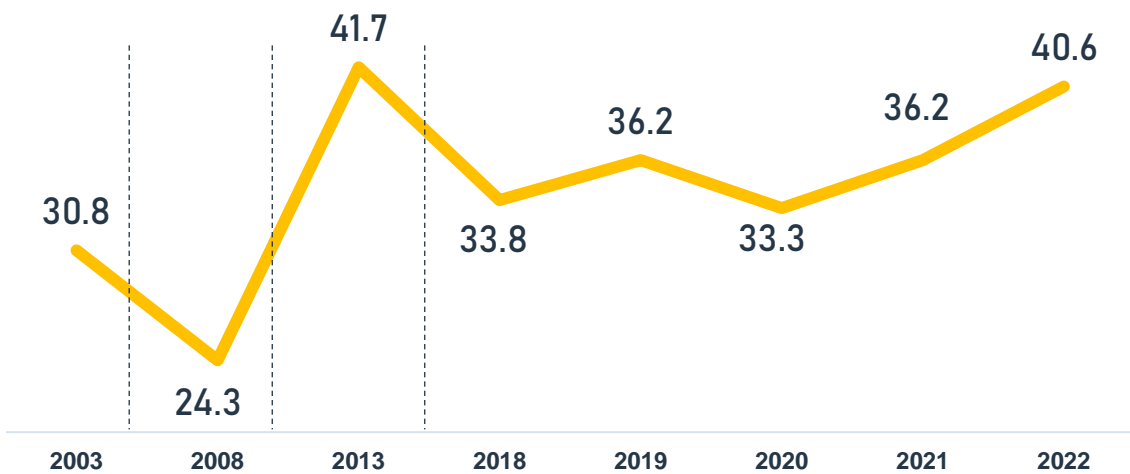
Country	Rule of Law	Control of Corruption	Regulatory Quality
Poland	64.2	68.4	74.5
Romania	62.3	55.7	63.7
Georgia	56.6	72.2	81.6
Bulgaria	49.5	50	61.8
Albania	47.2	38.7	57.5
Armenia	46.2	56.1	51.9
<b>Moldova</b>	<b>42.0</b>	<b>42.9</b>	<b>54.7</b>
Kazakhstan	35.8	48.6	52.8

Source: World Bank Governance Indicators (2022)

# Steadily improving governance 2/2

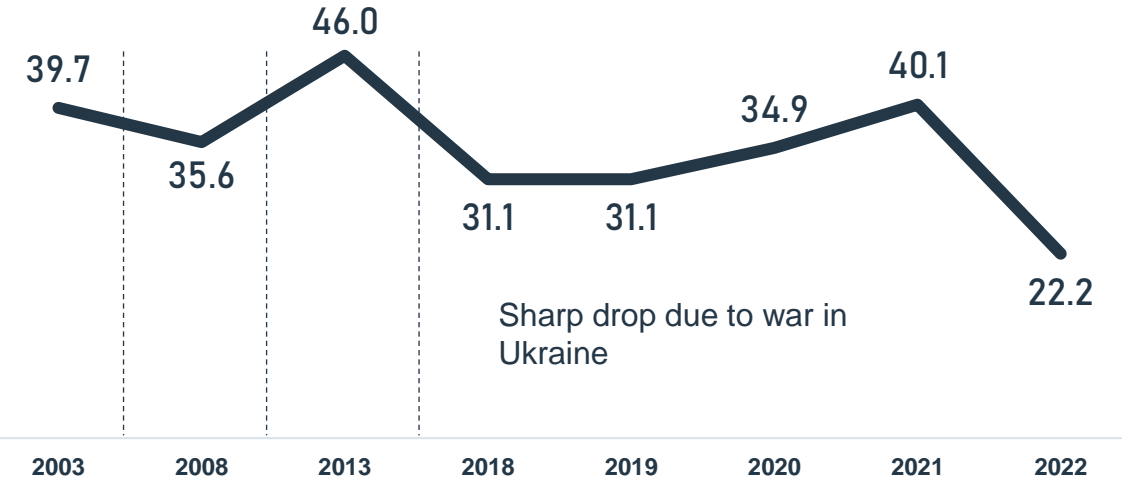
As measured by World Governance indicators by the World Bank, percentile rank (%)

## Government Effectiveness



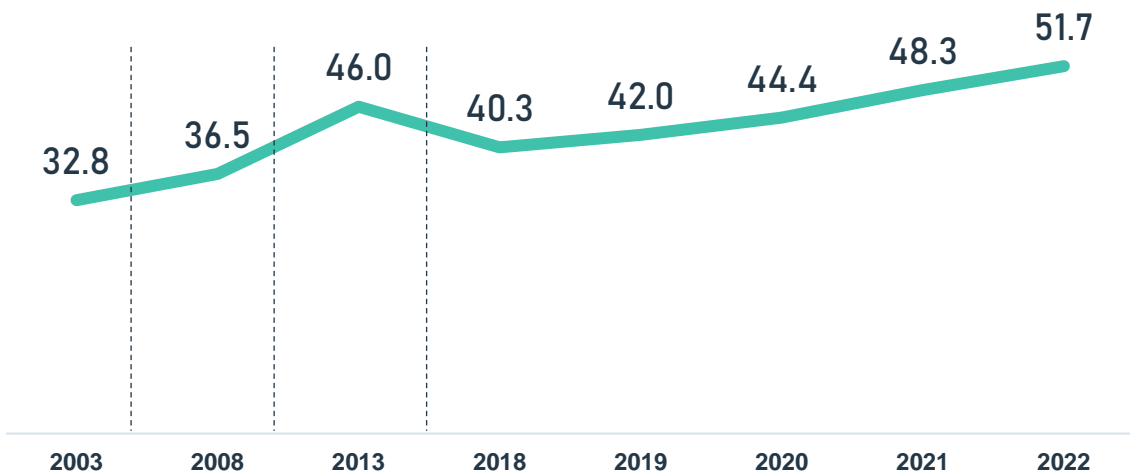
Source: World Bank Governance Indicators

## Political Stability and Absence of Violence/Terrorism



Source: World Bank Governance Indicators

## Voice and Accountability



Source: World Bank Governance Indicators

## Peer group

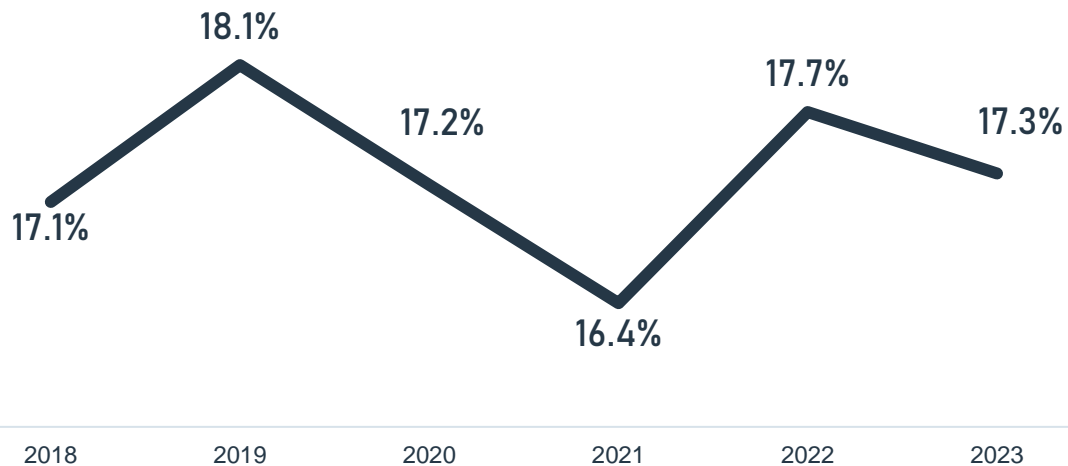
Country	Government Effectiveness	Political Stability	Voice and Accountability
Georgia	72.6	28.8	48.3
Poland	61.8	61.8	65.2
Kazakhstan	58.5	32.5	19.8
Albania	56.6	50.5	52.2
Romania	53.3	60.8	63.8
Bulgaria	42.9	52.4	57
<b>Moldova</b>	<b>40.6</b>	<b>22.2</b>	<b>51.7</b>
Armenia	39.2	17.9	51.2

Source: World Bank Governance Indicators (2022)

# Well capitalized and profitable banking system...

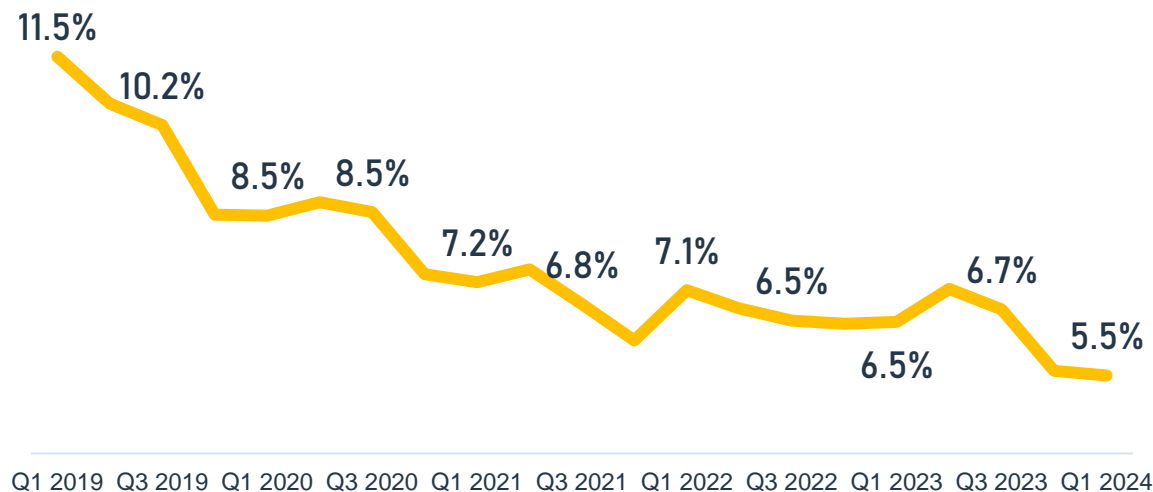
The banking system is positioned to withstand future shocks while maintaining profitability

## Equity to assets: well capitalized



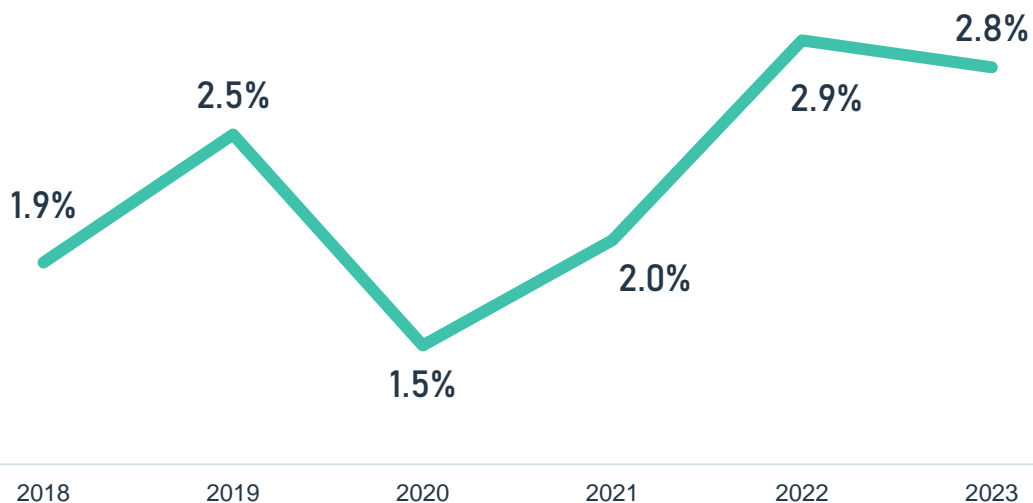
Source: National Bank of Moldova

## Non-performing loans (NPL) ratio: improving over time



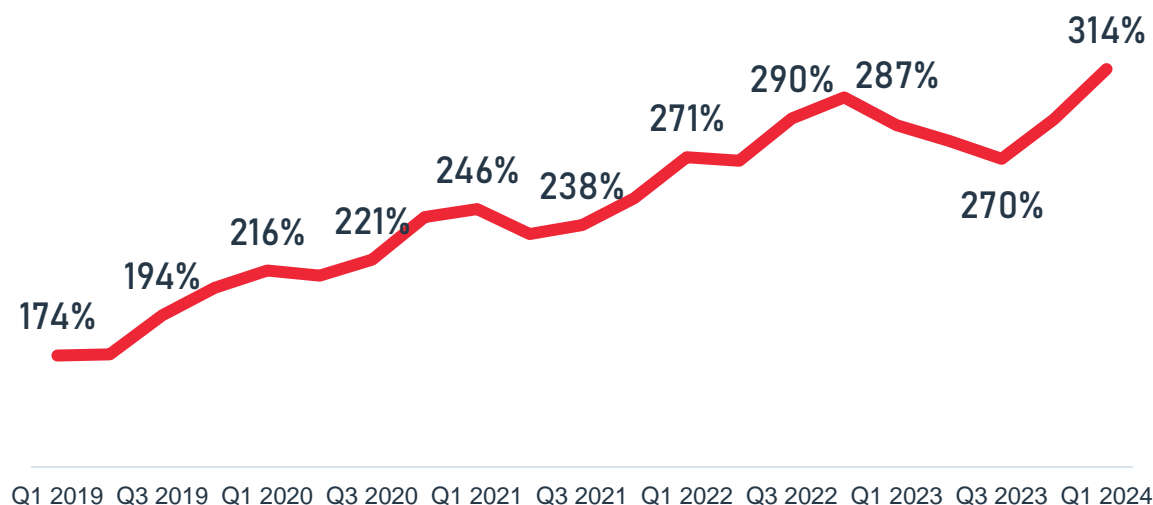
Source: IMF Financial Soundness Indicators, Prudential NPL ratio shown

## Return on assets: highly profitable



Source: National Bank of Moldova

## Liquid Assets to Short-Term Liabilities: abundant liquidity

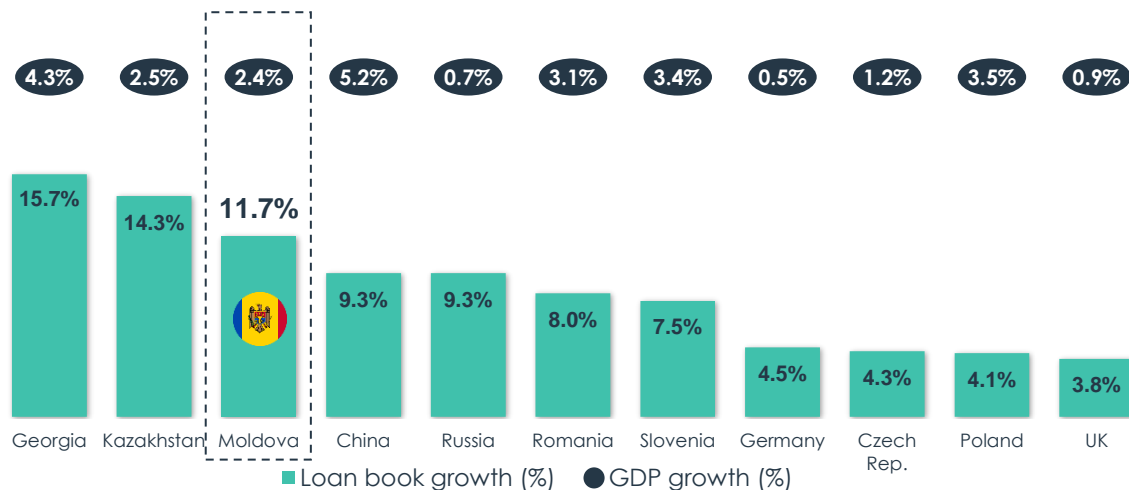


Source: IMF Financial Soundness Indicators

# ...with favourable fundamentals compared to peers

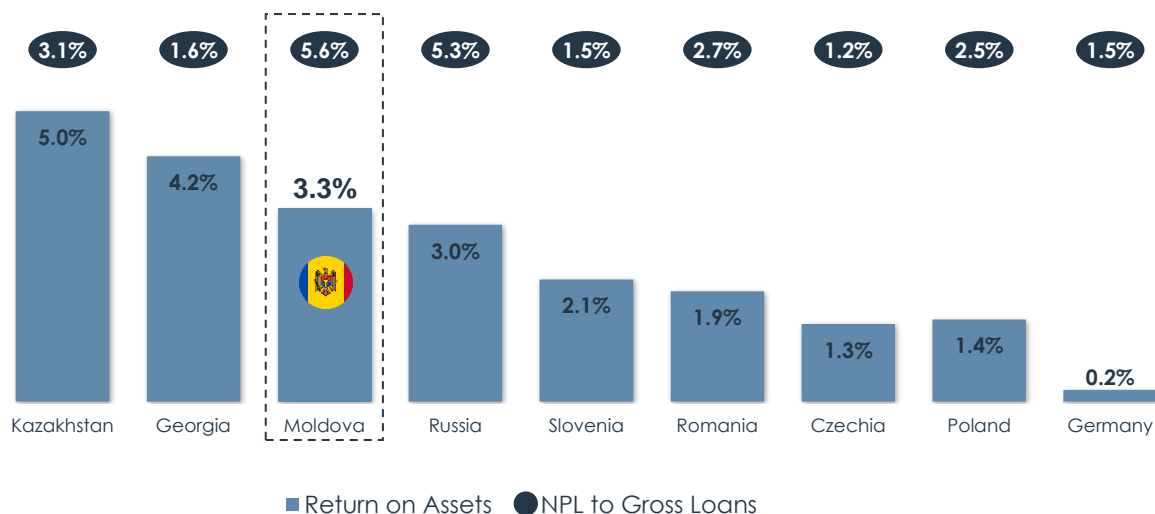
Ample room for growth and capital to support this growth

## Real GDP growth and loan growth rates 2018-2022



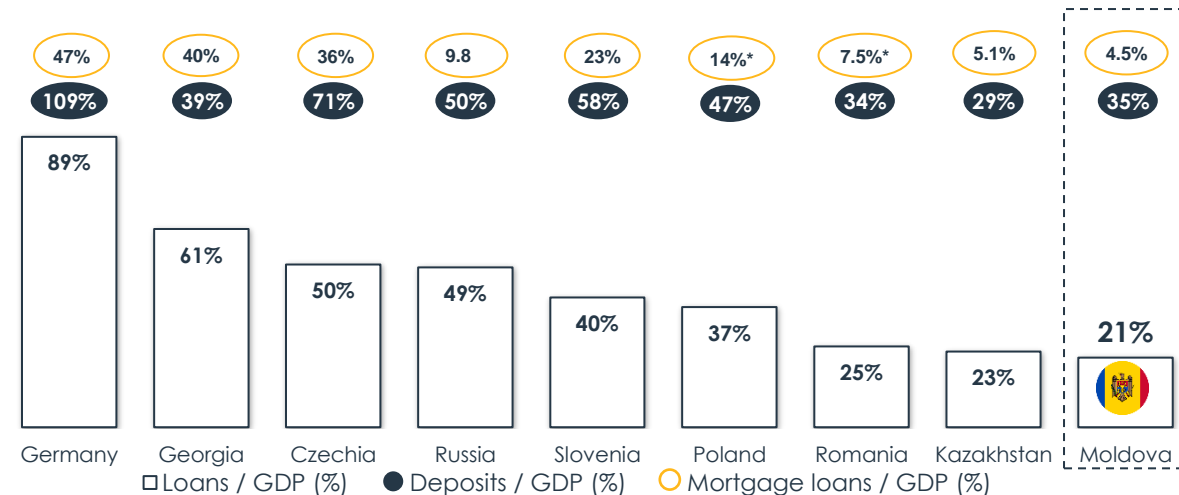
Source: maib research, IMF, Central Bank pages of respective countries.

## Return on assets and the level of impaired loans



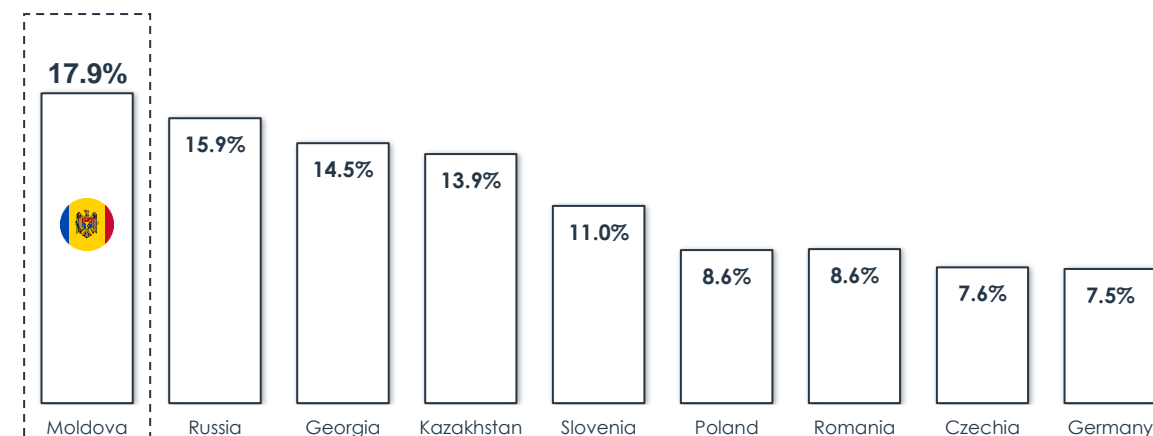
Source: IMF, NPLs according to prudential calculation (\*) latest available

## Loans, mortgages and deposits penetration (% GDP)



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

## Equity to assets



Source: IMF, most recent time period available

# Managing event risks: gas, Transnistria, judiciary

Moldova is handling structural risks, dealing with historical issues and heading for a more sustainable future

## Transnistria business chooses EU

- In the first 3 months of 2024, **81% of exports** of the Transnistrian region have gone to the EU
  - During FY 2023 that number totaled at **70%**
- Transnistria already receives **EU finances** which contribute to better infrastructure, healthcare and education

Source: <https://newsmaker.md/ro/record-marimea-exporturilor-din-transnistria-catre-ue-a-ajuns-la-80/> ; <https://gov.md/ro/content/un-nou-record-pestre-70-din-exporturi-si-56-din-importurile-agentilor-economici-din-regiunea>

## Judicial system reform

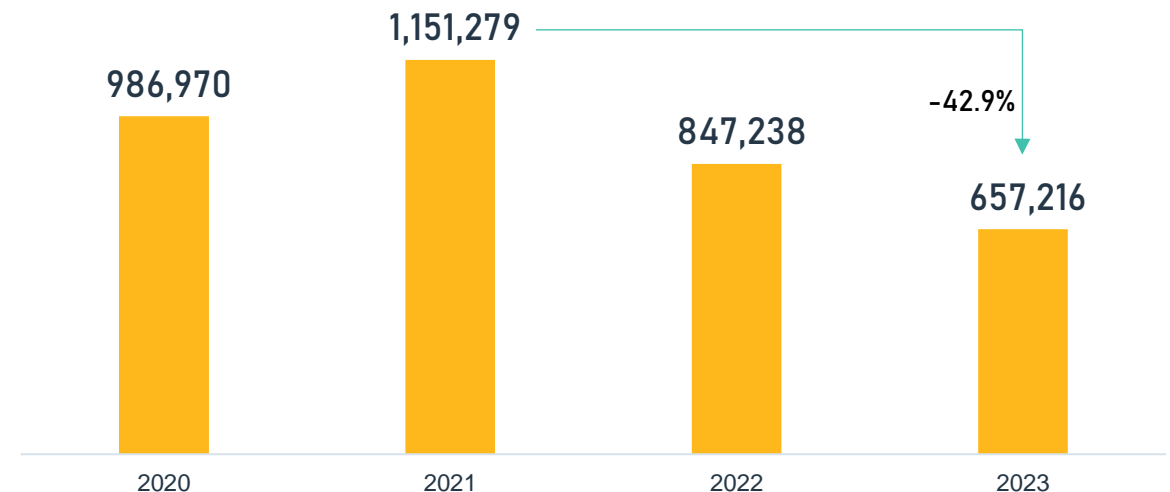
- In **December 2021**, Moldova adopted a justice sector reform strategy
- A law on pre-vetting of candidates to the judicial and prosecutorial councils was adopted in **March 2022**
  - This law established a **Pre-Vetting and a Vetting Commission**, each with 3 national and 3 international members
- This process has been supported and funded by the EU, with the key aim of **cleaning up the justice system** with some tangible results being achieved already

Source: The Moldovan Vetting Commission, Center for International Legal Cooperation

## Moldova weans itself off Russian gas

- Moldova has diversified its gas portfolio and now imports gas from variety of sources
- Moldova's gas transmission network was transferred to an entity owned by Romania's Transgaz and the EBRD

Republic of Moldova (excluding Transnistria) consumption of gas (thous m3)



Source: OECD, European Council on Foreign Relations, Moldovagaz annual report



Maib overview

Country overview

# Retail business strategy

Digital user experience

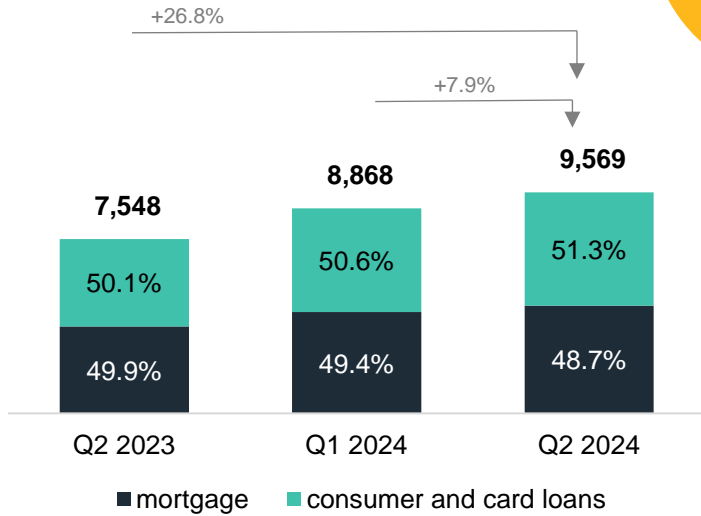
Maib financials



**Aliona Stratan,**  
maib First Deputy CEO

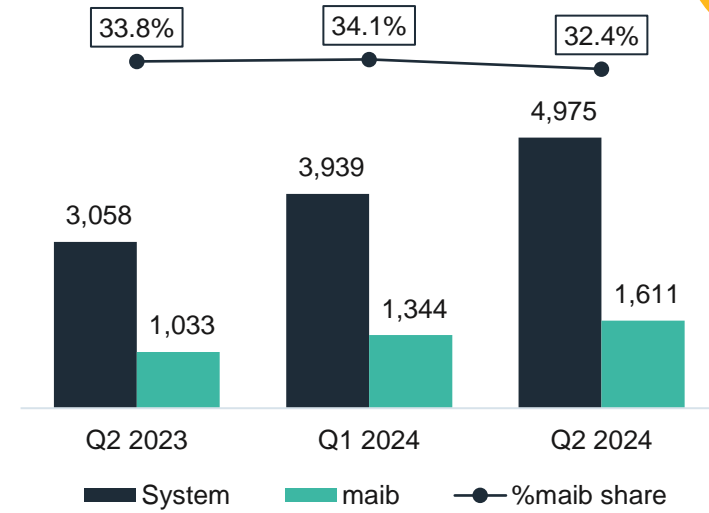
## Loans portfolio evolution (eq, mn MDL)

**34%**  
Loans market share in Jun.2024  
**#No.1 in the market**



## Market share of new loans (total), by volume

**32.4%**  
Market share new loans (by volume)  
Q2 2024



**MDL 9.6 bln**  
loans portfolio  
30.Jun.2024

**MDL 1.6 bln**  
new loans amount  
30.Jun.2024

**67%**  
share of online loans  
Q2 2024

## Consumer loans

Q2 2024

**43.1 %**  
attracted from market`s new loans (by number)

**33.6 % (1,138 mn MDL)**  
attracted from market`s new loans (by volume)

## Mortgage loans

Q2 2024

**28.8 %**  
attracted from market`s new loans (by number)

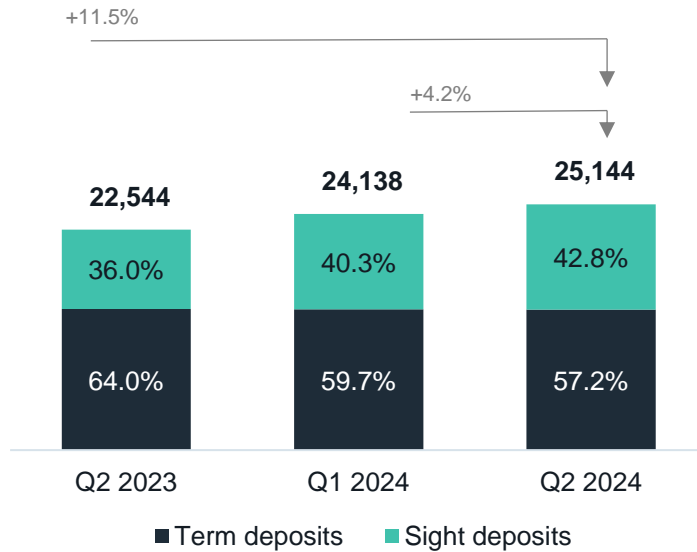
**29.8 % (472 mn MDL)**  
attracted from market`s new loans (by volume)

**MDL 25.1**  
**bln**  
deposits amount  
30.Jun.2024

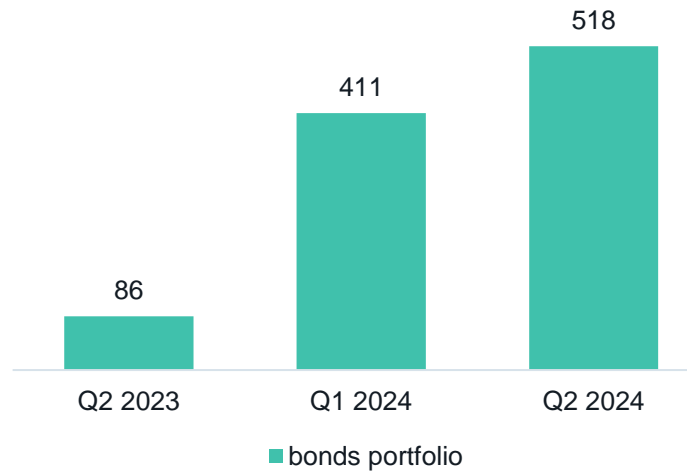
**MDL 518**  
**mn**  
bonds amount  
30.Jun.2024

**72%**  
share of online deposits  
(number)  
in Q2 2024

Deposits portfolio evolution (eq, mn MDL)



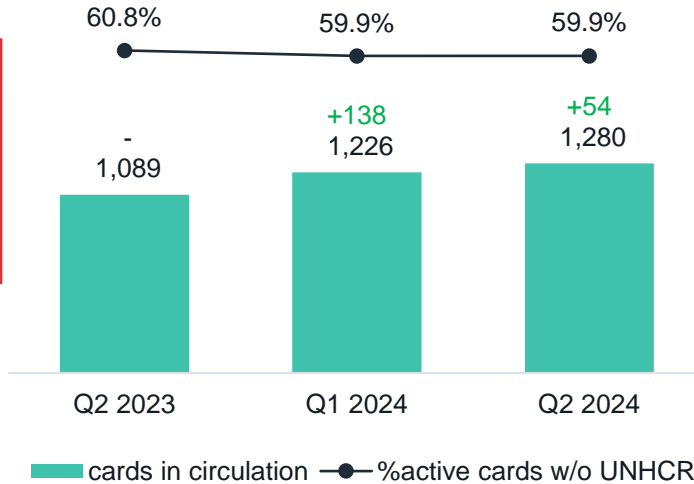
Bonds portfolio evolution (eq, mn MDL)



**34.9%**  
Deposits market  
share  
in 2Q 2024  
*#No.1 in the market*

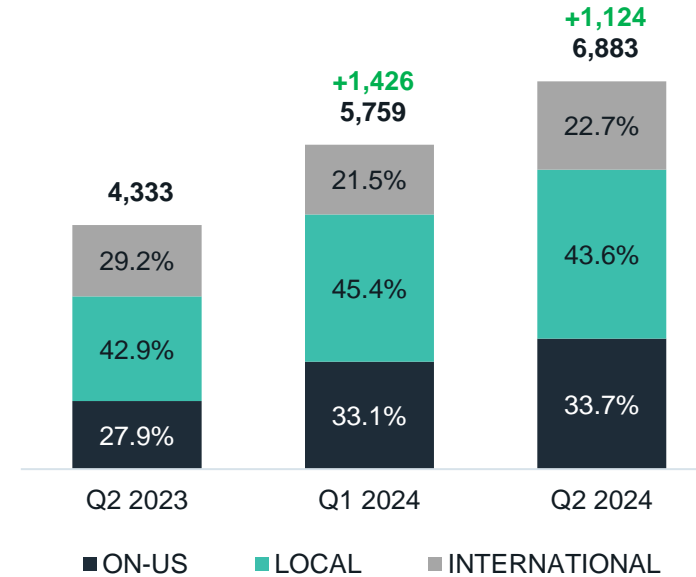
### Cards portfolio evolution (thous)

**1.280**  
cards  
in circulation  
30.Jun.2024



**MDL 6.8**  
bln  
acquiring volumes  
Q2 2024

### Volume of accepted POS&E-COMM payments (mn MDL)



**36.00%**  
Cards market  
share  
in 2Q 2024

## Emission

**43.9%** Share of cashless (by volume)  
Q2 2024

**38.3%** Market share of salary cards  
Q2 2024

**#No.1**  
in the market

## Acquiring

**18.2 K** POS&E-comm portfolio  
30.Jun.2024

**45.0%** Acquiring market share  
Q2 2024

**#No.1**  
in the market

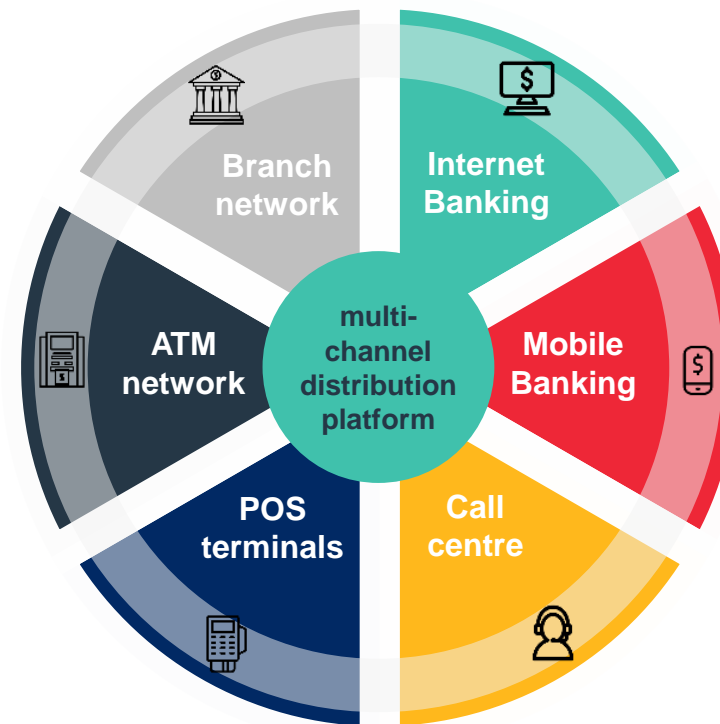




## Extensive and modern physical network

- 386 ATMs and 447 self-service terminals, including cash-in and a variety of payment and money transfer services
- 102 subsidiaries, including 53 branches and 49 agencies, providing full range of services to retail and non-retail clients.

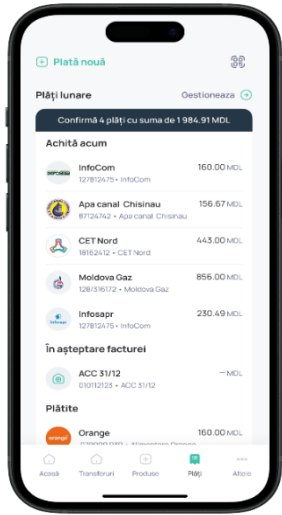
\*We do not aim to have the largest network on the market, but rather the most optimised one.



**63%**  
Branch offloading in 2Q 2024

	<b>386 ATMs</b>
	18.285 POSs
	102 subsidiaries

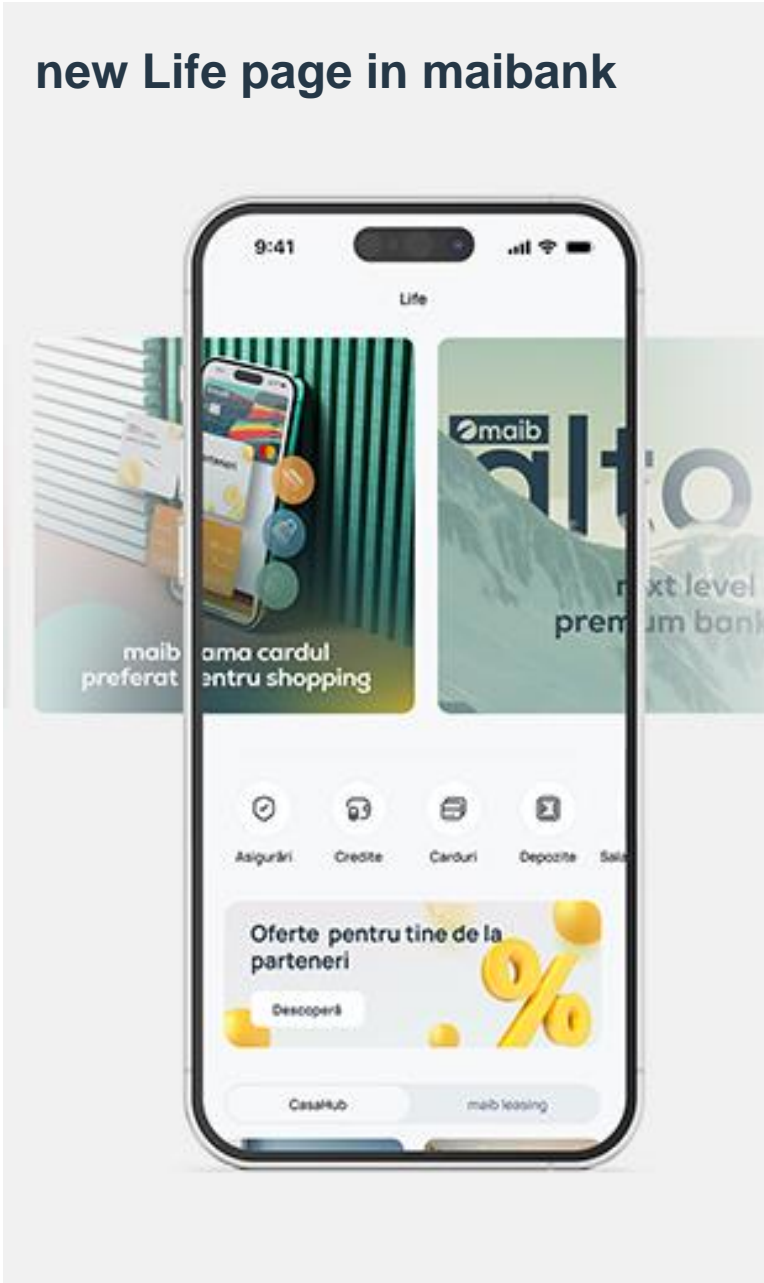
## New utilities interface



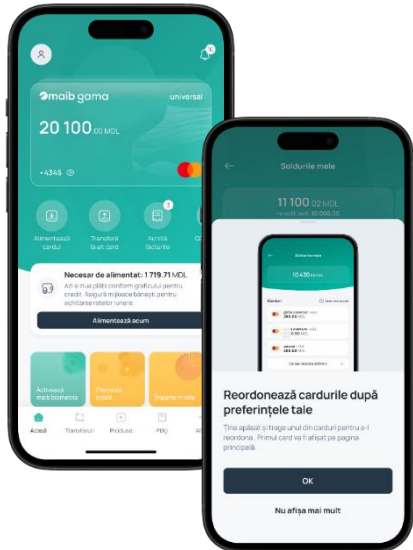
## Travel insurance



## new Life page in maibank

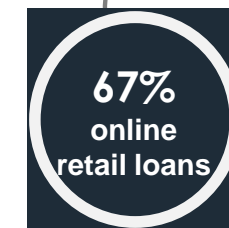
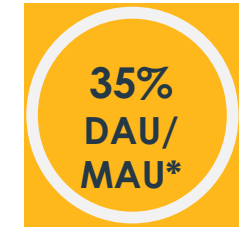
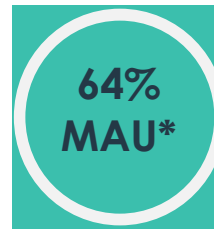
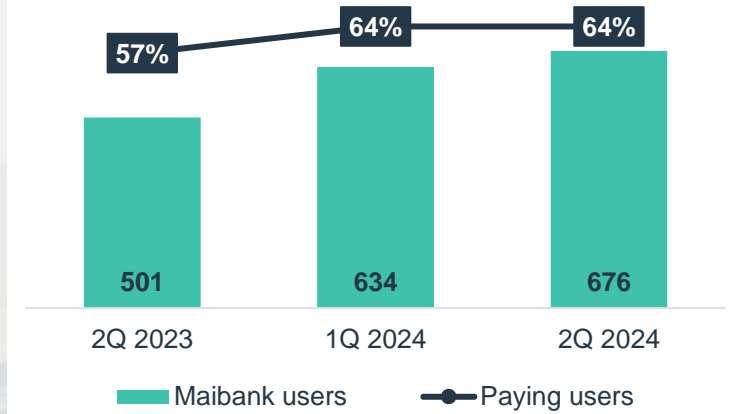


## Card reordering Loan repayment reminder



## Mortgage offers CasaHub integration

## Maibank retail users (thousand)



Data referring to Q2 2024

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



**Sergiu Groza,**  
Head of Digital Platform

Maib overview

Country overview

Retail business strategy

# Digital user experience

Maib financials

## Consumers have come to expect certain features of banking



### Convenience and Accessibility

Consumers want 24/7 access to banking services via mobile apps and online platforms.



### Speed and Efficiency

Quick processing times for transactions and loan approvals are expected.



### Personalization

Clients expect personalized experiences, such as tailored product recommendations and financial advice.



### Privacy and Security

Robust security measures and privacy protection are non-negotiable for today's consumers.

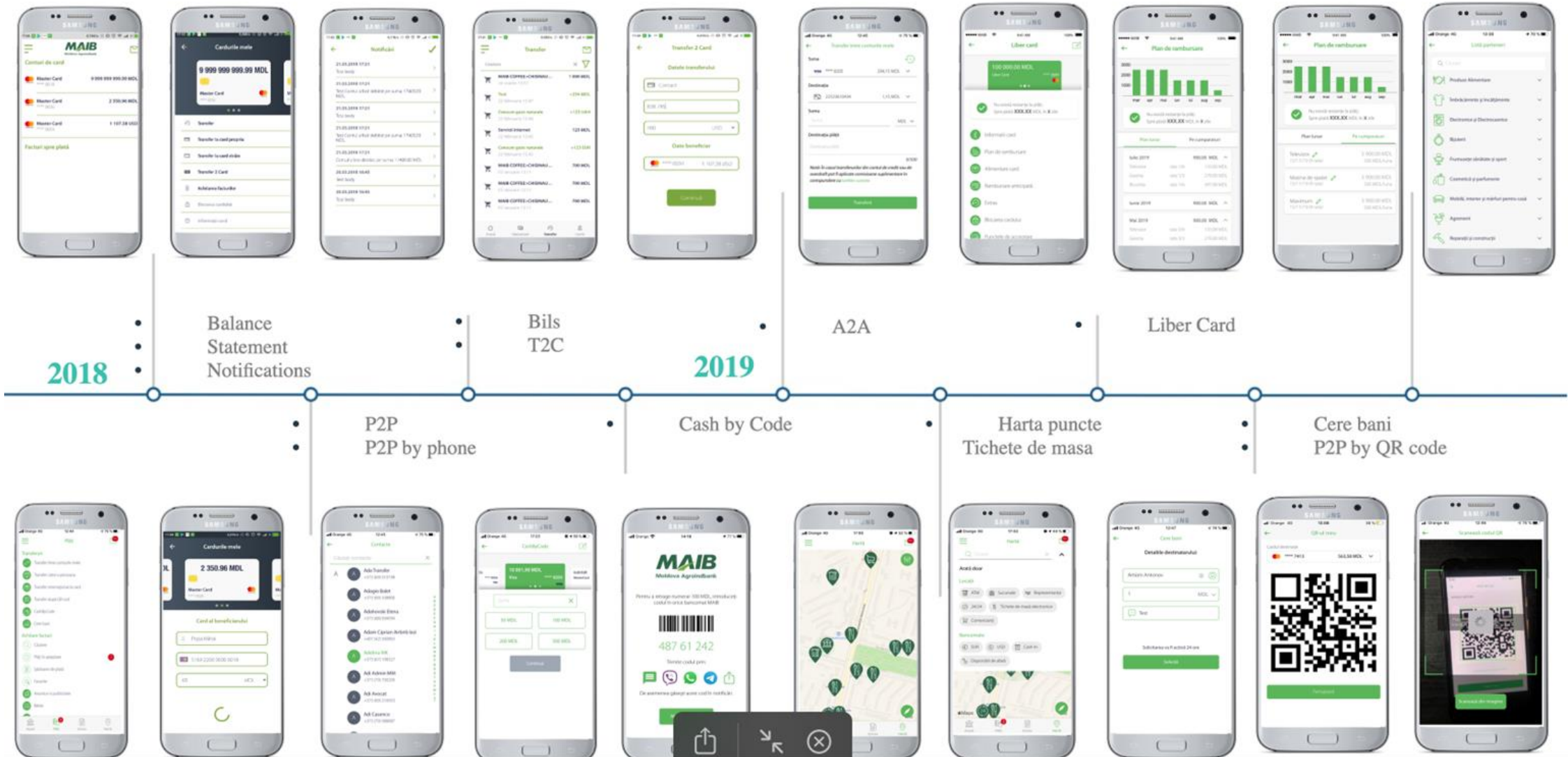
“If there’s one reason we have done better than of our peers in the Internet space over the last six years, it is because we have **focused like a laser on customer experience.**”

Jeff Bezos

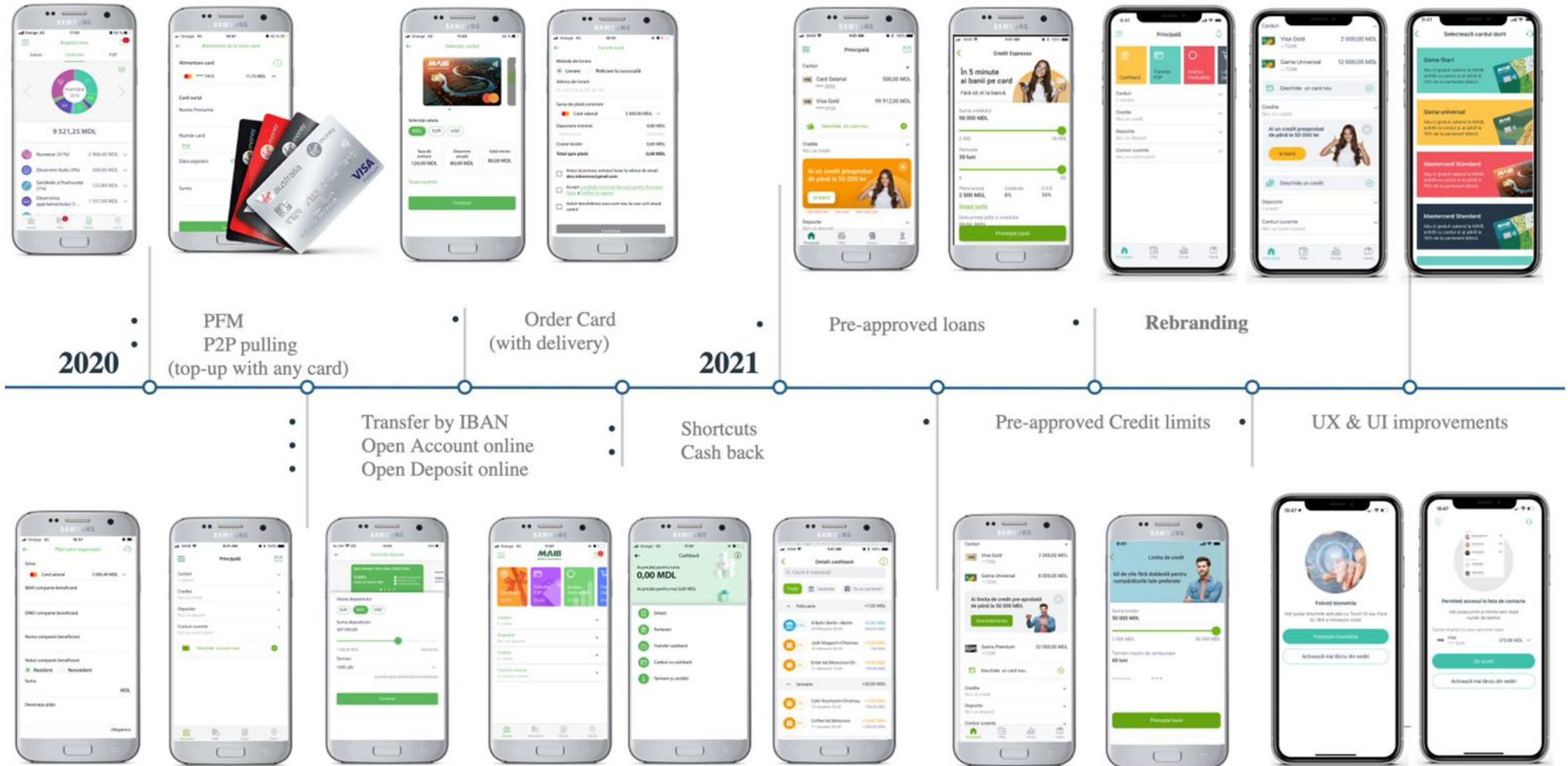




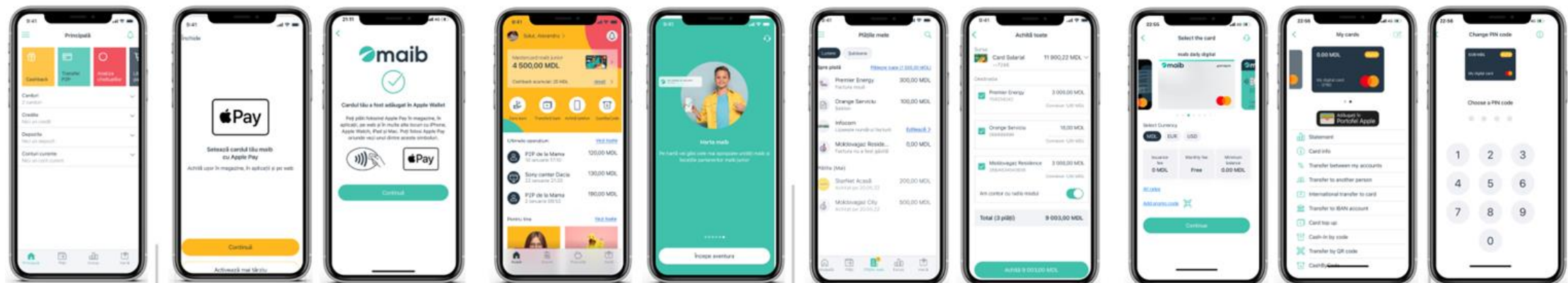
# maibank evolution: building an online bank



# maibank evolution 2020, 2021: loans via the app



# maibank evolution 2022: upgrading payments



2022

• Apple Pay  
in-app provisioning

• maib Junior  
(app version for kids)

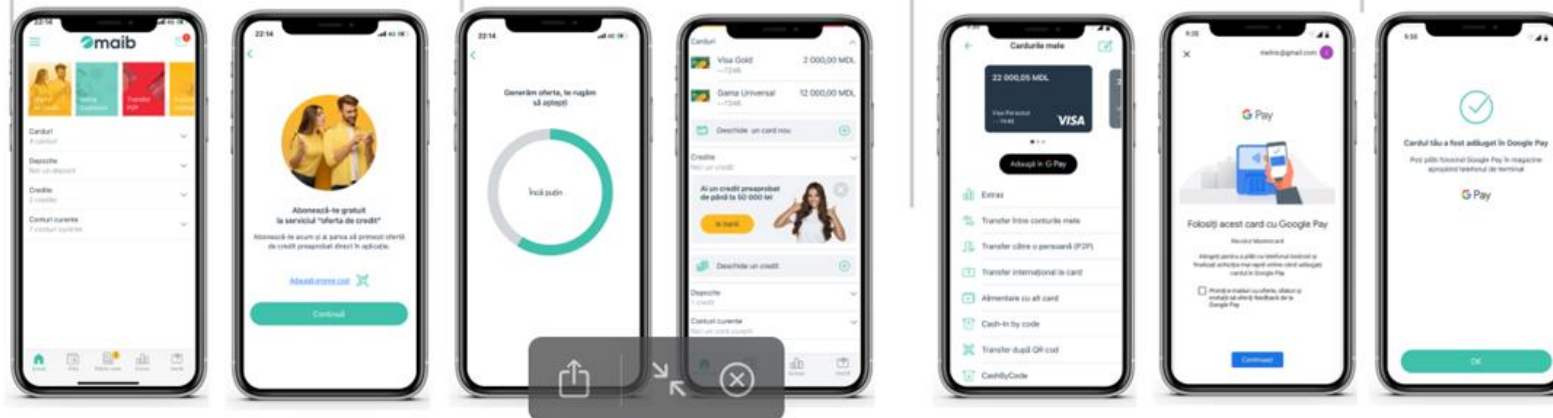
• My payments  
(monthly bulk payments)

• Digital card  
(100% online)

• Subscription to calculate  
pre-approved loan offer

• Online calculation of pre-  
approved loans offers

• Google Pay



# maibank evolution 2023: full digital onboarding



online onboarding

maib biometrie

P2P pulling

P2P transfer

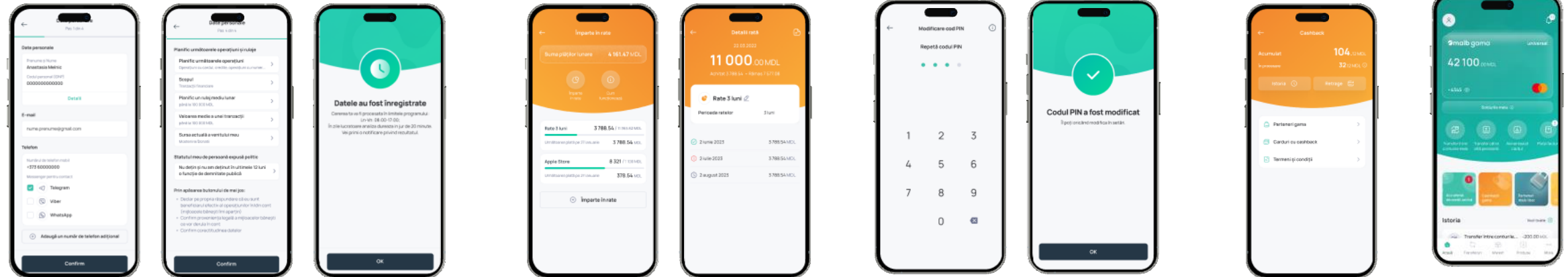
update KYC

Buy now & pay later

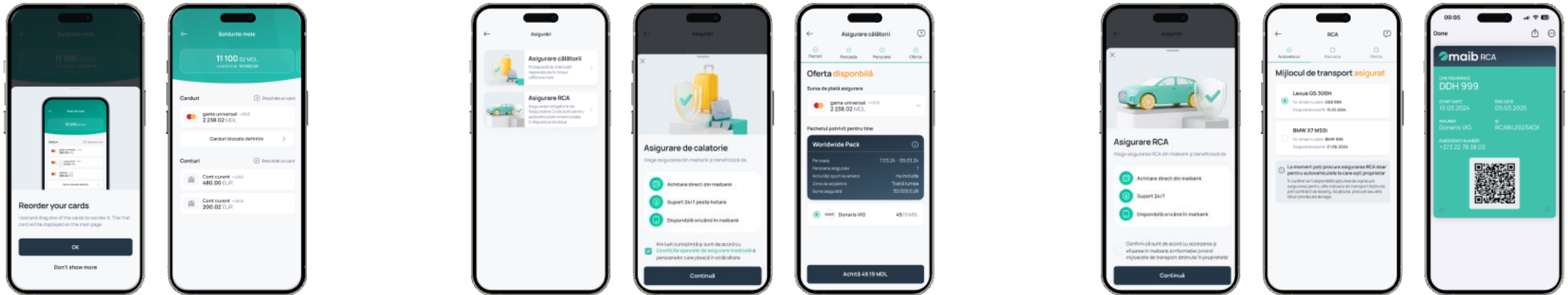
change PIN

Cashback

Home



# maibank evolution 2024: from banking to lifestyle app



My funds

Travel insurance

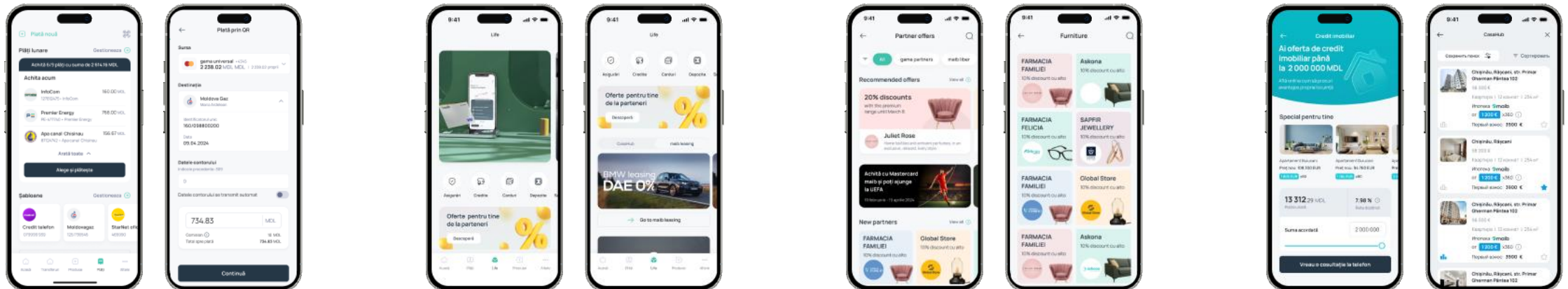
MTPPL (RCA)

Utilities

Life page

Partner offers

Mortgage offer



# maibank vision 2025: carefully selected curated third party offerings



# Source of improvements

## In the past

**2 release**

per Q

**Internal Team**

was the source of  
improvement

## Now

**2 release**

per month

**Customers**

source of improvements  
(NPS, CSAT, CES, CSR)

Net Promoter Score, Customer Satisfaction Score,  
Customer Effort Score, Customer succes rate

# ...Major international recognition of our efforts



Best Digital Bank  
in CEE & CIS  
Best Bank  
in Moldova 2023  
**EMEA Finance**





**Macar Stoianov,**  
maib CFO

Maib overview

Country overview

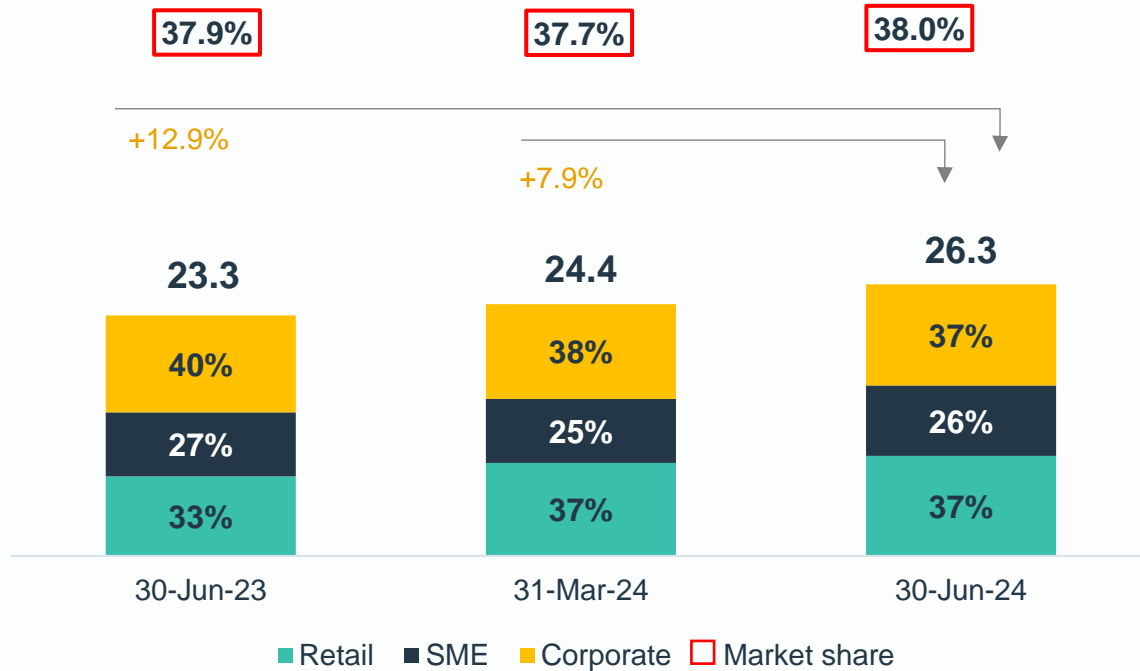
Retail business strategy

Digital user experience

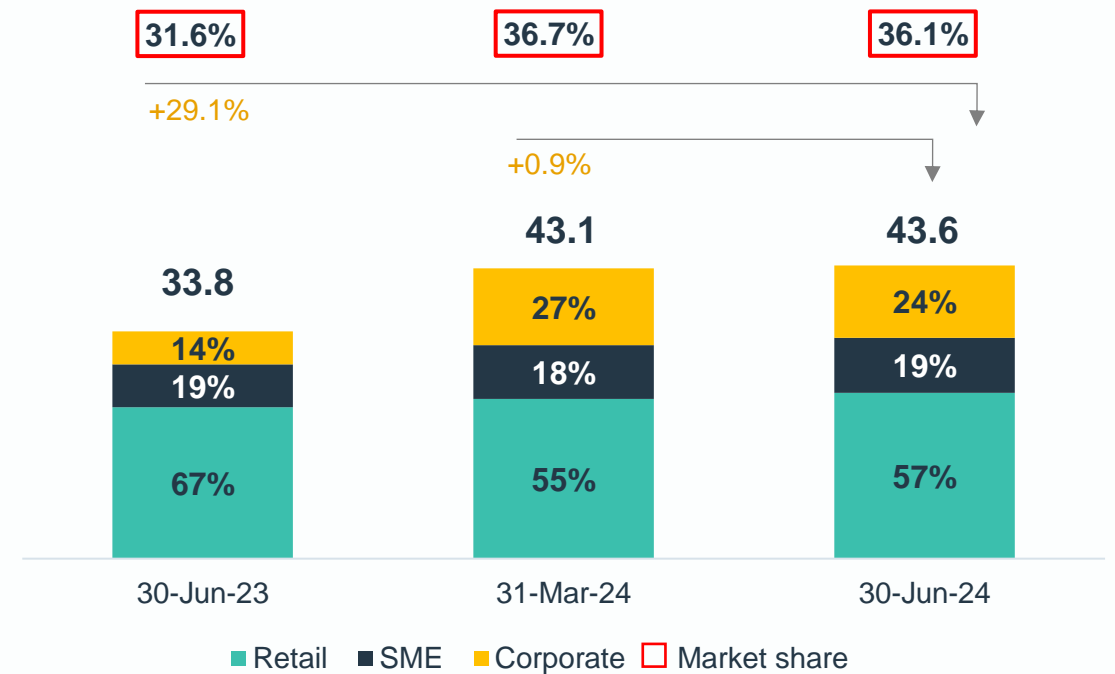
# Maib financials

# Strong growth across all segments with retail at the forefront

Loan portfolio<sup>1</sup> by segments billion MDL



Deposit portfolio<sup>2</sup> by segments billion MDL



- As of 30 June 2024, the Group’s **loan portfolio** reached MDL 26,288 million, up 12.9% YoY and 7.9% QoQ, led by SME and Retail segments, which contributed 69% of the growth. Maib’s **market share** in loans increased by 0.4 pp to 38.0%. The **Retail loan portfolio** amounted to MDL 9,665 million, up 25.9% YoY and 8.0% QoQ, driven by consumer and mortgage loans. Maib maintained its retail leadership with a 34.1% market share. The **SME loan portfolio** grew to MDL 6,799 million, up 10.2% YoY and 10.0% QoQ, with investment loans contributing 61% to growth. Maib’s SME market share was 38.1%, slightly down QoQ but up 1.1 pp YoY. The **Corporate loan book** increased to MDL 9,824 million, up 4.2% YoY and 6.5% QoQ, driven by revolving and investment loans. Maib’s Corporate loan market share rose to 43.4%, up 1.5 pp QoQ and down by 1.0 pp YoY.
- As of 30 June 2024, the Group’s **customer deposits portfolio** reached MDL 43,520 million, with a 0.9% quarterly increase and 29.1% YoY growth. Maib’s deposits market share slightly declined to 36.1% (down 0.6 pp), mainly due to a reduction in the Corporate deposit portfolio. The **Retail** segment drove the quarterly increase, growing 3.8% QoQ and 9.5% YoY, with significant gains in current deposits in local currency. The SME deposit portfolio rose by 2.7% QoQ and 28.5% YoY, led by current deposits in local currency. The Corporate deposit portfolio contracted by 6.2% QoQ but saw a substantial 120.5% YoY growth, influenced by current accounts in local currency from a key corporate client.

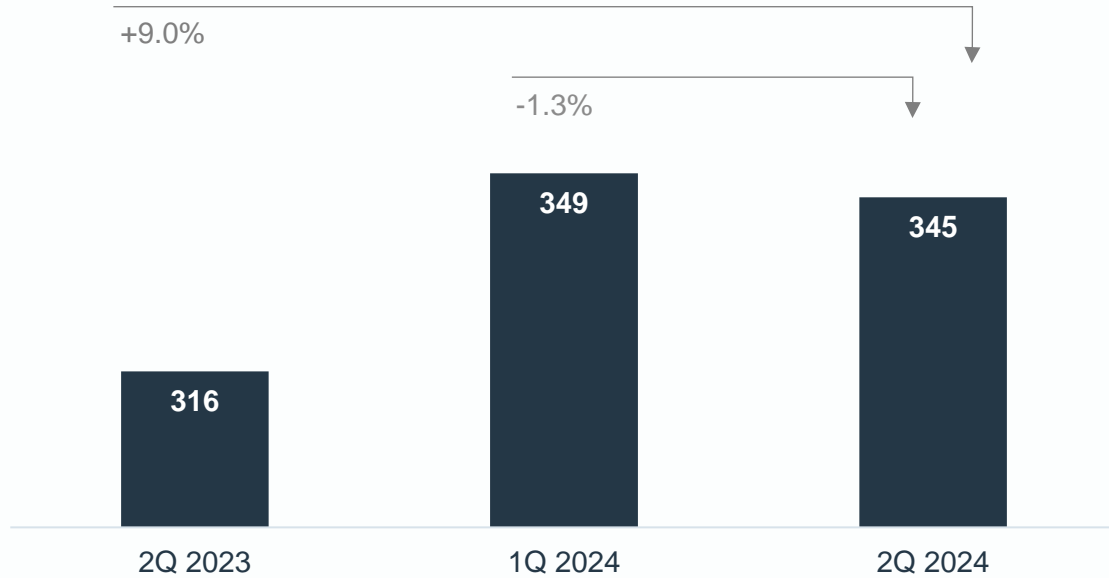
<sup>1</sup> Amounts presented in the diagram represent gross exposure, i.e. principal plus related accrued amounts of interests and commissions, adjusted with amortized cost

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

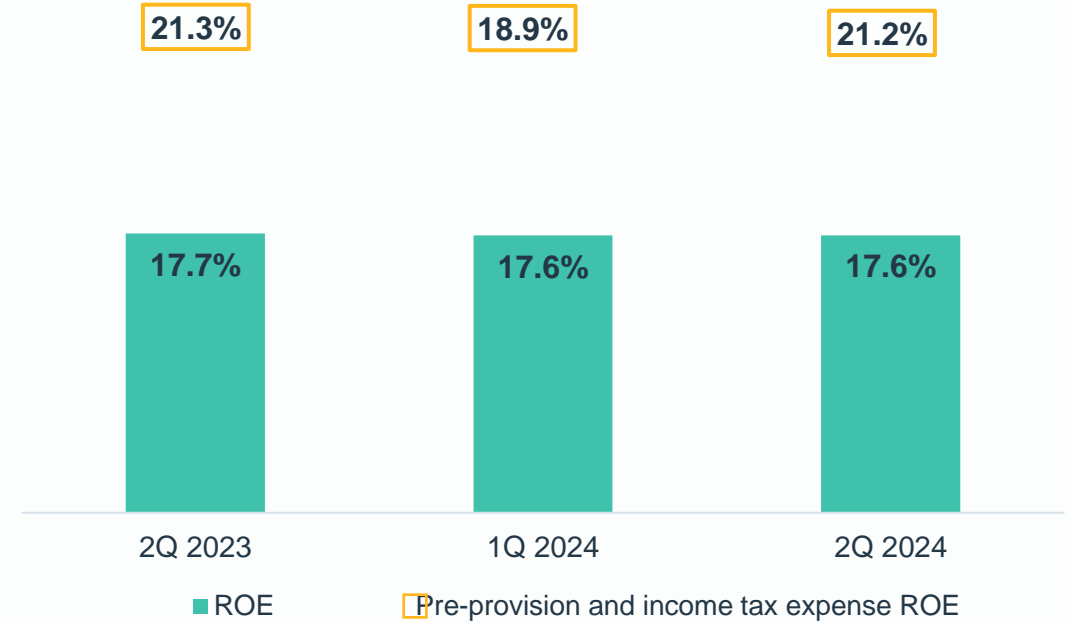
<sup>3</sup> Source: NBM

# Sustained growth and resilience amidst market challenges

Net profit million MDL

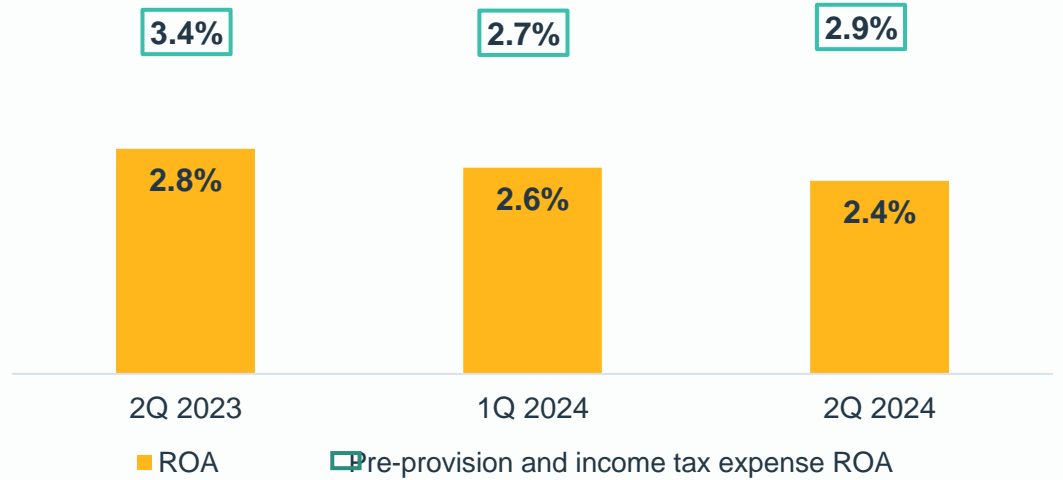


Return on equity (ROE)



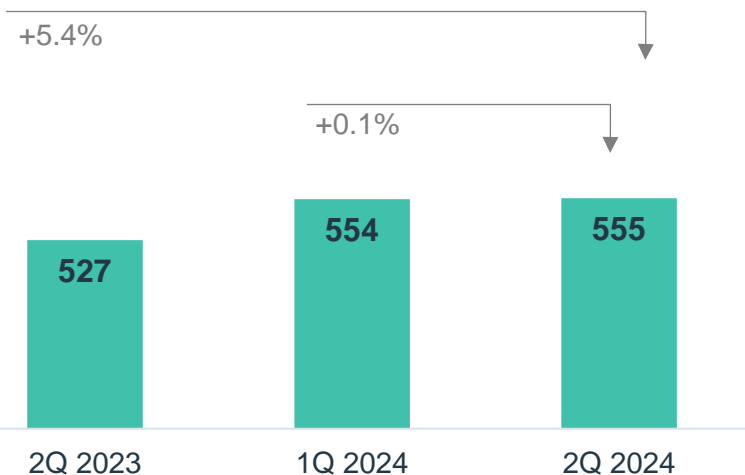
- During the first half of 2024, maib demonstrated resilience by maintaining net interest income at consistent levels despite the prevailing low interest rate environment. However, the Group's performance was enhanced through other income streams and prudent cost management.
- In the **2<sup>nd</sup> quarter of 2024**, Group's **net profit** amounted to MDL 344.9 million, reflecting a 9.0% year-on-year increase, despite a slight 1.3% decrease quarter-on-quarter. Amidst lower interest margin, the Group succeeded to expand its operating income by 2.0% on a QoQ basis. This growth was predominantly driven by non-interest income, particularly net foreign exchange gains, which marked a robust 9.7% increase on QoQ basis.

Return on assets (ROA)

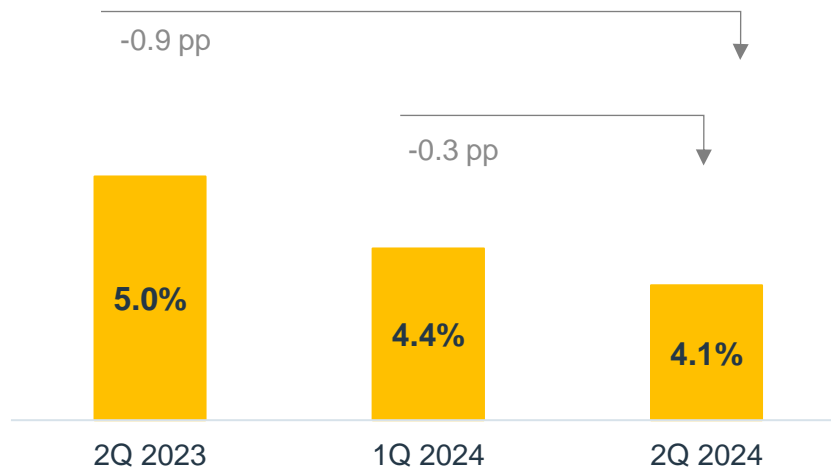


# Managing net interest margin in an environment of declining rates

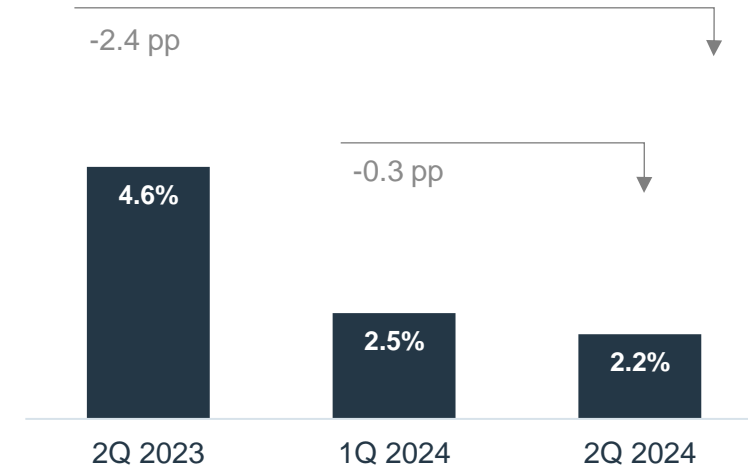
Net interest income million MDL



Net Interest Margin (NIM)



Cost of funding



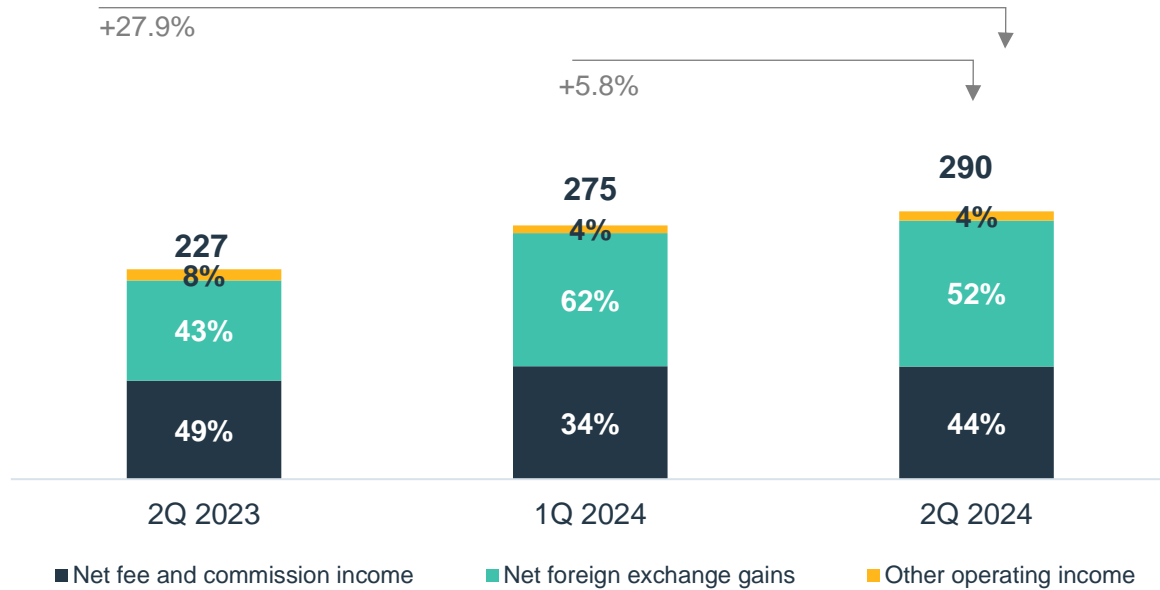
- During the second quarter of 2024, the Group’s **net interest margin (NIM)** stood at 4.1%, reflecting a marginal 0.3 pp decrease as compared to the previous quarter and a 0.9 pp reduction year-on-year. This contraction in NIM is a direct result of decreasing interest rate environment, where the base rate was gradually decreasing from 4.75% to 3.60% during the first six months of the year.
- The decrease in **NIM** during the second quarter of 2024 was driven by decreasing yields generated by interest-bearing assets, particularly loans, sovereign debt securities portfolio and required reserves held with NBM in national currency. However, despite the decline in loan yields (by 0.3 pp QoQ to 9.3%), loan interest income increased by 1.9% quarter-on-quarter, the gradual repricing effect being offset by the loan portfolio growth by 7.9% on a QoQ basis.
- The **cost of funding** declined to 2.2%, down by 0.3 pp QoQ and by 2.4 pp YoY. The noticeable YoY decline was driven by a reduction in deposit cost by 2.5 pp to 1.8%, following the gradual repricing of portfolio at the current deposit interest rates.

Yield on loans & securities

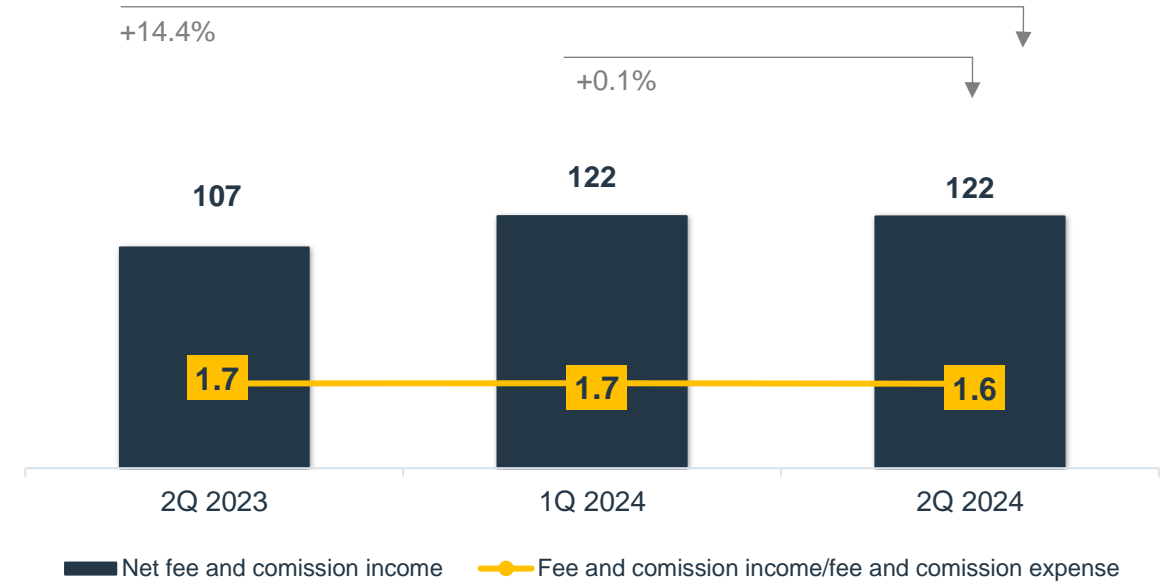


# Rise in foreign exchange gains contributed to operating income growth

Non-interest income million MDL

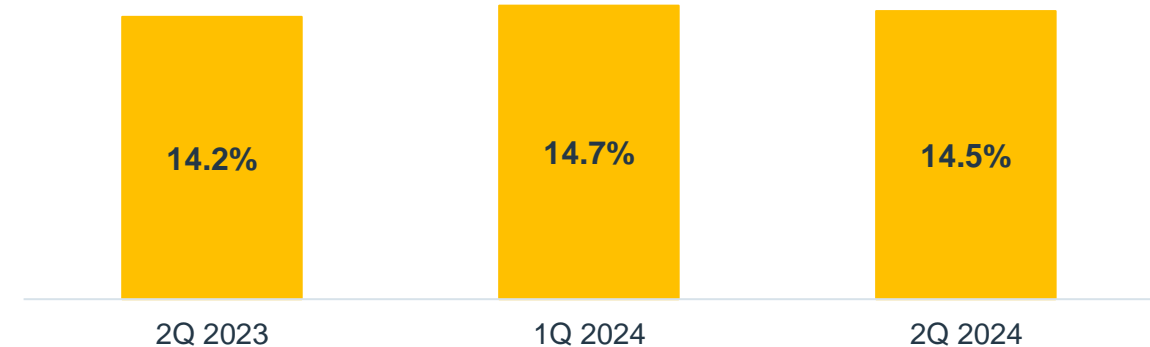


Net fee and commission income million MDL



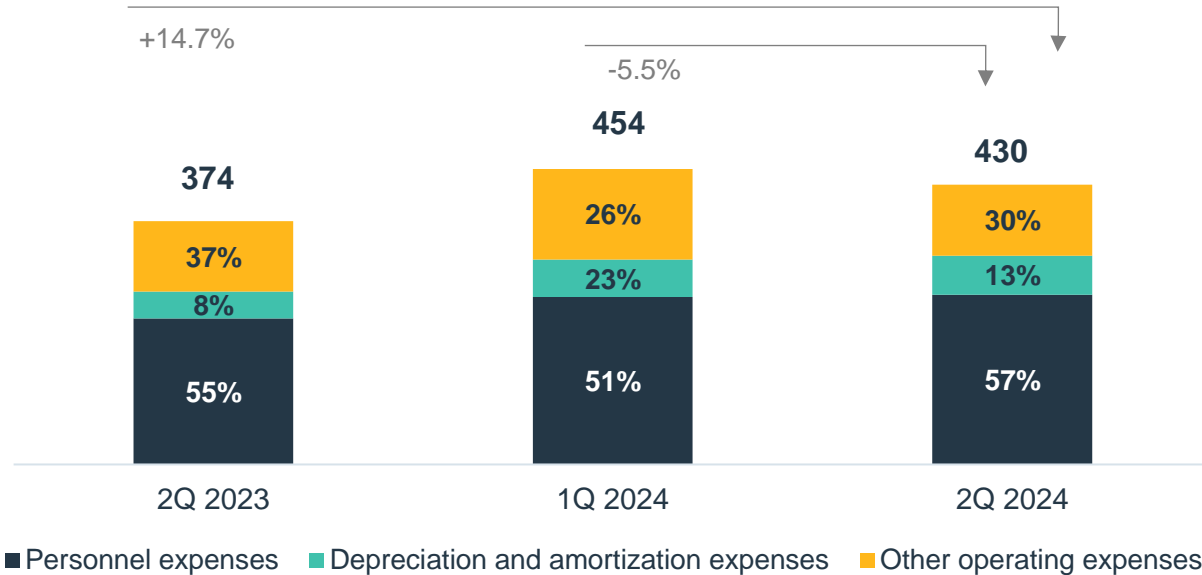
- Non-interest income** constitutes over one third of the Group's total operating income. In the second quarter of 2024, **non-interest income** reached MDL 290.7 million, marking a 5.8% increase QoQ and a remarkable 27.9% YoY growth. This strong performance was primarily fueled by **net foreign exchange gains**, resulting from increased volumes of forex exchange transactions performed by legal entities and exchange offices

Net fee and commission income % in operating income

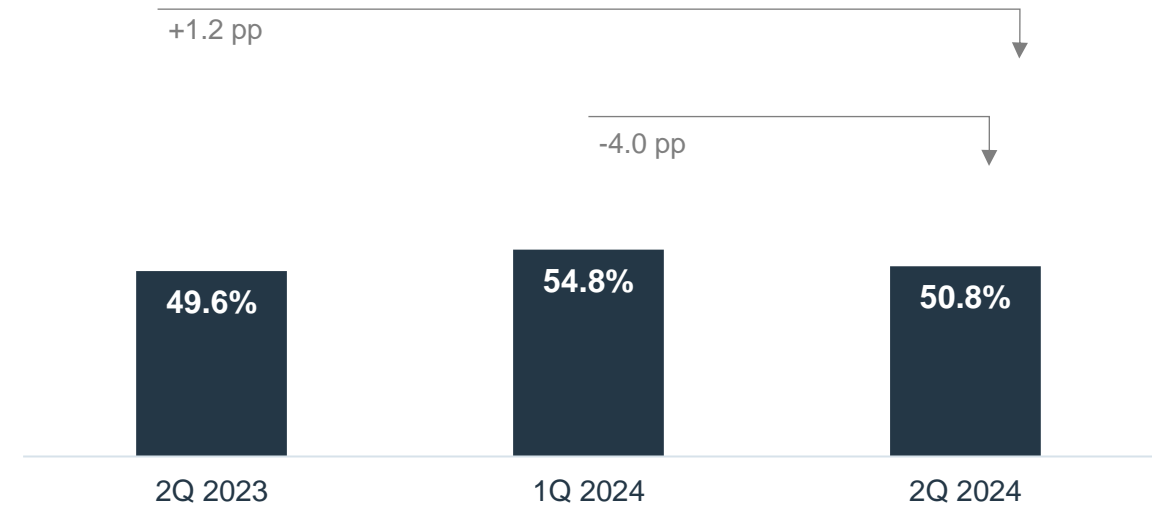


# Group maintains focus on efficiency

Operating expenses million MDL



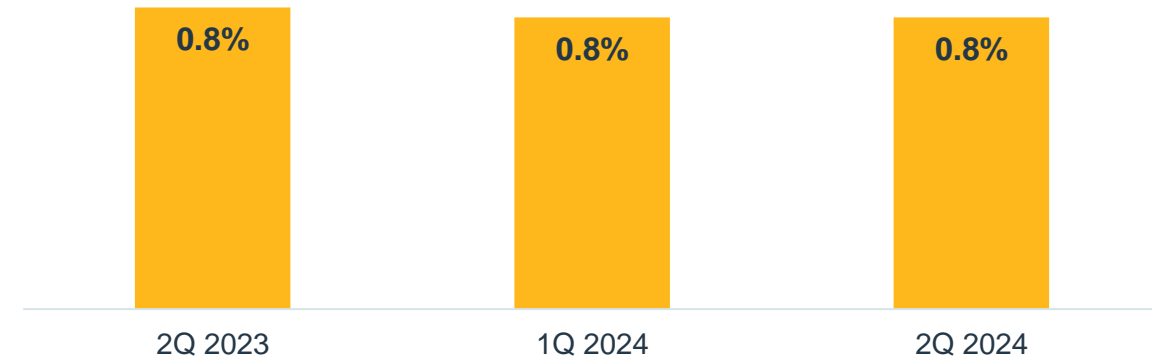
Cost to income ratio



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

- In the second quarter of 2024, the Group's **cost to income ratio** (CIR) improved by 4.0 pp quarter-on-quarter to 50.8%. However, for the first 6 months of 2024, CIR marked a 2.1 pp year-on-year increase, reaching 52.8%.
- Group's **operating expenses** (OPEX) in the second quarter of the year reached MDL 429.4 million, marking a 5.5% decrease quarter-on-quarter but up by 14.7% year-on-year. The quarterly decline is driven by the annual Resolution Fund contribution paid in the first quarter of the year, while the annual rise is driven by higher personnel costs and depreciation following the opening of maib park, the new headquarter.

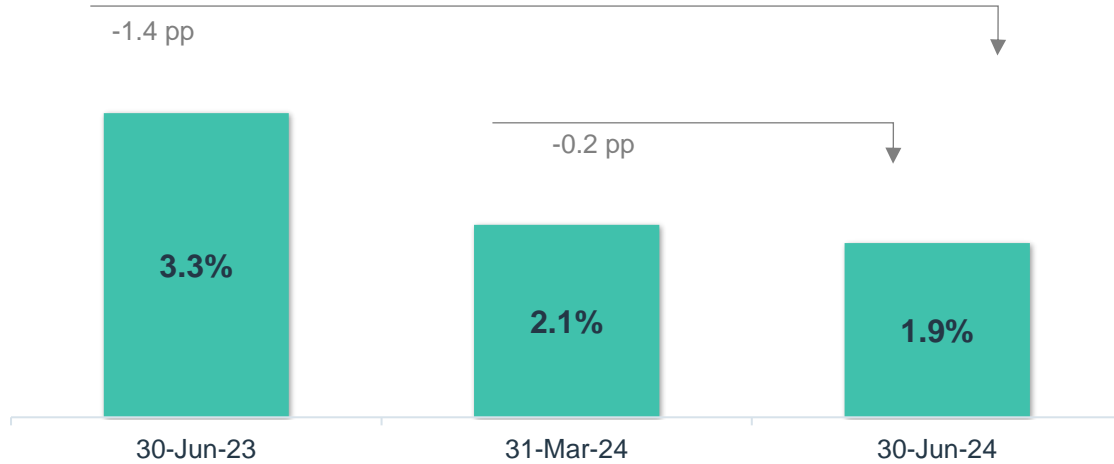
Cost per assets



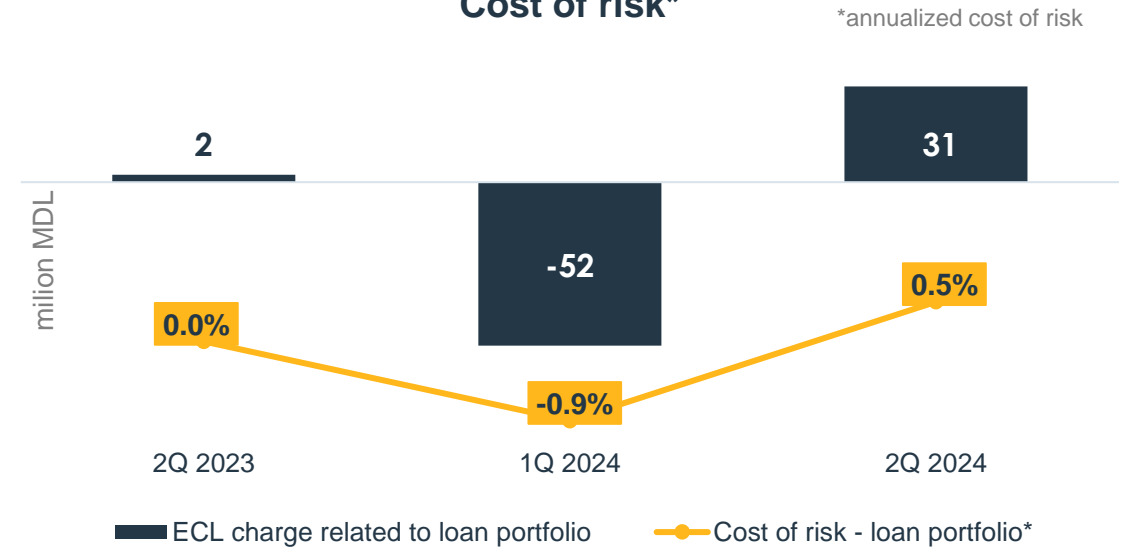
Cost per assets: Operational expenses divided by average balance of total assets (consolidated). Cost per assets is calculated without impairment and provisions release/charges

# Healthy loan portfolio growth with emphasis on prudent risk management

NPL ratio

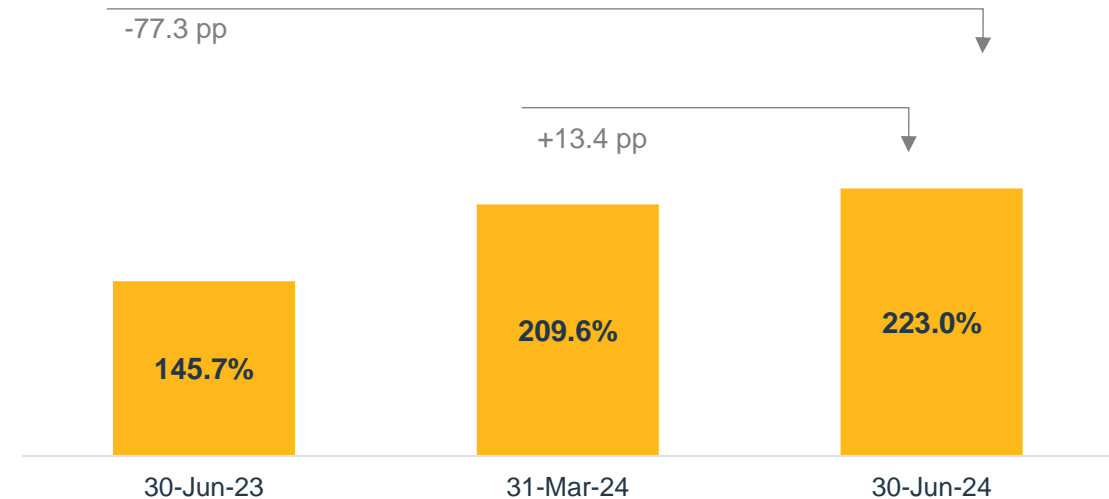


Cost of risk\*



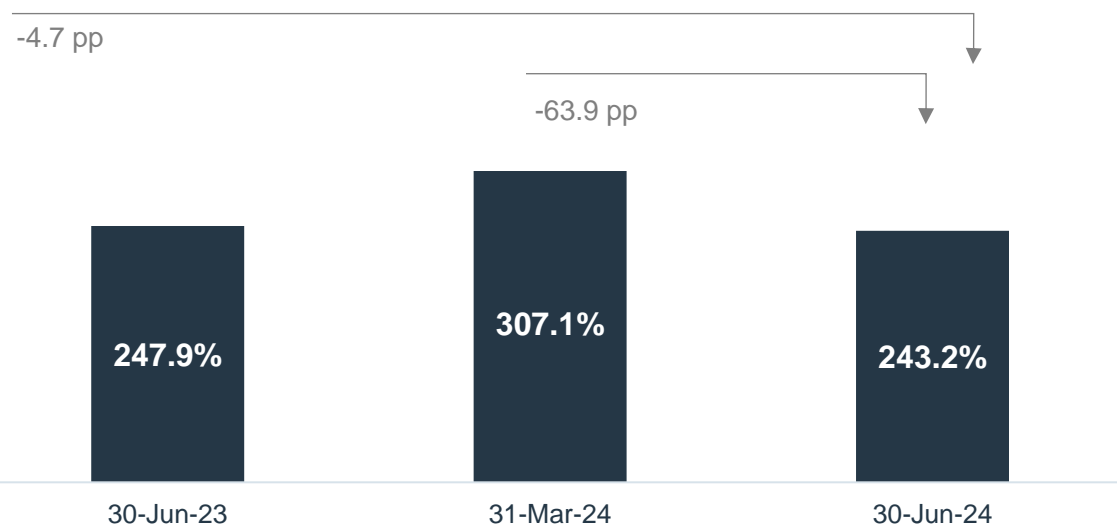
- During the second quarter of 2024, the Group’s loan portfolio grew by a solid 7.9%, underpinned by prudent risk management policies and maintaining a robust portfolio quality. The share of **non-performing loans (NPL)** in total portfolio continued its downward trend, reaching **1.9%**, lower by 0.2 pp on a quarter-on-quarter basis.
- The **annualized cost of risk** for the second quarter of 2024 was 0.5%, up by 1.4 pp QoQ, primarily driven by developments in the corporate and retail loan books. In both first quarters of 2024, the Corporate loan book experienced credit loss releases due to substantial recoveries from a previously defaulted client and updated forward-looking model forecasts.
- The QoQ increase in risk cost for the **Retail** loan book was largely driven by a notable 8.0% QoQ expansion in the retail loan book, with no signs of deterioration in loan quality. The cost of risk for the **SME** loan portfolio remained stable at 1.3%, consistent with the previous quarter.
- The **share of non-performing** loans in total loan portfolio decreased by 0.2 pp QoQ and by 1.4 pp on a YoY basis. The quarterly improvements are noticed among all segments, driven by natural loan renewal and portfolio growth. Despite the improvement of NPL ratio, the Bank maintained a comfortable reserve ratio of 4.2%, ensuring an adequate coverage for potential losses on restructured portfolios and residual risk on significant exposures.

NPL coverage ratio

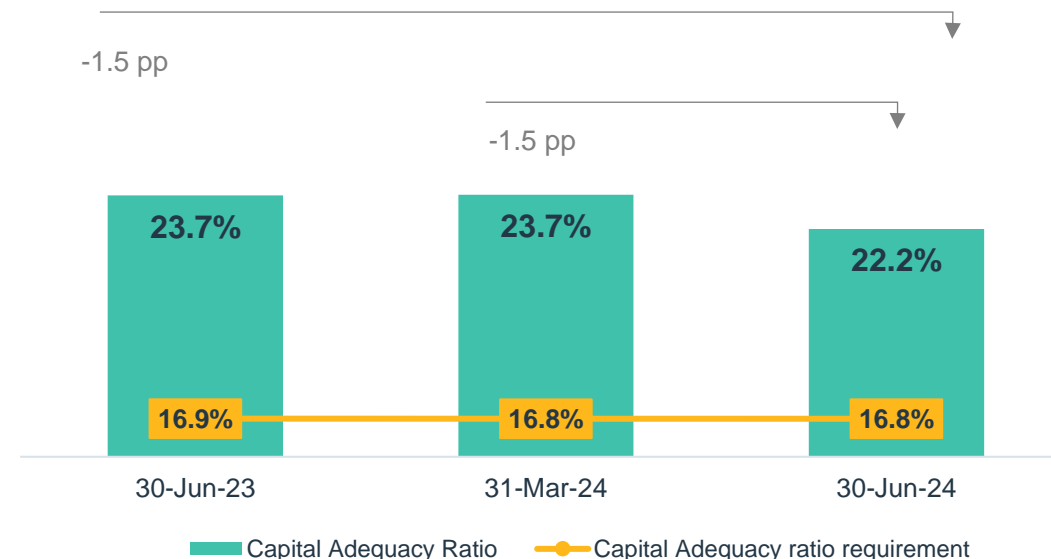


# Maintaining strong capital and liquidity positions

Liquidity coverage ratio (LCR)\*

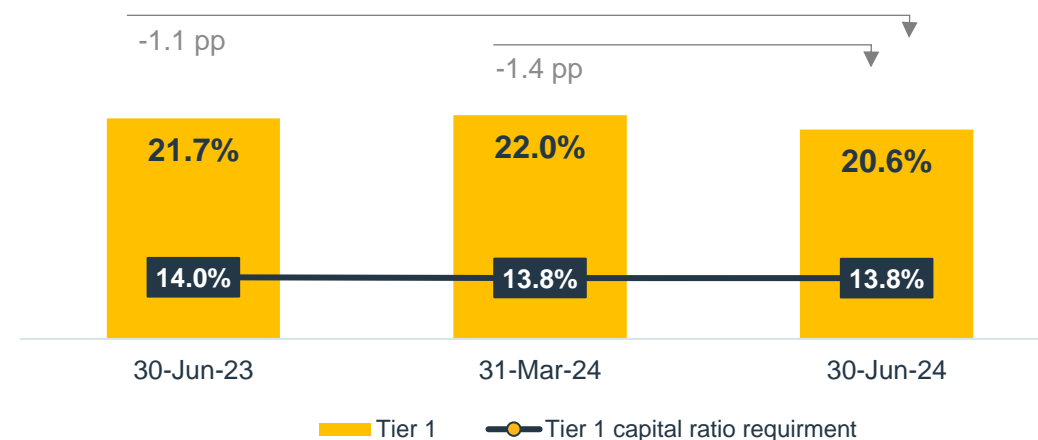


Capital Adequacy Ratio( CAR)\*



- The Bank maintains sustainable level of capital, with a **Capital Adequacy Ratio (CAR)** of **22.2%** and a **Tier 1 capital ratio** of **20.6%**, with both ratios comfortably exceed the regulatory minimums of 16.8% and 13.8%, respectively. The quarter-on-quarter decline in CAR was driven by the dividend distribution of MDL 7.30 per share, totaling MDL 757 million, approved at the Annual General Shareholder Meeting in June 2024.
- Maib sustains robust liquidity levels, as indicated by **the Liquidity Coverage Ratio (LCR)** of 243.2% as of 30 June 2024 – significantly exceeding the regulatory minimum requirement of 100%. The quarterly decrease in LCR by 63.9 pp was primarily driven by a reduction in liquid asset balances, particularly certificates issued by the Central Bank, strategically reallocating them to loan activity and partially to investments in Government debt securities.

Tier 1\*



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





# Thank You!

## Open Q&A

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