

B.C. MAIB S.A.

**Consolidated and Separate Financial Statements and
Independent Auditor's Report**

31 December 2024

(FREE TRANSLATION*)

B.C. MAIB S.A.**Consolidated and separate financial statements for the year ended 31 December 2024*****(All amounts are expressed in thousands MDL, if not stated otherwise)***

CONTENT

Independent auditor's report	-
Consolidated and separate statement of financial position	1
Consolidated and separate statement of profit or loss and other comprehensive income	2
Consolidated and separate statement of changes in equity	3-4
Consolidated and separate statement of cash flows	5
Notes to the consolidated and separate financial statements	
1 General information about the Group and the Bank	6
2 Operating environment of the Group and Bank	7
3 Basis of preparation	10
4 Critical accounting estimates and judgements in applying accounting policies	11
5 Changes in accounting policies and presentation	16
6 Adoption of new or revised standards	20
7 Cash and cash equivalents	20
8 Due from banks	23
9 Investments in debt securities	24
10 Loans and advances to customers	33
11 Finance lease receivables	64
12 Investment property	71
13 Investments in subsidiaries	72
14 Other financial assets	72
15 Other assets	75
16 Premises and equipment	76
17 Intangible assets	79
18 Right of use assets and Lease liabilities	80
19 Due to customers	82
20 Debt securities in issue	83
21 Borrowings	83
22 Reconciliation of Liabilities Arising from Financing Activities	85
23 Other financial liabilities	86
24 Other liabilities	86
25 Guarantees and other financial commitments and provision for loan commitments	87
26 Subordinated debt	100
27 Share capital, dividends and earnings per share	100
28 Own funds and management of capital	101
29 Net margin on interest and similar income	102
30 Net fee and commission income	103
31 Gains less losses from trading in foreign currencies	104
32 Other operating income	104
33 Personnel expenses	104
34 Other operating expenses	105
35 Credit loss allowance charge	106
36 Income tax expenses for the year	106
37 Segment reporting	108
38 Financial risk management	112
39 Maturity structure	135
40 Fair value and fair value hierarchy	137
41 Classification of financial assets and liabilities by measurement category	145
42 Related Party Transactions	147
43 Reclassification of comparative figures of financial year ended 2023 and 2022	150
44 Legal proceedings	153
45 Events after the end of the reporting period	154

The accompanying notes are an integral part of these consolidated and separate financial statements.



Independent Auditor's Report

To the Shareholders of B.C. MAIB SA

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of B.C. MAIB SA (the "Bank") and its subsidiaries (together the "Group") as at 31 December 2024, and the Group's and Bank's consolidated and separate financial performance, and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") and with the Law No. 287/15.12.2017 regarding accounting and financial reporting and subsequent amendments ("Law 287/2017").

What we have audited

The Group's and Bank's consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2024;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Law No. 271/15.12.2017 regarding audit of financial statements with subsequent amendments ("Law 271/2017"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Law 271/2017 that are relevant to our audit of the consolidated and separate financial statements in the Republic of Moldova. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Law 271/2017.

ÎCS PricewaterhouseCoopers Audit S.R.L. 171/2, Ștefan cel Mare și Sfânt Blvd,
Infinity Tower, 8th floor, MD2004, Chisinau, Republic of Moldova
Identification Number (IDNO): 1003600008161
T: +373 22 25 17 00; www.pwc.com/md

This version of our report is a translation from the original, which was prepared in Romanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Our audit approach

Overview

	<ul style="list-style-type: none"> • Overall Group materiality: MDL 80,800 thousand, which represents approximately 5% of the Group's profit before income tax Overall Bank materiality: MDL 79,700 thousand, which represents approximately 5% of the Bank's profit before income tax • We planned and scoped our audit , considering the Group's current structure, where the Bank represents the most significant part of the Group's assets, liabilities and profit before tax. Consequently, we identified the Bank as the sole significant component of the Group that was subject to a full scope audit of its financial information. • Application of IFRS 9 "Financial instruments" in the calculation of expected credit losses ("ECL") for loans and advances to customers.
---	---

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where management made subjective judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated and separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group and Bank materiality for the consolidated and separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated and separate financial statements as a whole.



Overall Group and Bank materiality	Group: MDL 80,800 thousand Bank: MDL 79,700 thousand
How we determined it	Approximately 5% of the Group's and Bank's profit before income tax
Rationale for the materiality benchmark applied	In our view, profit before income tax is the benchmark against which the performance of the Group and Bank is most commonly measured by its stakeholders and it is a generally accepted benchmark. We chose 5%, which is consistent with quantitative materiality thresholds used for profit-oriented entities in this sector.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were most significant in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Application of IFRS 9 "Financial Instruments" in the calculation of expected credit losses ("ECL") for loans and advances to customers	
<p>IFRS 9 "Financial Instruments" ("IFRS 9") requires recognition of expected credit losses ("ECL") for all exposures from the time a loan is originated, based on the deterioration of credit risk since initial recognition and the impact of future macroeconomic conditions.</p> <p>Measuring expected credit losses is a complex activity, with a high degree of uncertainty and subjectivity, to which the management applies internal credit risk models incorporating many quantitative and qualitative factors. If the credit risk has not increased significantly ("Stage 1"), IFRS 9 requires allowances based on 12-month expected credit losses. If the credit risk has increased significantly since initial recognition ("Stage 2") or if the loan is "credit impaired" ("Stage 3"), IFRS 9 requires allowances based on lifetime expected credit losses.</p>	<p>In testing the expected credit losses for loans and advances to customers, we performed the following significant audit procedures:</p> <p>We assessed the compliance of the methodologies and key ECL statistical models with the IFRS 9 requirements. We engaged our credit risk technical experts to assist us in undertaking this assessment.</p> <p>We verified the reconciliation of the output of the automated ECL calculation engine with the audited trial balance.</p> <p>We performed risk assessment analytics over the Bank's loan portfolio and examined the significant changes in the loan exposures and categories and in the related ECL coverage rates compared to the previous years' figures in order to identify</p>

This version of our report is a translation from the original, which was prepared in Romanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



Key audit matter	How our audit addressed the key audit matter
<p>For the purposes of classification of a loan to risk categories ("staging"), management makes complex analyses to identify those exposures that either show evidence of significant increase in credit risk ("SICR") or are credit-impaired.</p> <p>In terms of measurement, the ECL are computed either on an individual basis or using a collective model.</p> <p>Individual assessment is performed for the clients with the cumulative gross carrying amount of the loans higher than MDL 10,000 thousand and classified in Stage 3. Additionally, the Bank can perform individual assessment based on additional risk criteria for other clients, regardless of the stage in which the loans are classified. The ECL are assessed individually based on probability weighted scenarios of the cash flow forecasts. The key assumptions considered in the computation are the expected cash flows (from both operating cash flows and recoveries from collaterals) and the weighting assigned to the different economic scenarios.</p> <p>Collective assessment is performed for all the other loans and advances to customers. The key assumptions considered in the computation are the probability of an account falling into arrears and subsequently entering into default ("PD"), definition of significant increase in SICR , exposure at the moment of default ("EAD") and the estimated losses from defaulted loans ("LGD"). Statistical models are used for determination of the key assumptions for incorporating forward-looking information ("FLI"). The FLI assessment considers a baseline forecast and two alternative scenarios (upside and downside) for selected macroeconomic variables.</p> <p>The complexity of the management's estimation process is affected by the geopolitical uncertainties, which have negatively affected the current economic conditions and the outlook for future macroeconomic scenarios. As such, the calculation of expected credit losses is based on assumptions and estimates that give rise to significant uncertainties with regard to the amount</p>	<p>possible areas of risk and better calibrate our audit procedures described below.</p> <p>We gained an understanding of the Bank's processes and IT environment in relation to the approval, disbursement, monitoring, classification and measurement of loans and advances to customers.</p> <p>We assessed the design and implementation of key controls and their operating effectiveness, especially in relation to loan origination, allocation of repayments from customers, collateral management and valuation and subsequent restructuring of loans.</p> <p>We tested, on a sample basis, the key controls over the inputs of relevant data into source systems and the flow and transformation of data from the source systems to the ECL calculation engine.</p> <p>We analysed the classification criteria used for allocating loans and advances to customers to the IFRS 9 categories (staging) and we tested the application of SICR criteria and default definition for stage allocation of loans and advances to customers.</p> <p>We have validated the completeness and accuracy of data used in the determination of the key assumptions and we verified that the key assumptions resulting from the statistical estimation models and approved by management were the same as the ones implemented in the system and used for the ECL automated calculation.</p> <p>We recomputed, for a sample of loans, the ECL calculation done by the system using the key assumptions determined by management.</p> <p>With regards to loans and advances to customers for which ECL are assessed individually, for a selection of loans, we have assessed the appropriateness of the key inputs and assumptions, such as the discounted cash flows from both operating</p>

This version of our report is a translation from the original, which was prepared in Romanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



Key audit matter	How our audit addressed the key audit matter
<p>of the expected credit losses and are sensitive to changes in the key underlying factors.</p> <p>Based on this and taking into consideration that “Loans and advances to customers” are the most significant financial statement line item within the total assets, we have determined the expected credit losses for loans and advances as the key audit matter.</p> <p>Note 3 “Basis of preparation”, Note 4 “Critical accounting estimates and judgements in applying accounting policies”, Note 10 “Loans and advances to customers” and Note 38 “Financial risk management” to the consolidated and separate financial statements provide detailed information on the ECL for loans and advances to customers.</p>	<p>cash flows and recoveries from collateral that are used in the ECL calculation.</p> <p>With regards to loans and advances to customers for which ECL are assessed collectively, we tested how management estimated the PD, LGD and FLI and we have assessed whether the key assumptions included in the statistical estimation models are consistent with the IFRS 9 requirements and the Bank’s methodology.</p> <p>We also verified the disclosures in the notes to the consolidated and separate financial statements regarding the calculation of expected credit losses and the significant assumptions and estimation uncertainties.</p>

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated and separate financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group and Bank operate.

We planned and scoped our audit, considering the Group’s current structure, where the Bank represents the most significant part of the Group’s total assets, total liabilities and profit before tax. Consequently, we identified the Bank as the sole significant component within the Group, resulting in an audit of its complete financial information. We also applied substantive analytical and further audit procedures to the financial information of one of the subsidiaries of the Group (O.C.N. MAIB LeasingSA).

Reporting on other information including the Consolidated Management Report

Management is responsible for the other information. The other information comprises the Consolidated Management Report and the Consolidated Non-Financial Statement, which is part of the Consolidated Management Report, but does not include the consolidated and separate financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information, including the Consolidated Management Report and the Consolidated Non-Financial Statement.



In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Consolidated Management Report, we considered whether it is consistent with the consolidated and separate financial statements and whether the Consolidated Management Report was prepared in accordance with Law 287/2017, article 30.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Consolidated Management Report for the financial year for which the consolidated and separate financial statements are prepared is consistent with the consolidated and separate financial statements;
- the Consolidated Management Report has been prepared in accordance with Law 287/2017 article 30.

In addition, in light of the knowledge and understanding of the Group and Bank and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Consolidated Management Report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated and separate financial statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and Law 287/2017, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and Law 271/2017 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs and Law 271/2017, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's or the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report



because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The financial auditor responsible for carrying out the audit resulting in this independent auditor's report is Eduard Maxim.

On behalf of
ICS PricewaterhouseCoopers Audit SRL
Audit firm registered with the Public register of audit firms under no 1902025

**Refer to the original signed
Romanian version**

Eduard Maxim
Auditor
Qualification Certificate AG no 000061 dated 22.06.2018
Qualification Certificate AIF no 0030 dated 26.04.2019
Registered with the Public register of auditors under no 1806122

**Refer to the original signed
Romanian version**

Ana-Maria Butucaru
Partner, acting based on the power of attorney dated 17 July 2023

Chişinău, 31 March 2025

B.C. MAIB S.A.

Consolidated and separate statement of financial position as at 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

	Note	Group					Bank
		31 December 2024	31 December 2023 (restated)	1 January 2023 (restated)	31 December 2024	31 December 2023 (restated)	1 January 2023 (restated)
ASSETS							
Cash and cash equivalents	7	19,199,045	20,025,380	15,935,220	19,198,819	20,024,980	15,934,579
Due from banks	8	221,860	177,698	262,351	221,860	177,698	262,351
Investments in debt securities	9	7,852,767	6,264,254	2,775,004	7,809,567	6,202,842	2,714,919
Investments in equity securities		6,128	4,129	3,991	6,128	4,129	3,991
Investments in subsidiaries	13	-	-	-	175,074	160,522	139,669
Loans and advances to customers	10	29,113,367	22,538,197	21,411,870	29,233,029	22,681,372	21,529,557
Finance lease receivables	11	356,811	291,962	271,961	-	-	-
Investment property	12	177,291	2,280	27,889	176,216	-	-
Other financial assets	14	196,507	147,981	133,158	181,558	135,535	121,538
Deferred tax assets	36	8,033	13,265	22,548	7,144	11,376	23,501
Other assets	15	96,363	122,236	217,643	93,630	118,412	211,484
Premises and equipment	16	1,915,419	2,086,334	1,654,801	1,909,759	2,082,224	1,648,653
Intangible assets	17	326,187	307,116	203,884	315,205	295,912	191,834
Right of use assets	18	158,798	112,891	109,228	157,550	112,647	110,736
Non-current assets held for sale		32,278	23,204	-	32,278	23,204	-
TOTAL ASSETS		59,660,854	52,116,927	43,029,548	59,517,817	52,030,853	42,892,812
LIABILITIES							
Due to other banks		4,571	4,626	16,592	4,571	4,626	16,592
Due to customers	19	46,058,166	38,998,336	31,356,841	46,074,533	39,027,475	31,388,449
Borrowings	21	3,363,248	3,541,286	3,623,883	3,289,946	3,496,558	3,525,790
Lease liabilities	18	158,178	110,734	112,690	156,856	110,473	114,159
Other financial liabilities	23	300,714	527,951	287,343	300,642	527,579	285,298
Debt securities in issue	20	779,859	354,732	-	779,859	354,732	-
Current income tax liability	36	30,825	25,832	62,375	30,825	25,832	62,375
Provision for loan commitments	25	32,392	33,975	50,466	32,392	33,975	50,466
Other liabilities	24	402,300	374,834	471,211	391,218	362,343	459,070
Subordinated debt	26	502,552	503,703	509,544	502,552	503,703	509,544
TOTAL LIABILITIES		51,632,805	44,476,009	36,490,945	51,563,394	44,447,296	36,411,743
EQUITY							
Ordinary shares	27	207,527	207,527	207,527	207,527	207,527	207,527
Share premium		104,537	104,537	104,537	104,537	104,537	104,537
Treasury shares	27	(6,207)	-	-	(6,207)	-	-
Revaluation reserve for securities at fair value through other comprehensive income		44,468	82,071	5,500	44,468	82,072	5,500
Retained earnings		7,677,055	7,246,128	6,220,429	7,604,098	7,189,421	6,163,505
Total equity attributable to equity owners of the Bank	27	8,027,380	7,640,264	6,537,993	7,954,423	7,583,557	6,481,069
Non-controlling interest		669	654	610	X	X	X
TOTAL EQUITY		8,028,049	7,640,918	6,538,603	7,954,423	7,583,557	6,481,069
TOTAL EQUITY AND LIABILITIES		59,660,854	52,116,927	43,029,548	59,517,817	52,030,853	42,892,812

The consolidated and separate financial statements were signed on behalf of the Group on 28 March 2025 by:

Chairman of the Management Board
Mr. Giorgi Shagidze




Deputy Chairman of the Management Board
Mr. Macar Stoianov



The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

**Consolidated and separate statement of profit or loss and other comprehensive income
for the year ended 31 December 2024**

(All amounts are expressed in thousands MDL, if not stated otherwise)

	Note	Group		Bank	
		2024	2023 (restated)	2024	2023 (restated)
Interest income calculated using the EIR method	29, 43	3,234,802	3,751,980	3,238,547	3,748,425
Other similar income	29	41,863	35,497	-	-
Interest expense	29	(987,543)	(1,575,084)	(984,769)	(1,570,502)
Other similar expense	29	(1,649)	(2,912)	(1,683)	(2,937)
Net margin on interest and similar income		2,287,473	2,209,481	2,252,095	2,174,986
Fee and commission income	30	1,316,111	1,096,201	1,310,115	1,089,970
Fee and commission expense	30	(778,364)	(649,864)	(807,248)	(676,967)
Net fee and commission income		537,747	446,337	502,867	413,003
Gains less losses from trading in foreign currencies	31	718,712	580,843	718,733	580,949
Foreign exchange translation losses		(6,228)	(18,995)	(8,126)	(16,393)
Other operating income	32	41,472	25,519	31,911	16,494
Gains/(losses) on revaluation of investment properties		50	(3,708)	-	-
Personnel expenses	33	(1,068,135)	(953,858)	(1,045,550)	(933,396)
Depreciation and amortization expenses	16, 17	(241,528)	(176,666)	(237,202)	(172,348)
Impairment of investments in subsidiaries		-	-	14,452	20,853
Impairment losses for premises and equipment		(11,226)	(51,912)	(11,226)	(51,912)
Other operating expenses	34	(492,408)	(484,955)	(480,085)	(469,422)
Operating profit before credit loss allowance		1,765,929	1,572,086	1,737,869	1,562,814
Credit loss allowance	35	(148,175)	(169,015)	(143,240)	(164,749)
Profit before tax		1,617,754	1,403,071	1,594,629	1,398,065
Income tax expense	36	(205,342)	(180,045)	(198,575)	(174,915)
PROFIT FOR THE YEAR		1,412,412	1,223,026	1,396,054	1,223,150
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Changes in fair value of debt securities at fair value through other comprehensive income	9	(42,458)	86,573	(42,458)	86,573
Deferred tax related to debt securities at fair value through other comprehensive income	36	4,776	(10,070)	4,776	(10,070)
<i>Items that will not be reclassified to profit or loss:</i>					
Gains less losses on investments in equity securities at fair value through other comprehensive income		89	78	89	78
Deferred tax related to changes in fair value of investments in equity securities at fair value through other comprehensive income	36	(11)	(9)	(11)	(9)
Other comprehensive income for the year		(37,604)	76,572	(37,604)	76,572
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,374,808	1,299,598	1,358,450	1,299,722
Profit is attributable to:					
- Owners of the Bank		1,412,304	1,222,933	1,396,054	1,223,150
- Non-controlling interest		108	93	-	-
Profit for the year		1,412,412	1,223,026	1,396,054	1,223,150
Total comprehensive income is attributable to:					
- Owners of the Bank		1,374,700	1,299,505	1,358,450	1,299,722
- Non-controlling interest		108	93	-	-
Total comprehensive income for the year		1,374,808	1,299,598	1,358,450	1,299,722
Basic and diluted earnings per share attributable to the owners of the Bank (expressed in MDL per share)					
	27	14	12	14	12

The consolidated and separate financial statements were signed on behalf of the Group on 28 March 2025 by:

Chairman of the Management Board
Mr. Giorgi Shagidze

G. Shagidze



Deputy Chairman of the Management Board
Mr. Macar Stoianov

Macar Stoianov

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.
Consolidated and separate statement of changes in equity for the year ended 31 December 2024
(All amounts are expressed in thousands MDL, if not stated otherwise)

	Attributable to equity owners of the Bank							Non-controlling interest	Total equity
	Ordinary shares	Share premium	Treasury shares	Revaluation reserve for securities at fair value through other comprehensive income	Revaluation reserve for land and buildings	Retained earnings	Total attributable to owners of the Bank		
Balance as at 1 January 2023 (as originally reported)	207,527	104,537	-	5,500	195,993	6,158,924	6,672,481	610	6,673,091
Voluntary changes in accounting policies (Note 5)	-	-	-	-	(195,993)	61,505	(134,488)	-	(134,488)
Balance at 1 January 2023 (restated)	207,527	104,537	-	5,500	-	6,220,429	6,537,993	610	6,538,603
Profit for the year	-	-	-	-	-	1,222,933	1,222,933	93	1,223,026
Other comprehensive income for the year	-	-	-	76,572	-	-	76,572	-	76,572
Total comprehensive income for the year	-	-	-	76,572	-	1,222,933	1,299,505	93	1,299,598
Employee share option and share plans	-	-	-	-	-	954	954	-	954
Dividends (Note 27)	-	-	-	-	-	(198,188)	(198,188)	(49)	(198,237)
Balance as at 31 December 2023 (restated)	207,527	104,537	-	82,072	-	7,246,128	7,640,264	654	7,640,918
Profit for the year	-	-	-	-	-	1,412,304	1,412,304	108	1,412,412
Other comprehensive income for the year	-	-	-	(37,604)	-	-	(37,604)	-	(37,604)
Total comprehensive income for the year	-	-	-	(37,604)	-	1,412,304	1,374,700	108	1,374,808
Employee share option and share plans	-	-	-	-	-	2,786	2,786	-	2,786
Dividends (Note 27)	-	-	-	-	-	(757,473)	(757,473)	(93)	(757,566)
Acquisition of treasury shares	-	-	(6,207)	-	-	(226,690)	(232,897)	-	(232,897)
Balance as at 31 December 2024	207,527	104,537	(6,207)	44,468	-	7,677,055	8,027,380	669	8,028,049

The consolidated and separate financial statements were signed on 28 March 2025 by:

Chairman of the Management Board
 Mr. Giorgi Shagidze



Deputy Chairman of the Management Board
 Mr. Macar Stoianov

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.
Consolidated and separate statement of changes in equity for the year ended 31 December 2024
(All amounts are expressed in thousands MDL, if not stated otherwise)

	Attributable to equity owners of the Bank							Total equity
	Ordinary shares	Share premium	Treasury shares	Revaluation reserve for securities at fair value through other comprehensive income	Revaluation reserve for land and buildings	Retained earnings		
Balance as at 1 January 2023 (as originally reported)	207,527	104,537	-	5,500	195,574	6,102,454	6,615,592	
Voluntary changes in accounting policies (Note 5)	-	-	-	-	(195,574)	61,051	(134,523)	
Balance at 1 January 2023 (restated)	207,527	104,537	-	5,500	-	6,163,505	6,481,069	
Profit for the year	-	-	-	-	-	1,223,150	1,223,150	
Other comprehensive income for the year	-	-	-	76,572	-	-	76,572	
Total comprehensive income for the year	-	-	-	76,572	-	1,223,150	1,299,722	
Employee share option and share plans	-	-	-	-	-	954	954	
Dividends (Note 27)	-	-	-	-	-	(198,188)	(198,188)	
Balance as at 31 December 2023 (restated)	207,527	104,537	-	82,072	-	7,189,421	7,583,557	
Profit for the year	-	-	-	-	-	1,396,054	1,396,054	
Other comprehensive income for the year	-	-	-	(37,604)	-	-	(37,604)	
Total comprehensive income for the year	-	-	-	(37,604)	-	1,396,054	1,358,450	
Employee share option and share plans	-	-	-	-	-	2,786	2,786	
Dividends (Note 27)	-	-	-	-	-	(757,473)	(757,473)	
Acquisition of treasury shares	-	-	(6,207)	-	-	(226,690)	(232,897)	
Balance as at 31 December 2024	207,527	104,537	(6,207)	44,468	-	7,604,098	7,954,423	

The consolidated and separate financial statements were signed on 28 March 2025 by:



Chairman of the Management Board
 Mr. Giorgi Shagidze

Deputy Chairman of the Management Board
 Mr. Macar Stoianov

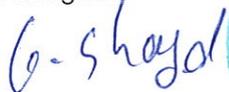
The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.
Consolidated and separate statement of cash flows for the year ended 31 December 2024
(All amounts are expressed in thousands MDL, if not stated otherwise)

	Note	2024	Group 2023	2024	Bank 2023
Cash flows from operating activities					
Interest income calculated using the EIR method received	29	3,242,383	3,794,684	3,246,562	3,795,356
Other similar income received		41,863	35,497	-	-
Interest paid	29	(1,015,095)	(1,616,657)	(1,012,274)	(1,612,505)
Fees and commissions received	30	1,319,854	1,097,201	1,313,858	1,090,970
Fees and commissions paid	30	(778,364)	(649,864)	(807,248)	(676,967)
Gains less losses from trading in foreign currencies	31	718,733	580,949	718,733	580,949
Recoveries of loans previously written-off		43,990	34,100	43,990	34,100
Other operating income received	32	49,435	50,220	29,938	40,570
Administrative and other operating expenses paid	32	(491,593)	(467,501)	(475,840)	(451,864)
Staff costs paid	33	(1,056,775)	(944,657)	(1,039,273)	(928,067)
Income tax paid	36	(193,344)	(216,539)	(184,584)	(209,412)
Cash flows from operating activities before changes in operating assets and liabilities:		1,881,087	1,697,432	1,833,862	1,663,130
<i>Net (increase) / decrease in operating assets:</i>					
Due from other banks		(31,786)	(273,097)	(31,786)	(273,096)
Loans and advances to customers	10	(6,745,826)	(1,881,167)	(6,719,292)	(1,865,765)
Finance lease receivables	11	(88,895)	(40,974)	-	-
Other financial assets	14	(34,657)	(24,419)	(34,447)	(24,477)
Other assets	15	(8,072)	(412)	(9,268)	(1,166)
<i>Net increase / (decrease) in operating liabilities:</i>					
Due to other banks		40	(59,825)	40	(59,825)
Due to customers	19	6,822,003	8,494,654	6,809,132	8,497,122
Other financial liabilities	23	(253,405)	194,668	(252,765)	193,288
Other liabilities	24	(5,306)	(22,600)	(2,207)	(17,618)
Net cash from operating activities		1,555,183	8,084,259	1,593,269	8,111,592
Cash flows from investing activities					
Acquisition of premises and equipment	16	(196,338)	(484,887)	(194,020)	(504,786)
Acquisition of intangible assets	17	(37,939)	(158,464)	(35,249)	(158,464)
Proceeds from disposal of premises and equipment	16	988	3,344	988	3,278
Proceeds from disposal of investment properties	12	1,244	-	-	-
Acquisition of debt securities at fair value through other comprehensive income	9	(8,305,498)	(8,139,514)	(8,324,788)	(9,285,351)
Proceeds from disposal of debt securities at fair value through other comprehensive income	9	7,836,185	4,704,108	7,836,185	5,845,175
Acquisition of debt securities at amortized cost	9	(1,092,857)	-	(1,092,857)	-
Acquisition of equity securities at fair value through other comprehensive income	9	(1,911)	(60)	(1,911)	(60)
Dividends received	27	1,480	1,271	10,719	6,115
Net cash used in investing activities		(1,794,646)	(4,074,202)	(1,800,933)	(4,094,092)
Cash flows from financing activities					
Repayment of borrowings	21	(1,418,385)	(1,345,139)	(1,382,644)	(1,208,509)
Proceeds from borrowings	21	1,255,759	1,436,192	1,190,500	1,292,301
Proceeds from debt securities in issue	20	464,329	357,799	464,329	357,799
Repayment of debt securities in issue	20	(39,580)	(4,860)	(39,580)	(4,860)
Repayment of principal of lease liabilities	18	(23,535)	(33,026)	(25,611)	(33,053)
Dividends paid	27	(735,284)	(190,683)	(735,191)	(190,634)
Acquisition of investment in subsidiaries		-	-	(100)	-
Acquisition of treasury shares		(232,896)	-	(232,896)	-
Net cash from financing activities		(729,592)	220,283	(761,193)	213,044
Effect of exchange rate changes on cash and cash equivalents		142,720	(140,180)	142,696	(140,142)
Net increase in cash and cash equivalents		(826,335)	4,090,160	(826,161)	4,090,401
Cash and cash equivalents as at 1 January	7	20,025,380	15,935,220	20,024,980	15,934,579
Cash and cash equivalents as at 31 December	7	19,199,045	20,025,380	19,198,819	20,024,980

The consolidated and separate financial statements were signed on behalf of the Group on 28 March 2025 by:

Chairman of the Management Board
Mr. Giorgi Shagidze




Deputy Chairman of the Management Board
Mr. Macar Stoianov



The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024
(All amounts are expressed in thousands MDL, if not stated otherwise)

1 General information about the Group and the Bank

B.C. MAIB S.A. (the "Bank", "maib" or the "Parent Bank") and its subsidiaries (hereinafter referred to as the "maib Group" or the "Group") are based in the Republic of Moldova. The consolidated financial statements of the Group comprise the financial statements of the Bank and its subsidiaries.

The subsidiaries comprise the following entities:

Entities	Field of activity	31 December 2024	31 December 2023
MAIB-Leasing S.A.	Financial lease	100%	100%
Moldmediacard S.R.L.	Processing of card payments	99%	99%
MAIB TECH S.R.L.	IT services	100%	-

Principal activity: The Group's fields of activity are: banking through the Bank, leasing and financing the dealers of vehicles through MAIB-Leasing SA, processing of card transactions through Moldmediacard S.R.L. and provision of IT services through MAIB TECH S.R.L.

The Group's number of employees at 31 December 2024 was 2,899 (31 December 2023: 2,822 employees).

B.C. MAIB S.A.

The Bank was incorporated in 1991 as a joint stock commercial bank. The Bank is licensed by the National Bank of Moldova ("NBM") to conduct all types of transactions in national and foreign currency on the territory of the Republic of Moldova and on international markets.

The activity is carried out both through the head office, as well as through 53 branches and 48 agencies, located throughout the Republic of Moldova (31 December 2023: 53 branches and 50 agencies).

The Bank's shares are listed on the Moldova Stock Exchange, having the symbol MD14AGIB1008.

The Bank's number of employees at 31 December 2024 was 2,866 (31 December 2023: 2,790 employees).

The Bank's registered address is 127, 31 August 1989 Street, Chisinau, Republic of Moldova.

At 31 December 2024 and 31 December 2023, the Bank's shareholders structure was as follows:

	31 December 2024	31 December 2023
HEIM Partners Limited	38.69%	41.09%
Civil society of Bank shareholders and their affiliates*	9.75%	9.79%
UCCC "Moldcoop" and other entities acting in concert	2.48%	2.51%
Individuals holding $\geq 1\%$, directly or indirectly**	18.74%	19.16%
Treasury shares	2.99%	0%
Others***	27.35%	27.45%
Total	100%	100%

The Group and the Bank have no ultimate controlling party.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

1 General information about the Group and the Bank (continued)

*At 31 December 2024 the Civil society of the Bank's shareholders and their affiliates included 11 members (31 December 2023: 11 members) out of which 1 (31 December 2023: 1 member) was member of the Supervisory Board and the other 10 members were affiliated persons (31 December 2023: 10 members).

** At 31 December 2024 the Individuals holding $\geq 1\%$, directly or indirectly includes 20 shareholders (31 December 2023: 19 shareholders) out of which 1 (31 December 2023: 1 member) was member of the Supervisory Board.

***None of the shareholders included in the "Others" category owns a share equal to or greater than 1% in the Bank's share capital. Other shareholders of the Bank comprise 2,937 shareholders (31 December 2023: 2,949 shareholders) of which 2,743 shareholders are individuals and 194 are legal entities (31 December 2023: 2,751 individuals and 198 legal entities).

The largest shareholder of the Bank, with a holding of 38.69% (31 December 2023: 41.09%) of the share capital, is the company HEIM Partners Limited, founded by the consortium of investors which comprise European Bank for Reconstruction and Development ("EBRD") with 37.5%, AB Invalda INVL one of the most important asset management groups in Baltic states based in Vilnius, Lithuania with 37.5% and the following investment funds: Emerging Europe Growth Fund III, LP (USA) and EEGF III Netherlands, L.P. (USA) managed by Horizon Capital from Ukraine with 25%. Considering the shares held, HEIM Partners Limited has a significant influence over the Group.

MAIB-Leasing S.A.

MAIB-Leasing S.A. ("**maib leasing**") is an entity founded by the Bank in September 2002 as a joint-stock company. The company finances various types of vehicles, commercial, industrial, agricultural and office equipment, as well as real estate property. **maib leasing**, also grants financing to car dealers and loans to individuals and legal entities. **maib leasing** operates in the Republic of Moldova and as at 31 December 2024 has 18 employees (18 employees as at 31 December 2023). The registered address of **maib leasing** is 49 Tighina Street, Chisinau, Republic of Moldova.

Moldmediacard S.R.L.

Moldmediacard S.R.L. ("**MMC**") is an entity founded in March 2000. The business line of **MMC** is the selection, implementation, development and exploitation of systems implying the processing of card transactions and incorporation in the international card transaction system.

MMC operates in the Republic of Moldova and as at 31 December 2024 has 15 employees (15 employees as at 31 December 2023). The registered address of **MMC** is 9 Miron Costin Street, Chisinau, Republic of Moldova.

MAIB TECH S.R.L.

MAIB TECH S.R.L. ("**maib tech**") is an entity founded in October 2024. The business line of **maib tech** is the custom software development, management and operation of computing resources, data processing, web page administration, IT consultancy and other IT related activities.

maib tech operates in the Republic of Moldova and as at 31 December 2024 has 1 employee (0 employees as at 31 December 2023). The registered address of **maib tech** is 127, 31 August 1989 Street, Chisinau, Republic of Moldova. As per 31 December 2024, the entity is dormant.

2 Operating environment of the Group and Bank

Republic of Moldova. Moldova's economy depends heavily on the agricultural sector, main components being the production of fruits, vegetables, wine, wheat and tobacco. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and to a variety of interpretations.

The accompanying notes are an integral part of these consolidated and separate financial statements.

2 Operating environment of the Group and Bank (continued)

Impact of Russia's military invasion of Ukraine. Following the war between Russia and Ukraine which started on 24 February 2022, the Moldovan authorities declared a State of Emergency until 5 December 2022, which later had been extended several times, that lasted until 31 December 2023. The military situation in the Republic of Moldova is currently stable with no signs of military movements, including also the separatist region of Transnistria. The Russia – Ukraine war has had a major impact on the economy of the Republic of Moldova and other European countries but this has diminished during 2024. According to the Ministry of Economy of Moldova the expected growth forecast for 2024 is 2.5% (as compared to 0.7% increase rate for 2023) with the national economy strengthening its recovery trajectory. The growth in 2024 has been influenced by the revival of domestic demand, the improvement of economic sentiment and the continuation of an upward trend in sectors such as information and communication, HoReCa and others.

In December 2023, the European Council commended Moldova's substantial progress towards meeting the objectives for its EU candidate status, despite the challenges posed by Russia's war against Ukraine and hybrid attacks against Moldova. Consequently, EU leaders decided to open accession negotiations with Moldova and invited the Council to adopt the negotiation framework once the Commission's report steps were taken. Following this, the first Intergovernmental Conference at ministerial level to open accession negotiations with Moldova was held in June 2024, marking a significant step in Moldova's EU integration process. This decision aligns with the European Council's approval on December 14-15, 2023, and the Council's adoption of the Negotiating Framework on June 21, 2024, as per the revised enlargement methodology.

The inflation rate during 2024 was higher than initially estimated, the inflation in December 2024 being 4.68%, up from the 3.90% reported in June 2024, and higher than the initial prognosis of 4.0%. The Group analyses the sensitivity of its financial performance to changes in inflation level and takes proactive action to ensure a stable and resilient financial performance.

The Group's net exposure to the inflation risk is usually limited and any changes in the price levels are directly correlated to the income levels (through channels such as changes in the value of payments, loans values, etc) which are also correlated to changes on the expense side, where both personnel related expenses, and third-party expenses are correlated with the level of the prices.

At the level of the banking system, the Executive Committee of the NBM, have gradually decreased the rates for the main monetary instruments. The interest rates established at 31 December 2024 are:

- the base interest rate applied to major short-term monetary policy operations – 3.60% per year (2023: 4.75% per year);
- on overnight loans – 5.60% per year (2023: 6.75% per year); and
- on overnight deposits – 1.60% per year (2023: 2.75% per year).

Management of the Group is monitoring the changes on the market and takes the necessary actions, at the level of the Bank's Asset Liability Committee being responsible with the proposing the interest rates applied by the Bank in its lending and funding activities.

In terms of decisions taken by the Group, following the start of the Russia-Ukraine war, on 24 February 2022, a core management team was set up at the level of the Group to follow up and proactively manage the current situation and possible impact on the Group. Based on the current publicly available information, the management of the Group did an assessment over the possible impact on the Group's activity, liquidity, financial stability and performance and the results of the assessment showed that the current situation will not affect the Group's going concern assumptions.

The Group's current accounts exposure as of 31 December 2024 towards Russian, Ukrainian and Belorussian banks is MDL 44.97 thousand (31 December 2023: MDL 1.8 million). The international sanctions mainly imposed additional operational pressure on the Group in terms of anti-money laundering operations and know your customer procedures. Any economic impact on the Group and its customers with economic links to this geographical area at risk will depend primarily on the duration of the military invasion and the intensity of the political and economic measures taken, as well as the restrictions implemented.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***2 Operating environment of the Group and Bank (continued)**

Climate change. The Bank recognizes that climate change presents both risks and opportunities for the Bank and its clients. In December 2023, the Bank's Supervisory Board approved the Sustainability Strategy and ESG action plan, establishing sustainability objectives and the activities necessary to achieve them. In 2024, the Bank initiated the implementation of a Climate Risk Management (CRM) framework, which is currently in the development phase and being integrated into the general risk management system. The Bank has made significant progress in integrating climate risks into its overall risk management framework by developing assessments based on multiple climate scenarios.

The Bank has developed a comprehensive approach for assessing and managing climate risks, which includes:

1. Scenario-based materiality analysis – the Bank has conducted three materiality analyses based on different climate scenarios up to 2040:
 - ambitious transition scenario (SSP1-2.6/Net Zero 2050);
 - moderate transition scenario (SSP2-4.5/Delayed Transition);
 - limited action scenario (SSP5-8.5/NDC).
2. Sector exposure assessment - based on the materiality assessment, the Bank has developed a heat map that evaluates the vulnerability of different sectors to transition and physical risks. This assessment allows the Bank to identify risk concentrations in the Bank's portfolio.
3. Development of an internal regulatory framework - the Bank has commenced with drafting an internal normative acts that outline the processes for assessing climate risks, developed models, related model testing, portfolio monitoring, and others.

Based on the materiality assessments and the developed heat map, the Bank's exposure to different sectors, categorized by climate risk levels as of 31 December 2024 and 31 December 2023, is presented below:

	thousand MDL			
Sectors with high climate risk	2024	% of portfolio (2024)	2023	% of portfolio (2023)
Agriculture	3,074,981	10.1%	2,944,459	12.4%
Transport and logistics	555,008	1.8%	500,426	2.1%
Heavy industry	421,541	1.4%	346,270	1.5%
Energy (production and distribution)	854,303	2.8%	201,525	0.8%
Total high climate risk sectors	4,905,833	16.1%	3,992,680	16.8%
Sectors with moderate climate risk				
Manufacturing industry	2,784,253	9.1%	2,561,674	10.8%
Trade	6,960,773	22.9%	5,873,133	24.7%
Real estate	991,607	3.3%	687,209	2.9%
Total moderate climate risk sectors	10,736,633	35.3%	9,122,016	38.3%
Sectors with low climate risk				
Financial services	801,350	2.6%	424,583	1.8%
Telecommunications and IT	83,556	0.3%	165,938	0.7%
Public administration	588,085	1.9%	518,130	2.2%
Individuals	12,102,229	39.8%	8,626,610	36.2%
Others	1,221,325	4.0%	969,757	4.1%
Total low climate risk sectors	14,796,545	48.6%	10,705,018	44.9%
Total loans and advances to customers	30,439,011	100%	23,819,714	100%

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

2 Operating environment of the Group and Bank (continued)

In the context of developing and implementing the climate risk management framework, the Bank continues to work on achieving the following objectives:

1. Development and implementation of a system for monitoring the financial performance of agricultural sector debtors through early warning indicators and by applying tailored restructuring measures for clients affected by climate shocks, including payment rescheduling, maturity adjustment, or granting grace periods. These measures are considered as triggers for a significant increase in credit risk (SICR) and lead to lifetime ECL estimation.
2. Launch of green financing initiatives - in accordance with the Bank's ESG strategy, the Bank launched a lending product for renewable energy aimed at SMEs and Corporate clients, and financed several large photovoltaic parks in the country, with capacities of up to 50 MW. The Bank also created an internal green fund, with an allocated amount of MDL 10 million for 2024, to offer preferential conditions to beneficiaries of green products.
3. Stress testing – the Bank conducted internal climate stress testing using the three mentioned scenarios to assess the resilience of the Bank's portfolio to different climate trajectories. The results indicate varying levels of impact depending on the applied scenario, with more severe effects on sectors with high climate risk.
4. Development of ECL methodology. The Bank recognizes the challenges related to explicitly incorporating climate risk factors in ECL measurement and is working on improving methodologies for integrating these risks into expected loss calculations.
5. In the context of Moldova's harmonization with EU standards, the Bank aims to align its practices with European requirements on climate risk management and will continue to develop this framework as methodologies, data, and regulatory requirements evolve.

3 Basis of preparation

The consolidated and separate financial statements of the Group and of the Bank ("the financial statements") have been prepared in accordance with the International Financial Reporting Standards ("IFRS Accounting Standards"), issued by the International Accounting Standards Board ("IASB") and the Law No. 287/15.12.2017 regarding accounting and financial reporting and subsequent changes ("Law 287/2017"), effective at the Group and Bank's annual reporting date, 31 December 2024. These financial statements were prepared under the historical cost convention, except for financial instruments recognized at fair value through other comprehensive income, investment property and other financial liabilities at fair value through profit or loss.

The consolidated financial statements comprise the financial statements of the Bank and of its subsidiaries: **maib leasing**, **MMC** and **maib tech** as of 31 December of each year.

The financial statements have been prepared considering the going concern assumption. Items included in the financial statements of the Group and the Bank are measured using the currency of the primary economic environment in which the entity operates, the functional currency. The financial statements are presented in Moldovan lei ("MDL"), rounded to the nearest value expressed in thousand MDL.

The financial statements for the year ended 31 December 2024 were authorized for issue in accordance with the resolution of the Supervisory Board on 27 March 2025. The General Shareholders Meeting may decide not to adopt the financial statements, but may not amend them.

These financial statements are directed to primary users, being investors who lend or provide equity capital to the reporting entity. These financial statements assume that the primary users have a reasonable knowledge of business and economic activities and review and analyze the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena reported in these financial statements. These financial statements aim at disclosing only information that management considers is material for the primary users. Management seeks not to reduce the understandability of these financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

3 Basis of preparation (continued)

At 31 December 2024, the main exchange rates used for translating foreign currency balances were:

- EUR 1 = MDL 19.3106 (31 December 2023: EUR 1 = MDL 19.3574); and
- USD 1 = MDL 18.4791 (31 December 2023: USD 1 = MDL 17.4062).

Presentation of statement of financial position in order of liquidity. The Group and Bank do not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity. Refer to Note 39 for analysis of financial instruments by their maturity.

Comparative financial statements. The comparatives presented in these financial statements represent the financial information of the Group and the Bank.

Except as described in Note 5, the same accounting policies and methods of computation were followed in the preparation of these consolidated and separate financial statements as compared to the annual consolidated and separate financial statements of the Group for the year ended 31 December 2023.

4 Critical accounting estimates and judgements in applying accounting policies

The preparation of financial statements in accordance with IFRS Accounting Standards implies the use of certain critical accounting estimates. It also implies that management expresses its judgment in the process of applying the Group's accounting policies, in terms of reported values for assets, liabilities, income and expenses. The estimates and associated judgments are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Actual results may differ from these estimated values.

The estimates and underlying assumptions are reviewed on an ongoing basis. The changes in the accounting estimates are recognized in the period in which they are revised, if the review affects only that period, or in the period when the estimate is reviewed and future periods, if the review affects both current and future periods.

Judgements that have the most significant effect on the amounts recognized in these financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Fair value of financial assets - when the fair value of financial assets cannot be determined from market information, it is determined using valuation techniques, including models of discounting cash flows. The data for these models are taken from the observations made on the market, where possible, but if this is not possible, assumptions are made in order to determine the fair values.

Estimates include considerations such as liquidity risk, credit risk and volatility. Changes in estimates of these factors may affect the reported value of financial assets. The objective of valuation techniques is determining fair value, which reflects the price that would be obtained in an orderly between market participants for the financial instrument at the date of the financial statements.

Valuation models that use a significant number of unobservable data require a higher proportion of estimates and judgments by management in determining fair value. Estimates and judgments by management is usually required to select the most appropriate valuation model, determining future cash flows of the instrument under valuation, determining the probability of default of the counterparty, and selecting prepayments and discount rates. Refer to Note 40 for presentation of fair value of financial instruments, the accounting estimates, assumptions and the sensitivity of these instruments to changes in data input used.

Expected credit losses ("ECL") measurement. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 39.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

4 Critical accounting estimates and judgements in applying accounting policies (continued)

The following components have a major impact on ECL:

- segmentation of financial assets for the ECL assessment purposes;
- the Group applies a range of criteria for determining when a client enters default, such as: 90 days overdue, insolvency status, distress restructuring, contamination at client level and other quantitative and qualitative criteria;
- determination of a level of ECL assessment on an individual instrument basis or on a collective basis;
- assessment of loss given default ("LGD"), including the judgments made around valuation of collaterals, probability of default ("PD"), exposure at default ("EAD"), based on payment schedules;
- criteria for assessing if there has been a significant increase in credit risk ("SICR"); and
- selection of forward-looking macroeconomic scenarios and their probability weightings.

The Group regularly reviews and validates the models and inputs to the models to reduce any differences between ECL estimates and actual ECL.

The Group used supportable forward-looking information for measurement of ECL, primarily an outcome of its own forecasting model based on publicly available macro-economic indicators forecasts.

Due to crisis situation connected to Russia-Ukraine War, increase in expenses related to the utilities, potential climate risk and the uncertainty on the real estate market the Group applied in 2023 and maintained during the 2024 some management overlays criteria on credit risk assessment in terms of ECL calculation, such as:

- Stage 2 classification for clients that have strong economic connection to Russian or Ukrainian market with an additional charge of around MDL 5,000 thousand;
- Applying a higher PD bucket for restructured loans from Business Banking loans, with additional charge of MDL 13,000 thousand;
- An additional 20 percentage points will be applied on top of the computed LGD for the Agriculture segment of the Business Banking portfolio. This adjustment accounts for the heightened uncertainty observed in the Agriculture sector over the past three years, driven by critical climatic disruptions and resulting financial volatility. The LGD buffer is intended to anticipate potential declines in the sale prices of agriculture-related collateral in the event of significant default volumes across the market. Results in additional charge of MDL 34,000 thousand added during 2024;
- 10 p.p. added on top of the computed LGD for the portfolio of Mortgage loans, resulting in additional charge of MDL 17,000 thousand.

The Group uses multifactorial models developed at the segment level for Corporate and Business Banking ("BB") customers and at the product level for the Retail segment (mortgage, consumer loans and credit cards) in order to determine the FLI adjustment of PD and LGD. The models include both future values and lagged values (historical values) as some effect on defaults occur with latency.

In 2024, the Group continues following all models that have been updated earlier. The macroeconomic factors considered as well as the applicability per classes are presented in the table below (the macro variables that are relevant for each segment are marked with +).

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024****(All amounts are expressed in thousands MDL, if not stated otherwise)****4 Critical accounting estimates and judgements in applying accounting policies (continued)**

Macro variable / Segment	Consumer loans	Mortgage loans	Credit Cards	BB loans	Corporate loans
Total volume indices of industrial production, yoy				+	
Consumer price indices (CPI), yoy		+		+	
Consumer price indices (CPI), mom			+		
Money transfers from abroad in favor of individuals (net basis)		+			
Secondary income, mln USD			+		
Personal remittances, gross basis, mln USD		+			
Direct investment in Balance of Payments, mln USD				+	
Retail trade turnover, yoy	+		+		+
Retail trade turnover, mom		+			
Wholesale trade turnover, yoy					+
Wholesale trade turnover, mom					+
CIS exports, mom				+	
EU exports, yoy					+
Total imports, yoy					+
CIS trade balance, yoy					+
EU trade balance, yoy					+
Share of unemployed population in the usual resident population*		+	+		
Evolution of total monthly average gross earnings, yoy	+				
Evolution of monthly average gross earnings in real sector, yoy		+			
Share of PI deposits over 3 and up to 6 months in total PI deposits, LCY				+	
Share of ALL deposits over 6 and up to 12 months in total deposits, LCY				+	
Share of PI deposits over 3 and up to 6 months in total PI deposits, FCY	+				+
Loan rate over 12 months in total credits, LCY	+				
Loan rate over 12 months in total credits, FCY				+	
Deposit rate up to 12 months in total deposits, FCY		+			

Given that macroeconomic models use monthly data, the Group ensured that there are forecasts preserving the same structure and covering at least 3-years timespan. The Group applied Autoregressive neural network time series forecasts, modelling technique in order to predict future paths of indicators based on previous values of time-series. In order to forecast different paths (scenarios) of variables used in the PD adjustment the Group follows point/low/high 80 percentage of its prediction intervals depending on the relationship between the forecast factor and the target variable – default rate. When few variables are used simultaneously in predicting the other, their economical interaction is considered.

Given that developed regression models use lagged values of macroeconomic series there is a need to utilize data from the previous year in order to predict the PD curve. The weighted values with the probabilistic achievement scenarios of the indicators used in the regression models of PD estimations as of 31 December 2024 are presented in the table below:

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***4 Critical accounting estimates and judgements in applying accounting policies (continued)**

Macro variable / Year	2024	2025	2026
Total volume indices of industrial production, yoy	97.7%	94.0%	100.4%
Consumer price indices (CPI), yoy	3.6%	10.5%	2.6%
Consumer price indices (CPI), mom	7.4%	3.8%	11.0%
Money transfers from abroad in favor of individuals (net basis), mln USD	1,625	1,729	1,698
Secondary income, mln USD	5,185	4,551	4,277
Personal remittances, gross basis, mln USD	5,837	5,819	5,601
Direct investment in Balance of Payments, mln USD	(978)	(1,328)	(1,355)
Retail trade turnover, yoy	16.0%	7.3%	(0.3%)
Retail trade turnover, mom	10.4%	6.7%	6.1%
Wholesale trade turnover, yoy	5.2%	11.8%	(3.6%)
Wholesale trade turnover, mom	6.1%	(2.2%)	2.3%
CIS exports, mom	95.5%	92.5%	93.0%
EU exports, yoy	93.8%	97.0%	96.8%
Total imports, yoy	98.4%	99.6%	99.0%
CIS trade balance, yoy	72.8%	88.7%	77.3%
EU trade balance, yoy	95.0%	111.4%	82.8%
Share of unemployed population in the usual resident population*	5.6%	5.6%	5.5%
Evolution of total monthly average gross earnings, yoy	116.3%	116.0%	115.1%
Evolution of monthly average gross earnings in real sector, yoy	115.5%	115.3%	115.0%
Share of PI deposits over 3 and up to 6 months in total PI deposits, LCY	17.3%	20.9%	22.8%
Share of ALL deposits over 6 and up to 12 months in total deposits, LCY	43.7%	43.5%	43.0%
Share of PI deposits over 3 and up to 6 months in total PI deposits, FCY	12.2%	12.0%	12.3%
Loan rate over 12 months in total credits, LCY	8.9%	8.5%	9.7%
Loan rate over 12 months in total credits, FCY	6.1%	6.0%	5.9%
Deposit rate up to 12 months in total deposits, FCY	1.4%	1.3%	1.3%

*Usual residence is defined as the place where the person has lived predominantly for the last 12 months regardless of temporary absences (for the purpose of recreation, vacation, visits to relatives and friends, business, medical treatment, religious pilgrimages, etc.).

In 2024 the Group examined the relationship between the changes in the PD and various economic/macroeconomic factors, including the inflation rate, remittances, retail and wholesale trade turnover, unemployment etc., having integrated valid correlations into the impairment methodology by determining and applying a PD adjustment factor for a 12 month period. The final macroeconomic factors considered are presented below.

The assumptions and assigned weights were as follows at 31 December 2024:

Macro variable	Scenario	Assigned weight	Assumptions 2024	Assumptions 2025	Assumptions 2026
Inflation rate, yoy	Base	50%	3.5%	9.0%	0.9%
	Upside	10%	3.3%	6.5%	0.7%
	Downside	40%	3.8%	13.3%	5.1%
Unemployment, eoy	Base	50%	4.8%	4.8%	4.5%
	Upside	10%	4.8%	3.1%	3.0%
	Downside	40%	6.6%	7.3%	7.4%

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***4 Critical accounting estimates and judgements in applying accounting policies (continued)**

Macro variable	Scenario	Assigned weight	Assumptions 2024	Assumptions 2025	Assumptions 2026
Remittances, year total (mln USD)	Base	50%	5,856	6,101	5,930
	Upside	10%	5,911	6,360	6,494
	Downside	40%	5,796	5,331	4,965
Retail trade turnover, yoy	Base	50%	16.2%	8.0%	2.5%
	Upside	10%	17.1%	10.0%	8.0%
	Downside	40%	15.5%	5.7%	-6.0%
Wholesale trade turnover, yoy	Base	50%	6.0%	15.5%	-1.2%
	Upside	10%	9.1%	25.2%	11.3%
	Downside	40%	3.3%	3.7%	-10.3%

In order to estimate ECL sensitivity due to PD changes, the Group evaluated 2 scenarios of changes in weights of macroeconomic scenarios:

- in case of an increase in Downside scenarios combined with a decrease in Upside scenarios by 10 p.p. the additional ECL allowances is MDL 5,364 thousand at 31 December 2024 (increase of MDL 7,718 thousand at 31 December 2023);
- in case of an increase in Baseline scenarios combined with a decrease in Upside scenarios by 10 p.p. the additional ECL allowances is MDL 2,844 thousand at 31 December 2024 (increase MDL 2,909 thousand at 31 December 2023);

The assumptions and assigned weights were as follows at 31 December 2023:

Macro variable	Scenario	Assigned weight	Assumptions 2023	Assumptions 2024	Assumptions 2025
Inflation rate, yoy	Base	50%	3.2%	4.6%	3.2%
	Upside	10%	0.4%	1.7%	2.0%
	Downside	40%	7.1%	17.2%	33.6%
Unemployment, eoy	Base	50%	4.3%	4.3%	4.0%
	Upside	10%	3.1%	2.4%	2.8%
	Downside	40%	5.5%	6.7%	6.6%

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***4 Critical accounting estimates and judgements in applying accounting policies (continued)**

Macro variable	Scenario	Assigned weight	Assumptions 2023	Assumptions 2024	Assumptions 2025
Remittances, year total (mln USD)	Base	50%	6,152	6,215	5,811
	Upside	10%	6,242	6,535	6,496
	Downside	40%	6,025	5,754	4,904
Retail trade turnover, yoy	Base	50%	11.8%	12.6%	8.7%
	Upside	10%	28.4%	27.7%	27.3%
	Downside	40%	-5.2%	-3.8%	-6.6%
Wholesale trade turnover, yoy	Base	50%	14.0%	1.2%	-0.6%
	Upside	10%	21.4%	10.3%	10.5%
	Downside	40%	9.7%	-8.0%	-7.3%

Details of those scenarios on portfolio segments level are presented in the following table:

Scenario / Segment	Corporate loans	BB loans	Consumer loans	Mortgage loans	Credit Cards
Decrease with 10 p.p. of Upside vs Downside	1,113	1,513	1,700	966	71
Decrease with 10 p.p. of Upside vs Baseline	1,715	175	741	71	142

Another scenario of ECL sensitivity to PD and LGD changes takes into account:

- adjusting the PD curves with the maximum change of the average PD recorded since the new PD methodology is applied (June 2022), results in total increase/decrease in ECL allowances of MDL 59,666 thousand at 31 December 2024 (MDL 50,620 thousand at 31 December 2023); and
- increase/ decrease of LGD with 10%, results in total increase/decrease in ECL allowances of MDL 41,872 thousand at 31 December 2024 (MDL 56,475 thousand at 31 December 2023).

Details of those scenarios on portfolio segments level are presented in the following table:

Scenario / Segment	Corporate loans	BB loans	Consumer loans	Mortgage loans	Credit Cards
Maximum change of average PD values	18%	10%	9%	20%	43%
ECL charge/release due to PD changes	+/-12,849	+/-21,331	+/-16,094	+/-1,845	+/-7,547
ECL charge/release due to LGD increase/ decrease with 10%	+/-7,372	+/-28,632	+/-4,795	+/-559	+/-559

5 Changes in accounting policies and presentation

In 2024, the Group has changed its accounting policy for the class of assets "land and buildings" under premises and equipment from revaluation model to cost model. This change has been applied by the Group retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors."

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024*****(All amounts are expressed in thousands MDL, if not stated otherwise)***

The decision to change the accounting policy was made by the management of the Bank after a comprehensive review of the Group's financial reporting objectives and stakeholder needs.

The cost model used for land and buildings will provide a more reliable basis of measurement, in the particular circumstances where the Group has finalized the construction of its new headquarters ("HQ"), which is one-of-its-kind building and represents a major part 75% of the overall balance sheet line item as at 31.12.2024.

Thus, due to the lack of market comparable data, the fair value measurement of the new HQ would certainly be a level 3 measurement, which would contain a number of unobservable inputs, subject to management's estimation and judgement. All of these unobservable inputs would increase the risk of bias and error. On the other hand, the cost value of the new HQ is objectively determinable as a result of the recent acquisition and subsequent capitalization of the costs, hence, the valuation based on the cost model being inherently more reliable. At the same time, the Group could reliably determine the historical cost of other lands and buildings from this class of assets.

This change will also provide the users a better predictive value of the Group's financial performance. Items from the class of „land and buildings” are predominantly intended for own use (such as, for locating the Group's branches and agencies) and are not intended to be sold in order to obtain a financial gain based on changes in market prices (unlike investment property, for example). This intention provides a desired stability to the Group's financial performance, therefore has a better predictive value for the users of the financial statements, compared to the revaluation model which can cause significant volatility in the financial statements due to fluctuations in market values.

In addition to the above, the change in accounting policy will enhance relevance in the context of the key local competitors, where the Group was previously an outlier when it comes to measuring land and buildings under the revaluation model. Moving to the cost model would increase direct comparability within the banking sector in Moldova, and hence improve relevance of the financial information to the stakeholders.

The changes are presented in the tables below:

Group's consolidated statements of financial position:

Group	31 December 2023		31 December 2023
	As restated	Change	As previously reported
Assets			
Deferred tax assets	11,376	11,376	-
Premises and equipment	2,086,334	(132,171)	2,218,505
Non-current assets held for sale	23,204	(50,269)	73,473
Liabilities			
Deferred income tax liability	(1,888)	(18,099)	16,211
Equity			
Revaluation reserve for premises	-	(216,604)	216,604
Retained earnings	7,246,128	63,639	7,182,489

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***5 Changes in accounting policies and presentation (continued)**

Group	1 January 2023		1 January 2023
	As restated	Change	As previously reported
Assets			
Deferred tax assets	23,501	23,501	-
Premises and equipment	1,654,801	(161,157)	1,815,958
Liabilities			
Deferred income tax liability	953	(3,168)	4,121
Equity			
Revaluation reserve for premises	-	(195,993)	195,993
Retained earnings	6,220,429	61,505	6,158,924

Bank's statements of financial position:

Bank	31 December 2023		31 December 2023
	As restated	Change	As previously reported
Assets			
Deferred tax assets	11,376	11,376	-
Premises and equipment	2,082,224	(132,171)	2,214,395
Non-current assets held for sale	23,204	(50,269)	73,473
Liabilities			
Deferred income tax liability	-	(18,099)	18,099
Equity			
Revaluation reserve for premises	-	(216,152)	216,152
Retained earnings	7,189,421	63,186	7,126,235

Bank	1 January 2023		1 January 2023
	As restated	Change	As previously reported
Assets			
Deferred tax assets	23,501	23,501	-
Premises and equipment	1,648,653	(161,192)	1,809,845
Liabilities			
Deferred income tax liability	-	(3,168)	3,168
Equity			
Revaluation reserve for premises	-	(195,574)	195,574
Retained earnings	6,163,505	61,051	6,102,454

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***5 Changes in accounting policies and presentation (continued)****Group's consolidated statement of profit or loss and other comprehensive income:**

Group	31 December 2023		31 December 2023
	As restated	Change	As previously reported
Depreciation and amortization expenses	(176,666)	2,315	(178,981)
Operating profit before credit loss allowance	1,572,086	2,315	1,569,771
Profit before tax	1,403,071	2,315	1,400,756
Profit for the year	1,223,026	2,315	1,220,711
Other comprehensive income:			
Revaluation of land and premises	-	(23,597)	23,597
Deferred tax related to the revaluation of premises	-	2,806	(2,806)
Other comprehensive income/(loss) for the year	76,572	(20,791)	97,363
Total comprehensive income for the year	1,299,598	(18,476)	1,318,074
Profit is attributable to:			
- Owners of the Bank	1,222,933	2,315	1,220,618
Profit for the year	1,223,026	2,315	1,220,711
Total comprehensive income is attributable to:			
- Owners of the Bank	1,299,505	(18,476)	1,317,981
Total comprehensive income for the year	1,299,598	(18,476)	1,318,074

Bank's statement of profit or loss and other comprehensive income:

Bank	31 December 2023		31 December 2023
	As restated	Change	As previously reported
Depreciation and amortization expenses	(172,348)	2,315	(174,663)
Operating profit before credit loss allowance	1,562,814	2,315	1,560,499
Profit before tax	1,398,065	2,315	1,395,750
Profit for the year	1,223,150	2,315	1,220,835
Other comprehensive income:			
Revaluation of land and premises	-	(23,563)	23,563
Deferred tax related to the revaluation of premises	-	2,806	(2,806)
Other comprehensive income/(loss) for the year	76,572	(20,757)	97,329
Total comprehensive income for the year	1,299,722	(18,442)	1,318,164
Profit is attributable to:			
- Owners of the Bank	1,223,150	2,315	1,220,835
Profit for the year	1,223,150	2,315	1,220,835
Total comprehensive income is attributable to:			
- Owners of the Bank	1,299,722	(18,442)	1,318,164
Total comprehensive income for the year	1,299,722	(18,442)	1,318,164

In addition, during 2024, the Group has introduced a separate line item for 'Cash and cash equivalents' in the balance sheet to provide a clearer representation of its liquid assets and better align with IFRS Accounting Standards. Refer to note 43 for an overview of the reclassifications performed by the Group in relation to the amounts previously reported.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

6 Adoption of new or revised standards

The Group has consistently applied its accounting policies to all periods presented in these financial statements.

6.1 Changes in IFRS Accounting Standards effective in 2024

The following new and amended accounting standards became effective in 2024:

- *Amendments to IFRS 16 'Leases': Lease Liability in a Sale and Leaseback (issued in September 2022);*
- *Amendments to IAS 1 'Presentation of Financial Statements': Classification of Liabilities as Current or Non-current (issued in January 2020);*
- *Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023).*

The above changes did not have a significant impact on the Group financial statements. Additional disclosures have been included in relation to the Amendments to IAS 1, please refer to note 21 for more details.

The Group has not early adopted any standard, interpretation or amendment in 2024 which has been issued, but is not yet effective.

6.2 Upcoming changes in IFRS Accounting Standards after 2024

A number of amendments to accounting standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. However, the Group has not early adopted the new and amended accounting standards in preparing these financial statements.

The following amendments and standards will be effective in 2025 or later. However, the implementation of this amendment is expected to have no significant impact on the Group's financial statements except for the amendment in relation to IFRS 18 whose impact is currently being assessed by the Group.

- *Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability' (issued on 15 August 2023);*
- *Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024);*
- *IFRS 18 Presentation and disclosure in Financial Statements (issued on 9 April 2024),*
- *IFRS 19 Subsidiaries without Public accountability: Disclosures (issued on 9 May 2024),*
- *Annual Improvements to IFRS Accounting Standards: Volume 11 (issued in July 2024),*
- *Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosure': Contracts Referencing Nature-dependent Electricity (issued in December 2024).*

7 Cash and cash equivalents

Cash balances include only claims (deposits) against the central bank and credit institutions that are repayable on demand and short-term, highly liquid investments with a maturity less than three months. Repayable on demand means that they may be withdrawn by NBM at any time or with a term notice of only one business day or 24 hours. Mandatory minimum reserves are also shown under this item.

The basis of the minimum mandatory reserves of NBM is determined as the average level (during the observation period) of the balances of the debt elements in MDL and in foreign currency from the Bank's balance sheet (with the exception of interbank liabilities, obligations to the NBM and equity). The observation period and the

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***7 Cash and cash equivalents (continued)**

application period last one month, being consecutive (the first of them representing the interval between the 16th of the previous month and the 15th of the current month).

	Group		Bank	
	31 December 2024	31 December 2023 (restated)**	31 December 2024	31 December 2023 (restated)**
Cash on hand	2,282,319	1,910,924	2,282,261	1,910,919
Mandatory cash balances and other cash with central banks*	11,941,872	12,733,013	11,941,872	12,733,013
Correspondent accounts and overnight deposits with other banks	2,337,575	2,983,054	2,337,407	2,982,659
Investments in debt securities (Certificates issued by the NBM)	2,497,556	2,398,389	2,497,556	2,398,389
Due from banks	139,723	-	139,723	-
Total	19,199,045	20,025,380	19,198,819	20,024,980

*The current accounts held by the Bank with the NBM ensure compliance with the minimum mandatory reserves requirements of the NBM. The minimum mandatory reserve rates as at 31 December 2024 were 25% for MDL (31 December 2023: 33%) and 34% for foreign currencies (31 December 2023: 43%).

**For more details on the reclassifications made in relation to introducing a separate line item for 'Cash and cash equivalents' in the balance sheet refer to note 43.

Mandatory cash balances and other cash with central banks, correspondent accounts and overnight deposits with other banks and investments in debt securities (Certificates issued by the NBM) are measured at amortized cost because they are held to collect cash flows and these cash flows represent Solely Payments of Principal and Interest ("SPPI").

For ECL estimation for exposures to local and foreign banks where spot or term placements are made or where the Group has Nostro accounts open, the Group uses the lowest rating provided by at least one of the International Rating Agencies Standard & Poor's, Moody's and Fitch-IBCA of the home bank / country to determine the PD. Please refer to note 8 for an overview of the credit risk grades used by the Group.

The PD is linked to the ratings and updated on the basis of public information provided by rating agencies in their corporate default rate reports. To estimate ECL, the Group applies the minimum PD between the PD 12 months and the maturity of the investment.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

Group	31 December 2024				31 December 2023 (restated)			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Mandatory cash balances and other cash with central banks								
- Excellent	-	-	-	-	-	-	-	-
- Good	11,941,872	-	-	11,941,872	12,733,013	-	-	12,733,013
- Satisfactory	-	-	-	-	-	-	-	-
- High risk	-	-	-	-	-	-	-	-
Correspondent accounts and overnight deposits with other banks								
- Excellent	2,305,579	-	-	2,305,579	2,961,947	-	-	2,961,947
- Good	20,706	-	-	20,706	14,302	-	-	14,302
- Satisfactory	11,494	-	-	11,494	4,782	-	-	4,782
- High risk	-	-	962	962	2,156	-	971	3,127
Investments in debt securities (Certificates issued by the NBM)								
- Good	2,497,556	-	-	2,497,556	2,398,389	-	-	2,398,389
Gross carrying amount	16,777,207	-	962	16,778,170	18,114,589	-	971	18,115,560
Credit loss allowance	(204)	-	(962)	(1,166)	(133)	-	(971)	(1,104)
Carrying amount	16,777,003	-	-	16,777,003	18,114,456	-	-	18,114,456

Bank	31 December 2024				31 December 2023 (restated)			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Mandatory cash balances and other cash with central banks								
- Excellent	-	-	-	-	-	-	-	-
- Good	11,941,872	-	-	11,941,872	12,733,013	-	-	12,733,013
- Satisfactory	-	-	-	-	-	-	-	-
- High risk	-	-	-	-	-	-	-	-
Correspondent accounts and overnight deposits with other banks								
- Excellent	2,305,579	-	-	2,305,579	2,961,947	-	-	2,961,947
- Good	20,538	-	-	20,538	14,302	-	-	14,302
- Satisfactory	11,494	-	-	11,494	4,782	-	-	4,782
- High risk	-	-	45	45	1,761	-	22	1,783
Investments in debt securities (Certificates issued by the NBM)								
- Good	2,497,556	-	-	2,497,556	2,398,389	-	-	2,398,389
Gross carrying amount	16,777,039	-	45	16,777,084	18,114,194	-	22	18,114,216
Credit loss allowance	(204)	-	(45)	(249)	(133)	-	(22)	(155)
Carrying amount	16,776,835	-	-	16,776,835	18,114,061	-	-	18,114,061

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***7 Cash and cash equivalents (continued)**

At 31 December 2024 the Group and the Bank had balances with 10 counterparty banks located in a variety of countries from Europe and America (31 December 2023: 10 banks). The amounts recorded in Correspondent accounts with other banks are not collateralized.

8 Due from banks

	Group		Bank	
	31 December 2024	31 December 2023 (restated)	31 December 2024	31 December 2023 (restated)
Collateral deposits	221,887	177,699	221,887	177,699
Less: credit loss allowance	(27)	(1)	(27)	(1)
Total	221,860	177,698	221,860	177,698

The following table contains an analysis of due from banks balances by credit quality at 31 December 2024 and 31 December 2023 based on credit risk grades and discloses due from banks balances by stages for the purpose of ECL measurement.

The carrying amount of due from other banks balances at 31 December 2024 and at 31 December 2023 below also represents the Group's and Bank's maximum exposure to credit risk on these assets:

Group and Bank	31 December 2024		31 December 2023 (restated)	
	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total
Collateral deposits				
- Excellent	221,887	221,887	175,262	175,262
- Good	-	-	2,437	2,437
Gross carrying amount	221,887	221,887	177,699	177,699
Credit loss allowance	(27)	(27)	(1)	(1)
Carrying amount	221,860	221,860	177,698	177,698

As at 31 December 2024, the Group has collateral deposits in amount of MDL 221,887 thousand representing amounts under the membership of payment systems such as Visa, MasterCard and American Express (31 December 2023: MDL 158,642 thousand). As at 31 December 2023, the Group had an additional MDL 19,057 thousand representing cash-cover placements under guarantees issued on behalf of the Bank's customers (31 December 2024: null).

The credit quality analysis of Due from banks is presented below:

Rating	Credit risk grades*
AAA / Aaa	Excellent
AA+, AA, AA- / Aa1, Aa2, Aa3	Excellent
A+, A, A- / A1, A2, A3	Excellent
BBB+, BBB, BBB- / Baa1, Baa2, Baa3	Good
BB+, BB, BB- / Ba1, Ba2, Ba3	Good
B+, B, B- / B1, B2, B3	Satisfactory
Rating CCC+/Caa1, lower and no rating	High risk

*According to the internal regulations, AAA-A level of rating corresponds to high and very high solvability (thus - excellent level), BBB – above average level of solvability (good level), BB – average level of solvability (good level), B – low level of solvability, speculative grade (satisfactory level), CCC – insufficient level of solvability (default) and high level of risk. For ECL estimation for exposures to foreign banks where placements are made, the Group uses the lowest rating provided by at least one of the International Rating Agencies Standard & The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024****(All amounts are expressed in thousands MDL, if not stated otherwise)**

Poor's, Moody's and Fitch-IBCA of the home bank / country to determine the PD. The same credit quality ratings apply also to the cash and cash equivalents exposures presented in note 7.

The PD is linked to the ratings and updated on the basis of public information provided by rating agencies in their corporate default rate reports. To estimate ECL, the Group applies the minimum PD between the PD 12 months and the maturity of the investment.

9 Investments in debt securities

	Group		Bank	
	31 December 2024	31 December 2023 (restated)	31 December 2024	31 December 2023 (restated)
Debt securities at FVOCI	6,708,727	6,202,842	6,708,727	6,202,842
Debt securities at AC*	1,144,040	61,412	1,100,840	-
Total investments in debt securities	7,852,767	6,264,254	7,809,567	6,202,842

*During 2024, the Group has introduced a separate line item for 'Cash and cash equivalents' in the balance sheet. As a result of that, investments in Certificates issued by the NBM which are short-term, highly liquid investments with a maturity of 14 days have been reclassified from investments in debt securities to cash and cash equivalents in the comparative figures as well. Please refer to note 43 for further details.

Based on the business model and the cash flow characteristics, the Group classifies investments in debt securities as carried at amortized cost ("AC") or fair value through other comprehensive income ("FVOCI").

Debt securities are carried at AC if they are held for collection of contractual cash flows and where those cash flows represent SPPI. The Group holds a portfolio of debt securities whereby it invests in German, Austrian, USA bonds and local treasury bills and holds them until maturity.

The instruments in this portfolio are not sold on the secondary market and are held with the sole purpose of collecting cash flows, such as these instruments are carried at AC.

Debt securities are carried at FVOCI if they are held for collection of contractual cash flows and for selling, where those cash flows represent SPPI.

The Group holds a portfolio of debt securities whereby it invests in treasury bills, government and municipal bonds with the purpose of managing liquidity. Should the Group need cash, it can sell them on the secondary market. These instruments are carried at FVOCI because these are not held with the sole purpose of collecting cash flows.

The table below discloses investments in debt securities at 31 December 2024 by measurement categories and classes:

	Group			Bank		Total
	Debt securities at FVOCI	Debt securities at AC	Total	Debt securities at FVOCI	Debt securities at AC	
Treasury bills	6,380,091	43,535	6,423,626	6,380,091	-	6,380,091
Local government bonds	277,127	-	277,127	277,127	-	277,127
Foreign government bonds	-	1,100,852	1,100,852	-	1,100,852	1,100,852
Municipal bonds	51,509	-	51,509	51,509	-	51,509
Gross carrying value or fair value	6,708,727	1,144,387	7,853,114	6,708,727	1,100,852	7,809,579
Credit loss allowance	-	(347)	(347)	-	(12)	(12)
Carrying value	6,708,727	1,144,040	7,852,767	6,708,727	1,100,840	7,809,567

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***9 Investments in debt securities (continued)**

The table below discloses investments in debt securities at 31 December 2023 by measurement categories and classes:

	Debt securities		Group	Debt securities		Bank
	at FVOCI	at AC	Total	at FVOCI	at AC	Total
Treasury bills	5,899,397	61,939	5,961,336	5,899,397	-	5,899,397
Local government bonds	251,020	-	251,020	251,020	-	251,020
Foreign government bonds	-	-	-	-	-	-
Municipal bonds	52,425	-	52,425	52,425	-	52,425
Gross carrying value or fair value	6,202,842	61,939	6,264,781	6,202,842	-	6,202,842
Credit loss allowance	-	(527)	(527)	-	-	-
Carrying value	6,202,842	61,412	6,264,254	6,202,842	-	6,202,842

The table below contains an analysis of the credit risk exposure of debt securities at FVOCI at 31 December 2024, for which an ECL allowance is recognized, based on credit risk grades. Refer to Note 38 for the description of credit risk grading system for the municipal bond. For the debt instruments the rating is the rating of the Republic of Moldova:

	Debt securities		Group	Debt securities		Bank
	Stage 1 (12-months ECL)	Stage 2 (12-months ECL)	Total	Stage 1 (12-months ECL)	Stage 2 (12-months ECL)	Total
Treasury bills						
- Rating B3	6,374,295	-	6,374,295	6,374,295	-	6,374,295
Total AC gross carrying amount	6,374,295	-	6,374,295	6,374,295	-	6,374,295
Credit loss allowance	(40,234)	-	(40,234)	(40,234)	-	(40,234)
Add fair value adjustment	5,796	-	5,796	5,796	-	5,796
Carrying value (fair value)	6,380,091	-	6,380,091	6,380,091	-	6,380,091
Government bonds						
- Rating B3	277,900	-	277,900	277,900	-	277,900
Total AC gross carrying amount	277,900	-	277,900	277,900	-	277,900
Credit loss allowance	(3,590)	-	(3,590)	(3,590)	-	(3,590)
Add fair value adjustment	(773)	-	(773)	(773)	-	(773)
Carrying value (fair value)	277,127	-	277,127	277,127	-	277,127
Municipal bonds						
- Good	51,003	-	51,003	51,003	-	51,003
Total AC gross carrying amount	51,003	-	51,003	51,003	-	51,003
Credit loss allowance	(327)	-	(327)	(327)	-	(327)
Add fair value adjustment	505	-	505	505	-	505
Carrying value (fair value)	51,509	-	51,509	51,509	-	51,509
Total debt securities at FVOCI (fair value)	6,708,727	-	6,708,727	6,708,727	-	6,708,727

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***9 Investments in debt securities (continued)**

The table below contains an analysis of the credit risk exposure of debt securities at FVOCI at 31 December 2023, for which an ECL allowance is recognized, based on credit risk grades.

	Group		Bank	
	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total
Treasury bills				
- Rating B3	5,850,219	5,850,219	5,850,219	5,850,219
Total AC gross carrying amount	5,850,219	5,850,219	5,850,219	5,850,219
Credit loss allowance	(35,311)	(35,311)	(35,311)	(35,311)
Add fair value adjustment	49,178	49,178	49,178	49,178
Carrying value (fair value)	5,899,397	5,899,397	5,899,397	5,899,397
Government bonds				
- Rating B3	248,321	248,321	248,321	248,321
Total AC gross carrying amount	248,321	248,321	248,321	248,321
Credit loss allowance	(3,182)	(3,182)	(3,182)	(3,182)
Less fair value adjustment	2,699	2,699	2,699	2,699
Carrying value (fair value)	251,020	251,020	251,020	251,020
Municipal bonds				
- Good	51,098	51,098	51,098	51,098
Total AC gross carrying amount	51,098	51,098	51,098	51,098
Credit loss allowance	(439)	(439)	(439)	(439)
Add fair value adjustment	1,327	1,327	1,327	1,327
Carrying value (fair value)	52,425	52,425	52,425	52,425
Total debt securities at FVOCI (fair value)	6,202,842	6,202,842	6,202,842	6,202,842

As at 31 December 2024 the treasury bills issued by the Ministry of Finance of the Republic of Moldova had a maturity of 91 to 364 days, with a weighted average annual interest rate ranging between 3.62% and 6.82% (31 December 2023: 6.01% and 16.53% per year). As at 31 December 2024 Government bonds issued by the Ministry of Finance of the Republic of Moldova had a maturity of 2 to 7 years, with an annual interest rate ranging between 4.20 % and 13.00% (31 December 2023: 5.85 % and 16.00%). As at 31 December 2024 the Foreign Government bonds issued by Austria (The Austrian Treasury) had a maturity of 100 to 307 days, with an annual interest rate ranging between 2.19% and 2.67%, Government bonds issued by Germany (The German Finance Agency) had a maturity of 176 to 330 days, with an annual interest rate ranging between 2,08% and 2.38% and Government bonds issued by USA (The US Department of Treasury) had a maturity of 92 to 334 days, with an annual interest rate ranging between 4.03% and 4.14% (31 December 2023: none).

All debt securities of the Group at FVOCI and at AC as at 31 December 2024 and 2023 are considered Stage 1 instruments. The data input used for the calculation of the ECL for treasury bills and government bonds has considered the rating allocated by the rating agency Moody's for the Republic of Moldova local currency bond and deposit ceilings, the rating for 2024 being set at B3, with stable outlook (31 December 2023: B3 rating). For the municipal bonds the data input for the calculation of the ECL has taken into account the same risk parameters of the issuer that are applied when calculating the ECL for the loans obtained by the issuer from the Group. For the foreign government bonds the Group has considered the ratings allocated by the Moody's and S&P rating agencies for the corresponding countries, the ratings for 2024 being set at AAA with a stable outlook for Germany, AA+ with a stable outlook for the USA and AA+ with a stable outlook for Austria.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

9 Investments in debt securities (continued)

Movements in the credit loss allowance and in the gross amortized cost amount of **Treasury bills** at FVOCI were as follows:

	Group				Bank			
	Credit loss allowance		Gross carrying amount		Credit loss allowance		Gross carrying amount	
	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total
Treasury bills								
At 1 January 2024	35,311	35,311	5,899,397	5,899,397	35,311	35,311	5,899,397	5,899,397
Movements with impact on credit loss allowance charge for the period:								
New originated or purchased	40,234	40,234	8,236,211	8,236,211	40,234	40,234	8,236,211	8,236,211
Derecognized during the period	(35,311)	(35,311)	(7,761,313)	(7,761,313)	(35,311)	(35,311)	(7,761,313)	(7,761,313)
Other movements	-	-	5,796	5,796	-	-	5,796	5,796
Total movements with impact on credit loss allowance charge for the period	4,923	4,923	480,694	480,694	4,923	4,923	480,694	480,694
At 31 December 2024	40,234	40,234	6,380,091	6,380,091	40,234	40,234	6,380,091	6,380,091
Treasury bills								
Movements with impact on credit loss allowance charge for the period:								
New originated or purchased	(35,311)	(35,311)	8,044,711	8,044,711	(35,311)	(35,311)	8,044,711	8,044,711
Derecognized during the period	12,975	12,975	(4,560,783)	(4,560,783)	12,975	12,975	(4,560,783)	(4,560,783)
Other movements	-	-	49,178	49,178	-	-	49,178	49,178
Total movements with impact on credit loss allowance charge for the period	(22,336)	(22,336)	3,533,106	3,533,106	(22,336)	(22,336)	3,533,106	3,533,106
At 31 December 2023	(35,311)	(35,311)	5,899,397	5,899,397	(35,311)	(35,311)	5,899,397	5,899,397

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

9 Investments in debt securities (continued)

Movements in the credit loss allowance and in the gross amortized cost amount of **Local government bonds** at FVOCI were as follows:

	Group				Bank			
	Credit loss allowance		Gross carrying amount		Credit loss allowance		Gross carrying amount	
	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total
Local government bonds								
At 1 January 2024	3,182	3,182	251,020	251,020	3,182	3,182	251,020	251,020
Movements with impact on credit loss allowance charge for the period:								
New originated or purchased	1,666	1,666	100,204	100,204	1,666	1,666	100,204	100,204
Derecognized during the period	(513)	(513)	(74,097)	(74,097)	(513)	(513)	(74,097)	(74,097)
Changes on credit loss allowance	(745)	(745)	-	-	(745)	(745)	-	-
Total movements with impact on credit loss allowance charge for the period	408	408	26,107	26,107	408	408	26,107	26,107
At 31 December 2024	3,590	3,590	277,127	277,127	3,590	3,590	277,127	277,127
	Group				Bank			
	Credit loss allowance		Gross carrying amount		Credit loss allowance		Gross carrying amount	
	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total
Local government bonds								
At 1 January 2023	(3,163)	(3,163)	292,643	292,643	(3,163)	(3,163)	292,643	292,643
Movements with impact on credit loss allowance charge for the period:								
New originated or purchased	(1,535)	(1,535)	99,573	99,573	(1,535)	(1,535)	99,573	99,573
Derecognized during the period	964	964	(143,895)	(143,895)	964	964	(143,895)	(143,895)
Changes on credit loss allowance	552	552	-	-	552	552	-	-
Other movements	-	-	2,699	2,699	-	-	2,699	2,699
Total movements with impact on credit loss allowance charge for the period	(19)	(19)	(41,623)	(41,623)	(19)	(19)	(41,623)	(41,623)
At 31 December 2023	(3,182)	(3,182)	251,020	251,020	(3,182)	(3,182)	251,020	251,020

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

9 Investments in debt securities (continued)

Movements in the credit loss allowance and in the gross amortized cost amount of **Municipal bonds** at FVOCI were as follows:

	Group				Bank			
	Credit loss allowance		Gross carrying amount		Credit loss allowance		Gross carrying amount	
	Stage 1 (12-months ECL)	Total						
Municipal bonds								
At 1 January 2024	439	439	52,425	52,425	439	439	52,425	52,425
Movements with impact on credit loss allowance charge for the period:								
Changes in accrued interest	-	-	(93)	(93)	-	-	(93)	(93)
Changes on credit loss allowance	(112)	(112)	(823)	(823)	(112)	(112)	(823)	(823)
Total movements with impact on credit loss allowance charge for the period	(112)	(112)	(916)	(916)	(112)	(112)	(916)	(916)
At 31 December 2024	327	327	51,509	51,509	327	327	51,509	51,509

	Group				Bank			
	Credit loss allowance		Gross carrying amount		Credit loss allowance		Gross carrying amount	
	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total
Municipal bonds								
At 1 January 2023	(1,329)	(1,329)	55,986	55,986	(1,329)	(1,329)	55,986	55,986
Movements with impact on credit loss allowance charge for the period:								
Changes in accrued interest	11	11	(1,151)	(1,151)	11	11	(1,151)	(1,151)
Changes on credit loss allowance	879	879	(2,410)	(2,410)	879	879	(2,410)	(2,410)
Total movements with impact on credit loss allowance charge for the period	890	890	(3,561)	(3,561)	890	890	(3,561)	(3,561)
At 31 December 2023	(439)	(439)	52,425	52,425	(439)	(439)	52,425	52,425

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

9 Investments in debt securities (continued)

Movements in the credit loss allowance and in the gross amortized cost amount of **Treasury bills** at AC were as follows:

	Group				Bank			
	Credit loss allowance		Gross carrying amount		Credit loss allowance		Gross carrying amount	
	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total
Treasury bills								
At 1 January 2024	(527)	(527)	61,939	61,939	-	-	-	-
Movements with impact on credit loss allowance charge for the period:								
New originated or purchased	(335)	(335)	42,154	42,154	-	-	-	-
Derecognized during the period	527	527	(62,901)	(62,901)	-	-	-	-
Other movements	-	-	2,008	2,008	-	-	-	-
Total movements with impact on credit loss allowance charge for the period	192	192	(18,739)	(18,739)	-	-	-	-
At 31 December 2024	(335)	(335)	43,200	43,200	-	-	-	-

	Group				Bank			
	Credit loss allowance		Gross carrying amount		Credit loss allowance		Gross carrying amount	
	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total
Treasury bills								
At 1 January 2023	(538)	(538)	60,623	60,623	-	-	-	-
Movements with impact on credit loss allowance charge for the period:								
New originated or purchased	(199)	(199)	82,124	82,124	-	-	-	-
Derecognized during the period	210	210	(80,890)	(80,890)	-	-	-	-
Other movements	-	-	82	82	-	-	-	-
Total movements with impact on credit loss allowance charge for the period	11	11	1,316	1,316	-	-	-	-
At 31 December 2023	(527)	(527)	61,939	61,939	-	-	-	-

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

9 Investments in debt securities (continued)

	Group				Bank			
	Credit loss allowance		Gross carrying amount		Credit loss allowance		Gross carrying amount	
	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total
<i>Foreign government bonds</i>								
At 1 January 2024	-	-	-	-	-	-	-	-
<i>Movements with impact on credit loss allowance charge for the period:</i>								
New originated or purchased	-	-	1,092,857	1,092,857	-	-	1,092,857	1,092,857
Other movements	(12)	(12)	7,995	7,995	(12)	(12)	7,995	7,995
Total movements with impact on credit loss allowance charge for the period	(12)	(12)	1,100,852	1,100,852	(12)	(12)	1,100,852	1,100,852
At 31 December 2024	(12)	(12)	1,100,852	1,100,852	(12)	(12)	1,100,852	1,100,852

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***9 Investments in debt securities (continued)**

The following table contains an analysis of debt securities at AC by credit quality at 31 December 2024 and 31 December 2023 based on credit risk grades.

Group	31 December 2024		31 December 2023	
	Stage 1 (12-months ECL)	Total	Stage 1 (12-months ECL)	Total
Treasury bills				
- Rating B3	43,535	43,535	61,939	61,939
Gross carrying amount	43,535	43,535	61,939	61,939
Credit loss allowance	(335)	(335)	(527)	(527)
Carrying amount	43,200	43,200	61,412	61,412
Foreign government bonds				
- Rating AAA	454,083	454,083	-	-
- Rating AA+	646,769	646,769	-	-
Gross carrying amount	1,100,852	1,100,852	-	-
Credit loss allowance	-	-	-	-
Carrying amount	1,100,852	1,100,852	-	-

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***10 Loans and advances to customers**

	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Gross carrying amount of loans and advances to customers at AC	30,319,590	23,675,939	30,439,011	23,819,714
Less credit loss allowance	(1,206,223)	(1,137,742)	(1,205,982)	(1,138,342)
Total carrying amount of loans and advances to customers at AC	29,113,367	22,538,197	29,233,029	22,681,372

Loans and advances to customers are recorded when the Group advances money to purchase or originate a loan due from a customer. Based on the business model and the cash flow characteristics, the Group classifies loans and advances to customers at AC because the loans are held with the sole purpose of collecting contractual cash flows and those cash flows represent SPPI.

Credit loss allowances are determined based on the forward-looking ECL models. Note 38.7 provides information about ECL calculation.

Credit loss allowance for ECL. The Group assesses, on a forward-looking basis, the ECL for loans and advances to customers measured at AC. The Group measures ECL and recognizes credit loss allowance at each reporting date. Loans and advances to customers measured at AC are presented in the statement of financial position net of the allowance for ECL.

The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter in case of Retail clients and interbank placements ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity ("Lifetime ECL"). If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Individual assessment is performed for the clients for which the exposure is higher than MDL 10,000 thousand and which were classified in Stage 3 at the time of assessment performed by the Group. For other financial assets that are considered significant, the Bank performs individual assessment, regardless of the stage in which the assets were classified, calculating the ECL as the difference between the exposure and the cash flows to be received, discounted using the original EIR. In this case, scenarios weighted for all probable cash flows shall be considered, namely: asset contractual flows and cash flows resulting from the sales of collateral.

Details regarding the portfolio segmentation, the Group's definition of credit impaired assets, definition of default, inputs, assumptions and estimation techniques used in measuring ECL, including a description of how the Group incorporates forward-looking information in the ECL models are described in Note 38.7.

Gross carrying amount and credit loss allowance amount for loans and advances to customers at AC by classes at 31 December 2024 and 31 December 2023 are disclosed in the table below:

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.
Notes to the consolidated and separate financial statements for the year ended 31 December 2024
(All amounts are expressed in thousands MDL, if not stated otherwise)
10 Loans and advances to customers (continued)

Group	31 December 2024			31 December 2023		
	Gross carrying amount	Credit loss allowance	Carrying amount	Gross carrying amount	Credit loss allowance	Carrying amount
Loans to Corporate entities	10,910,622	(454,351)	10,456,271	9,247,356	(520,818)	8,726,538
Investment loans	3,478,703	(75,021)	3,403,682	2,697,921	(152,968)	2,544,953
Working capital loans	1,447,878	(188,964)	1,258,914	1,622,118	(199,268)	1,422,850
Revolving loans	5,978,300	(189,877)	5,788,423	4,921,335	(168,473)	4,752,862
Other loans for legal entities	5,741	(489)	5,252	5,982	(109)	5,873
Loans to Business Banking entities	7,363,177	(450,780)	6,912,397	5,917,053	(343,727)	5,573,326
Investment loans	3,392,570	(232,223)	3,160,347	2,749,727	(162,940)	2,586,787
Working capital loans	3,058,239	(174,304)	2,883,935	2,642,448	(156,864)	2,485,584
Revolving loans	912,368	(44,253)	868,115	524,878	(23,923)	500,955
Loans to Retail customers	12,045,791	(301,092)	11,744,699	8,511,530	(273,197)	8,238,333
Mortgage loans	6,254,157	(56,705)	6,197,452	4,324,278	(48,884)	4,275,394
Consumer loans	5,593,204	(238,688)	5,354,516	3,984,922	(215,560)	3,769,362
Credit cards	194,188	(5,117)	189,071	194,244	(8,099)	186,145
Other loans to individuals	4,242	(582)	3,660	8,086	(654)	7,432
Total loans and advances to customers at AC	30,319,590	(1,206,223)	29,113,367	23,675,939	(1,137,742)	22,538,197

Bank	31 December 2024			31 December 2023		
	Gross carrying amount	Credit loss allowance	Carrying amount	Gross carrying amount	Credit loss allowance	Carrying amount
Loans to Corporate entities	11,034,285	(454,692)	10,579,593	9,399,217	(522,072)	8,877,145
Investment loans	3,478,703	(75,021)	3,403,682	2,697,921	(152,968)	2,544,953
Working capital loans	1,577,282	(189,794)	1,387,488	1,779,961	(200,631)	1,579,330
Revolving loans	5,978,300	(189,877)	5,788,423	4,921,335	(168,473)	4,752,862
Loans to Business Banking entities	7,363,177	(450,780)	6,912,397	5,917,053	(343,727)	5,573,326
Investment loans	3,392,570	(232,223)	3,160,347	2,749,727	(162,940)	2,586,787
Working capital loans	3,058,239	(174,304)	2,883,935	2,642,448	(156,864)	2,485,584
Revolving loans	912,368	(44,253)	868,115	524,878	(23,923)	500,955
Loans to Retail customers	12,041,549	(300,510)	11,741,039	8,503,444	(272,543)	8,230,901
Mortgage loans	6,254,157	(56,705)	6,197,452	4,324,278	(48,884)	4,275,394
Consumer loans	5,593,204	(238,688)	5,354,516	3,984,922	(215,560)	3,769,362
Credit cards	194,188	(5,117)	189,071	194,244	(8,099)	186,145
Total loans and advances to customers at AC	30,439,011	(1,205,982)	29,233,029	23,819,714	(1,138,34)	22,681,372

The following tables show the changes in allowances for expected credit losses and the gross carrying amount of loans and advances measured at amortized cost at the beginning and end of the comparative reporting periods, taking into account movements recorded generally over a one-year period. When presenting transfers between stages, the Group and the Bank present the amount as the difference between the opening balances of the gross carrying amount and allowances for expected credit losses and the period-end balances of the gross carrying amount and allowances for expected credit losses. In the line for newly originated or purchased loans is included the balance of new loans granted during the period, while in the line for derecognized loans are included fully derecognized loans during the period. Where newly originated or purchased loans were transferred to Stage 2 during the reporting period, they were presented as newly originated or acquired Stage 2 loans.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

<i>Group and Bank</i>	Credit loss allowance				Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(12-months ECL)	(lifetime ECL for SICR)	(lifetime ECL for credit impaired)		(12-months ECL)	(lifetime ECL for SICR)	(lifetime ECL for credit impaired)	
Corporate Investment loans At 1 January 2024	(23,233)	(28,316)	(101,419)	(152,968)	2,167,761	373,878	156,282	2,697,921
<i>Movements with impact on credit loss allowance charge for the period:</i>								
<i>Transfers:</i>								
- to lifetime (from Stage 1 to Stage 2)	11,073	(20,682)	-	(9,609)	(349,507)	296,668	-	(52,839)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(4,913)	5,832	-	919	118,113	(135,804)	-	(17,691)
New originated or purchased	(17,143)	(3,178)	-	(20,321)	1,412,610	31,662	-	1,444,272
Derecognized during the period	1,539	2,094	75,142	78,775	(128,958)	(28,193)	(127,405)	(284,556)
Changes to ECL measurement model assumptions	3,640	1,506	-	5,146	-	-	-	-
Client type reclassification	(13)	-	-	(13)	1,945	-	-	1,945
Other movements	3,409	4,594	15,840	23,843	(238,941)	(53,540)	(17,098)	(309,579)
Total movements with impact on credit loss allowance charge for the period	(2,408)	(9,834)	90,982	78,740	815,262	110,793	(144,503)	781,552
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Foreign exchange gains and losses and other movements	(19)	(518)	320	(217)	(2,554)	1,811	(27)	(770)
Unwinding of discount (for Stage 3)	-	-	(576)	(576)	-	-	-	-
At 31 December 2024	(25,660)	(38,668)	(10,693)	(75,021)	2,980,469	486,482	11,752	3,478,703

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

<i>Group and Bank</i>	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Corporate Investment loans At 1 January 2023	(48,970)	(45,758)	(25,567)	(120,295)	1,767,252	896,082	34,753	2,698,087
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	2,160	(2,015)	-	145	(97,350)	85,121	-	(12,229)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	9,434	6,486	(85,414)	(69,494)	(60,465)	(91,238)	131,471	(20,232)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(3,071)	11,351	-	8,280	267,585	(353,392)	-	(85,807)
New originated or purchased	(6,060)	(5,385)	-	(11,445)	591,831	47,643	-	639,474
Derecognized during the period	3,451	3,565	-	7,016	(155,511)	(111,098)	-	(266,609)
Changes to ECL measurement model assumptions	(3,557)	(3,286)	10,244	3,401	-	-	-	-
Client type reclassification	81	-	-	81	3,804	-	-	3,804
Other movements	21,930	5,144	(1,975)	25,099	(89,403)	(83,723)	(4,146)	(177,272)
Total movements with impact on credit loss allowance charge for the period	24,368	15,860	(77,145)	(36,917)	460,491	(506,687)	127,325	81,129
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	1,278	1,278	-	-	(1,278)	(1,278)
Foreign exchange gains and losses and other movements	1,369	1,582	1,962	4,913	(59,982)	(15,517)	(4,518)	(80,017)
Unwinding of discount (for Stage 3)	-	-	(1,947)	(1,947)	-	-	-	-
At 31 December 2023	(23,233)	(28,316)	(101,419)	(152,968)	2,167,761	373,878	156,282	2,697,921

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

	Group												Bank			
	Credit loss allowance				Gross carrying amount				Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Corporate Working capital loans At 1 January 2024	(27,605)	(30,460)	(141,203)	(199,268)	1,255,458	211,008	155,652	1,622,118	(28,968)	(30,460)	(141,203)	(200,631)	1,413,301	211,008	155,652	1,779,961
Movements with impact on credit loss allowance charge for the period:																
Transfers:																
- to lifetime (from Stage 1 to Stage 2)	4,618	(4,654)	-	(36)	(89,867)	56,913	-	(32,954)	4,618	(4,654)	-	(36)	(89,867)	56,913	-	(32,954)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(1,676)	1,916	-	240	35,465	(39,550)	-	(4,085)	(1,676)	1,916	-	240	35,465	(39,550)	-	(4,085)
New originated or purchased	(11,775)	(11,796)	-	(23,571)	600,077	71,487	-	671,564	(11,903)	(11,796)	-	(23,699)	616,810	71,487	-	688,297
Derecognized during the period	7,627	12,428	-	20,055	(414,701)	(70,403)	-	(485,104)	7,627	12,428	-	20,055	(414,701)	(70,403)	-	(485,104)
Changes to ECL measurement model assumptions	1,129	44	-	1,173	-	-	-	-	1,283	44	-	1,327	-	-	-	-
Client type reclassification	(48)	-	-	(48)	6,301	-	-	6,301	(48)	-	-	(48)	6,301	-	-	6,301
Other movements	10,897	4,845	(1,694)	14,048	(294,371)	(34,044)	(3,268)	(331,683)	11,403	4,845	(1,694)	14,554	(339,066)	(34,044)	(3,268)	(376,378)
																-
Total movements with impact on credit loss allowance charge for the period	10,772	2,783	(1,694)	11,861	(157,096)	(15,597)	(3,268)	(175,961)	11,304	2,783	(1,694)	12,393	(185,058)	(15,597)	(3,268)	(203,923)
Movements without impact on credit loss allowance charge for the period:																
Foreign exchange gains and losses and other movements	(119)	(117)	(173)	(409)	1,752	150	(181)	1,721	(118)	(117)	(173)	(408)	1,275	150	(181)	1,244
Unwinding of discount (for Stage 3)	-	-	(1,148)	(1,148)	-	-	-	-	-	-	(1,148)	(1,148)	-	-	-	-
At 31 December 2024	(16,952)	(27,794)	(144,218)	(188,964)	1,100,114	195,561	152,203	1,447,878	(17,782)	(27,794)	(144,218)	(189,794)	1,229,518	195,561	152,203	1,577,282

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

	Group												Bank				
	Credit loss allowance				Gross carrying amount				Credit loss allowance				Gross carrying amount				
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	
Corporate Working capital loans																	
At 1 January 2023	(20,471)	(53,064)	(117,720)	(191,255)	872,077	814,065	159,823	1,845,965	(23,542)	(53,064)	(117,720)	(194,326)	1,010,484	814,065	159,823	1,984,372	
Movements with impact on credit loss allowance charge for the period:																	
Transfers:																	
- to lifetime (from Stage 1 to Stage 2)	1,220	(1,433)	-	(213)	(29,366)	28,006	-	(1,360)	1,220	(1,433)	-	(213)	(29,366)	28,006	-	(1,360)	
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	155	-	(3,782)	(3,627)	(6,966)	-	4,549	(2,417)	155	-	(3,782)	(3,627)	(6,966)	-	4,549	(2,417)	
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(6,560)	11,963	-	5,403	255,381	(447,149)	-	(191,768)	(6,560)	11,963	-	5,403	255,381	(447,149)	-	(191,768)	
New originated or purchased	(13,479)	(137)	-	(13,616)	696,825	23,675	-	720,500	(13,842)	(137)	-	(13,979)	749,239	23,675	-	772,914	
Derecognized during the period	5,286	7,230	-	12,516	(187,995)	(129,845)	-	(317,840)	5,286	7,230	-	12,516	(187,995)	(129,845)	-	(317,840)	
Changes to ECL measurement model assumptions	(666)	(8,887)	(163)	(9,716)	-	-	-	-	(935)	(8,887)	(163)	(9,985)	-	-	-	-	
Client type reclassification	88	-	-	88	(3,951)	-	-	(3,951)	88	-	-	88	(3,951)	-	-	(3,951)	
Other movements	5,675	12,087	(23,876)	(6,114)	(317,880)	(69,152)	(2,587)	(389,619)	7,913	12,087	(23,877)	(3,877)	(345,251)	(69,152)	(2,587)	(416,990)	
Total movements with impact on credit loss allowance charge for the period	(8,281)	20,823	(27,821)	(15,279)	406,048	(594,465)	1,962	(186,455)	(6,675)	20,823	(27,822)	(13,674)	431,091	(594,465)	1,962	(161,412)	
Movements without impact on credit loss allowance charge for the period:																	
Write-offs	-	-	3,846	3,846	-	-	(3,847)	(3,847)	-	-	3,846	3,846	-	-	(3,847)	(3,847)	
Foreign exchange gains and losses and other movements	1,147	1,781	2,334	5,262	(22,667)	(8,592)	(2,286)	(33,545)	1,249	1,781	2,335	5,365	(28,274)	(8,592)	(2,286)	(39,152)	
Unwinding of discount (for Stage 3)	-	-	(1,842)	(1,842)	-	-	-	-	-	-	(1,842)	(1,842)	-	-	-	-	
At 31 December 2023	(27,605)	(30,460)	(141,203)	(199,268)	1,255,458	211,008	155,652	1,622,118	(28,968)	(30,460)	(141,203)	(200,631)	1,413,301	211,008	155,652	1,779,961	

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

<i>Group and Bank</i>	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Corporate Revolving Loans At 1 January 2024	(59,516)	(79,191)	(29,766)	(168,473)	4,099,376	769,786	52,173	4,921,335
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	19,678	(40,636)	-	(20,958)	(439,599)	329,079	-	(110,520)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(2,853)	14,454	-	11,601	330,051	(335,301)	-	(5,250)
New originated or purchased	(25,950)	(82,066)	-	(108,016)	2,683,719	450,984	-	3,134,703
Derecognized during the period	16,586	25,801	19,149	61,536	(1,195,421)	(214,844)	(39,785)	(1,450,050)
Changes to ECL measurement model assumptions	6,005	351	-	6,356	-	-	-	-
Client type reclassification	28	-	-	28	(3,226)	-	-	(3,226)
Other movements	6,324	24,161	(485)	30,000	(408,186)	(132,764)	1,111	(539,839)
Total movements with impact on credit loss allowance charge for the period	19,818	(57,935)	18,664	(19,453)	967,338	97,154	(38,674)	1,025,818
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Foreign exchange gains and losses and other movements	(336)	(417)	(142)	(895)	31,069	85	(7)	31,147
Unwinding of discount (for Stage 3)	-	-	(1,056)	(1,056)	-	-	-	-
At 31 December 2024	(40,034)	(137,543)	(12,300)	(189,877)	5,097,783	867,025	13,492	5,978,300

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

<i>Group and Bank</i>	Credit loss allowance				Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(12-months ECL)	(lifetime ECL for SICR)	(lifetime ECL for credit impaired)		(12-months ECL)	(lifetime ECL for SICR)	(lifetime ECL for credit impaired)	
Corporate Revolving Loans								
At 1 January 2023	(104,503)	(75,725)	(1,598)	(181,826)	3,806,881	1,526,168	1,883	5,334,932
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	8,539	(8,126)	-	413	(430,545)	281,011	-	(149,534)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	16,869	-	(31,250)	(14,381)	(111,850)	-	52,006	(59,844)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(6,126)	10,825	-	4,699	266,864	(393,384)	-	(126,520)
New originated or purchased	(37,988)	(29,881)	-	(67,869)	2,333,559	190,570	-	2,524,129
Derecognized during the period	38,039	16,372	-	54,411	(1,461,590)	(647,786)	-	(2,109,376)
Changes to ECL measurement model assumptions	(6,812)	(3,919)	3,181	(7,550)	-	-	-	-
Client type reclassification	(807)	-	-	(807)	117,954	-	-	117,954
Other movements	31,216	10,016	58	41,290	(342,017)	(179,167)	-	(521,184)
Total movements with impact on credit loss allowance charge for the period	42,930	(4,713)	(28,011)	10,206	372,375	(748,756)	52,006	(324,375)
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Foreign exchange gains and losses and other movements	2,057	1,247	1,944	5,248	(79,880)	(7,626)	(1,716)	(89,222)
Unwinding of discount (for Stage 3)	-	-	(2,101)	(2,101)	-	-	-	-
At 31 December 2023	(59,516)	(79,191)	(29,766)	(168,473)	4,099,376	769,786	52,173	4,921,335

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.
Notes to the consolidated and separate financial statements for the year ended 31 December 2024
(All amounts are expressed in thousands MDL, if not stated otherwise)
10 Loans and advances to customers (continued)

Group	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Other corporate loans for legal entities								
At 1 January 2024	(20)	(89)	-	(109)	4,040	1,942	-	5,982
Movements with impact on credit loss allowance charge for the period:								
New originated or purchased	(4)	(114)	-	(118)	750	880	-	1,630
Derecognized during the period	-	60	-	60	(8)	(1,644)	-	(1,652)
- to lifetime (from Stage 1 to Stage 2)	15	(257)	-	(242)	(3,078)	2,472	-	(606)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	-	29	(108)	(79)	-	(298)	250	(48)
Other movements	(1)	-	-	(1)	440	-	-	440
Total impact on credit loss allowance charge	10	(282)	(108)	(380)	(1,896)	1,410	250	(236)
Movements without impact on credit loss allowance charge for the period:								
Foreign exchange gains and losses	-	-	-	-	(1)	(4)	-	(5)
At 31 December 2024	(10)	(371)	(108)	(489)	2,143	3,348	250	5,741
Other corporate loans for legal entities								
At 1 January 2023	(18)	(911)	-	(929)	3,341	3,215	-	6,556
Movements with impact on credit loss allowance charge for the period:								
New originated or purchased	(10)	-	-	(10)	2,011	-	-	2,011
Derecognized during the period	-	-	-	-	(26)	-	-	(26)
From Stage 1 to Stage 2	4	(41)	-	(37)	(747)	553	-	(194)
Other movements	(1)	837	-	836	(440)	(1,751)	-	(2,191)
Total impact on credit loss allowance charge	(7)	796	-	789	798	(1,198)	-	(400)
Movements without impact on credit loss allowance charge for the period:								
Foreign exchange gains and losses	5	26	-	31	(99)	(75)	-	(174)
At 31 December 2023	(20)	(89)	-	(109)	4,040	1,942	-	5,982

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

<i>Group and Bank</i>	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Business Banking Investment loans								
At 1 January 2024	(58,966)	(58,279)	(45,695)	(162,940)	2,149,500	527,727	72,500	2,749,727
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	17,509	(31,576)	-	(14,067)	(449,620)	366,046	-	(83,574)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	564	19,698	(66,109)	(45,847)	(14,956)	(91,158)	95,515	(10,599)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(2,846)	8,764	1,068	6,986	102,105	(143,970)	(2,074)	(43,939)
- from credit-impaired to lifetime (from Stage 3 to Stage 2)	-	(185)	1,231	1,046	-	1,944	(2,371)	(427)
New originated or purchased	(37,441)	(3,943)	-	(41,384)	1,454,660	56,899	-	1,511,559
Derecognized during the period	5,760	3,308	2,267	11,335	(224,609)	(43,499)	(4,386)	(272,494)
Changes to ECL measurement model assumptions	(1,084)	(531)	(2,314)	(3,929)	-	-	-	-
Unwinding of discount	67	-	-	67	(3,627)	-	-	(3,627)
Other movements	11,569	6,405	(3,023)	14,951	(392,328)	(54,032)	1,663	(444,697)
Total movements with impact on credit loss allowance charge for the period	(5,902)	1,940	(66,880)	(70,842)	471,625	92,230	88,347	652,202
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	7,249	7,249	-	-	(7,249)	(7,249)
Foreign exchange gains and losses and other movements	(74)	(30)	(12)	(116)	(1,781)	(320)	(9)	(2,110)
Unwinding of discount (for Stage 3)	-	-	(5,574)	(5,574)	-	-	-	-
At 31 December 2024	(64,942)	(56,369)	(110,912)	(232,223)	2,619,344	619,637	153,589	3,392,570

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

<i>Group and Bank</i>	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Business Banking Investment loans								
At 1 January 2023	(42,838)	(56,009)	(9,787)	(108,634)	1,566,399	910,936	11,953	2,489,288
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	6,736	(14,802)	-	(8,066)	(279,269)	239,265	-	(40,004)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	177	11,660	(43,687)	(31,850)	(4,238)	(67,924)	69,892	(2,270)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(5,787)	19,577	-	13,790	329,538	(439,173)	-	(109,635)
- from credit-impaired to lifetime (from Stage 3 to Stage 2)	-	(25)	502	477	-	634	(1,116)	(482)
New originated or purchased	(16,474)	(1,454)	-	(17,928)	1,028,859	42,499	-	1,071,358
Derecognized during the period	14,419	4,943	455	19,817	(191,404)	(100,273)	(849)	(292,526)
Changes to ECL measurement model assumptions	(27,049)	(10,420)	107	(37,362)	-	-	-	-
Client type reclassification	214	-	-	214	(11,053)	-	-	(11,053)
Other movements	10,879	(12,143)	1,087	(177)	(269,485)	(55,285)	1,767	(323,003)
Total movements with impact on credit loss allowance charge for the period	(16,885)	(2,664)	(41,536)	(61,085)	602,948	(380,257)	69,694	292,385
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	9,137	9,137	-	-	(9,137)	(9,137)
Foreign exchange gains and losses and other movements	757	394	81	1,232	(19,847)	(2,952)	(10)	(22,809)
Unwinding of discount (for Stage 3)	-	-	(3,590)	(3,590)	-	-	-	-
At 31 December 2023	(58,966)	(58,279)	(45,695)	(162,940)	2,149,500	527,727	72,500	2,749,727

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

<i>Group and Bank</i>	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Business Banking Working capital loans At 1 January 2024	(52,043)	(45,800)	(59,021)	(156,864)	1,957,189	598,672	86,587	2,642,448
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	16,391	(23,847)	-	(7,456)	(451,075)	343,973	-	(107,102)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	4,574	11,778	(48,533)	(32,181)	(25,760)	(66,256)	74,882	(17,134)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(2,143)	6,827	29	4,713	94,383	(163,439)	(56)	(69,112)
- from credit-impaired to lifetime (from Stage 3 to Stage 2)	-	(38)	2,223	2,185	-	1,882	(4,313)	(2,431)
New originated or purchased	(49,191)	(21,755)	-	(70,946)	1,731,498	224,335	-	1,955,833
Derecognized during the period	16,882	6,934	6,220	30,036	(543,255)	(149,606)	(10,930)	(703,791)
Changes to ECL measurement model assumptions	(914)	(777)	(2,149)	(3,840)	-	-	-	-
Unwinding of discount								
Client type reclassification	209	-	-	209	(8,244)	63	-	(8,181)
Other movements	13,277	10,456	(10,548)	13,185	(484,381)	(96,448)	1,595	(579,234)
Total movements with impact on credit loss allowance charge for the period	(915)	(10,422)	(52,758)	(64,095)	313,166	94,504	61,178	468,848
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	53,608	53,608	-	-	(53,608)	(53,608)
Foreign exchange gains and losses and other movements	(43)	(44)	(12)	(99)	406	152	(7)	551
Unwinding of discount (for Stage 3)	-	-	(6,854)	(6,854)	-	-	-	-
At 31 December 2024	(53,001)	(56,266)	(65,037)	(174,304)	2,270,761	693,328	94,150	3,058,239

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

<i>Group and Bank</i>	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Business Banking Working capital loans At 1 January 2023	(29,075)	(22,392)	(30,916)	(82,383)	1,566,293	641,321	49,237	2,256,851
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	16,127	(21,990)	-	(5,863)	(404,587)	348,728	-	(55,859)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	3,547	2,782	(28,031)	(21,702)	(20,876)	(42,684)	54,203	(9,357)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(1,574)	5,402	507	4,335	105,552	(191,370)	(968)	(86,786)
- from credit-impaired to lifetime (from Stage 3 to Stage 2)	-	(20)	181	161	-	311	(367)	(56)
New originated or purchased	(35,101)	(4,441)	-	(39,542)	1,558,036	120,303	-	1,678,339
Derecognized during the period	8,266	5,050	3,708	17,024	(472,808)	(193,682)	(7,408)	(673,898)
Changes to ECL measurement model assumptions	(22,631)	(7,542)	(6,439)	(36,612)	-	-	-	-
Client type reclassification	(11)	(162)	(724)	(897)	4,933	5,273	1,618	11,824
Other movements	8,121	(2,816)	(5,685)	(380)	(370,250)	(87,131)	2,781	(454,600)
Total movements with impact on credit loss allowance charge for the period	(23,256)	(23,737)	(36,483)	(83,476)	400,000	(40,252)	49,859	409,607
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	12,372	12,372	-	-	(12,371)	(12,371)
Foreign exchange gains and losses and other movements	288	329	236	853	(9,105)	(2,397)	(137)	(11,639)
Unwinding of discount (for Stage 3)	-	-	(4,230)	(4,230)	-	-	-	-
At 31 December 2023	(52,043)	(45,800)	(59,021)	(156,864)	1,957,188	598,672	86,588	2,642,448

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

<i>Group and Bank</i>	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Business Banking								
Revolving loans								
At 1 January 2024	(11,669)	(10,103)	(2,151)	(23,923)	421,481	99,654	3,743	524,878
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	8,116	(17,381)	-	(9,265)	(162,113)	154,598	-	(7,515)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	137	-	(2,043)	(1,906)	(5,483)	-	3,804	(1,679)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(1,377)	1,152	-	(225)	64,400	(31,022)	-	33,378
New originated or purchased	(15,630)	(1,215)	-	(16,845)	519,777	15,185	-	534,962
Derecognized during the period	3,988	272	937	5,197	(134,943)	(24,640)	(1,798)	(161,381)
Changes to ECL measurement model assumptions	(307)	(25)	(192)	(524)	-	-	-	-
Client type reclassification	(60)	-	-	(60)	2,863	-	-	2,863
Other movements	736	2,214	273	3,223	(6,832)	(5,866)	(9)	(12,707)
Total movements with impact on credit loss allowance charge for the period	(4,397)	(14,983)	(1,025)	(20,405)	277,669	108,255	1,997	387,921
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	463	463	-	-	(463)	(463)
Foreign exchange gains and losses and other movements	(38)	(31)	7	(62)	119	(87)	-	32
Unwinding of discount (for Stage 3)	-	-	(326)	(326)	-	-	-	-
At 31 December 2024	(16,104)	(25,117)	(3,032)	(44,253)	699,269	207,822	5,277	912,368

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

<i>Group and Bank</i>	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Business Banking Revolving loans At 1 January 2023	(9,497)	(7,338)	(66,368)	(83,203)	530,763	133,871	66,630	731,264
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	2,193	(7,558)	-	(5,365)	(61,144)	61,522	-	378
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	277	105	(1,454)	(1,072)	(630)	(3,561)	3,306	(885)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(1,848)	3,611	-	1,763	50,963	(73,316)	-	(22,353)
New originated or purchased	(3,797)	(326)	-	(4,123)	178,628	19,306	-	197,934
Derecognized during the period	1,471	278	-	1,749	(70,942)	(8,743)	-	(79,685)
Changes to ECL measurement model assumptions	(5,002)	(114)	(496)	(5,612)	-	-	-	-
Client type reclassification	2,372	-	-	2,372	(138,010)	-	-	(138,010)
Other movements	1,959	1,202	(515)	2,646	(59,272)	(28,532)	(1,456)	(89,260)
Total movements with impact on credit loss allowance charge for the period	(2,375)	(2,802)	(2,465)	(7,642)	(100,407)	(33,324)	1,850	(131,881)
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	64,738	64,738	-	-	(64,737)	(64,737)
Foreign exchange gains and losses and other movements	203	37	2,396	2,636	(8,875)	(893)	-	(9,768)
Unwinding of discount (for Stage 3)	-	-	(452)	(452)	-	-	-	-
At 31 December 2023	(11,669)	(10,103)	(2,151)	(23,923)	421,481	99,654	3,743	524,878

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

<i>Group and Bank</i>	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Retail Mortgage loans At 1 January 2024	(19,956)	(23,671)	(5,257)	(48,884)	3,838,971	472,132	13,175	4,324,278
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	3,344	(10,014)	-	(6,670)	(176,740)	166,712	-	(10,028)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	648	570	(3,584)	(2,366)	(3,862)	(5,709)	8,609	(962)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(930)	6,406	625	6,101	155,830	(165,630)	(1,832)	(11,632)
- from credit-impaired to lifetime (from Stage 3 to Stage 2)	-	(243)	1,361	1,118	-	3,543	(3,729)	(186)
New originated or purchased	(17,097)	(512)	-	(17,609)	2,764,988	8,405	-	2,773,393
Derecognized during the period	2,078	3,041	449	5,568	(401,752)	(50,790)	(1,030)	(453,572)
Changes to ECL measurement model assumptions	2,148	2,980	789	5,917	-	-	-	-
Other movements	387	(1,850)	(1,135)	(2,598)	(345,865)	(18,219)	(601)	(364,685)
Total movements with impact on credit loss allowance charge for the period	(9,422)	378	(1,495)	(10,539)	1,992,599	(61,688)	1,417	1,932,328
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	2,993	2,993	-	-	(2,993)	(2,993)
Foreign exchange gains and losses and other movements	(7)	(10)	4	(13)	505	39	-	544
Unwinding of discount (for Stage 3)	-	-	(262)	(262)	-	-	-	-
At 31 December 2024	(29,385)	(23,303)	(4,017)	(56,705)	5,832,075	410,483	11,599	6,254,157

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

<i>Group and Bank</i>	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Retail Mortgage loans At 1 January 2023	(44,388)	(71,945)	(23,771)	(140,104)	3,052,199	787,660	36,956	3,876,815
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	4,691	(12,686)	-	(7,995)	(166,388)	158,460	-	(7,928)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	4	927	(3,896)	(2,965)	(265)	(7,407)	7,485	(187)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(4,393)	30,311	970	26,888	356,728	(387,602)	(1,914)	(32,788)
- from credit-impaired to lifetime (from Stage 3 to Stage 2)	-	(1,217)	5,813	4,596	-	9,931	(11,119)	(1,188)
New originated or purchased	(15,720)	(549)	-	(16,269)	1,135,362	5,933	-	1,141,295
Derecognized during the period	4,137	6,928	1,867	12,932	(274,684)	(75,046)	(3,628)	(353,358)
Changes to ECL measurement model assumptions	27,532	18,353	1,838	47,723	-	-	-	-
Other movements	7,931	6,097	(1,100)	12,928	(256,632)	(18,601)	(288)	(275,521)
Total movements with impact on credit loss allowance charge for the period	24,182	48,164	5,492	77,838	794,121	(314,332)	(9,464)	470,325
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	14,317	14,317	-	-	(14,317)	(14,317)
Foreign exchange gains and losses and other movements	250	110	17	377	(7,349)	(1,196)	-	(8,545)
Unwinding of discount (for Stage 3)	-	-	(1,312)	(1,312)	-	-	-	-
At 31 December 2023	(19,956)	(23,671)	(5,257)	(48,884)	3,838,971	472,132	13,175	4,324,278

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

<i>Group and Bank</i>	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Retail Consumer loans								
At 1 January 2024	(83,367)	(74,570)	(57,623)	(215,560)	3,082,863	817,557	84,502	3,984,922
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	26,198	(32,839)	-	(6,641)	(358,978)	317,831	-	(41,147)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	6,124	7,084	(37,436)	(24,228)	(20,197)	(39,742)	56,941	(2,998)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(4,830)	22,622	835	18,627	220,821	(311,002)	(1,414)	(91,595)
- from credit-impaired to lifetime (from Stage 3 to Stage 2)	-	(300)	2,983	2,683	-	3,200	(4,979)	(1,779)
New originated or purchased	(110,600)	(3,246)	-	(113,846)	3,612,455	32,421	-	3,644,876
Derecognized during the period	26,461	14,556	4,018	45,035	(1,030,354)	(198,917)	(6,079)	(1,235,350)
Changes to ECL measurement model assumptions	(11,278)	(3,756)	(805)	(15,839)	-	-	-	-
Other movements	21,432	14,120	(19,115)	16,437	(529,751)	(78,567)	5,121	(603,197)
Total movements with impact on credit loss allowance charge for the period	(46,493)	18,241	(49,520)	(77,772)	1,893,996	(274,776)	49,590	1,668,810
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	60,528	60,528	-	-	(60,528)	(60,528)
Unwinding of discount (for Stage 3)	-	-	(5,884)	(5,884)	-	-	-	-
At 31 December 2024	(129,860)	(56,329)	(52,499)	(238,688)	4,976,859	542,781	73,564	5,593,204

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

<i>Group and Bank</i>	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Retail Consumer loans								
At 1 January 2023	(48,878)	(80,578)	(218,266)	(347,722)	1,898,057	1,021,318	267,425	3,186,800
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	21,971	(26,861)	-	(4,890)	(355,282)	324,895	-	(30,387)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	3,787	7,686	(38,112)	(26,639)	(15,522)	(46,497)	59,754	(2,265)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(3,208)	12,577	1,034	10,403	145,661	(209,172)	(1,712)	(65,223)
- from credit-impaired to lifetime (from Stage 3 to Stage 2)	-	(1,886)	14,081	12,195	-	15,579	(23,035)	(7,456)
New originated or purchased	(71,349)	(4,504)	-	(75,853)	2,268,105	63,664	-	2,331,769
Derecognized during the period	12,250	11,157	5,611	29,018	(506,589)	(203,512)	(8,547)	(718,648)
Changes to ECL measurement model assumptions	(10,349)	(10,465)	(49)	(20,863)	-	-	-	-
Other movements	12,409	18,304	(47,466)	(16,753)	(351,567)	(148,718)	28,924	(471,361)
Total movements with impact on credit loss allowance charge for the period	(34,489)	6,008	(64,901)	(93,382)	1,184,806	(203,761)	55,384	1,036,429
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	238,307	238,307	-	-	(238,307)	(238,307)
Unwinding of discount (for Stage 3)	-	-	(12,763)	(12,763)	-	-	-	-
At 31 December 2023	(83,367)	(74,570)	(57,623)	(215,560)	3,082,863	817,557	84,502	3,984,922

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

<i>Group and Bank</i>	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Retail Credit cards At 1 January 2024	(684)	(3,829)	(3,586)	(8,099)	129,177	60,472	4,595	194,244
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	430	(772)	-	(342)	(27,213)	29,527	-	2,314
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	1,045	57	(1,466)	(364)	(1,529)	(1,072)	2,122	(479)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(19)	271	19	271	7,064	(10,439)	(42)	(3,417)
- from credit-impaired to lifetime (from Stage 3 to Stage 2)	-	(2)	77	75	-	101	(160)	(59)
New originated or purchased	(1,489)	(372)	-	(1,861)	51,269	9,304	-	60,573
Derecognized during the period	180	1,359	1,135	2,674	(36,225)	(23,872)	(1,559)	(61,656)
Changes to ECL measurement model assumptions	(268)	(798)	(78)	(1,144)	-	-	-	-
Other movements	207	1,611	(3,739)	(1,921)	5,276	(467)	3,651	8,460
Total movements with impact on credit loss allowance charge for the period	86	1,354	(4,052)	(2,612)	(1,358)	3,082	4,012	5,736
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	5,799	5,799	-	-	(5,799)	(5,799)
Foreign exchange gains and losses and other movements	-	-	(18)	(18)	-	4	3	7
Unwinding of discount (for Stage 3)	-	-	(187)	(187)	-	-	-	-
At 31 December 2024	(598)	(2,475)	(2,044)	(5,117)	127,819	63,558	2,811	194,188

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

<i>Group and Bank</i>	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Retail Credit cards								
At 1 January 2023	(1,986)	(4,632)	(11,277)	(17,895)	150,877	82,771	13,888	247,536
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	465	(743)	-	(278)	(22,691)	23,579	-	888
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	2,509	62	(2,797)	(226)	(3,288)	(1,105)	3,652	(741)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(112)	948	62	898	15,634	(20,945)	(118)	(5,429)
- from credit-impaired to lifetime (from Stage 3 to Stage 2)	-	(11)	246	235	-	352	(396)	(44)
New originated or purchased	(3,032)	(2,733)	-	(5,765)	41,335	10,257	-	51,592
Derecognized during the period	494	1,650	2,333	4,477	(39,019)	(25,536)	(3,253)	(67,808)
Changes to ECL measurement model assumptions	330	402	134	866	-	-	-	-
Client type reclassification	107	322	79	508	(7,940)	(5,012)	(150)	(13,102)
Other movements	541	887	(1,614)	(186)	(5,731)	(3,875)	1,077	(8,529)
Total movements with impact on credit loss allowance charge for the period	1,302	784	(1,557)	529	(21,700)	(22,285)	812	(43,173)
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	10,104	10,104	-	-	(10,104)	(10,104)
Foreign exchange gains and losses and other movements	-	19	16	35	-	(14)	(1)	(15)
Unwinding of discount (for Stage 3)	-	-	(872)	(872)	-	-	-	-
At 31 December 2023	(684)	(3,829)	(3,586)	(8,099)	129,177	60,472	4,595	194,244

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

The credit loss allowance for loans and advances to customers recognized in the period is impacted by a variety of factors, details of ECL measurement are provided in Note 39. The main movements in the tables above are described below:

- Transfers between Stage 1, 2 and 3 due to balances experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Write-offs of credit loss allowances related to assets that were written off during the period (MDL 130 million without impact on profit);
- New impaired loans, caused mainly by new defaulted Business Banking clients (MDL 107 million);
- Additional credit loss allowances for new loans and advances to customers recognized during the period (MDL 415 million), as well as releases for loans and advances to customers derecognized in the period (MDL 260 million);
- Unwinding of discount due to the passage of time because ECL is measured on a present value basis; and
- Foreign exchange translations of assets denominated in foreign currencies and other movements;

Other movement category incorporates the changes of ECL due to the change of the days past due bucket or migration to an individual assessment while preserving the same stage, repayments of loans on their payment schedules.

When it comes to key drivers of the ECL increase – there are some main drivers as: origination of new loans, adjusting of the macro-economic (FLI) models and migration to credit-impaired, however the biggest factor is the new loans origination almost MDL 415 million of the ECL increase.

Additionally, the decrease in ECL related to the Corporate segment was mainly driven by the recovery of a significant amount in February 2024, related to a client which was in default as at 31 December 2023 and led to a release of MDL 91,5 million.

The following tables contain analyses of the credit risk exposure of loans and advances to customers measured at AC and for which an ECL allowance is recognized. The carrying amount of loans and advances to customers below also represents the Group's maximum exposure to credit risk on these loans.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

The credit quality of loans to **Corporate and Business Banking** customers carried at amortized cost is as follows at **31 December 2024**:

	Group						Bank	
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Corporate Investment loans								
- Good	2,980,469	396,498	-	3,376,967	2,980,469	396,498	-	3,376,967
- Satisfactory	-	89,984	-	89,984	-	89,984	-	89,984
- Special monitoring	-	-	5,653	5,653	-	-	5,653	5,653
- Default	-	-	6,099	6,099	-	-	6,099	6,099
Gross carrying amount	2,980,469	486,482	11,752	3,478,703	2,980,469	486,482	11,752	3,478,703
Credit loss allowance	(25,660)	(38,668)	(10,693)	(75,021)	(25,660)	(38,668)	(10,693)	(75,021)
Carrying amount	2,954,809	447,814	1,059	3,403,682	2,954,809	447,814	1,059	3,403,682
Corporate Working capital loans								
- Good	1,100,114	171,296	-	1,271,410	1,229,518	171,296	-	1,400,814
- Satisfactory	-	24,265	-	24,265	-	24,265	-	24,265
- Special monitoring	-	-	40,712	40,712	-	-	40,712	40,712
- Default	-	-	111,491	111,491	-	-	111,491	111,491
Gross carrying amount	1,100,114	195,561	152,203	1,447,878	1,229,518	195,561	152,203	1,577,282
Credit loss allowance	(16,952)	(27,794)	(144,218)	(188,964)	(17,782)	(27,794)	(144,218)	(189,794)
Carrying amount	1,083,162	167,767	7,985	1,258,914	1,211,736	167,767	7,985	1,387,488
Corporate Revolving loans								
- Good	5,097,783	736,964	-	5,834,747	5,097,783	736,964	-	5,834,747
- Satisfactory	-	130,061	-	130,061	-	130,061	-	130,061
- Special monitoring	-	-	-	-	-	-	-	-
- Default	-	-	13,492	13,492	-	-	13,492	13,492
Gross carrying amount	5,097,783	867,025	13,492	5,978,300	5,097,783	867,025	13,492	5,978,300
Credit loss allowance	(40,034)	(137,543)	(12,300)	(189,877)	(40,034)	(137,543)	(12,300)	(189,877)
Carrying amount	5,057,749	729,482	1,192	5,788,423	5,057,749	729,482	1,192	5,788,423
Other loans for legal entities								
- Good	2,143	-	-	2,143	-	-	-	-
- Satisfactory	-	-	-	-	-	-	-	-
- Special monitoring	-	3,348	-	3,348	-	-	-	-
- Default	-	-	250	250	-	-	-	-
Gross carrying amount	2,143	3,348	250	5,741	-	-	-	-
Credit loss allowance	(10)	(371)	(108)	(489)	-	-	-	-
Carrying amount	2,133	2,977	142	5,252	-	-	-	-
Business banking								
Working capital loans								
- Good	2,270,761	379,433	-	2,650,194	2,270,761	379,433	-	2,650,194
- Satisfactory	-	303,783	-	303,783	-	303,783	-	303,783
- Special monitoring	-	10,112	37,699	47,811	-	10,112	37,699	47,811
- Default	-	-	56,451	56,451	-	-	56,451	56,451
Gross carrying amount	2,270,761	693,328	94,150	3,058,239	2,270,761	693,328	94,150	3,058,239
Credit loss allowance	(53,001)	(56,266)	(65,037)	(174,304)	(53,001)	(56,266)	(65,037)	(174,304)
Carrying amount	2,217,760	637,062	29,113	2,883,935	2,217,760	637,062	29,113	2,883,935
Business Banking Investment loans								
- Good	2,619,344	396,329	-	3,015,673	2,619,344	396,329	-	3,015,673
- Satisfactory	-	215,575	-	215,575	-	215,575	-	215,575
- Special monitoring	-	7,733	83,049	90,782	-	7,733	83,049	90,782
- Default	-	-	70,540	70,540	-	-	70,540	70,540
Gross carrying amount	2,619,344	619,637	153,589	3,392,570	2,619,344	619,637	153,589	3,392,570
Credit loss allowance	(64,942)	(56,369)	(110,912)	(232,223)	(64,942)	(56,369)	(110,912)	(232,223)
Carrying amount	2,554,402	563,268	42,677	3,160,347	2,554,402	563,268	42,677	3,160,347
Business Banking Revolving loans								
- Good	699,269	151,763	-	851,032	699,269	151,763	-	851,032
- Satisfactory	-	56,059	-	56,059	-	56,059	-	56,059
- Special monitoring	-	-	-	-	-	-	-	-
- Default	-	-	5,277	5,277	-	-	5,277	5,277
Gross carrying amount	699,269	207,822	5,277	912,368	699,269	207,822	5,277	912,368
Credit loss allowance	(16,104)	(25,117)	(3,032)	(44,253)	(16,104)	(25,117)	(3,032)	(44,253)
Carrying amount	683,165	182,705	2,245	868,115	683,165	182,705	2,245	868,115

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.
Notes to the consolidated and separate financial statements for the year ended 31 December 2024
(All amounts are expressed in thousands MDL, if not stated otherwise)
10 Loans and Advances to Customers (Continued)

The credit quality of loans to **Corporate and Business Banking** customers carried at amortized cost is as follows at **31 December 2023**:

	Group			Total	Bank			Total
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)		Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	
Corporate								
Investment loans								
- Good	2,119,213	273,121	-	2,392,334	2,119,213	273,121	-	2,392,334
- Satisfactory	48,548	100,757	-	149,305	48,548	100,757	-	149,305
- Special monitoring	-	-	135,566	135,566	-	-	135,566	135,566
- Default	-	-	20,716	20,716	-	-	20,716	20,716
Gross carrying amount	2,167,761	373,878	156,282	2,697,921	2,167,761	373,878	156,282	2,697,921
Credit loss allowance	(23,233)	(28,316)	(101,419)	(152,968)	(23,233)	(28,316)	(101,419)	(152,968)
Carrying amount	2,144,528	345,562	54,863	2,544,953	2,144,528	345,562	54,863	2,544,953
Corporate Working capital loans								
- Good	1,255,458	172,294	-	1,427,752	1,413,301	172,294	-	1,585,595
- Satisfactory	-	38,714	-	38,714	-	38,714	-	38,714
- Special monitoring	-	-	43,306	43,306	-	-	43,306	43,306
- Default	-	-	112,346	112,346	-	-	112,346	112,346
Gross carrying amount	1,255,458	211,008	155,652	1,622,118	1,413,301	211,008	155,652	1,779,961
Credit loss allowance	(27,605)	(30,460)	(141,203)	(199,268)	(28,968)	(30,460)	(141,203)	(200,631)
Carrying amount	1,227,853	180,548	14,449	1,422,850	1,384,333	180,548	14,449	1,579,330
Corporate Revolving loans								
- Good	4,049,538	731,795	-	4,781,333	4,049,538	731,795	-	4,781,333
- Satisfactory	49,838	37,991	-	87,829	49,838	37,991	-	87,829
- Special monitoring	-	-	39,785	39,785	-	-	39,785	39,785
- Default	-	-	12,388	12,388	-	-	12,388	12,388
Gross carrying amount	4,099,376	769,786	52,173	4,921,335	4,099,376	769,786	52,173	4,921,335
Credit loss allowance	(59,516)	(79,191)	(29,766)	(168,473)	(59,516)	(79,191)	(29,766)	(168,473)
Carrying amount	4,039,860	690,595	22,407	4,752,862	4,039,860	690,595	22,407	4,752,862
Other loans for legal entities								
- Good	4,040	-	-	4,040	-	-	-	-
- Satisfactory	-	553	-	553	-	-	-	-
- Special monitoring	-	1,389	-	1,389	-	-	-	-
Gross carrying amount	4,040	1,942	-	5,982	-	-	-	-
Credit loss allowance	(20)	(89)	-	(109)	-	-	-	-
Carrying amount	4,020	1,853	-	5,873	-	-	-	-
Business banking								
Working capital loans								
- Good	1,880,390	374,764	-	2,255,154	1,880,390	374,764	-	2,255,154
- Satisfactory	76,798	195,243	-	272,041	76,798	195,243	-	272,041
- Special monitoring	-	28,665	19,576	48,241	-	28,665	19,576	48,241
- Default	-	-	67,012	67,012	-	-	67,012	67,012
Gross carrying amount	1,957,188	598,672	86,588	2,642,448	1,957,188	598,672	86,588	2,642,448
Credit loss allowance	(52,043)	(45,800)	(59,021)	(156,864)	(52,043)	(45,800)	(59,021)	(156,864)
Carrying amount	1,905,145	552,872	27,567	2,485,584	1,905,145	552,872	27,567	2,485,584
Business Banking Investment loans								
- Good	2,104,463	357,286	-	2,461,749	2,104,463	357,286	-	2,461,749
- Satisfactory	45,037	154,957	-	199,994	45,037	154,957	-	199,994
- Special monitoring	-	15,484	42,301	57,785	-	15,484	42,301	57,785
- Default	-	-	30,199	30,199	-	-	30,199	30,199
Gross carrying amount	2,149,500	527,727	72,500	2,749,727	2,149,500	527,727	72,500	2,749,727
Credit loss allowance	(58,966)	(58,279)	(45,695)	(162,940)	(58,966)	(58,279)	(45,695)	(162,940)
Carrying amount	2,090,534	469,448	26,805	2,586,787	2,090,534	469,448	26,805	2,586,787
Business Banking Revolving loans								
- Good	416,588	76,990	-	493,578	416,588	76,990	-	493,578
- Satisfactory	4,893	22,664	-	27,557	4,893	22,664	-	27,557
- Special monitoring	-	-	1,508	1,508	-	-	1,508	1,508
- Default	-	-	2,235	2,235	-	-	2,235	2,235
Gross carrying amount	421,481	99,654	3,743	524,878	421,481	99,654	3,743	524,878
Credit loss allowance	(11,669)	(10,103)	(2,151)	(23,923)	(11,669)	(10,103)	(2,151)	(23,923)
Carrying amount	409,812	89,551	1,592	500,955	409,812	89,551	1,592	500,955

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.
Notes to the consolidated and separate financial statements for the year ended 31 December 2024
(All amounts are expressed in thousands MDL, if not stated otherwise)
10 Loans and advances to customers (continued)

The credit quality of loans to **Retail customers** carried at amortized cost is as follows at 31 December 2024:

	Group				Bank			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Mortgage loans								
- Good	5,832,075	376,104	-	6,208,179	5,832,075	376,104	-	6,208,179
- Satisfactory	-	25,412	-	25,412	-	25,412	-	25,412
- Special monitoring	-	8,967	8,993	17,960	-	8,967	8,993	17,960
- Default	-	-	2,606	2,606	-	-	2,606	2,606
Gross carrying amount	5,832,075	410,483	11,599	6,254,157	5,832,075	410,483	11,599	6,254,157
Credit loss allowance	(29,385)	(23,303)	(4,017)	(56,705)	(29,385)	(23,303)	(4,017)	(56,705)
Carrying amount	5,802,690	387,180	7,582	6,197,452	5,802,690	387,180	7,582	6,197,452
Consumer loans								
- Good	4,976,859	447,359	-	5,424,218	4,976,859	447,359	-	5,424,218
- Satisfactory	-	68,279	-	68,279	-	68,279	-	68,279
- Special monitoring	-	27,143	9,437	36,580	-	27,143	9,437	36,580
- Default	-	-	64,127	64,127	-	-	64,127	64,127
Gross carrying amount	4,976,859	542,781	73,564	5,593,204	4,976,859	542,781	73,564	5,593,204
Credit loss allowance	(129,860)	(56,329)	(52,499)	(238,688)	(129,860)	(56,329)	(52,499)	(238,688)
Carrying amount	4,846,999	486,452	21,065	5,354,516	4,846,999	486,452	21,065	5,354,516
Credit cards								
- Good	127,819	52,894	-	180,713	127,819	52,894	-	180,713
- Satisfactory	-	9,159	-	9,159	-	9,159	-	9,159
- Special monitoring	-	1,505	342	1,847	-	1,505	342	1,847
- Default	-	-	2,469	2,469	-	-	2,469	2,469
Gross carrying amount	127,819	63,558	2,811	194,188	127,819	63,558	2,811	194,188
Credit loss allowance	(598)	(2,475)	(2,044)	(5,117)	(598)	(2,475)	(2,044)	(5,117)
Carrying amount	127,221	61,083	767	189,071	127,221	61,083	767	189,071
Other loans to individuals								
- Good	3,482	-	-	3,482	-	-	-	-
- Satisfactory	-	-	-	-	-	-	-	-
- Default	-	-	760	760	-	-	-	-
Gross carrying amount	3,482	-	760	4,242	-	-	-	-
Credit loss allowance	(10)	-	(572)	(582)	-	-	-	-
Carrying amount	3,472	-	188	3,660	-	-	-	-

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

10 Loans and advances to customers (continued)

The credit quality of loans to **Retail customers** carried at amortized cost is as follows at 31 December 2023:

	Group				Bank			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Mortgage loans								
- Good	3,829,235	445,886	-	4,275,121	3,829,235	445,886	-	4,275,121
- Satisfactory	9,736	17,582	-	27,318	9,736	17,582	-	27,318
- Special monitoring	-	8,664	4,199	12,863	-	8,664	4,199	12,863
- Default	-	-	8,976	8,976	-	-	8,976	8,976
Gross carrying amount	3,838,971	472,132	13,175	4,324,278	3,838,971	472,132	13,175	4,324,278
Credit loss allowance	(19,956)	(23,671)	(5,257)	(48,884)	(19,956)	(23,671)	(5,257)	(48,884)
Carrying amount	3,819,015	448,461	7,918	4,275,394	3,819,015	448,461	7,918	4,275,394
Consumer loans								
- Good	3,078,052	706,477	-	3,784,529	3,078,052	706,477	-	3,784,529
- Satisfactory	4,811	68,726	-	73,537	4,811	68,726	-	73,537
- Special monitoring	-	42,354	5,909	48,263	-	42,354	5,909	48,263
- Default	-	-	78,593	78,593	-	-	78,593	78,593
Gross carrying amount	3,082,863	817,557	84,502	3,984,922	3,082,863	817,557	84,502	3,984,922
Credit loss allowance	(83,367)	(74,570)	(57,623)	(215,560)	(83,367)	(74,570)	(57,623)	(215,560)
Carrying amount	2,999,496	742,987	26,879	3,769,362	2,999,496	742,987	26,879	3,769,362
Credit cards								
- Good	128,622	50,309	-	178,931	128,622	50,309	-	178,931
- Satisfactory	555	4,853	-	5,408	555	4,853	-	5,408
- Special monitoring	-	5,310	87	5,397	-	5,310	87	5,397
- Default	-	-	4,508	4,508	-	-	4,508	4,508
Gross carrying amount	129,177	60,472	4,595	194,244	129,177	60,472	4,595	194,244
Credit loss allowance	(684)	(3,829)	(3,586)	(8,099)	(684)	(3,829)	(3,586)	(8,099)
Carrying amount	128,493	56,643	1,009	186,145	128,493	56,643	1,009	186,145
Other loans to individuals								
- Good	7,158	-	-	7,158	-	-	-	-
- Satisfactory	-	86	-	86	-	-	-	-
- Default	-	-	842	842	-	-	-	-
Gross carrying amount	7,158	86	842	8,086	-	-	-	-
Credit loss allowance	(14)	(4)	(636)	(654)	-	-	-	-
Carrying amount	7,144	82	206	7,432	-	-	-	-

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.
Notes to the consolidated and separate financial statements for the year ended 31 December 2024
(All amounts are expressed in thousands MDL, if not stated otherwise)
10 Loans and advances to customers (continued)

For the description of the credit risk grading used in the tables above refer to Note 38.

Economic sector risk concentrations within the customer loan portfolio are as follows:

	Group						Bank	
	31 December 2024		31 December 2023		31 December 2024		31 December 2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Individuals	12,106,471	39.93	8,634,696	36.47	12,102,229	39.92	8,626,610	36.22
Trade	6,962,488	22.96	5,874,373	24.81	6,960,773	22.96	5,873,133	24.66
Agriculture	3,074,981	10.14	2,944,459	12.44	3,074,981	10.14	2,944,459	12.36
Manufacturing	2,784,253	9.18	2,561,674	10.82	2,784,253	9.18	2,561,674	10.75
Construction	992,490	3.27	689,648	2.91	991,607	3.27	687,209	2.89
Other	894,999	2.95	620,052	2.62	891,858	2.94	618,004	2.59
Transport	555,008	1.83	500,681	2.11	555,008	1.83	500,426	2.10
Real Estate	449,849	1.48	443,243	1.87	449,849	1.48	443,243	1.86
Cities and municipalities	588,085	1.94	518,130	2.19	588,085	1.94	518,130	2.18
Energy production or distribution	854,303	2.82	201,525	0.85	854,303	2.82	201,525	0.85
Financial organizations	671,948	2.22	266,740	1.13	801,350	2.64	424,583	1.78
Telecommunication	83,556	0.28	165,938	0.70	83,556	0.28	165,938	0.70
Chemical Industry	301,159	0.99	254,780	1.08	301,159	0.99	254,780	1.07
Total loans and advances to customers (gross carrying amount)	30,319,590	100	23,675,939	100	30,439,011	100	23,819,714	100

The Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group since the prior period.

Description of collateral held for loans to **Corporate customers** carried at amortized cost is as follows at 31 December 2024:

	Group				Bank			
	Investment loans	Working capital	Revolving loans	Total	Investment loans	Working capital	Revolving loans	Total
Loans collateralised by:								
- residential real estate	9,432	15,754	51,576	76,762	8,667	15,754	51,576	75,997
- other real estate	1,506,544	584,444	2,341,131	4,432,119	1,502,058	584,444	2,341,131	4,427,633
- tradable securities	7,444	10,873	-	18,317	7,444	32,089	-	39,533
- cash deposits	25,397	2,939	316,236	344,572	25,397	2,939	316,236	344,572
- other assets	957,359	372,880	2,303,403	3,633,642	957,359	372,879	2,303,401	3,633,639
Total	2,506,176	986,890	5,012,346	8,505,412	2,500,925	1,008,105	5,012,344	8,521,374
Unsecured exposures	902,757	272,025	776,077	1,950,859	902,757	379,383	776,079	2,058,219
Total carrying value loans and advances to customers	3,408,933	1,258,915	5,788,423	10,456,271	3,403,682	1,387,488	5,788,423	10,579,593

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***10 Loans and advances to customers (continued)**Description of collateral held for loans to **Business Banking** customers carried at amortized cost is as follows at 31 December 2024:

	Group				Bank			
	Investment loans	Working capital	Revolving loans	Total	Investment loans	Working capital	Revolving loans	Total
Loans collateralized by:								
- residential real estate	175,877	118,398	49,200	343,475	175,877	118,398	49,200	343,475
- other real estate	1,212,454	558,689	373,531	2,144,674	1,212,454	558,689	373,531	2,144,674
- cash deposits	2,675	25,220	1,457	29,352	2,675	25,220	1,457	29,352
- other assets	1,276,037	635,734	156,471	2,068,242	1,276,037	635,734	156,471	2,068,242
Total	2,667,043	1,338,041	580,659	4,585,743	2,667,043	1,338,041	580,659	4,585,743
Unsecured exposures	493,304	1,545,894	287,456	2,326,654	493,304	1,545,894	287,456	2,326,654
Total carrying value loans and advances to customers	3,160,347	2,883,935	868,115	6,912,397	3,160,347	2,883,935	868,115	6,912,397

Description of collateral held for loans to **Retail customers** carried at amortized cost is as follows at 31 December 2024:

	Group				Bank			
	Consumer loans	Mortgage loans	Credit cards	Total	Consumer loans	Mortgage loans	Credit cards	Total
Loans collateralized by:								
- residential real estate	-	5,712,657	-	5,712,657	-	5,709,830	-	5,709,830
- other real estate	-	243,871	-	243,871	-	243,199	-	243,199
- cash deposits	161	399	-	560	-	399	-	399
- other assets	-	168,016	-	168,016	-	168,016	-	168,016
Total	161	6,124,943	-	6,125,104	-	6,121,444	-	6,121,444
Unsecured exposures	5,354,516	76,008	189,071	5,619,595	5,354,516	76,008	189,071	5,619,595
Total carrying value loans and advances to customers	5,354,677	6,200,951	189,071	11,744,699	5,354,516	6,197,452	189,071	11,741,039

Information about collateral for loans to **Corporate customers** carried at amortized cost is as follows at 31 December 2023:

	Group				Bank			
	Investment loans	Working capital	Revolving loans	Total	Investment loans	Working capital	Revolving loans	Total
Loans collateralized by:								
- residential real estate	4,020	24,264	115,156	143,440	4,020	22,923	115,156	142,099
- other real estate	1,374,327	646,193	2,046,160	4,066,680	1,370,047	646,193	2,046,160	4,062,400
- tradable securities	42,903	-	7,518	50,421	42,903	21,216	7,518	71,637
- cash deposits	25,082	9,074	179,547	213,703	25,082	9,074	179,547	213,703
- other assets	527,185	504,661	2,134,862	3,166,708	526,933	504,661	2,134,862	3,166,456
Total	1,973,517	1,184,192	4,483,243	7,640,952	1,968,985	1,204,067	4,483,243	7,656,295
Unsecured exposures	575,968	239,999	269,619	1,085,586	575,968	375,263	269,619	1,220,850
Total carrying value loans and advances to customers	2,549,485	1,424,191	4,752,862	8,726,538	2,544,953	1,579,330	4,752,862	8,877,145

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***10 Loans and advances to customers (continued)**

Information about collateral for loans to **Business Banking** customers carried at amortized cost is as follows at 31 December 2023:

	Group				Bank			
	Investment loans	Working capital	Revolving loans	Total	Investment loans	Working capital	Revolving loans	Total
Loans collateralized by:								
- residential real estate	124,719	98,588	37,361	260,668	124,719	98,588	37,361	260,668
- other real estate	898,671	413,538	195,271	1,507,480	898,671	413,538	195,271	1,507,480
- cash deposits	17,124	15,315	-	32,439	17,124	15,315	-	32,439
- other assets	1,213,345	599,129	161,431	1,973,905	1,213,345	599,129	161,431	1,973,905
Total	2,253,859	1,126,570	394,063	3,774,492	2,253,859	1,126,570	394,063	3,774,492
Unsecured exposures	332,928	1,359,014	106,892	1,798,834	332,928	1,359,014	106,892	1,798,834
Total carrying value loans and advances to customers	2,586,787	2,485,584	500,955	5,573,326	2,586,787	2,485,584	500,955	5,573,326

Information about collateral of loans to **Retail customers** carried at amortized cost is as follows at 31 December 2023:

	Group				Bank			
	Investment loans	Working capital	Revolving loans	Total	Investment loans	Working capital	Revolving loans	Total
Loans collateralized by:								
- residential real estate	395	4,080,915	-	4,081,310	395	4,080,915	-	4,081,310
- other real estate	-	78,303	-	78,303	-	78,303	-	78,303
- cash deposits	-	440	-	440	-	440	-	440
- other assets	4	45,377	-	45,381	4	45,377	-	45,381
Total	399	4,205,035	-	4,205,434	399	4,205,035	-	4,205,434
Unsecured exposures	3,768,963	70,359	186,145	4,025,467	3,768,963	70,359	186,145	4,025,467
Total carrying value loans and advances to customers	3,769,362	4,275,394	186,145	8,230,901	3,769,362	4,275,394	186,145	8,230,901

Other assets mainly include equipment and trade receivables. The disclosure above represents the lower of the carrying value of the loan or the liquidation amount of the collateral taken. The carrying value of loans was allocated based on liquidity of the assets taken as collateral. The remaining unsecured part of the loan is disclosed within the unsecured exposures.

The extent to which collateral and other credit enhancements mitigate credit risk for loans and advances to customers carried at amortized cost that are credit impaired, is presented by disclosing collateral values separately for (i) those assets where collateral and other credit enhancements are equal to or exceed carrying value of the asset ("over-collateralized assets") and (ii) those assets where collateral and other credit enhancements are less than the carrying value of the asset ("under-collateralized assets").

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***10 Loans and advances to customers (continued)**

The effect of collateral on credit impaired assets at 31 December 2024 is as follows:

	Group				Bank			
	Over-collateralized assets		Under-collateralized assets		Over-collateralized assets		Under-collateralized assets	
	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral
Credit impaired assets:								
Loans to Corporate customers carried at AC								
Investment loans	1,059	8,253	-	3,159	1,059	8,253	-	3,159
Working capital loans	7,381	61,445	605	56,776	7,381	61,445	605	56,776
Revolving loans	-	-	1,192	8,667	-	-	1,192	8,667
Loans to Business Banking customers carried at AC								
Investment loans	8,799	41,545	33,878	96,549	8,799	41,545	33,878	96,549
Working capital loans	7,299	42,514	21,814	27,714	7,299	42,514	21,814	27,714
Revolving loans	456	2,100	1,788	-	456	2,100	1,788	-
Loans to Retail customers carried at AC								
Mortgage loans	6,743	25,341	839	1,112	6,743	25,341	839	1,112
Consumer loans	-	-	21,065	-	-	-	21,065	-
Credit cards	-	-	767	-	-	-	767	-

The effect of collateral on credit impaired assets at 31 December 2023 is as follows:

	Group				Bank			
	Over-collateralized assets		Under-collateralized assets		Over-collateralized assets		Under-collateralized assets	
	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral
Credit impaired assets:								
Loans to Corporate customers carried at AC								
Investment loans	53,277	419,379	1,586	13,621	53,277	419,379	1,586	13,621
Working capital loans	5,728	67,556	8,722	70,879	5,728	67,556	8,722	70,879
Revolving loans	22,321	150,171	86	1,176	22,321	150,171	86	1,176
Loans to Business Banking customers carried at AC								
Investment loans	13,024	34,566	13,781	28,567	13,024	34,566	13,781	28,567
Working capital loans	7,354	28,437	20,212	5,283	7,354	28,437	20,212	5,283
Revolving loans	558	2,972	1,033	486	558	2,972	1,033	486
Loans to Retail customers carried at AC								
Mortgage loans	6,341	22,836	1,577	2,050	6,341	22,836	1,577	2,050
Consumer loans	-	-	26,879	-	-	-	26,879	-
Credit cards	-	-	1,009	-	-	-	1,009	-

The Group and Bank obtains collateral valuation at the time of granting loans and generally updates the valuation depending on the significance of the loan exposure. The values of collateral considered in the above tables are the values established in collateral agreements.

The outstanding contractual amounts of loans and advances to customers written off that are still subject to enforcement activity was as follows at 31 December 2024 and 31 December 2023:

	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
<i>Loans to legal entities</i>	294,733	338,642	294,733	338,642
<i>Loans to retail customers</i>	93,457	100,585	93,457	100,585
Total	388,190	439,227	388,190	439,227

The Group's policy is to complete legal enforcement steps that were initiated even though the loans were written off as there is no reasonable expectation of recovery.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***11 Finance lease receivables**

The Group acts as a lessor under finance lease agreements, concluded mainly for financing vehicles, commercial, industrial, agricultural and office equipment. The lease contracts are originated and managed by **maib leasing**. The lease agreements are denominated in EUR, USD and MDL and typically run for a period between 2 and 5 years, with the transfer of ownership over the leased assets upon the termination of the lease agreement. The lease receivables are secured by the underlying assets and by other collateral.

The table below presents the structure of finance lease receivables:

	31 December 2024	31 December 2023
Legal entities	255,535	188,708
Individuals	121,324	119,476
Gross carrying amount finance lease receivables	376,859	308,184
Less: total credit loss allowances of finance lease receivables, including:	(20,048)	(16,222)
- Credit loss allowances - lease receivables legal entities	(15,469)	(12,951)
- Credit loss allowances - lease receivables individuals	(4,579)	(3,271)
Carrying amount finance lease receivables	356,811	291,962

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Gross carrying amount in finance lease receivables and credit loss allowance amount for investment in finance lease receivables at AC by classes as at 31 December 2024 and 31 December 2023 are disclosed in the table below:

	31 December 2024			31 December 2023		
	Gross carrying amount	Credit loss allowance	Carrying amount	Gross carrying amount	Credit loss allowance	Carrying amount
<i>Lease receivable from legal entities</i>	255,535	(15,469)	240,066	188,708	(12,951)	175,757
-vehicles	246,238	(15,257)	230,981	181,084	(12,732)	168,352
-equipment	9,297	(212)	9,085	7,624	(219)	7,405
<i>Lease receivable from individuals</i>	121,324	(4,579)	116,745	119,476	(3,271)	116,205
-vehicles	118,935	(2,686)	116,249	117,327	(1,335)	115,992
-real estate	2,146	(1,892)	254	2,149	(1,936)	213
-equipment	243	(1)	242	-	-	-
Total lease receivable to customers at AC	376,859	(20,048)	356,811	308,184	(16,222)	291,962

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.
Notes to the consolidated and separate financial statements for the year ended 31 December 2024
(All amounts are expressed in thousands MDL, if not stated otherwise)
11 Finance lease receivables (continued)

The following tables disclose the changes in the credit loss allowance and gross carrying amount for finance lease receivables carried at amortized cost between the beginning and the end of the reporting and comparative periods, considering movements recorded overall over one-year period:

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Legal entities								
At 1 January 2024	(1,071)	(9,430)	(2,450)	(12,951)	154,134	29,928	4,646	188,708
Movements with impact on credit loss allowance charge for the period:								
Increase due to issue or acquisition	(196)	(4,091)	-	(4,287)	123,670	17,583	-	141,253
Decrease due to derecognition	185	721	1,329	2,235	(27,162)	(2,829)	(2,604)	(32,595)
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	296	(5,468)	368	(4,804)	(42,873)	30,718	(595)	(12,750)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	-	737	(2,560)	(1,823)	-	(2,309)	3,555	1,246
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(17)	3,874	-	3,857	8,980	(11,862)	-	(2,882)
Other movements	484	2,064	(304)	2,244	(24,037)	(3,132)	(78)	(27,247)
Total movements with impact on credit loss allowance charge for the period	752	(2,163)	(1,167)	(2,578)	38,578	28,169	278	67,025
Foreign exchange gains and losses and other movements	1	46	14	61	(127)	(65)	(6)	(198)
At 31 December 2024	(318)	(11,547)	(3,603)	(15,468)	192,585	58,032	4,918	255,535

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Legal entities								
At 1 January 2023	(366)	(2,959)	(899)	(4,224)	119,629	12,452	1,127	133,208
Movements with impact on credit loss allowance charge for the period:								
Increase due to issue or acquisition	(658)	(7,503)	(457)	(8,618)	94,266	23,013	931	118,210
Decrease due to derecognition	80	669	(159)	590	(25,671)	(3,225)	(27)	(28,923)
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	4	(330)	-	(326)	(1,451)	1,219	-	(232)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	15	-	(1,988)	(1,973)	(4,826)	-	3,896	(930)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(2)	114	-	112	353	(497)	-	(144)
Other movements	(148)	539	(9)	382	(24,985)	(2,647)	(5)	(27,637)
Total movements with impact on credit loss allowance charge for the period	(709)	(6,511)	(2,613)	(9,833)	37,686	17,863	4,795	60,344
Write-offs	-	-	1,052	1,052	-	-	(1,080)	(1,080)
Foreign exchange gains and losses and other movements	4	40	10	54	(3,181)	(387)	(196)	(3,764)
At 31 December 2023	(1,071)	(9,430)	(2,450)	(12,951)	154,134	29,928	4,646	188,708

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

11 Finance lease receivables (continued)

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Individuals								
At 1 January 2024	(321)	(821)	(2,129)	(3,271)	112,617	4,254	2,605	119,476
Movements with impact on credit loss allowance charge for the period:								
Increase due to issue or acquisition	(70)	(121)	-	(191)	65,271	827	-	66,098
Decrease due to derecognition	85	140	193	418	(30,785)	(1,463)	(456)	(32,704)
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	13	(501)	-	(488)	(4,538)	2,999	-	(1,539)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	7	48	(1,795)	(1,740)	(2,779)	(200)	2,465	(514)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	-	171	-	171	336	(553)	-	(217)
- from Stage 3 to Stage 2)	-	171	-	171	336	(553)	-	(217)
Other movements	167	308	31	506	(28,277)	(923)	-	(29,201)
Total movements with impact on credit loss allowance charge for the period	202	45	(1,571)	(1,324)	(772)	687	2,008	1,923
Write-offs	-	-	-	-	-	-	-	-
Foreign exchange gains and losses and other movements	-	3	13	16	(61)	(10)	(4)	(75)
At 31 December 2024	(119)	(773)	(3,687)	(4,579)	111,784	4,931	4,609	121,324

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.
Notes to the consolidated and separate financial statements for the year ended 31 December 2024
(All amounts are expressed in thousands MDL, if not stated otherwise)
11 Finance lease receivables (continued)

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total
Individuals								
At 1 January 2023	(387)	(874)	(13,756)	(15,017)	138,052	4,779	15,163	157,994
Movements with impact on credit loss allowance charge for the period:								
Increase due to issue or acquisition	(137)	-	(107)	(244)	47,125	-	252	47,377
Decrease due to derecognition	103	299	7,779	8,181	(34,176)	(1,511)	(8,018)	(43,705)
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	8	(376)	-	(368)	(2,952)	2,080	-	(872)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	3	-	(87)	(84)	(428)	-	215	(213)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	-	32	-	32	75	(154)	-	(79)
- from Stage 3 to Stage 2)	-	(56)	99	43	-	245	(388)	(143)
Other movements	70	106	(749)	(573)	(31,576)	(947)	1	(32,522)
Total movements with impact on credit loss allowance charge for the period	47	5	6,935	6,987	(21,932)	(287)	(7,938)	(30,157)
Write-offs	-	-	4,566	4,566	-	-	(4,566)	(4,566)
Foreign exchange gains and losses and other movements	19	48	126	193	(3,503)	(238)	(54)	(3,795)
At 31 December 2023	(321)	(821)	(2,129)	(3,271)	112,617	4,254	2,605	119,476

Transfers presented above resulted in change of ECL depending on the stage in which the finance lease receivables were transferred. Repayments of finance lease receivable are included in the line "Other movements" presented above.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***11 Finance lease receivables (continued)**

The credit quality of finance lease receivables carried at amortized cost is as follows at 31 December 2024:

	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Legal entities				
- Good	192,587	-	-	192,587
- Special monitoring	-	10,456	-	10,456
- Satisfactory	-	47,578	-	47,578
- Default	-	-	4,914	4,914
Gross carrying amount	192,587	58,034	4,914	255,535
Credit loss allowance	(318)	(11,547)	(3,603)	(15,468)
Carrying amount	192,268	46,487	1,311	240,066
Individuals				
- Good	111,784	-	-	111,784
- Satisfactory	-	4,674	-	4,674
- Special monitoring	-	257	-	257
- Default	-	-	4,609	4,609
Gross carrying amount	111,784	4,931	4,609	121,324
Credit loss allowance	(119)	(773)	(3,687)	(4,579)
Carrying amount	111,665	4,158	922	116,745

The credit quality of lease receivables carried at amortized cost is as follows at 31 December 2023 is as follows:

	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Legal entities				
- Good	154,136	-	-	154,136
- Special monitoring	-	3,070	-	3,070
- Satisfactory	-	26,858	-	26,858
- Default	-	-	4,644	4,644
Gross carrying amount	154,136	29,928	4,644	188,708
Credit loss allowance	(1,072)	(9,429)	(2,450)	(12,951)
Carrying amount	153,064	20,499	2,194	175,757
Individuals				
- Good	112,617	-	-	112,617
- Satisfactory	-	3,273	-	3,273
- Special monitoring	-	981	-	981
- Default	-	-	2,605	2,605
Gross carrying amount	112,617	4,254	2,605	119,476
Credit loss allowance	(321)	(821)	(2,129)	(3,271)
Carrying amount	112,296	3,433	476	116,205

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***11 Finance lease receivables (continued)**

The concentration risk in economic sectors for customers' finance lease receivables portfolio for 31 December 2024 and 31 December 2023 is presented below:

31 December 2024	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Individuals	111,784	4,931	4,609	121,324
Legal entities:	192,587	58,034	4,914	255,535
Industry	35,067	20,600	274	55,941
Construction	20,960	5,552	-	26,512
Trade	43,970	10,997	1,713	56,680
Services	73,975	8,597	1,603	84,175
Agriculture	-	8,496	-	8,496
Transport	18,615	3,792	1,324	23,731
Gross carrying amount finance lease receivables	304,371	62,965	9,523	376,859
Credit loss allowance	(437)	(12,320)	(7,291)	(20,048)
Carrying amount finance leases receivables	303,934	50,645	2,232	356,811
31 December 2023	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Individuals	112,617	4,254	2,605	119,476
Legal entities:	154,136	29,928	4,644	188,708
Industry and construction	48,445	20,218	336	68,999
Trade	44,121	1,096	4,308	49,525
Services	42,255	1,465	-	43,720
Agriculture	-	7,149	-	7,149
Transport	19,315	-	-	19,315
Gross carrying amount finance lease receivables	266,753	34,182	7,249	308,184
Credit loss allowance	(1,393)	(10,250)	(4,579)	(16,222)
Carrying amount finance leases receivables	265,360	23,932	2,670	291,962

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

*(All amounts are expressed in thousands MDL, if not stated otherwise)***11 Finance lease receivables (continued)**

The financial effect of collateral at 31 December 2024 and 31 December 2023 of finance lease receivables is as follows:

	31 December 2024				31 December 2023			
	Over-collateralized assets		Under-collateralized Assets		Over-collateralized assets		Under-collateralized assets	
	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral
<i>Lease receivable from legal entities:</i>	154,850	263,857	85,216	70,684	122,222	202,382	53,535	44,944
-vehicles	148,425	254,226	82,556	68,712	114,817	192,498	53,535	44,944
-equipment	6,425	9,631	2,660	1,972	7,405	9,884	-	-
<i>Lease receivable from individuals:</i>	78,749	167,367	37,996	30,876	92,311	190,674	23,894	19,376
-vehicles	78,604	167,222	37,645	30,574	92,098	189,578	23,894	19,376
-real estate	145	145	110	110	213	1,096	-	-
-equipment	-	-	241	192	-	-	-	-
Total	233,599	431,224	123,212	101,560	214,533	393,056	77,429	64,320

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***11 Finance lease receivables (continued)**

The maturity analysis of the finance lease payments receivable is as follows:

	2024	2023
1 year	141,355	118,426
2 years	109,184	89,744
3 years	78,468	64,648
4 years	39,553	34,317
5 years	17,276	10,087
Total undiscounted finance lease payments receivable at 31 December	385,836	317,222
Unearned finance income	(8,977)	(9,038)
Allowance for expected credit losses	(20,048)	(16,222)
Finance lease receivable at 31 December	356,811	291,962

12 Investment property

	Group			Bank		
	Land	Rented properties	Total	Land	Rented properties	Total
As at 1 January 2023						
Net carrying amount	18,505	9,384	27,889	-	-	-
Disposal	(12,517)	(9,384)	(21,901)	-	-	-
Revaluation	(3,708)	-	(3,708)	-	-	-
As at 31 December 2023						
Net carrying amount	2,280	-	2,280	-	-	-
As at 1 January 2024						
Net carrying amount	2,280	-	2,280	-	-	-
Disposal	(1,255)	-	(1,255)	-	-	-
Revaluation	50	-	50	-	-	-
Transfer from premises and equipment	-	176,216	176,216	-	176,216	176,216
As at 31 December 2024						
Net carrying amount	1,075	176,216	177,291	-	176,216	176,216

Investment property includes land held for capital appreciation rather than for sale, including agricultural land, as well as land held for undetermined future use located in village Danceni and village Ialoveni which have been repossessed from foreclosed loan contracts. Investment property also includes a commercial property that has been transferred from premises and equipment during 2024 and is held to earn rentals. The building was constructed by the Group and management is currently in the process of renting it out to third parties.

Investment properties are considered as long-term investments and are initially recognized at cost, including trading cost at initial value, and are subsequently measured at fair value. Earned rental income is recorded in profit or loss for the year within other operating income. Gains and losses resulting from changes in the fair value of investment property are recorded in profit or loss for the year and presented separately.

The future undiscounted minimum lease payments receivable under non-cancellable operating leases are as follows:

Group	31 December 2024	31 December 2023
Not later than 1 year	6,080	272
Later than 1 year and not later than 2 years	4,107	68
Later than 2 years and not later than 3 years	4,197	-
Later than 3 years and not later than 4 years	3,872	-
Later than 4 years and not later than 5 years	300	-
Total future operating lease payments receivable	18,556	340

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***12 Investment property (continued)**

Bank	31 December 2024	31 December 2023
Not later than 1 year	5,608	272
Later than 1 year and not later than 2 years	3,606	68
Later than 2 years and not later than 3 years	3,696	-
Later than 3 years and not later than 4 years	3,788	-
Later than 4 years and not later than 5 years	300	-
Total future operating lease payments receivable	16,998	340

13 Investments in subsidiaries

	Ownership at 31 December 2024 (%)	Ownership at 31 December 2023 (%)	31 December 2024	31 December 2023
MAIB-Leasing SA	100%	100%	163,452	163,452
Moldmediacard SRL	99%	99%	11,522	11,522
MAIB Tech SRL	100%	-	100	-
Gross carrying amount			175,074	174,974
Less: provision for impairment			-	(14,452)
Total			175,074	160,522

During 2024, the Group has created a new subsidiary with the purposes of externalizing the Group's IT software development and support activities. As per 31 December 2024, the entity is dormant.

The provision for impairment for the investment in subsidiaries has decreased by MDL 14,452 during 2024 due to the improved financial performance of **maib leasing**.

The investments in subsidiaries are measured at cost.

14 Other financial assets

	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Receivables from transactions with payment cards	138,737	89,808	138,737	89,808
Other amounts in settlement*	30,058	32,610	30,058	32,610
Fees receivable not related to interest	28,726	23,682	28,726	23,682
Other financial assets	21,703	18,009	5,725	5,275
Receivables related to cancelled finance lease agreements	472	693	-	-
Other commissions	-	2,065	-	2,065
Total gross carrying amount	219,696	166,867	203,246	153,440
Less credit loss allowance	(23,189)	(18,886)	(21,688)	(17,905)
Total other financial assets	196,507	147,981	181,558	135,535

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

14 Other financial assets (continued)

Gross carrying amount and credit loss allowance amount for the Group's other financial assets by classes at 31 December 2024 and 31 December 2023 are disclosed in the table below:

	31 December 2024				31 December 2023			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Receivables from transactions with payment cards								
- Good	138,627	-	-	138,627	89,371	-	-	89,371
- Satisfactory	-	41	-	41	263	36	-	299
- Special monitoring	-	6	-	6	-	10	-	10
- Default	-	-	62	62	-	-	128	128
Gross carrying amount	138,627	47	62	138,736	89,634	46	128	89,808
Credit loss allowance	(5)	(16)	(62)	(83)	(4)	(10)	(128)	(142)
Carrying amount	138,622	31	-	138,653	89,630	36	-	89,666
Other amounts in settlement								
- Good	30,058	-	-	30,058	24,458	-	-	24,458
- Default	-	-	-	-	-	-	8,152	8,152
Gross carrying amount	30,058	-	-	30,058	24,458	-	8,152	32,610
Credit loss allowance	-	-	-	-	-	-	-	-
Carrying amount	30,058	-	-	30,058	24,458	-	8,152	32,610
Fees receivable not related to interest								
- Good	9,221	66	80	9,367	7,141	179	-	7,320
- Satisfactory	-	51	128	179	-	162	-	162
- Special monitoring	-	-	78	78	-	45	87	132
- Default	-	4,623	14,479	19,102	-	4,790	11,278	16,068
Gross carrying amount	9,221	4,740	14,765	28,726	7,141	5,176	11,365	23,682
Credit loss allowance	(148)	(966)	(14,765)	(15,879)	(123)	(965)	(11,365)	(12,453)
Carrying amount	9,073	3,774	-	12,847	7,018	4,211	-	11,229
Other financial assets								
- Good	12,262	-	-	12,262	12,248	-	-	12,248
- Satisfactory	-	973	-	973	-	68	-	68
- Special monitoring	-	1,821	-	1,821	-	46	-	46
- Default	-	-	6,647	6,647	-	-	5,647	5,647
Gross carrying amount	12,262	2,794	6,647	21,703	12,248	114	5,647	18,009
Credit loss allowance	(12)	(316)	(6,526)	(6,854)	(2)	(75)	(5,647)	(5,724)
Carrying amount	12,250	2,478	121	14,849	12,246	39	-	12,285
Receivables related to cancelled finance lease agreements								
- Default	-	-	472	472	-	-	693	693
Gross carrying amount	-	-	472	472	-	-	693	693
Credit loss allowance	-	-	(372)	(372)	-	-	(527)	(527)
Carrying amount	-	-	100	100	-	-	166	166
Other commissions								
- Good	-	-	-	-	2,065	-	-	2,065
- Default	-	-	-	-	-	-	(40)	(40)
Gross carrying amount	-	-	-	-	2,065	-	(40)	2,025
Credit loss allowance	-	-	-	-	-	-	-	-
Carrying amount	-	-	-	-	2,065	-	(40)	2,025
Total	190,003	6,283	221	196,507	135,417	4,286	8,278	147,981

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

14 Other financial assets (continued)

	31 December 2024				31 December 2023			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Receivables from transactions with payment cards								
- Good	138,627	-	-	138,627	89,371	-	-	89,371
- Satisfactory	-	41	-	41	263	36	-	299
- Special monitoring	-	6	-	6	-	10	-	10
- Default	-	-	62	62	-	-	128	128
Gross carrying amount	138,627	47	62	138,736	89,634	46	128	89,808
Credit loss allowance	(5)	(16)	(62)	(83)	(4)	(10)	(128)	(142)
Carrying amount	138,622	31	-	138,653	89,630	36	-	89,666
Other amounts in settlement								
- Good	30,058	-	-	30,058	24,458	-	-	24,458
- Default	-	-	-	-	-	-	8,152	8,152
Gross carrying amount	30,058	-	-	30,058	24,458	-	8,152	32,610
Credit loss allowance	-	-	-	-	-	-	-	-
Carrying amount	30,058	-	-	30,058	24,458	-	8,152	32,610
Fees receivable not related to interest								
- Good	9,221	66	80	9,367	7,141	179	-	7,320
- Satisfactory	-	51	128	179	-	162	-	162
- Special monitoring	-	-	78	78	-	45	87	132
- Default	-	4,623	14,479	19,102	-	4,790	11,278	16,068
Gross carrying amount	9,221	4,740	14,765	28,726	7,141	5,176	11,365	23,682
Credit loss allowance	(148)	(966)	(14,765)	(15,879)	(123)	(965)	(11,365)	(12,453)
Carrying amount	9,073	3,774	-	12,847	7,018	4,211	-	11,229
Other financial assets								
- Good	-	-	-	-	-	-	-	-
- Satisfactory	-	-	-	-	-	3	-	3
- Special monitoring	-	-	-	-	-	3	-	3
- Default	-	-	5,725	5,725	-	-	5,269	5,269
Gross carrying amount	-	-	5,725	5,725	-	6	5,269	5,275
Credit loss allowance	-	-	(5,725)	(5,725)	-	(1)	(5,269)	(5,270)
Carrying amount	-	-	-	-	-	5	-	5
Receivables related to cancelled finance lease agreements								
- Good	-	-	-	-	2,065	-	-	2,065
- Default	-	-	-	-	-	-	(40)	(40)
Gross carrying amount	-	-	-	-	2,065	-	(40)	2,025
Credit loss allowance	-	-	-	-	-	-	-	-
Carrying amount	-	-	-	-	2,065	-	(40)	2,025
Total	177,753	3,805	-	181,558	123,171	4,252	8,112	135,535

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***15 Other assets**

	Group			Bank
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Prepaid expenses	39,078	29,735	38,428	29,591
Other non-financial assets	37,685	35,354	35,125	32,054
Inventory and low value materials	26,600	30,162	26,581	30,021
Prepayments for premises and equipment and intangible assets	9,652	44,247	9,495	44,247
Other amounts in settlement	9,908	9,210	9,908	9,210
Personnel receivable	1,687	4,479	1,687	4,479
Other sundry debtors	-	45	-	-
Foreclosed collateral	79	196	-	-
Total gross carrying amount	124,689	153,428	121,224	149,602
Less: impairment	(28,326)	(31,192)	(27,594)	(31,190)
Total other assets	96,363	122,236	93,630	118,412

The movement in the impairment charge for other assets for the year 2024 and 2023 is presented below:

	Group			Bank
	2024	2023	2024	2023
At 1 January	(31,192)	(37,513)	(31,190)	(37,511)
Impairment (expense)/income	2,866	6,321	3,596	6,321
At 31 December	(28,326)	(31,192)	(27,594)	(31,190)

For assets eligible for impairment under IFRS 9, the Bank applies the general approach to calculating ECL based on loss ratios, considering the specific characteristics of the asset or counterparty. The assessment primarily focuses on the due date and the historical recoverability of these assets.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the Consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

16 Premises and equipment

Group	Land	Buildings	Furniture and equipment	Vehicles	Other assets	Assets under construction	Total
At 1 January 2023							
Cost/revalued amount	193,688	321,802	689,044	51,839	69,276	1,035,063	2,360,712
Accumulated depreciation	-	(8,552)	(463,312)	(30,254)	(42,636)	-	(544,754)
Carrying amount at 1 January 2023 (as originally reported)	193,688	313,250	225,732	21,585	26,640	1,035,063	1,815,958
<i>Change in accounting policy</i>							
Reversal of accumulated revaluation	(53,660)	(10,833)	-	-	-	-	(64,493)
Adjustment to accumulated depreciation	-	(96,664)	-	-	-	-	(96,664)
Cost amount (restated)	140,028	310,969	689,044	51,839	69,276	1,035,063	2,296,219
Accumulated depreciation (restated)	-	(105,216)	(463,312)	(30,254)	(42,636)	-	(641,418)
Carrying amount at 1 January 2023 (restated)	140,028	205,753	225,732	21,585	26,640	1,035,063	1,654,801
Additions	205	33	344	-	-	605,908	606,490
Transfers	(205)	692,349	517,078	4,596	42,111	(1,257,497)	(1,568)
Disposal - cost amount	(327)	(3,842)	(63,735)	(1,801)	(32,859)	-	(102,564)
Disposal – accumulated depreciation	-	1,383	58,445	1,147	29,781	-	90,756
Reclassification to non-current assets held for sale – GBV	(42)	(43,491)	(7,790)	-	-	-	(51,323)
Reclassification to non-current assets held for sale – accumulated amortization	-	20,686	7,431	-	-	-	28,117
Impairment charge to profit or loss	357	1,529	-	-	-	(53,798)	(51,912)
Depreciation charge	-	(6,477)	(63,020)	(5,372)	(11,594)	-	(86,463)
Cost amount (restated)	140,016	957,547	1,134,941	54,634	78,528	329,676	2,695,342
Accumulated depreciation (restated)	-	(89,624)	(460,456)	(34,479)	(24,449)	-	(609,008)
Carrying amount at 31 December 2023 (restated)	140,016	867,923	674,485	20,155	54,079	329,676	2,086,334
Additions	-	-	1,521	288	-	160,233	162,042
Transfers	-	214,549	217,507	2,978	21,247	(456,281)	-
Reclassification to non-current assets held for sale - CBV	(187)	(13,294)	(2,059)	-	-	-	(15,540)
Reclassification to non-current assets held for sale - accumulated amortization	-	4,636	1,846	-	-	-	6,482
Reclassification to investment properties	-	(110,141)	(64,670)	-	-	-	(174,811)
Disposal – cost amount	(2)	(41)	(23,540)	(1,670)	(879)	(1,777)	(27,909)
Disposal – accumulated amortization	-	26	22,664	1,594	141	-	24,425
Impairment charge to profit or loss	-	(11,226)	-	-	-	-	(11,226)
Depreciation charge	-	(15,726)	(98,035)	(5,428)	(15,189)	-	(134,378)
At 31 December 2024							
Cost amount	139,827	1,037,394	1,263,700	56,230	98,896	31,851	2,627,898
Accumulated depreciation	-	(100,688)	(533,981)	(38,313)	(39,497)	-	(712,479)
Carrying amount at 31 December 2024	139,827	936,706	729,719	17,917	59,399	31,851	1,915,419

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the Consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

16 Premises and equipment (continued)

Bank	Land (revalued)	Buildings (revalued)	Furniture and equipment	Vehicles	Other assets	Assets under construction	Total
At 1 January 2023							
Cost amount	193,378	317,499	676,241	49,359	68,738	1,035,063	2,340,278
Accumulated depreciation	-	(6,674)	(452,498)	(29,096)	(42,165)	-	(530,433)
Carrying amount at 1 January 2023 (as originally reported)	193,378	310,825	223,743	20,263	26,573	1,035,063	1,809,845
<i>Change in accounting policy:</i>							
Reversal of accumulated revaluation	(53,660)	(10,868)					(64,528)
Adjustment to accumulated depreciation		(96,664)					(96,664)
Cost amount (restated)	139,718	306,631	676,241	49,359	68,738	1,035,063	2,275,751
Accumulated depreciation (restated)	-	(103,338)	(452,498)	(29,096)	(42,165)	-	(627,097)
Carrying amount at 1 January 2023 (restated)	139,718	203,293	223,743	20,263	26,573	1,035,063	1,648,653
Additions	205	-	-	-	-	605,742	605,947
Transfers	(205)	692,349	517,078	4,596	42,111	(1,257,497)	(1,568)
Disposal - cost amount	(17)	(2,869)	(62,967)	(1,801)	(32,690)	-	(100,344)
Disposal - accumulated depreciation	-	1,383	57,700	1,147	29,614	-	89,844
Reclassification to non-current assets held for sale - GBV	(42)	(43,491)	(7,790)	-	-	-	(51,323)
Reclassification to non-current assets held for sale - accumulated amortization		20,686	7,431	-	-	-	28,117
Impairment charge to profit or loss	357	1,529	-	-	-	(53,798)	(51,912)
Depreciation charge	-	(6,477)	(62,152)	(4,970)	(11,591)	-	(85,190)
At 31 December 2023 (restated)							
Cost amount (restated)	140,016	954,149	1,122,562	52,154	78,159	329,510	2,676,551
Accumulated depreciation (restated)	-	(87,746)	(449,519)	(32,919)	(24,142)	-	(594,326)
Carrying amount at 31 December 2023 (restated)	140,016	866,403	673,043	19,235	54,017	329,510	2,082,224
Additions						159,269	159,269
Transfers	-	214,549	217,507	2,978	21,247	(456,281)	-
Reclassification to non-current assets held for sale - CBV	(187)	(13,294)	(2,059)	-	-	-	(15,540)
Reclassification to non-current assets held for sale - accumulated amortization	-	4,636	1,846	-	-	-	6,482
Reclassification to investment properties	-	(110,141)	(64,670)	-	-	-	(174,811)
Disposal - cost amount	(2)	(41)	(23,381)	(1,471)	(832)	(1,637)	(27,364)
Disposal - accumulated amortization	-	26	22,509	1,471	107	-	24,113
Impairment charge to profit or loss	-	(11,226)					(11,226)
Depreciation charge	-	(15,726)	(97,354)	(5,121)	(15,187)	-	(133,388)
At 31 December 2024							
Cost/revalued amount	139,827	1,033,996	1,249,959	53,661	98,574	30,861	2,606,879
Accumulated depreciation	-	(98,810)	(522,518)	(36,569)	(39,222)	-	(697,119)
Carrying amount at 31 December 2024	139,827	935,186	727,441	17,092	59,352	30,861	1,909,759

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)*

16 Premises and equipment (continued)

Premises and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Costs of minor repairs and day-to-day maintenance are expensed when incurred. Costs of replacing major parts or components of premises and equipment items are capitalized, and the replaced part is retired. In 2024, the Group has changed its accounting policy for the class of assets "land and buildings" under premises and equipment from revaluation model to cost model. Refer to note 5 for further details.

At the end of each reporting period management assesses whether there is any indication of impairment of premises and equipment.

If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognized in profit or loss for the year. An impairment loss recognized for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's value in use or fair value less costs to sell.

Depreciation of premises and equipment, including for construction in progress begins when the asset is available for use and is recognized in the statement of profit or loss. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, as stated in the table below.

The leasehold improvements are depreciated over the lease term. Land and construction in progress are not depreciated.

Premises and equipment	Years
Buildings	70
ATMs	4
Furniture and equipment	4-8
Computers	4
Vehicles	7

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.
Notes to the Consolidated and separate financial statements for the year ended 31 December 2024
(All amounts are expressed in thousands MDL, if not stated otherwise)
17 Intangible assets

Group	Software	Licenses	Other intangible assets	Goodwill	Intangible assets in progress	Total
At 1 January 2023						
Cost amount	177,648	99,741	18,442	2,497	51,800	350,128
Accumulated depreciation	(68,181)	(68,922)	(9,141)	-	-	(146,244)
Carrying amount at 1 January 2023	109,467	30,819	9,301	2,497	51,800	203,884
Additions	1,889	-	-	-	158,464	160,353
Capitalized internal development costs	69,288	-	-	-	-	69,288
Transfer	92,629	9,002	33,240	-	(204,110)	(69,239)
Disposal – cost	-	-	-	-	-	-
Disposal – accumulated amortization	-	-	-	-	-	-
Amortization charge	(29,538)	(20,922)	(6,710)	-	-	(57,170)
As at 31 December 2023						
Cost amount	341,454	108,743	51,682	2,497	6,154	510,530
Accumulated depreciation	(97,719)	(89,844)	(15,851)	-	-	(203,414)
Carrying amount at 31 December 2023	243,735	18,899	35,831	2,497	6,154	307,116
Additions	2,690	-	-	-	35,249	37,939
Capitalized internal development costs	105	-	-	-	66,746	66,851
Transfer	52,577	8,467	21,381	-	(85,625)	(3,200)
Disposal – cost	(6,647)	(29,195)	(1,188)	-	-	(37,030)
Disposal – accumulated amortization	5,810	29,195	1,188	-	-	36,193
Amortization charge	(48,042)	(17,433)	(16,207)	-	-	(81,682)
As at 31 December 2024						
Cost amount	390,179	88,015	71,875	2,497	22,524	575,090
Accumulated depreciation	(139,951)	(78,082)	(30,870)	-	-	(248,903)
Carrying amount at 31 December 2024	250,228	9,933	41,005	2,497	22,524	326,187
Bank						
	Software	Licenses	Other intangible assets		Intangible assets in progress	Total
At 1 January 2023						
Cost amount	152,949	99,741	18,442		51,800	322,932
Accumulated amortization	(53,036)	(68,922)	(9,140)		-	(131,098)
Carrying amount at 1 January 2023	99,913	30,819	9,302		51,800	191,834
Additions	-	-	-		158,464	158,464
Capitalized internal development costs	69,288	-	-		-	69,288
Transfer	92,629	9,002	33,240		(204,110)	(69,239)
Amortization charge	(26,803)	(20,922)	(6,710)		-	(54,435)
As at 31 December 2023						
Cost amount	314,866	108,743	51,682		6,154	481,445
Accumulated amortization	(79,839)	(89,844)	(15,850)		-	(185,533)
Carrying amount at 31 December 2023	235,027	18,899	35,832		6,154	295,912
Additions	-	-	-		35,249	35,249
Capitalized internal development costs	-	-	-		66,746	66,746
Transfer	52,577	8,467	21,381		(85,625)	(3,200)
Disposal - cost	(6,647)	(29,195)	(1,188)		-	(37,030)
Disposal – accumulated amortization	5,810	29,195	1,188		-	36,193
Amortization charge	(45,025)	(17,433)	(16,207)		-	(78,665)
As at 31 December 2024						
Cost amount	360,796	88,015	71,875		22,524	543,210
Accumulated amortization	(119,054)	(78,082)	(30,869)		-	(228,005)
Carrying amount at 31 December 2024	241,742	9,933	41,006		22,524	315,205

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***17 Intangible assets (continued)**

The Group's intangible assets, other than goodwill, include computer software, licenses and other intangible assets. Intangible assets are measured on initial recognition at cost, including transaction costs. An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will be generated. Expenses for research phase are recognized as an expense when they are incurred.

Software includes also internally developed software. Development activities in relation to internally developed software are capitalized if the Group can demonstrate the technical feasibility and intention of completing the software, the ability to use it, how it will generate probable economic benefits, the availability of resources and the ability to measure the expenditures reliably. The amount at which an internally developed intangible asset is initially capitalized is the sum of all expenses incurred beginning from the day on which the aforementioned conditions are initially met. If an internally developed intangible asset cannot be capitalized, or if there is not yet an intangible asset, the development costs are reported in the statement of profit or loss for the reporting period in which they are incurred.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets with finite lives are amortized on a straight-line basis over their useful lives. The amortization period and method are reviewed at least each financial year-end and adjusted if necessary.

Intangible assets	Years
Software	5-20
Licenses	2-5
Other intangible assets	4-8
Internally developed software	2-5

The intangible assets include as a significant item the core banking system of the Bank, T24, with the net book value at 31 December 2024 of MDL 50,608 thousand (31 December 2023: MDL 43,301 thousand).

18 Right of use assets and Lease liabilities

The Group and the Bank lease various buildings and office spaces. Rental contracts are typically made for fixed periods of 1 year to 10 years but may have extension options. All leases are recognized as a right-of-use asset and a corresponding liability from the date when the leased asset becomes available for use by the Group and the Bank.

The right of use assets had the following movements during the periods:

	Group		Bank	
	2024	2023	2024	2023
Carrying amount at 1 January	112,891	109,228	112,647	110,736
Additions	47,260	53,367	44,931	53,367
Disposals*	(13,690)	(23,456)	(13,690)	(24,806)
Modification**	37,823	15,591	38,811	15,591
Other movements***	-	(9,518)	-	(9,518)
Depreciation charge	(25,486)	(32,321)	(25,149)	(32,723)
Carrying amount at 31 December	158,798	112,891	157,550	112,647

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***18 Right of use assets and Lease liabilities (continued)**

At initial measurement the Group and Bank measures the right-of-use asset at cost. As an exception to the above, the Group accounts for short-term leases (less than 1 year) and leases of low value assets, of up to MDL 100 thousand, by recognizing the lease payments as an operating expense on a straight line basis.

In determining the lease term, management of the Group and Bank considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Potential future cash outflows of contracts in amount of MDL 100 thousand have not been included in the lease liability because it is not reasonably certain that the leases will be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The Lease liabilities had the following movements during the periods:

	Group		Bank	
	2024	2023	2024	2023
Carrying amount at 1 January	110,734	112,690	110,473	114,159
Additions	47,246	53,367	44,931	53,367
Disposals*	(13,607)	(23,151)	(13,607)	(24,463)
Modification**	38,342	16,971	38,811	16,971
Other movements***	-	(9,518)	-	(9,518)
Repayment	(26,439)	(32,793)	(25,611)	(33,053)
Interest expense	1,897	1,586	1,683	1,407
Foreign exchange differences	5	(8,418)	176	(8,397)
Carrying amount at 31 December	158,178	110,734	156,856	110,473

*Disposals for right of use asset and lease liabilities represent the derecognition as a result of cancellation of the lease contracts, full repayments or other changes performed on the lease contract that led to derecognition of the right of use or lease liability.

**Modification for right of use asset and lease liabilities represent a review of all contracts, in order to better estimate the duration of the contracts by the Group and recognize the contracts for the determined estimated duration. The assessment is based on the Group and Bank's strategy and plans for the upcoming periods in relation to its rented properties.

***The outstanding amount as per 31 December 2023 relates to a VAT correction made in relation to prior year.

Expenses relating to short-term leases and leases of low value assets that are not shown as short-term leases, are included in "Other operating expenses", as below:

	Group		Bank	
	2024	2023	2024	2022
Expense relating to short-term leases	5,877	13,550	5,877	13,550
Expense relating to leases of low-value assets that are not shown above as short-term leases	5,935	5,636	5,935	5,636
Total	11,812	19,186	11,812	19,186

The lease agreements do not impose any restrictions other than the deposit guarantees for the leased assets that are held by the lessor. Leased assets may not be used as collateral for borrowings.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.
Notes to the Consolidated and separate financial statements for the year ended 31 December 2024
(All amounts are expressed in thousands MDL, if not stated otherwise)
19 Due to customers

	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Legal entities				
Corporate entities				
Current accounts	6,010,970	5,487,135	6,015,424	5,492,279
Sight Deposits	238,839	173,550	238,839	173,550
Term deposits	2,965,615	2,155,316	2,965,615	2,155,316
Collateral deposits	57,813	46,741	57,813	46,741
Sub-total Corporate customers	9,273,237	7,862,742	9,277,691	7,867,886
Business Banking entities				
Current accounts	8,279,605	6,678,118	8,291,518	6,702,113
Sight Deposits	8,273	12,652	8,273	12,652
Term deposits	1,229,665	1,058,366	1,229,665	1,058,366
Collateral deposits	62,318	46,386	62,318	46,386
Sub-total Business Banking entities	9,579,861	7,795,522	9,591,774	7,819,517
Total due to customers from legal entities	18,853,098	15,658,264	18,869,465	15,687,403
Retail customers				
Current accounts	13,173,405	9,334,422	13,173,405	9,334,422
Sight deposits	8,300	7,727	8,300	7,727
Term deposits	13,887,681	13,848,509	13,887,681	13,848,509
Collateral deposits	13,296	1,747	13,296	1,747
Savings accounts	122,386	147,667	122,386	147,667
Total due to customers from Retail customers	27,205,068	23,340,072	27,205,068	23,340,072
Total due to customers	46,058,166	38,998,336	46,074,533	39,027,475

Due to customers are non-derivative liabilities to individuals, state or legal entities and are carried at amortized cost using the effective interest rate method.

At 31 December 2024 current accounts of legal entities and individuals include restricted deposits under guarantee (collateral) agreements in amount of MDL 273,897 thousand (31 December 2023: MDL 448,191 thousand).

The Group's term deposit portfolio includes certain deposits with no rights to withdraw deposits prior to maturity. Should such deposits be withdrawn prior to maturity, the interest rate is decreased to the rate applied for demand deposits and is recalculated for the whole term of the deposit.

Economic sector concentrations within customer accounts are as follows:

	Group							
	31 December 2024		31 December 2023		31 December 2024		31 December 2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Individuals	27,205,068	59.07	23,340,072	59.85	27,205,068	59.05	23,340,072	59.80
Trade	3,315,566	7.20	3,083,887	7.91	3,315,566	7.20	3,083,887	7.90
Other	5,975,150	12.97	4,864,788	12.47	5,991,517	13.00	4,893,927	12.54
Construction	891,093	1.93	872,941	2.24	891,093	1.93	872,941	2.24
State and public organizations	1,535,494	3.33	1,469,377	3.77	1,535,494	3.33	1,469,377	3.76
Agriculture	1,835,305	3.98	1,468,206	3.76	1,835,305	3.98	1,468,206	3.76
Manufacturing	817,275	1.77	492,843	1.26	817,275	1.77	492,843	1.26
Transport	2,039,567	4.43	1,830,494	4.69	2,039,567	4.43	1,830,494	4.69
Real estate	1,819,163	3.95	1,093,740	2.80	1,819,163	3.95	1,093,740	2.80
Other financial institutions	624,485	1.36	481,988	1.24	624,485	1.36	481,988	1.23
Total customer accounts	46,058,166	100	38,998,336	100	46,074,533	100	39,027,475	100

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***20 Debt securities in issue**

Group and Bank	31 December 2023	
	31 December 2024	(restated)
Debt securities at amortized cost	779,859	354,732
Total	779,859	354,732

The total amount of bonds outstanding as per 31 December 2024 is MDL 779,859 thousands (31 December 2023: MDL 354,732) and are carrying a variable interest rate composed of a reference rate plus a fixed margin (2% for the bonds issued under the first public offering program and from -1.0% to 1.5% set by class for the bonds issued under the second public offering program. The reference rate changes annually. The maturity of the bond is 3 years, but it can be redeemed at client request at the end of each quarter (the quarter is calculated according to issue registration date) for maximum 250 bonds. The coupon is paid quarterly. The bonds are traded freely on the Moldovan Stock Exchange.

Between 4 and 26 December 2023, the Group initiated its second public offering program. Under this program, the Group planned to conduct cyclical placements of Corporate Bonds over 12 months. As of 31 December 2024, the Group has conducted nine placements of Corporate bonds, comprising six different classes in ten consecutive bond issues. Each bond issue aims for a minimum subscription rate of 1%.

The total amount of bonds outstanding as per 31 December 2023 contains also the subscribed amounts (MDL 100,000 thousands) collected by the Group from interested investors, for which the subscription period has ended but which were pending regulatory approval at reporting date. The Group has subsequently issued the bonds following approval from the National Commission for Financial Markets ("CNPF") and registered them in the Registry of Securities Issuers ("REVM") on 11 January 2024. As a result, the related amount as per 31 December 2023 has been reclassified from „Other financial liabilities” to „Debt securities in issue”. For further details please refer to note 43.

The Group did not have any defaults of principal or interest or other breaches with respect to its debt securities in issue during the year ended 31 December 2024 and at 31 December 2023.

21 Borrowings

Borrowings from Financial Institutions:	Currency	Maturity	Group		Bank	
			31 December 2024	31 December 2023	31 December 2024	31 December 2023
International Fund for Agricultural Development (IFAD)	MDL/USD/ EUR	15.04.2032	712,171	663,781	712,171	663,781
European Bank for Reconstruction and Development (EBRD)	EUR	22.12.2027	419,140	911,254	419,140	911,254
Livada Moldovei Project	MDL/EUR	17.11.2033	788,685	701,312	788,685	701,312
Project for Competitiveness Improvement (PCI)	MDL/USD/ EUR	01.10.2031	367,654	345,904	367,654	345,904
Wine Project	EUR/MDL		48,805	70,143	48,805	70,143
Reconstruction Credit Institute (KfW)	MDL/USD/ EUR	16.07.2029	45,539	53,562	45,539	53,562
Rural Investment and Services Project (RISP)	MDL/USD/ EUR	01.04.2031	463,149	389,774	463,149	389,774
Central European Bank Project CEB	MDL/USD/ EUR	10.12.2027	126,068	170,323	126,068	170,323
International Finance Corporation (IFC)	EUR	15.06.2027	318,735	190,505	318,737	190,505
Total			3,289,946	3,496,558	3,289,946	3,496,558

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the Consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

21 Borrowings (continued)

Borrowings such as loans from banks and other financial institutions are initially recognized at fair value, notably as proceeds resulting from such instruments (fair value of consideration received), net of transaction costs incurred.

Loans from banks and other financial institutions are subsequently carried at amortized cost and any difference between net proceeds and the redemption value is recognized in the statement of profit or loss over the period to maturity using the effective interest method.

The Bank has contracted loans from International Financial Institutions directly (i.e. EBRD, IFC) and through Office for External Assistance Programs Management ("OEAPM") – a public institution formed by the Ministry of Finance in order to implement the credit line granted for private sector development funded by the World Bank (IFAD, RISP, CEB Covid-19, Livada Moldovei Project, Wine Project, KfW, Project for Competitiveness Improvement ("PCI").

For loans contracted through the OEAPM the repayment schedules is set for each individual project whereas the Bank acts as an intermediary between final beneficiary and the International Financial Institution.

The loans disbursed within the projects can be in different currencies (MDL, USD and / or EUR). The funds are utilized by the Group to further finance the clients that are under the scope of the projects. The most significant projects are the ones for agricultural funding and orchard.

The loans disbursed within agreements with EBRD provide funds for Micro, Small, Medium-sized Enterprises ("MSMEs", i.e. companies that have the staff headcount up to 250 employees, the turnover up to 50 million EUR and the balance sheet total up to 43 million EUR) for the purposes of the project.

The loans disbursed as part of the agreement with IFC provide funds for Micro, Small, Medium-sized Enterprises ("MSMEs", i.e. companies that have the staff headcount up to 300 employees, the turnover up to 15 million USD and total assets up to 15 million USD) for the purposes of the project. Half of the proceeds are earmarked for on-lending to women-owned MSMEs (WMSMEs). This loan includes a performance-based incentive ("PBI"), which will be paid if **maib** will fully reach the agreed 50% of WMSMEs lending.

Borrowings for financing the lease activity

Financial Institutions	Currency	Maturity	31 December 2024	31 December 2023
BC Moldindconbank S.A.	EUR	29.10.2028	73,300	44,727
Total			73,300	44,727

As at 31 December 2024 and 31 December 2023 the Group pledged the right to collect receivables under finance lease agreements and financing contracts and repossessed assets to secure the contracted borrowings as follows:

Financial Institutions	31 December 2024	31 December 2023
BC Moldindconbank S.A	125,000	70,000
Total	125,000	70,000

Covenants

The Group's borrowings are subject to various financial and non-financial covenants. The Group was in compliance with all the financial and non-financial covenants under its loan agreements as at 31 December 2024 and 31 December 2023.

The Group's borrowings also include financial and non-financial covenants that need to be complied with within 12 months of the reporting date. The Group expects to comply with all the quarterly covenants within 12 months after reporting date.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***22 Reconciliation of Liabilities Arising from Financing Activities**

The table below sets out movements in the Group's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing activities in the statement of cash flows.

Group	Liabilities from financing activities			Total
	Borrowed funds	Debt securities in issue	Subordinated debt	
Liabilities from financing activities at 1 January 2023	3,623,883	-	509,544	4,133,427
Cash flows:				
Proceed from borrowings	1,436,192	357,799	-	1,793,991
Repayments principal	(1,345,140)	(4,860)	-	(1,350,000)
Payment of interest	(245,395)	(6,466)	(91,414)	(343,275)
Foreign exchange adjustments	(155,158)	-	-	(155,158)
Other non-cash movements	226,904	8,259	85,573	320,736
Liabilities from financing activities at 31 December 2023	3,541,286	354,732	503,703	4,399,721
Cash flows:				
Additions	1,255,759	564,329	-	1,820,088
Repayments principal	(1,418,385)	(39,580)	-	(1,457,965)
Payment of interest	(209,055)	-	(56,365)	(265,420)
Foreign exchange adjustments	5,967	-	-	5,967
Other non-cash movements	187,676	378	55,214	143,268
Liabilities from financing activities at 31 December 2024	3,363,248	779,859	502,552	4,645,659

Lease liabilities, which represent part of financing activities are described in Note 18.

Bank	Liabilities from financing activities			Total
	Borrowed funds	Debt securities in issue	Subordinated debt	
Liabilities from financing activities at 1 January 2023	3,525,790	-	509,544	4,035,334
Cash flows:				
Additions	1,292,300	357,799	-	1,650,099
Repayments principal	(1,208,509)	(4,860)	-	(1,213,369)
Payment of interest	(245,395)	(6,466)	(91,414)	(343,275)
Foreign exchange adjustments	(94,527)	-	-	(94,527)
Other non-cash movements	226,899	8,259	85,573	320,731
Liabilities from financing activities at 31 December 2023	3,496,558	354,732	503,703	4,354,993
Cash flows:				
Additions	1,190,500	464,329	-	1,654,829
Repayments principal	(1,382,644)	(39,580)	-	(1,422,224)
Payment of interest	(206,176)	-	(56,365)	(262,541)
Foreign exchange adjustments	5,537	-	-	5,537
Other non-cash movements	186,171	378	55,214	241,763
Liabilities from financing activities at 31 December 2024	3,289,946	779,859	502,552	4,572,357

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***23 Other financial liabilities**

	Note	Group		Bank	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
<i>Other financial liabilities at AC</i>					
Operations with payment cards		67,388	138,017	67,388	138,017
Other amounts in settlement		49,464	67,908	49,464	67,908
Guarantee deposits		48,824	77,818	48,824	77,818
Dividends payables	27	33,694	13,137	33,694	13,137
Settlements with Visa and MC for marketing		24,763	13,338	24,763	13,338
Settlement Escrow		19,515	4,982	19,515	4,982
Securities settlements*		8,843	152,869	8,843	152,869
Other financial liabilities		5,562	16,196	5,562	16,181
Debt with suppliers		2,216	3,218	2,144	2,861
Issued letter of credit		1,824	1,829	1,824	1,829
Total other financial liabilities at AC		262,093	489,312	262,021	488,940
<i>Other financial liabilities at FVTPL</i>					
Contingent consideration liability**		38,621	38,639	38,621	38,639
Total other financial liabilities at FVTPL		38,621	38,639	38,621	38,639
Total other financial liabilities		300,714	527,951	300,642	527,579

* As at 31 December 2023, the amount under "Securities settlements" related to liabilities in course of settlement for the investments in debt securities to be purchased by the Group on behalf of clients (MDL 152,869 thousand), these amounts having been settled in January 2024.

**The Group has a contingent consideration liability outstanding as per 31 December 2024 in amount of MDL 38.6 million. The liability has been recognized and is measured at FVTPL. It relates to a contract dating back to 2020 whereby the Bank has sold some of its investments. Gains or losses on this liability is presented in profit or loss as Other similar expense, except for the amount of change in the fair value that is attributable to changes in the credit risk of that liability which is recorded in OCI and is not subsequently reclassified to profit or loss.

24 Other liabilities

	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Provision for untaken holidays and for other employee benefits	124,903	108,482	122,363	106,775
Other amounts in settlement*	85,946	114,787	85,946	114,787
Taxes payables other than on income	72,798	73,246	72,696	73,233
Other non-financial liabilities	55,891	23,826	55,563	22,702
Settlements with budget	42,421	37,720	37,895	32,610
Deferred revenue	13,366	12,236	13,366	12,236
Settlements with merchants	4,444	1,066	3,389	-
Provision for other risks	2,531	3,471	-	-
Total other liabilities	402,300	374,834	391,218	362,343

*The largest part of other amounts in settlement relates to amounts awaiting client instructions.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***25 Guarantees and other financial commitments and provision for loan commitments**

The primary purpose of these instruments is to ensure that the customer has funds available on request. Guarantees and standby letters of credit, which represent irrevocable arrangements that the Group will make payments in the event that a customer cannot meet its obligations to third parties and they carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorizing a third party to draw up to a stipulated amount under specific terms and conditions, are collateralized by the underlying shipments of goods to which they relate or cash deposits and, therefore, carry less risk than a direct borrowing.

Commitments to issue guarantees - a contract signed were the Group accepts to issue individual guarantees, while guarantees issued are actual guarantees issued. Commitments are usually agreed with corporate clients that put pledge for the whole contractual amount, under the contract. Later they request the issuance of individual guarantees for lower values, under that agreement. The issuance of a guarantee decreases the commitment value etc.

Such commitments are initially recognized at their fair value, which is normally evidenced by the amount of fees received. This amount is amortized on a straight line basis over the life of the commitment, except for commitments to originate loans if it is probable that the Group will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination; such loan commitment fees are deferred and included in the carrying value of the loan on initial recognition.

At the end of each reporting period, the commitments are measured at (i) the remaining unamortized balance of the amount at initial recognition, plus (ii) the amount of the loss allowance determined based on the expected credit loss model. As for the financial guarantees, these are measured at the higher of the two amounts reflected under (i) and (ii) above at the end of the reporting period. Note 39 provides information about inputs, assumptions and estimation techniques used in measuring ECL, including an explanation of how the Group incorporates forward-looking information in the ECL models.

The Group monitors the term to maturity of credit related commitments, because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments. The commitments are collateralized by cash deposits in amount of MDL 28,727 thousand (31 December 2023: MDL 31,126 thousand). Outstanding credit related commitments are as follows:

	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Undrawn credit lines that are irrevocable or are revocable only in response to a material adverse change	3,798,245	3,368,314	3,798,245	3,368,314
Total loan commitments	3,798,245	3,368,314	3,798,245	3,368,314
Letters of credit	19,389	16,236	19,389	16,236
Performance guarantees issued	900,784	401,190	900,784	401,190
Other guarantees issued	296,943	342,718	296,943	342,718
Commitments to issue guarantees	1,374,647	626,672	1,374,647	626,672
Less: Provision for Letters of credit	(57)	(64)	(57)	(64)
Less: Provision for performance guarantees issued	(1,208)	(778)	(1,208)	(778)
Less: Provision for other guarantees issued	(641)	(928)	(641)	(928)
Less: Provision for commitments to issue guarantees	(1,761)	(1,079)	(1,761)	(1,079)
Less: Provision for loan commitments	(28,727)	(31,126)	(28,727)	(31,126)
Total credit related commitments, net of provision	6,357,614	4,721,155	6,357,614	4,721,155

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***25 Guarantees and other financial commitments and provision for loan commitments (continued)**

An analysis of issued financial guarantees and credit related commitments by credit quality based on credit risk grades at 31 December 2024 is as follows:

Group and Bank	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Loan commitments				
- Good	3,237,352	490,478	-	3,727,830
- Satisfactory	-	67,637	-	67,637
- Special monitoring	-	538	-	538
- Default	-	-	2,240	2,240
Unrecognized amount	3,237,352	558,653	2,240	3,798,245
Provision for loan commitments	(18,657)	(9,678)	(392)	(28,727)
Letters of credit				
- Good	19,389	-	-	19,389
Unrecognized amount	19,389	-	-	19,389
Provision for letters of credit	(57)	-	-	(57)
Performance guarantees issued				
- Good	900,784	-	-	900,784
Unrecognized amount	900,784	-	-	900,784
Provision for performance guarantees issued	(1,208)	-	-	(1,208)
Other guarantees issued				
- Good	296,943	-	-	296,943
Unrecognized amount	296,943	-	-	296,943
Provision for other guarantees issued	(641)	-	-	(641)
Commitments to issue guarantees				
- Good	1,374,647	-	-	1,374,647
Unrecognized amount	1,374,647	-	-	1,374,647
Provision for commitments to issue guarantees	(1,761)	-	-	(1,761)

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***25 Guarantees and other financial commitments and provision for loan commitments (continued)**

An analysis of issued financial guarantees and credit related commitments by credit quality based on credit risk grades at 31 December 2023 is as follows:

Group and Bank	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Loan commitments				
- Good	2,943,273	392,292	-	3,335,565
- Satisfactory	20,008	5,159	-	25,167
- Special monitoring	-	1,617	-	1,617
- Default	-	-	5,819	5,819
Unrecognized amount	2,963,281	399,068	5,819	3,368,168
Provision for loan commitments	(21,308)	(8,661)	(1,157)	(31,126)
Letters of credit				
- Good	16,236	-	-	16,236
Unrecognized amount	16,236	-	-	16,236
Provision for letters of credit	(64)	-	-	(64)
Performance guarantees issued				
- Good	401,190	-	-	401,190
Unrecognized amount	401,190	-	-	401,190
Provision for performance guarantees issued	(778)	-	-	(778)
Other guarantees issued				
- Good	342,718	-	-	342,718
Unrecognized amount	342,718	-	-	342,718
Provision for other guarantees issued	(928)	-	-	(928)
Commitments to issue guarantees				
- Good	626,672	-	-	626,672
Unrecognized amount	626,672	-	-	626,672
Provision for commitments to issue guarantees	(1,079)	-	-	(1,079)

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the Consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

25 Guarantees and other financial commitments and provision for loan commitments (continued)

Movements in the provision for loan commitments at 31 December 2024 were as follows:

Group and Bank	Provision				Off balance-sheet items			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
At 1 January 2024	(21,308)	(8,661)	(1,157)	(31,126)	2,963,433	401,353	3,530	3,368,316
Movements with impact on provision for credit related commitments charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	1,374	(2,747)	-	(1,373)	(126,440)	67,143	-	(59,297)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(503)	7	257	(239)	(171)	(491)	917	255
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(1,694)	5,593	23	3,922	107,396	(238,460)	(105)	(131,169)
- from credit-impaired to lifetime (from Stage 3 to Stage 2)	-	(1)	78	77	-	170	(361)	(191)
Issued guarantees (fees charged)	(13,537)	(8,859)	-	(22,396)	2,141,395	482,004	-	2,623,399
Derecognized during the period	8,043	954	-	8,997	(1,077,929)	(139,354)	-	(1,217,283)
Changes to model assumptions	1,439	2,104	(27)	3,516	-	-	-	-
Other movements	7,472	2,042	438	9,952	(780,757)	(14,087)	(1,742)	(796,586)
Total charge to profit or loss for the year	2,594	(907)	769	2,456	263,494	156,925	(1,291)	419,128
Movements without impact on provision for credit related commitments charge for the period:								
Foreign exchange movements	53	(110)	-	(57)	10,425	375	1	10,801
At 31 December 2024	(18,661)	(9,678)	(388)	(28,727)	3,237,352	558,653	2,240	3,798,245

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the Consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

25 Guarantees and other financial commitments and provision for loan commitments (continued)

The movements in the provision for loan commitments at 31 December 2023 were as follows:

Group and Bank	Provision				Off balance-sheet items			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
At 1 January 2023	(35,166)	(7,877)	(732)	(43,775)	2,624,778	335,538	1,987	2,962,303
Movements with impact on provision for credit related commitments charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	3,551	(496)	-	3,055	(253,679)	108,359	-	(145,320)
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(180)	17	(605)	(768)	(928)	(443)	(1,999)	(628)
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	(1,232)	4,565	34	3,367	131,161	188,390	(76)	(57,305)
- from credit-impaired to lifetime (from Stage 3 to Stage 2)	-	(2)	67	65	-	194	(150)	44
Issued guarantees (fees charged)	(8,465)	(4,210)	-	(12,675)	1,471,682	209,653	-	1,681,335
Derecognized during the period	14,186	1,488	-	15,674	(996,087)	(94,263)	-	(1,090,350)
Changes to model assumptions	(5,042)	(955)	20	(5,977)	-	-	-	-
Other movements	11,151	(1,260)	60	9,951	10,065	32,054	(227)	41,892
Total charge to profit or loss for the year	13,969	(853)	(424)	12,692	362,214	67,164	1,546	430,924
Movements without impact on provision for credit related commitments charge for the period:								
Foreign exchange movements	(112)	69	-	(43)	(23,564)	(1,349)	-	(24,913)
At 31 December 2023	(21,309)	(8,661)	(1,156)	(31,126)	2,963,428	401,353	3,533	3,368,314

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the Consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

25 Guarantees and other financial commitments and provision for loan commitments (continued)

The movements in the provision for letters of credit at 31 December 2024 were as follows:

Group and Bank	Provision				Off balance-sheet items			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
At 1 January 2024	(62)	-	-	(62)	16,236	-	-	16,236
Movements with impact on provision for Letters of credit for the period:								
Transfers:								
- from credit-impaired to lifetime (from Stage 3 to Stage 2)	-	-	-	-	-	-	-	-
Issued guarantees (fees charged)	(53)	-	-	(53)	16,493	-	-	16,493
Derecognized during the period	57	-	-	57	(13,332)	-	-	(13,332)
Changes to model assumptions	1	-	-	1	-	-	-	-
Other movements								
Total charge to profit or loss for the year	5	-	-	5	3,161	-	-	3,161
Movements without impact on provision for credit related commitments charge for the period:								
Foreign exchange movements	-	-	-	-	(8)	-	-	(8)
At 31 December 2024	(57)	-	-	(57)	19,389	-	-	19,389

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the Consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

25 Guarantees and other financial commitments and provision for loan commitments (continued)

The movements in the provision for letters of credit at 31 December 2023 were as follows:

Group and Bank	Provision				Off balance-sheet items			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
At 1 January 2023	(168)	-	-	(168)	16,930	-	-	16,930
Movements with impact on provision for Letters of credit for the period:								
Transfers:								
Issued guarantees (fees charged)	(59)	-	-	(59)	13,332	-	-	13,332
Derecognized during the period	168	-	-	168	(16,930)	-	-	(16,930)
Changes to model assumptions	-	-	-	-	-	-	-	-
Other movements	(5)	-	-	(5)	3,057	-	-	3,057
Total charge to profit or loss for the year	104	-	-	104	(541)	-	-	(541)
Movements without impact on provision for credit related commitments charge for the period:								
Foreign exchange movements	-	-	-	-	(153)	-	-	(153)
At 31 December 2023	(64)	-	-	(64)	16,236	-	-	16,236

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***25 Guarantees and other financial commitments and provision for loan commitments (continued)**

The movements in the provision for performance guarantees at 31 December 2024 were as follows:

Group and Bank	Provision				Off balance-sheet items			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
At 1 January 2024	(779)	-	-	(779)	401,190	-	-	401,190
Movements with impact on provision for Performance								
Guarantees issued for the period:								
Transfers:								
Issued guarantees (fees charged)	(992)	-	-	(992)	773,468	-	-	773,468
Derecognized during the period	487	-	-	487	(273,794)	-	-	(273,794)
Changes to model assumptions	-	-	-	-	-	-	-	-
Other movements	76	-	-	76	29	-	-	29
Total charge to profit or loss for the year	(429)	-	-	(429)	499,703	-	-	499,703
Movements without impact on provision for credit related commitments charge for the period:								
Foreign exchange movements	-	-	-	-	(109)	-	-	(109)
At 31 December 2024	(1,208)	-	-	(1,208)	900,784	-	-	900,784

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the Consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

25 Guarantees and other financial commitments and provision for loan commitments (continued)

The movements in the provision for performance guarantees at 31 December 2023 were as follows:

Group and Bank	Provision				Off balance-sheet items			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
At 1 January 2023	(2,549)	-	-	(2,549)	409,894	-	-	409,894
Movements with impact on provision for Performance Guarantees issued for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	-	-	-	-	-	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	-	-	-	-	-	-	-	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	-	-	-	-	-	-	-	-
- from credit-impaired to lifetime (from Stage 3 to Stage 2)	-	-	-	-	-	-	-	-
Issued guarantees (fees charged)	(569)	-	-	(569)	306,172	-	-	306,172
Derecognized during the period	2,387	-	-	2,387	(373,401)	-	-	(373,401)
Changes to model assumptions	-	-	-	-	-	-	-	-
Other movements	(52)	-	-	(52)	61,286	-	-	61,286
Total charge to profit or loss for the year	1,766	-	-	1,766	(5,943)	-	-	(5,943)
Movements without impact on provision for credit related commitments charge for the period:								
Foreign exchange movements	5	-	-	5	(2,761)	-	-	(2,761)
At 31 December 2023	(778)	-	-	(778)	401,190	-	-	401,190

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the Consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

25 Guarantees and other financial commitments and provision for loan commitments (continued)

The movements in the provision for other guarantees issued at 31 December 2024 were as follows:

Group and Bank	Provision				Off balance-sheet items			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
At 1 January 2024	(928)	-	-	(928)	342,718	-	-	342,718
Movements with impact on provision for Other guarantees issued for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	-	-	-	-	-	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	-	-	-	-	-	-	-	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	-	-	-	-	-	-	-	-
- from credit-impaired to lifetime (from Stage 3 to Stage 2)	-	-	-	-	-	-	-	-
Issued guarantees (fees charged)	(439)	-	-	(439)	196,964	-	-	196,964
Derecognized during the period	667	-	-	667	(249,774)	-	-	(249,774)
Changes to model assumptions	-	-	-	-	-	-	-	-
Other movements	61	-	-	61	5,544	-	-	5,544
Total charge to profit or loss for the year	289	-	-	289	(47,266)	-	-	(47,266)
Movements without impact on provision for credit related commitments charge for the period:								
Foreign exchange movements	(2)	-	-	(2)	1,491	-	-	1,491
At 31 December 2024	(641)	-	-	(641)	296,943	-	-	296,943

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the Consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

25 Guarantees and other financial commitments and provision for loan commitments (continued)

The movements in the provision for other guarantees issued at 31 December 2023 were as follows:

Group and Bank	Provision				Off balance-sheet items			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
At 1 January 2023	(2,261)	-	-	(2,261)	349,002	-	-	349,002
Movements with impact on provision for Other guarantees issued for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	-	-	-	-	-	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	-	-	-	-	-	-	-	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	-	-	-	-	-	-	-	-
- from credit-impaired to lifetime (from Stage 3 to Stage 2)	-	-	-	-	-	-	-	-
Issued guarantees (fees charged)	(658)	-	-	(658)	238,362	-	-	238,362
Derecognized during the period	2,231	-	-	2,231	(342,440)	-	-	(342,440)
Changes to model assumptions	-	-	-	-	-	-	-	-
Other movements	(250)	-	-	(250)	101,151	-	-	101,151
Total charge to profit or loss for the year	1,323	-	-	1,323	(2,927)	-	-	(2,927)
Movements without impact on provision for credit related commitments charge for the period:								
Foreign exchange movements	10	-	-	10	(3,357)	-	-	(3,357)
At 31 December 2023	(928)	-	-	(928)	342,718	-	-	342,718

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the Consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

25 Guarantees and other financial commitments and provision for loan commitments (continued)

The movements in the provision for commitments to issue guarantees at 31 December 2024 were as follows:

Group and Bank	Provision				Off balance-sheet items			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
At 1 January 2024	(1,079)	-	-	(1,079)	626,672	-	-	626,672
Movements with impact on provision for Commitments to issue guarantees for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	-	-	-	-	-	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	-	-	-	-	-	-	-	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	-	-	-	-	-	-	-	-
- from credit-impaired to lifetime (from Stage 3 to Stage 2)	-	-	-	-	-	-	-	-
Issued guarantees (fees charged)	(1,029)	-	-	(1,029)	802,359	-	-	802,359
Derecognized during the period	313	-	-	313	(181,584)	-	-	(181,584)
Other movements	35	-	-	35	126,516	-	-	126,516
Total charge to profit or loss for the year	(681)	-	-	(681)	747,291	-	-	747,291
Movements without impact on provision for credit related commitments charge for the period:								
Foreign exchange movements	(1)	-	-	(1)	684	-	-	684
At 31 December 2024	(1,761)	-	-	(1,761)	1,374,647	-	-	1,374,647

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the Consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

25 Guarantees and other financial commitments and provision for loan commitments (continued)

The movements in the provision for commitments to issue guarantees at 31 December 2023 were as follows:

Group and Bank	Provision				Off balance-sheet items			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
At 1 January 2023	(1,714)	-	-	(1,714)	385,888	-	-	385,888
Movements with impact on provision for Commitments to issue guarantees for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	-	-	-	-	-	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	-	-	-	-	-	-	-	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	-	-	-	-	-	-	-	-
- from credit-impaired to lifetime (from Stage 3 to Stage 2)	-	-	-	-	-	-	-	-
Issued guarantees (fees charged)	(1,079)	-	-	(1,079)	626,672	-	-	626,672
Derecognized during the period	1,714	-	-	1,714	(385,888)	-	-	(385,888)
Changes to model assumptions	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	1	-	-	1
Total charge to profit or loss for the year	635	-	-	635	240,785	-	-	240,785
Movements without impact on provision for credit related commitments charge for the period:								
Foreign exchange movements	-	-	-	-	(1)	-	-	(1)
At 31 December 2023	(1,079)	-	-	(1,079)	626,672	-	-	626,672

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the Consolidated and separate financial statements for the year ended 31 December 2024 (All amounts are expressed in thousands MDL, if not stated otherwise)

26 Subordinated debt

Subordinated debt from Financial Institutions	Currency	Maturity	31 December 2024	31 December 2023
European Fund for South-East Europe S.A., SICAF-SIF	MDL	25.11.2031	298,807	298,914
Green for Growth Fund, Southeast Europe S.A., SICAV-SIF	MDL	20.05.2029	203,745	204,789
Total			502,552	503,703

In 2021 the Group signed 2 Subordinated Facility Agreements:

- for 15 million EUR (in a synthetic Local Currency) signed with The European Fund for Southeast Europe S.A. ("SICAF-SIF") and disbursed in the same year and
- for 10 million EUR (in a synthetic Local Currency) signed with Green for Growth Fund ("GGF") which were disbursed in 2022.

The total amount of subordinated debt is MDL 502,552 thousand (2023: MDL 503,703), both agreements are carrying a variable interest rate composed of reference rate and margin. The debt ranks after all other creditors in the case of liquidation.

Refer to Note 40 for the disclosure of the fair value of subordinated debt. Interest rate analysis of subordinated debt is disclosed in Note 38.

27 Share capital, dividends and earnings per share

The share capital of the Group represents ordinary shares and is the consideration from shareholders equal to nominal value of issued shares. Ordinary shares and shares premium are both classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is recorded as share premium in equity.

At 31 December 2024 the non-distributable reserves amounted to MDL 200,996 thousand (31 December 2023: MDL 246,354 thousand) and includes revaluation reserve from securities at fair value through other comprehensive income and legal reserves, which are non-distributable. Starting with 2012, according to the NBM requirements, an additional reserve was created by the Group. This reserve was determined as the difference between the allowances for impairment of loans and conditional commitments in accordance with IFRS Accounting Standards and the value computed, but non-accounted for of allowances for impairment of loans and conditional commitments in accordance with prudential regulations of the NBM (31 December 2024: MDL 484,403 thousand and 31 December 2023: MDL 412,141 thousand). Legal reserves and reserve recorded in accordance with prudential regulations of the NBM are included in retained earnings.

Ordinary shares

As at 31 December 2024 the share capital comprises 103,763,400 authorized ordinary shares, with a nominal value of MDL 2 per share (31 December 2023: 103,763,400 shares).

Ordinary shares held by the Group (Treasury shares)

As at 31 December 2024, 3,103,438 ordinary shares (31 December 2023: 0 shares) of the Group with a nominal value of MDL 2 are held by the Group.

During 2024, the Group has repurchased 3,103,438 ordinary shares at the price of MDL 74.56 per share in order to be able to fulfill its obligations under its share incentive program in relation to its employees in the future. The Group has elected to disclose the nominal value of the shares repurchased (MDL 6,207 thousand) as a separate line item in the statement of financial position ("Treasury shares"), with the difference between the acquisition price and the nominal value of the repurchased shares (MDL 226,690 thousand) being deducted from retained earnings.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024**
*(All amounts are expressed in thousands MDL, if not stated otherwise)***27 Share capital, dividends and earnings per share (continued)****Dividends**

The Group has approved the distribution of dividends on 19 June 2024, related to the net profit of the years ended 31 December 2023, 31 December 2022 and also for 31 December 2021 in the amount of MDL 757,473 thousand. The value of dividends per share was 7.30 MDL.

	Group		Bank	
	2024	2023	2024	2023
Dividends payable at 1 January	13,385	5,583	13,385	5,583
Dividends declared during the year	757,566	198,188	757,473	198,188
Dividends paid during the year	(735,284)	(190,386)	(735,191)	(190,386)
Dividends prescribed and recorded as income	(1,973)	-	(1,973)	-
Dividends payable at 31 December	33,694	13,385	33,694	13,385
Dividends per share declared during the year	7,30	1,91	7,30	1,91

For the dividends approved by the Bank to be paid and not yet collected by the shareholders in a period longer than three years since the date when the right to receive the dividends occurred, the Bank is legally released from the obligation to pay such dividends and therefore the liability is derecognized and it is recorded as income. During 2024 the Bank prescribed MDL 1,973 thousand of dividends corresponding to previous years.

Basic earnings per share are calculated by dividing the profit attributable to owners of the Bank by the weighted average number of ordinary shares in issue during the year, excluding treasury shares.

The Group has no dilutive potential ordinary shares; therefore, the diluted earnings per share equal the basic earnings per share. Earnings per share are calculated as follows:

Group	Ordinary shares outstanding (number)	Weighted average ordinary shares outstanding (number)	Net Profit for the year thousand MDL	Earnings per share MDL	Diluted Earnings per share MDL
At 31 December 2023	103,763,400	103,763,400	1,222,933	12	12
At 31 December 2024	103,763,400	102,987,541	1,412,304	14	14

Bank	Ordinary shares outstanding (number)	Weighted average ordinary shares outstanding (number)	Net Profit for the year thousand MDL	Earnings per share MDL	Diluted Earnings per share MDL
At 31 December 2023	103,763,400	103,763,400	1,223,150	12	12
At 31 December 2024	100,659,962	102,987,541	1,396,054	14	14

28 Own funds and management of capital

The Group's objectives when managing capital, defined by the Bank as regulatory capital under NBM definition, are (i) to comply with the capital requirements set by the NBM, (ii) to safeguard the Group's ability to continue as a going concern and (iii) to maintain a sufficient capital base to achieve own funds adequacy ratio based on the provisions of regulations in force. Compliance with own funds adequacy ratios set by the NBM is monitored monthly, with reports outlining their calculation being reviewed and signed by the Bank's Credit Risk Officer.

Own funds adequacy ratios measure capital adequacy by comparing the Bank's eligible capital with its balance sheet assets, off-balance sheet commitments and market and other risks positions weighted to reflect their relative risk (total risk exposure). To be sufficiently capitalized under the regulations of the NBM the Bank is required to maintain an own funds adequacy ratio of at least 11.79% according to Supervisory Review and Evaluation Process analysis and a limit of 16.79% which is the minimum required ratio that includes the capital, systemic risk and systemic significance buffers (31 December 2023: 16.51%).

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***28 Own funds and management of capital (continued)**

The own funds are defined as sum of share capital, retained earnings and reserves deducted with other regulatory established adjustments. Based on information provided internally to key management personnel, the amount of own funds that the Bank managed as of 31 December 2024 was MDL 6,615,883 thousand (31 December 2023: MDL 6,416,412 thousand).

The total risk exposure as of 31 December 2024 was MDL 32,124,811 thousand (31 December 2023: MDL 26,647,966 thousand). The own funds adequacy ratio of the Bank at 31 December 2024 constitutes 20.59% (31 December 2023: 24.08%). The Group and the Bank complied with all capital requirements as at 31 December 2024 and 31 December 2023.

29 Net margin on interest and similar income

	Group		Bank	
	2024	2023	2024	2023
Interest income calculated using the EIR method				
Loans and advances to customers at AC	2,390,973	2,501,550	2,398,103	2,508,571
Debt securities at FVOCI	382,445	581,802	382,445	581,802
Debt securities at AC	86,991	155,789	83,606	145,213
Due from other banks at AC	137,864	54,522	137,864	54,522
NBM placements	236,529	458,317	236,529	458,317
Total interest income calculated using the effective interest method	3,234,802	3,751,980	3,238,547	3,748,425
Other similar income				
Finance lease receivables	41,863	35,497	-	-
Total other similar income	41,863	35,497	-	-
Total interest income	3,276,665	3,787,477	3,238,547	3,748,425
Interest expense				
Term deposits of legal entities	(268,649)	(213,333)	(277,592)	(213,333)
Term deposits of individuals	(428,354)	(1,036,175)	(428,354)	(1,036,175)
Term placements of other banks	(554)	(4,845)	(554)	(263)
Borrowings	(205,257)	(226,899)	(193,540)	(226,899)
Subordinated debt	(54,832)	(85,573)	(54,832)	(85,573)
Repurchase agreements	-	-	-	-
Debt securities in issue	(29,897)	(8,259)	(29,897)	(8,259)
Total interest expense	(987,543)	(1,575,084)	(984,769)	(1,570,502)
Other similar expense				
Lease liabilities	(1,649)	(1,382)	(1,683)	(1,407)
Other expenses	-	(1,530)	-	(1,530)
Total other similar expense	(1,649)	(2,912)	(1,683)	(2,937)
Total interest expense	(989,192)	(1,577,996)	(986,452)	(1,573,439)
Net margin on interest and similar income	2,287,473	2,209,481	2,252,095	2,174,986

Interest income and expense for all interest-bearing financial instruments, are recognized in the statement of profit or loss, on an accrual basis using the effective interest method. Fees for loan commitments that are likely to be granted are deferred (together with direct costs) and are recognized as an adjustment to the effective interest rate on loans.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for (i) financial assets that have become credit impaired (Stage 3), for which interest income is calculated by applying the effective interest rate to their AC, net of the ECL allowance, and (ii) financial assets

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***29 Net margin on interest and similar income (continued)**

that are purchased or originated credit impaired, for which the original credit-adjusted effective interest rate is applied to the AC.

If the credit risk on the financial asset classified in Stage 3 subsequently improves so that the asset is no longer credit-impaired and the improvement can be related objectively to an event occurring after the asset had been determined as credit-impaired (i.e. the asset becomes cured), the asset is reclassified from Stage 3 and the interest income is calculated by applying the EIR to the gross carrying amount. The additional interest income, which was previously not recognized in the statement of profit or loss due to the fact that the asset was in Stage 3, but it is now expected to be received following the asset's curing, is recognized as a reversal of impairment.

30 Net fee and commission income

	Group		Bank	
	2024	2023	2024	2023
<i>Fee and commission income</i>				
Transactions with debit cards*	734,711	577,606	734,710	577,606
Cash transactions	172,549	155,510	172,551	155,510
Processing of clients' payments	134,157	115,733	128,121	115,733
Commissions from other services to clients	139,719	122,354	139,748	115,977
Settlement transactions	48,208	43,742	48,218	43,888
Money transfer services	29,568	31,351	29,568	31,351
Commission from direct debit transactions	22,467	14,927	22,467	14,927
Commissions on guarantees and letters of credit	15,212	15,110	15,212	15,110
Commissions for transfer of salaries to debit cards	11,755	13,155	11,755	13,155
Cash collection	7,765	6,713	7,765	6,713
Total fee and commission income	1,316,111	1,096,201	1,310,115	1,089,970
<i>Fee and commission expense</i>				
Processing centers services	(444,310)	(360,697)	(444,310)	(360,697)
Transactions with debit cards*	(239,768)	(233,006)	(268,652)	(233,006)
Settlement transactions	(47,631)	(15,421)	(47,631)	(42,524)
Cash transactions	(22,229)	(25,994)	(22,229)	(25,994)
Other fee and commission expense	(17,168)	(7,761)	(17,168)	(7,761)
Cash withdrawal related to debit cards	(7,258)	(6,985)	(7,258)	(6,985)
Total fee and commission expense	(778,364)	(649,864)	(807,248)	(676,967)
Total Net fee and commission income	537,747	446,337	502,867	413,003

*Increase in both transactions with card income and expenses is due to a general increase in number of active cards issued and serviced by the Bank.

Fees and commissions are recognized when the service has been provided. Fee and commission income arising from transaction with debit cards, cash transactions, cash collection, processing of client's payments, settlement transactions, money transfer services and direct debit transactions are recognized at point of time. Fees and commissions from guarantees and letters of credit are recognized over time for the period covered. Other fee and commission income arising from the financial services provided by the Group including investment management services, brokerage services, and account service fees are recognized as the related service is provided in the statement of profit or loss. Other fee and commission expenses relate mainly to transaction and service fees, which are registered as expenses as the services are received.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***31 Gains less losses from trading in foreign currencies**

	Group			Bank
	2024	2023	2024	2022
Gain from foreign currency trading	476,350	361,597	476,350	361,597
Gain from trading foreign currency at foreign exchange points	95,580	102,581	95,601	102,581
Gain from card transactions in foreign currency	146,782	116,769	146,782	116,769
Gain from other transactions in foreign currency	-	(104)	-	2
Total gains less losses from trading in foreign currencies	718,712	580,843	718,733	580,949

The Group sells and purchases foreign currencies in the cash offices and through the Group accounts, as well as exchanges foreign currencies. The transactions are performed at the exchange rates established by the Group, which are different from the official spot exchange rates at the particular dates. The differences between the official rates and Group rates are recognized as gains less losses from trading in foreign currencies at a point in time when a particular performance obligation is satisfied.

32 Other operating income

	Group			Bank
	2024	2023 (restated)	2024	2023 (restated)
Other dividend income	-	-	9,239	4,843
Other income	20,919	15,521	6,590	3,899
Rental income	5,057	771	5,530	1,246
Gains from disposal equity securities	5,017	-	5,017	-
Gains from disposal of investment property	3,876	1,685	-	-
Penalties received	3,150	3,305	2,082	2,270
Income from unpaid and prescribed dividend liabilities	1,973	-	1,973	-
Gains from disposal of other assets	-	2,965	-	2,965
Dividend income from equity investments at FVOCI	1,480	1,271	1,480	1,271
Total other operating income	41,472	25,519	31,911	16,494

33 Personnel expenses

	Group			Bank
	2024	2023	2024	2023
Wages and salaries	(807,227)	(730,129)	(788,698)	(713,247)
Social security contributions*	(199,408)	(182,156)	(197,660)	(180,063)
Meal Tickets	(32,391)	(6,097)	(31,993)	(29,901)
Provision for untaken holiday and bonuses	(17,454)	(4,240)	(15,588)	(3,134)
Other personnel expenses	(8,870)	(30,282)	(8,826)	(6,097)
Share payments to employees**	(2,785)	(954)	(2,785)	(954)
Total personnel expenses	(1,068,135)	(953,858)	(1,045,550)	(933,396)

*The Group and the Bank makes contributions to the State social insurance fund of the Republic of Moldova, calculated as a percentage of the gross salary and other compensations (2024: 24%, 2023: 24%). These contributions are charged to the statement of profit or loss in the period in which the related salary is earned by the employee.

**The Bank has established a Long-Term Incentive Plan (the "LTIP"), a substantial part of the variable component of the total remuneration is deferred for a period of 48 months with the objective to retain and motivate eligible key managers and employees of the Bank to contribute to the performance of the Bank. The fair value upon the vesting date of share-based awards - stock options – to employees is recognized as

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***33 Personnel expenses (continued)**

personnel expenses, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards.

34 Other operating expenses

	Group		Bank	
	2024	2023	2024	2023
Contribution to the Resolution Fund	(78,106)	(44,886)	(78,106)	(44,886)
Maintenance of intangible assets	(65,483)	(54,349)	(60,170)	(49,602)
Advertising and charity	(46,360)	(40,788)	(45,573)	(40,126)
Professional services	(35,291)	(60,326)	(34,831)	(59,867)
Repairs and maintenance	(31,685)	(28,432)	(31,230)	(28,384)
Contributions to the Deposit Guarantee Fund	(30,534)	(26,765)	(30,534)	(26,765)
Other expenses*	(32,400)	(50,127)	(29,583)	(43,078)
Utilities	(24,564)	(26,720)	(24,221)	(26,293)
Postage and telecommunication	(20,273)	(19,277)	(20,156)	(19,143)
Cleaning and small value inventory items	(19,088)	(21,001)	(19,013)	(20,915)
Safeguarding of assets and security	(13,553)	(12,613)	(13,549)	(12,609)
Personnel training	(13,466)	(3,491)	(13,456)	(3,484)
Operating lease expenses	(11,813)	(19,186)	(11,812)	(19,186)
Informational services	(11,537)	(9,483)	(11,308)	(9,282)
Money packaging and transportation expenses	(9,981)	(10,550)	(9,981)	(10,550)
Fuel expenses	(9,095)	(10,457)	(8,925)	(10,315)
Remuneration of member of the Bank's Council	(8,272)	(8,197)	(8,272)	(8,197)
Insurance expense	(7,908)	(10,012)	(7,787)	(9,878)
Financial audit services and other non-audit services	(7,398)	(6,655)	(6,115)	(5,274)
Travel expenses	(5,007)	(2,422)	(4,921)	(2,422)
Business promotion	(4,619)	(9,460)	(4,619)	(9,460)
Stationery and supplies	(4,123)	(5,943)	(4,071)	(5,891)
(Loss)/Gain on derecognition of non-financial assets	(1,852)	(3,815)	(1,852)	(3,815)
Total other operating expenses	(492,408)	(484,955)	(480,085)	(469,422)

*Other expenses include property tax, legal services and amounts relating to SWIFT services, among others.

The table below presents the fees paid or payable to PricewaterhouseCoopers Audit SRL and other PwC Network firms during 2024 and 2023:

	Group		Bank	
	2024	2023	2024	2023
Audit of the financial statements	6,162	4,467	4,879	3,536
Other non-audit services and consultancy services	2,266	8,418	2,266	8,418
Total	8,428	12,885	7,145	11,954

The cost of consultancy services paid or payable is included in the line "Professional services", while non-audit services such as review procedures, reasonable assurance engagements and agreed upon procedures are included within the line "Financial audit services and other non-audit services".

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***35 Credit loss allowance charge**

Expected credit loss allowance of interest bearing assets includes the elements presented below. During the financial year ended 31 December 2023 the Group has recorded recoveries from previously written off loans in amount of MDL 41,140 thousand (2023: MDL 32,229 thousand) and also from other financial assets in amount of MDL 2,850 thousand (2023: MDL 1,871 thousand).

	Note	Group		Bank	
		2024	2023	2024	2023
Loans and advances	10	(134,261)	(174,775)	(133,416)	(173,594)
Credit related commitments	25	1,675	15,541	1,675	15,541
Finance lease receivables	11	(3,903)	(2,847)	-	-
Other financial and other assets	14,15	(5,331)	(9,547)	(4,952)	(9,252)
Correspondent accounts and placements at banks*	7	(410)	24,022	(410)	24,022
Investments in debt securities	9	(5,945)	(21,409)	(6,137)	(21,466)
Total credit loss allowance charge		(148,175)	(169,015)	(143,240)	(164,749)

*The 2023 release in ECL in relation to correspondent accounts and placements at banks is related to correspondent accounts held with the Russian banks. During 2023, the Bank has managed to fully recover the amounts on these accounts which were classified as Stage 3 as at 31 December 2022.

36 Income tax expenses for the year

Income tax expense recorded in the statement of profit or loss for the year comprises the following:

	Group		Bank	
	2024	2023	2024	2023
Current income tax expenses	(195,345)	(180,975)	(189,577)	(172,870)
Deferred income tax	(9,997)	930	(8,998)	(2,045)
Income tax expenses for the year	(205,342)	(180,045)	(198,575)	(174,915)

Current income tax is calculated on the taxable income for the statutory financial statements. For tax purposes, the deductibility of certain expenses, for example entertainment costs, philanthropic, sponsorship and other expenses, expenses with improper supporting documents are limited to a percentage of profit specified in the tax law. The income tax rate applicable to the Bank and MAIB-Leasing S.A for 2024 income is 12% (2023: 12%). For Moldmediacard S.R.L. as a resident of the information technology park, a unified monthly tax is applied, which is 7% of the sales income for 2024 (2023: 7%). The balance of the Group's current tax liability at 31 December 2024 is of MDL 30,825 thousand (31 December 2023: MDL 25,832 thousand).

The reconciliation of the income tax expense is presented in the table below:

	Group		Bank	
	2024	2023	2024	2023
Profit before tax	1,617,753	1,400,756	1,594,629	1,395,750
Tax calculated at applicable rate	(197,923)	(168,091)	(191,355)	(167,490)
Tax effect of:	-	-	-	-
Non-taxable income	1,758	(1,198)	1,290	768
Non-deductible expenses	(8,178)	(9,405)	(8,510)	(8,558)
Philanthropic, sponsorship and other expenses	(999)	365	-	365
Recognition the effect of amending the deferred tax		(1,716)		-
Income tax expense for the year	(205,342)	(180,045)	(198,575)	(174,915)

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***36 Income tax expenses for the year (continued)**

Group	Balance at 1 January	Recognized in profit or loss	Recognized in other comprehensive income	Deferred tax assets	Deferred tax liabilities	Net balance at 31 December
2024						
Financial assets at fair value through other comprehensive income, including:	(6,119)	588	4,766	5,299	(6,064)	(765)
-the revaluation of equity investments	(92)	-	(10)	-	(102)	(102)
-the revaluation of debt investments	(10,699)	(39)	4,776	-	(5,962)	(5,962)
-ECL debt investments	4,672	627	-	5,299	-	5,299
Property and equipment, including:	3,291	(11,893)	-	15,155	(23,757)	(8,602)
- depreciation	(10,518)	(13,239)	-	-	(23,757)	(23,757)
- impairment	13,809	1,346	-	15,155	-	15,155
Non-current assets held for sale	(416)	416	-	-	-	-
Employee benefits	12,813	1,871	-	14,684	-	14,684
Impairment Assets under construction	6,456	(6,456)	-	-	-	-
Impairment investment property	-	6,456	-	6,456	-	6,456
Provision for other liabilities	(4,033)	5	-	606	(4,635)	(4,029)
Investment property	1,262	(1,197)	-	65	-	65
Other temporary differences	10	214	-	224	-	224
Total deferred tax assets/ (liabilities)	13,263	(9,996)	4,766	42,488	(34,455)	8,033

Group	Balance at 1 January	Recognized in profit or loss	Recognized in other comprehensive income	Deferred tax assets	Deferred tax liabilities	Net balance at 31 December
2023						
Financial assets at fair value through other comprehensive income, including:	1,346	2,615	3,961	4,713	(10,830)	(6,117)
-the revaluation of equity investments	(83)	-	(83)	-	(92)	(92)
-the revaluation of debt investments	(667)	-	(667)	-	(10,738)	(10,738)
-ECL debt investments	2,096	2,615	4,711	4,713	-	4,713
Property and equipment, including:	(1,043)	4,334	3,291	-	3,289	3,289
- revaluation reserve	-	-	-	-	-	-
- depreciation	(1,043)	(9,475)	(10,518)	-	(10,520)	(10,520)
- impairment	-	13,809	13,809	-	13,809	13,809
Non-current assets held for sale	-	(416)	(416)	-	(416)	(416)
Employee benefits	12,437	376	12,813	12,813	-	12,813
Impairment Assets under construction	14,035	(7,579)	6,456	6,456	-	6,456
Provision for other liabilities	(3,339)	(1,299)	(4,638)	-	(4,638)	(4,638)
Investment property	253	353	606	606	-	606
Other temporary differences	(1,276)	2,548	1,272	1,272	-	1,272
Total deferred tax assets/ (liabilities)	22,413	932	23,345	25,860	(12,595)	13,265

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***36 Income tax expenses for the year (continued)**

Bank 2024	Balance at 1 January	Recognized in profit or loss	Recognized in other comprehen- sive income	Deferred tax assets	Deferred tax liabilities	Net balance at 31 December
Financial assets at fair value through other comprehensive income:						
- the revaluation of equity investments	(6,158)	627	4,766	5,299	(6,064)	(765)
- the revaluation of debt investments	(92)	-	(10)	-	(102)	(102)
- ECL debt investments	(10,738)	-	4,776	-	(5,962)	(5,962)
Property and equipment, including:	4,672	627	-	5,299	-	5,299
- revaluation reserve	3,320	(11,915)	-	15,155	(23,750)	(8,595)
- depreciation	-	-	-	-	-	-
- impairment	(10,489)	(13,261)	-	(23,750)	(23,750)	(23,750)
Non-current assets held for sale	13,809	1,346	-	15,155	-	15,155
Employee benefits	(416)	416	-	-	-	-
Impairment assets under construction	12,813	1,871	-	14,684	-	14,684
Impairment investment property	6,456	(6,456)	-	-	-	(0)
Provision for other liabilities	6,456	6,456	-	6,456	-	6,456
	(4,639)	3	-	(1)	(4,636)	(4,636)
Total deferred tax assets/ (liabilities)	11,792	(9,414)	4,766	41,593	(34,449)	7,144

Bank 2023	Balance at 1 January	Recognized in profit or loss	Recognized in other comprehen- sive income	Deferred tax assets	Deferred tax liabilities	Net balance at 31 December
Financial assets at fair value through other comprehensive income:						
- the revaluation of equity investments	1,346	2,576	3,922	4,672	(10,830)	(6,158)
- the revaluation of debt investments	(83)	-	(83)	-	(92)	(92)
- ECL debt investments	(667)	-	(667)	-	(10,738)	(10,738)
Property and equipment, including:	2,096	2,576	4,672	4,672	-	4,672
- revaluation reserve	(978)	4,298	3,320	-	3,319	3,319
- depreciation	-	-	-	-	-	-
- impairment	(978)	(9,511)	(10,489)	-	(10,490)	(10,490)
Non-current assets held for sale	-	13,809	13,809	-	13,809	13,809
Employee benefits	-	(416)	(416)	-	(416)	(416)
Impairment assets under construction	12,437	376	12,813	12,813	-	12,813
Provision for other liabilities	14,035	(7,579)	6,456	6,456	-	6,456
	(3,339)	(1,299)	(4,638)	-	(4,638)	(4,638)
Total deferred tax assets/ (liabilities)	23,501	(2,044)	21,457	23,941	(12,565)	11,376

37 Segment reporting

Operating segments are structural units of the Group that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the Management Board and by the heads of departments responsible for making operational decisions based on the reports prepared in the prescribed manner.

The Group is organized on the basis of the following main business segments:

- **Retail Banking** - this segment includes a wide range of banking products and services to individuals.
- **Corporate Banking** - this segment includes various types of banking services to large companies.
- **Business banking** - this segment includes banking services provided to entities of small and medium-sized businesses.
- **Corporate Investments** - this segment include trading and corporate finance activities.
- **maib leasing** - this segment includes leasing of vehicles and leasing of commercial, industrial, agricultural and office equipment, and leasing of real estate.
- **MMC** - this segment includes processing of card transactions.
- **Maib tech** - this segment includes the provision of IT services.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the Consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***37 Segment reporting (continued)**

(a) Factors used by the Management to identify the reportable segments. The Group's segments are strategic units, focused on different categories of clients. Considering the particularity of clients' segmentation and the bank services provided, business units are managed separately.

(b) Measurement of reportable segment profit or loss. For defining profit or loss on reportable segments, the Group apply internal regulations of distribution of revenue and expenses using internal system of pricing transfer and some allocation keys of indirect revenue and expenses. Apart from operating indicators, main financial indicators used to monitor segment performance are: loans and deposits growth; cost of risk; and segment effective net profit relative to planned net profit.

(c) Geographical information. The Group has no significant income from foreign customers. The Group has no long-term assets located in countries other than the Republic of Moldova.

(d) Major customers

The Group has no external customers with revenues exceeding 10% of Group's total revenue. The NBM is a regulating authority with interest income received from the mandatory reserves and thus, is not considered as a major customer. Despite this the related income is disclosed in the note on page 111.

	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Assets				
Corporate Banking	17,333,336	15,934,460	17,333,336	15,934,460
Business Banking	14,202,879	12,339,022	14,202,879	12,339,022
Retail Banking	27,745,611	23,540,405	27,745,611	23,540,405
Corporate Investments	235,991	216,966	235,991	216,966
maib leasing	394,321	365,946	-	-
MMC	67,350	66,345	-	-
Maib tech	100	-	-	-
Intra-group eliminations	(318,734)	(346,217)	-	-
Total assets	59,660,855	52,116,927	59,517,817	52,030,853
Liabilities				
Corporate Banking	10,103,150	8,121,963	10,103,150	8,121,963
Business Banking	12,814,826	11,348,375	12,814,826	11,348,375
Retail Banking	28,603,147	24,960,765	28,603,147	24,960,765
Corporate Investments	42,271	16,193	42,271	16,193
maib leasing	215,178	216,805	-	-
MMC	1,200	1,673	-	-
Intra-group eliminations	(146,967)	(189,765)	-	-
Total liabilities	51,632,805	44,476,009	51,563,394	44,447,296

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decisions maker. Segments whose revenue, result or assets are 10% or more of all segments are reported separately.

The "Intragroup eliminations comprises intra-group operations: loans granted to **maib leasing** by the Bank in amount of MDL 128,574 thousand, cash and current accounts of the subsidiaries in amount of MDL 16,367 thousand, investment in subsidiaries – MDL 175,074 thousand and other elements MDL 1,280 thousand.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

37 Segment reporting (continued)

The segment information for the reportable segments for the year ended at 31 December 2024 and 31 December 2023 is set below:

Group and Bank	Corporate banking	Business Banking	Retail Banking	Corporate Investments	maib leasing	MMC	Intra-group eliminations	Total per statement of profit or loss
31 December 2024								
Interest income	914,670	829,866	1,490,737	3,274	45,053	2,008	(8,943)	3,276,665
Total interest income	914,670	829,866	1,490,737	3,274	45,053	2,008	(8,943)	3,276,665
Interest expense on customer deposits and other borrowings	(386,781)	(174,266)	(425,405)	-	(11,717)	(24)	9,001	(989,192)
Total interest expenses	(386,781)	(174,266)	(425,405)	-	(11,717)	(24)	9,001	(989,192)
Inter-segment revenue	(7,466)	(107,349)	93,992	20,823	-	-	-	-
Net interest income	520,423	548,251	1,159,324	24,097	33,336	1,984	58	2,287,473
Fee and commission income, of which:	68,963	261,520	979,262	370	-	34,987	(28,991)	1,316,111
<i>Recognized at a point in time</i>	60,491	254,466	979,262	370	-	34,987	(28,991)	1,300,585
<i>Recognized over time</i>	8,472	7,054	-	-	-	-	-	15,526
Fee and commission expense	(9,656)	(35,242)	(762,260)	(90)	-	-	28,884	(778,364)
Net fee and commission income	59,307	226,278	217,002	280	-	34,987	(107)	537,747
Net foreign exchange gains	161,009	215,053	334,545	-	1,898	(21)	-	712,484
Other operating income	10,212	10,211	10,212	1,276	19,546	-	(9,985)	41,472
Gains/(losses) on revaluation of investment properties	-	-	-	-	79	-	(29)	50
Personnel expenses	(93,988)	(269,488)	(676,503)	(5,571)	(10,337)	(12,248)	-	(1,068,135)
Depreciation and amortization expenses	(7,130)	(56,911)	(172,453)	(708)	(979)	(3,831)	484	(241,528)
Impairment gain of investments in subsidiaries	(68,930)	(121,623)	(286,114)	(3,418)	(4,969)	(7,461)	107	(492,408)
Impairment losses for premises and equipment	-	-	-	14,452	-	-	(14,452)	-
Other operating expenses	(3,705)	(3,705)	(3,816)	-	-	-	-	(11,226)
Operating profit before credit loss allowance	577,198	548,066	582,197	30,408	38,574	13,410	(23,924)	1,765,929
Credit loss allowance	(47,269)	(47,269)	(48,702)	-	(4,249)	(150)	(536)	(148,175)
Segment profit before tax	529,929	500,797	533,495	30,408	34,325	13,260	(24,460)	1,617,754
Income tax expense	(80,584)	(61,603)	(53,459)	(2,929)	(4,318)	(2,449)	-	(205,342)
Net segment profit for the year	449,345	439,194	480,036	27,479	30,007	10,811	(24,460)	1,412,412

At 31 December 2024, the interest income received from NBM represents 9.9% from the total interest income (31 December 2023: 16.1%).

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

37 Segment reporting (continued)

Group and Bank	Corporate banking	Business Banking	Retail Banking	Corporate Investments	maib leasing	MMC	Intra-group eliminations	Total per statement of profit or loss
31 December 2023								
Interest income	1,040,376	974,093	1,728,598	5,357	45,020	3,455	(9,423)	3,787,477
Total interest income	1,040,376	974,093	1,728,598	5,357	45,020	3,455	(9,423)	3,787,477
Interest expense on customer deposits and other borrowings	(259,403)	(246,107)	(1,067,929)	-	14,005	(66)	9,514	(1,577,996)
Total interest expenses	(259,403)	(246,107)	(1,067,929)	-	(14,005)	(66)	9,514	(1,577,996)
Inter-segment revenue	(362,865)	(147,509)	510,374	-	-	-	-	-
Net interest income	418,108	580,477	1,171,043	5,357	31,015	3,389	91	2,209,481
Fee and commission income, of which:	62,317	239,051	788,402	200	-	33,480	(27,249)	1,096,201
<i>Recognized at a point in time</i>	54,189	233,694	788,402	200	-	33,480	(27,249)	1,082,716
<i>Recognized over time</i>	8,128	5,357	-	-	-	-	-	13,485
Fee and commission expense	(10,664)	(35,264)	(630,977)	(62)	-	-	27,103	(649,864)
Net fee and commission income	51,653	203,787	157,425	138	-	33,480	(146)	446,337
Net foreign exchange gains	139,379	162,872	262,305	-	(2,602)	(106)	-	561,848
Other operating income	798	1,079	12,395	2,222	14,660	-	(5,635)	25,519
Gains/(losses) on revaluation of investment properties	-	-	-	-	(3,708)	-	-	(3,708)
Personnel expenses	(67,251)	(253,979)	(606,401)	(5,765)	(8,565)	(11,897)	-	(953,858)
Depreciation and amortization expenses	(5,131)	(40,545)	(126,377)	(294)	(1,152)	(3,780)	614	(176,666)
Impairment gain of investments in subsidiaries	-	-	-	20,853	-	-	(20,853)	-
Impairment losses for premises and equipment	(15,573)	(15,574)	(15,574)	(5,191)	-	-	-	(51,912)
Other operating expenses	(40,195)	(111,244)	(316,739)	(1,244)	(6,707)	(8,974)	148	(484,955)
Operating profit before credit loss allowance	481,788	526,873	538,077	16,076	22,941	12,112	(25,781)	1,572,086
Credit loss allowance	(25,695)	(149,586)	9,597	935	(2,559)	2	(1,709)	(169,015)
Segment profit before tax	456,093	377,287	547,674	17,011	20,382	12,114	(27,490)	1,403,071
Income tax expense	(52,914)	(41,137)	(76,258)	(4,606)	(2,348)	(2,782)	-	(180,045)
Net segment profit for the year	403,179	336,150	471,416	12,405	18,034	9,332	(27,490)	1,223,026

At 31 December 2024, the interest income received from NBM represents 9.9% from the total interest income (31 December 2023: 16.1%).

The accompanying notes are an integral part of these consolidated and separate financial statements.

38 Financial risk management

The risks are part of the Group's activities. Effective risk management is a key condition for success, especially during current economic conditions. The key objectives such as the maximization of the profitability, reduction of the risk exposure, compliance with regulations determined that the risk management process becomes more complex and vital.

The risk management function within the Group is carried out with respect to financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The primary function of financial risk management is to establish risk limits and to ensure that any exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure the proper functioning of internal policies and procedures in order to minimize operational and legal risks.

38.1 Risk management structure

Risk management structure is based on current internal control system requirements, generally accepted practices, including the recommendations of the Basel Committee on Banking Supervision.

The Bank's Council is responsible for approving strategies, policies and general principles for addressing risks within the Group and risk limits, a task which is delegated to Bank's Executive, including in specialized committees such as the Management Board, Credit Committee, Asset Liability Management Committee (ALCO).

The Bank's Risk Committee is a permanent body with advisory functions, the main purpose of which is to ensure the organization of an efficient system for the ongoing identification and assessment of risks related to the Group's activity and to oversee the implementation of the Group's risk strategies.

38.2 Basic principles of risk management

The Group's risk management strategy aims to ensure that capital is appropriately tailored to the Group's risk appetite and to forecasted budget ratios under controlled risk conditions to ensure both the continuity of the Group's operations and the protection of the interests of shareholders and customers. The Group adopts a risk appetite according with appropriate risk management strategies and policies, aligned with the overall business strategy, the Group's equity and risk management experience.

Risk management is achieved through the structured application of management culture, policies, procedures and practices to identify, assess, monitor, and mitigate risks. Risk monitoring and control is primarily based on the system of limits, which the Group has imposed on each significant risk. Limits are monitored on an ongoing basis, ensuring communication to the Bank's Management Board, ALCO Committee, Risk Committee members or Bank's Council. Considering environmental changes, market trends and/ or increasing in risk indicators, the Group intervenes and imposes limits or other control and management measures. Risk limits primarily involve the Group's risk tolerance and risk appetite.

The Group has developed its own internal model for assessing and quantifying the size of the capital required to cover the main types of risk to which it is exposed to, namely the credit, currency, interest rate risks associated with the banking and operational portfolios.

The stress testing process is an integral part of the Group's risk management system. The Group conducts regular stress tests and the results are reported to the Bank's Management Board, the ALCO Committee, the Risk Committee, and eventual the Bank Council, with further approval of relevant decisions, if necessary, to avoid adverse events for the Group. The Internal Audit Department assesses the effectiveness of stress test scenarios conducted within the Group for all risks related to the banking activity, considering possible events or changes in market conditions that may affect the Group's activity.

In order to ensure effective risk management and to obtain objective information on the status and extent of risks, The Group continuously monitors its risk exposures, with daily information being presented and analyzed regularly.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024**
*(All amounts are expressed in thousands MDL, if not stated otherwise)***38 Financial risk management (continued)**

Periodic reports, covering the Group's exposure, adherence to risk limits and parameters, and potential impact scenarios, are provided to the Bank's Executives, including specialized committees such as ALCO and the Credit Committee. Regularly, a detailed report is submitted to the Management Board, Bank's Risk Committee, and Supervisory Board. This comprehensive report enables committee members to form their own perspectives on the Group's risk exposure and the efficacy of the risk management system.

38.3 Country and transfer risk

Country risk is the risk determined by the eventual negative impact of economic, social and political conditions and events in a foreign country on the Group's activity.

Transfer risk is the risk that it will be impossible for a foreign entity to convert certain financial liabilities in the necessary currency to settle the payment due to the deficiency of the respective currency as a result of restrictions imposed in that country.

The country risk management system within the Group provides for the application and improvement of the internal model for evaluation and assessing of the risk category established for the country, based on the analysis of complex factors, including the international rating assigned by the international rating agencies stipulated in the internal normative acts. On this basis, the risk categories and the exposure limits of the Group to each country are established. Review and adjustment of the approved limits is done periodically, but not less than once a year. Compliance with country limits is monitored on an ongoing basis by informing in the preset periodicity the Bank's Management Board, the Bank's Risk Committee and the Bank's Council on the level of Group's exposure to the country and transfer risk.

In connection with the outbreak of the armed conflict between Russia and Ukraine, the Bank has revised and reduced the country limits with Russia, Ukraine and Belarus to the minimum necessary, at the same time, the Bank's exposure to the counterparties in these countries is minor.

Group's and Bank's country exposure at 31 December 2024 and 31 December 2023:

Country risk category	Group						Bank	
	31 December 2024		31 December 2023		31 December 2024		31 December 2023	
	MDL thousand	%						
I	3,711,927	99.05	3,156,764	99.35	3,711,927	99.05	3,156,764	99.35
II	35,605	0.95	19,083	0.60	35,605	0.95	19,083	0.60
III	-	-	-	-	-	-	-	0.00
IV	37	-	21	-	37	-	21	0.00
V	4	-	1,609	0.05	4	-	1,609	0.05
Total	3,747,573	100.00	3,177,477	100.00	3,747,573	100.00	3,177,477	100.00

The table contains the exposure for a given country, for placements with banks and due to other banks, considered to be the total exposure to entities in that country (banks, companies, governments, other state and public institutions) in the form of investments, including in German, Austrian and USA bonds (see Note 9), Nostro accounts, loans, other balance sheet and off-balance sheet assets. Category I includes countries with international rating AAA-AA, category II: A-BBB, category III: BB-B, category IV: less than B, category V – no rating. The Group considers as acceptable the level of country risk, given that most of the financial resources exposed to country risk relate to states with a high solvency, and namely I risk category - 99.05%.

The Group periodically assesses the credit quality of its exposure to country risk and performs various stress scenarios based on the severity of the assumed circumstances, estimating the size of potential losses if the conditions will occur and the impact on the Group's capital. Developments in the global and regional economy and trends and their forecasts are continuously analyzed, in order to react promptly and effectively to minimize risks.

The accompanying notes are an integral part of these consolidated and separate financial statements.

38 Financial risk management (continued)**38.4 Market risk**

Market risk represents the risk of registering financial losses and/or the worsening of the financial position of the Group, as a result of the unfavorable fluctuations in the price of the Group's portfolio, determined by the changes in the risk factors such as: interest rates, foreign exchange rates, market volatility, and other relevant parameters etc.

The Group is exposed to non-trading market risk which arises from market movements. This includes interest rate and currency risks. The objective of market risk management is to monitor and keep in line with regulatory requirements, the business model and the Group's risk appetite the exposures on the financial instruments in the portfolio while optimizing the return on those investments.

38.4.1 Currency risk

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

The Group has a conservative approach while managing currency risk, and maintains a balanced structure of foreign assets and liabilities.

The open position, registered by the Group, is primarily conditioned by the transactions of the Group's clients in buying and selling foreign currency.

The Group does not open long currency positions on long and medium term, and other financial instruments as these derivatives are not operated on the local market. At all times, the Group is in contact with its largest customers to understand potential behavior.

The Group measures the currency risk through regulatory defined risk approach based on the open currency positions, as well as internally developed key risk metrics based on VAR methodology. The Group identifies and applies the internal system of indicators and limits, which are reflected in the internal management reporting. The Group performs several types of stress scenarios applied to exchange rates in order to assess the potential effect of extreme market events on earnings and the capital.

In order to calculate the capital requirement for currency risk, the Group uses the standardized approach in accordance with the NBM regulations.

Internally developed market risk model estimates the market risk derived from foreign exchange rates volatilities. The Group uses the VAR method with a confidence level of 99%, calculated on the basis of daily exchange rate fluctuations over a two-year period.

VAR index	VAR limit	Effective as at 31 December	Daily average	Maximum	Minimum
2024	3,000	717	672	2,677	60
2023	3,000	655	565	2,037	24

In order to ensure effective monitoring of the currency risk and enhance the Group's protection against possible adverse developments in the risk factors, the Group analyses the sensitivity of its open currency positions to exchange rate volatility.

The table below reflects the potential effect (on profit or loss) from daily changes in the exchange rates of the currencies with which the Group mainly operates and which have a significant exposure (given the size of balance sheet assets and liabilities in foreign currency): EUR and USD in relation to MDL.

The stress analysis is applied to open currency positions in each of the two main currencies (EUR, USD) as of 31 December 2024 and at 31 December 2023, taking into consideration reasonable daily deviation increase/decrease in exchange rates of foreign currencies against the national currency.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***38 Financial risk management (continued)**

The size of open currency positions includes on-balance sheet and off-balance sheet assets and liabilities in foreign currencies. A negative amount, possibly obtained under the scenario, reflects a potential net reduction in net foreign currency exchange gains, while a positive amount reflects a possible increase in net foreign currency exchange gains.

						Group
Open currency position	Nominal value	Possible daily change in foreign exchange rate	Impact	Possible daily change in foreign exchange rate	Impact	
						thousand MDL
As at 31 December 2024						
USD	(42,162)	18	(6,324)	(16)	6,324	
EUR	41,464	19	6,220	(17)	(4,146)	
As at 31 December 2023						
USD	(86,839)	15	(13,026)	(15)	13,026	
EUR	102,367	15	15,355	(10)	(10,237)	
						Bank
Open currency position	Nominal value	Possible daily change in foreign exchange rate	Impact	Possible daily change in foreign exchange rate	Impact	
						thousand MDL
As at 31 December 2024						
USD	(43,609)	18	(6,541)	(16)	6,541	
EUR	(58,358)	19	(8,754)	(17)	5,836	
As at 31 December 2023						
USD	(88,637)	15	(13,295)	(15)	13,295	
EUR	24,282	15	3,642	(10)	(2,428)	

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024**
*(All amounts are expressed in thousands MDL, if not stated otherwise)***38 Financial risk management (continued)**

Tables below summarizes the **Group's** exposure to foreign currency exchange rate risk at the 31 December 2024 and at the 31 December 2023:

At 31 December 2024	Total	MDL	USD	EUR	Other
ASSETS					
Cash and cash equivalents	19,199,045	9,078,194	2,605,783	7,354,949	160,119
Due from banks	221,860	-	221,860	-	-
Investment in debt securities	7,852,767	6,751,928	182,862	917,977	-
Loans and advances to customers	29,113,367	21,835,912	1,493,839	5,783,616	-
Finance lease receivables	356,811	66,826	1,691	288,294	-
Other financial assets	196,507	136,577	7,747	52,182	1
Total assets	56,940,357	37,869,437	4,513,782	14,397,018	160,120
LIABILITIES					
Due to other banks	4,571	742	3,829	-	-
Due to customers	46,058,166	28,579,568	4,474,322	12,842,290	161,986
Borrowings	3,363,248	2,094,775	30,351	1,238,122	-
Lease liabilities	158,178	3,562	3,404	151,212	-
Other financial liabilities	300,714	131,957	44,039	123,933	785
Debt securities in issue	779,859	779,859	-	-	-
Subordinated debt	502,552	502,552	-	-	-
Total liabilities	51,167,288	32,093,015	4,555,945	14,355,557	162,771
Off balance sheet exposures	-	-	-	-	-
Excess/(deficit)	5,773,069	5,776,422	(42,163)	41,461	(2,651)
At 31 December 2023					
ASSETS					
Cash and cash equivalents	20,025,380	9,865,465	2,703,662	7,300,902	155,351
Due from banks	177,698	-	169,955	7,743	-
Investment in debt securities	6,264,254	6,264,254	-	-	-
Loans and advances to customers	22,538,197	15,679,943	1,394,977	5,463,277	-
Finance lease receivables	291,962	29,355	2,304	260,303	-
Other financial assets	147,981	91,128	11,170	45,683	-
Total assets	49,445,472	31,930,145	4,282,068	13,077,908	155,351
LIABILITIES					
Due to other banks	4,626	1,179	3,447	-	-
Due to customers	38,998,336	23,419,905	4,323,478	11,124,613	130,340
Borrowings	3,541,286	1,901,627	37,101	1,602,558	-
Lease liabilities	110,734	584	388	109,762	-
Other financial liabilities	527,951	354,874	28,741	143,447	889
Debt securities in issue	354,732	354,732	-	-	-
Subordinated debt	503,703	503,703	-	-	-
Total liabilities	44,041,368	26,536,604	4,393,155	12,980,380	131,229
Off balance sheet exposures	(110)	(8,775)	24,248	4,839	(20,422)
Excess/(deficit)	5,403,994	5,384,766	(86,839)	102,367	3,700

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***38 Financial risk management (continued)**

Tables below summarizes the **Bank's** exposure to foreign currency exchange rate risk at the 31 December 2024 and at the 31 December 2023:

At 31 December 2024	Total	MDL	USD	EUR	Other
ASSETS					
Cash and cash equivalents	19,198,819	9,078,047	2,605,783	7,354,870	160,119
Due from banks	221,860	-	221,860	-	-
Investment in debt securities	7,809,567	6,708,728	182,862	917,977	-
Loans and advances to customers	29,233,029	21,831,247	1,494,249	5,907,533	-
Other financial assets	181,558	132,918	7,629	41,010	1
Total assets	56,644,833	37,750,940	4,512,383	14,221,390	160,120
LIABILITIES					
Due to other banks	4,571	742	3,829	-	-
Due to customers	46,074,533	28,595,872	4,474,370	12,842,305	161,986
Borrowings	3,289,946	2,094,775	30,351	1,164,820	-
Lease liabilities	156,856	4,761	3,404	148,691	-
Other financial liabilities	300,642	131,885	44,039	123,933	785
Debt securities in issue	779,859	779,859	-	-	-
Subordinated debt	502,552	502,552	-	-	-
Total liabilities	51,108,959	32,110,446	4,555,993	14,279,749	162,771
Off balance sheet exposures	-	-	-	-	-
Excess/(deficit)	5,535,874	5,640,494	(43,610)	(58,359)	(2,651)

At 31 December 2023	Total	MDL	USD	EUR	Other
ASSETS					
Cash and cash equivalents	20,024,980	9,865,096	2,703,662	7,300,871	155,351
Due from banks	177,698	-	169,955	7,743	-
Investment in debt securities	6,202,842	6,202,842	-	-	-
Loans and advances to customers	22,681,372	15,675,368	1,395,841	5,610,163	-
Other financial assets	135,535	88,406	11,042	36,086	1
Total assets	49,222,427	31,831,712	4,280,500	12,954,863	155,352
LIABILITIES					
Due to other banks	4,626	1,179	3,447	-	-
Due to customers	39,027,475	23,448,273	4,323,713	11,125,150	130,339
Borrowings	3,496,558	1,901,672	37,097	1,557,789	-
Lease liabilities	110,473	1,053	388	109,032	-
Other financial liabilities	527,579	354,502	28,741	143,447	889
Debt securities in issue	354,732	354,732	-	-	-
Subordinated debt	503,703	503,703	-	-	-
Total liabilities	44,025,146	26,565,114	4,393,386	12,935,418	131,228
Off balance sheet exposures	(110)	(8,775)	24,248	4,839	(20,422)
Excess/(deficit)	5,197,171	5,257,823	(88,638)	24,284	3,702

38.4.2 Interest rate risk associated with activities outside of non-trading portfolio ("IRRBB")

Interest rate risk is the current or future risk to capital and earnings resulting from fluctuations in interest rates, affecting exposures in the banking book.

The Group treats IRRBB as a significant risk and it is appropriately monitored, measured and controlled, in order to limit potential losses caused by adverse interest rate fluctuations so that such losses do not threaten the Group's profitability, own funds or operational security.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***38 Financial risk management (continued)**

The Group manages the exposure to the IRRBB through the analysis of sensitive assets and liabilities in the interest rate gap analysis and through a system of risk limits and risk parameters approved by the Bank's Council within internal regulations. Monitoring of the interest rate risk exposure of the banking portfolio and compliance with internal limits is performed at least once a month, within the ALCO Committee.

The Group quantifies its exposure to interest rate risk in the banking portfolio, in terms of the impact on the Group's economic value ("EVE") and net interest income ("NII"), as a result of applying shocks to changes in interest rates on the yield curve.

Estimating the sensitivity of the economic value of assets and liabilities outside the non-trading portfolio is calculated by comparing their present value with the value obtained by applying the interest rate curve to each predefined stress scenario.

The estimated impact of the change in net interest income is the difference between the expected gains in a base case scenario and the expected gains in alternative, negative shock or crisis scenarios, based on the going-concern principle over the next year, assuming a constant balance sheet.

The table below shows the sensitivity of net interest income to a possible proportional change in interest rates within each maturity band depending of the interest revaluation range. The model does not evaluate the non-interest-bearing items.

Sensitivity of net interest income, thousand MDL

							Group
Increase in basis points		1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
2024	+100	94,844	(25,928)	(26,893)	(4,420)	(1,168)	36,435
	+50	47,422	(12,964)	(13,447)	(2,210)	(584)	18,217
2023	+100	123,828	(30,234)	(59,150)	5,349	(165)	39,628
	+50	61,914	(15,117)	(29,575)	2,674	(82)	19,814
Decrease in basis points		1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
2024	-100	(94,844)	25,928	26,893	4,420	1,168	(36,435)
	-50	(47,422)	12,964	13,447	2,210	584	(18,217)
2023	-100	(123,828)	30,234	59,150	(5,349)	165	(39,628)
	-50	(61,914)	15,117	29,575	(2,674)	82	(19,814)

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***38 Financial risk management (continued)****Sensitivity of net interest income, thousand MDL**

							Bank	
Increase in basis points		1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total	
2024	+100	94,516	(24,188)	(28,035)	(6,698)	(1,168)	34,427	
	+50	47,258	(12,094)	(14,017)	(3,349)	(584)	17,214	
2023	+100	123,828	(30,234)	(59,150)	5,349	(165)	39,628	
	+50	61,914	(15,117)	(29,575)	2,674	(82)	19,814	
Decrease in basis points		1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total	
2024	-100	(94,516)	24,188	28,035	6,698	1,168	(34,427)	
	-50	(47,258)	12,094	14,017	3,349	584	(17,214)	
2023	-100	(123,828)	30,234	59,150	(5,349)	165	(39,628)	
	-50	(61,914)	15,117	29,575	(2,674)	82	(19,814)	

The Group and Bank extend loans and accept deposits with fixed rates as well as floating and compound rates. Floating rate loans to customers and deposits from customers represent instruments for which the Group has the right to unilaterally change the interest rate in line with the market rates. The Group has to give a 15 days' notice prior to the date when the change takes place. For the purpose of interest gap disclosure, floating rate loans and deposits were considered to have 15 days' notice interest re-pricing period and have been classified as "less than 1 month".

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***38 Financial risk management (continued)**

The table below shows the Group's exposure to interest rate risk based on the contractual maturity of its financial instruments or the next interest rate repricing date, if the instruments are subject to variable interest rates. The Group's interest rate risk management policy is to minimize exposure and continually adjust interest repricing dates and maturities of assets and liabilities.

31 December 2024	Total	Less than 1 month	From 1 month to 3 months	From 3 months to 1 years	From 1 to 5 years	More than 5 years	Non-interest-bearing items
ASSETS							
Cash and cash equivalents	19,199,045	16,771,125	-	-	-	-	2,427,920
Due from banks	221,860	3,160	-	-	218,700	-	-
Investments in debt securities	7,852,767	1,269,105	1,001,922	5,384,853	196,887	-	-
Loans and advances to customers (floating rate)	23,989,722	23,981,358	1,406	2,124	4,834	-	-
Loans and advances to customers (fixed rate)	5,123,645	162,469	256,452	1,069,750	3,633,989	985	-
Finance lease receivables	356,812	21,140	20,657	82,712	223,670	-	8,633
Other financial assets	196,507	182,617	2,119	9,534	-	-	2,237
Total assets	56,940,358	42,390,974	1,282,556	6,548,973	4,278,080	985	2,438,790
LIABILITIES							
Due to other banks	4,571	4,571	-	-	-	-	-
Due to customers (fixed rate)	14,545,467	1,401,026	1,372,431	7,091,311	4,680,699	-	-
Due to customers (floating rate)	31,512,699	31,518,434	-	-	-	-	(5,735)
Borrowings	3,363,248	(114,401)	2,237,048	1,213,816	-	-	26,785
Lease liabilities	158,178	46	93	782	39,386	117,757	114
Debt securities in issue	779,859	95,866	59,921	624,072	-	-	-
Other financial liabilities	300,714	-	-	-	-	-	300,714
Subordinated debt	502,552	-	203,745	298,807	-	-	-
Total liabilities	51,167,288	32,905,542	3,873,238	9,228,788	4,720,085	117,757	321,878
Interest gap	5,773,070	9,485,432	(2,590,682)	(2,679,815)	(442,005)	(116,772)	2,116,912
Cumulative interest gap		9,485,432	6,894,750	4,214,935	3,772,930	3,656,158	5,773,070

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***38 Financial risk management (continued)**

31 December 2023	Total	Less than 1 month	From 1 month to 3 months	From 3 months to 1 years	From 1 to 5 years	More than 5 years	Non-interest-bearing items
ASSETS							
Cash and cash equivalents	20,025,380	18,075,037	-	-	-	-	1,950,343
Due from banks	177,698	156,204	-	-	-	-	21,494
Investments in debt securities	6,264,254	857,037	729,607	4,419,948	174,979	52,735	29,948
Loans and advances to customers (floating rate)	19,744,584	19,744,584	-	-	-	-	-
Loans and advances to customers (fixed rate)	2,793,613	79,364	115,155	523,284	2,073,481	2,329	-
Finance lease receivables	291,962	14,878	19,727	66,348	176,001	-	15,008
Other financial assets	147,981	147,981	-	-	-	-	-
Total assets	49,445,472	39,075,085	864,489	5,009,580	2,424,461	55,064	2,016,793
LIABILITIES							
Due to other banks	4,626	4,626	-	-	-	-	-
Due to customers (fixed rate)	13,573,076	1,218,933	1,657,276	8,845,918	1,850,949	-	-
Due to customers (floating rate)	25,425,260	25,409,137	-	-	-	-	16,123
Borrowings	3,541,286	59,594	2,025,803	1,424,776	-	-	31,113
Lease liabilities	110,734	-	-	230	38,659	71,523	322
Debt securities in issue	354,732	-	-	354,732	-	-	-
Other financial liabilities	527,951	-	-	-	-	-	527,951
Subordinated debt	503,703	-	204,789	298,914	-	-	-
Total liabilities	44,041,368	26,692,290	3,887,868	10,924,570	1,889,608	71,523	575,509
Interest gap	5,404,104	12,382,795	(3,023,379)	(5,914,990)	534,853	(16,459)	1,441,284
Cumulative interest gap		12,382,795	9,359,416	3,444,426	3,979,279	3,962,820	5,404,104

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***38 Financial risk management (continued)**

The table below shows the Bank's exposure to interest rate risk based on the contractual maturity of its financial instruments or the next interest rate repricing date, if the instruments are subject to variable interest rates. The Bank's interest rate risk management policy is to minimize exposure and continually adjust interest repricing dates and maturities of assets and liabilities.

31 December 2024	Total	Less than 1 month	From 1 month to 3 months	From 3 months to 1 years	From 1 to 5 years	More than 5 years	Non-interest- bearing items
ASSETS							
Cash and cash equivalents	19,198,819	16,771,125	-	-	-	-	2,427,694
Due from banks	221,860	3,160	-	-	218,700	-	-
Investments in debt securities	7,809,567	1,262,342	995,212	5,355,126	196,887	-	-
Loans and advances to customers (floating rate)	24,109,384	24,109,384	-	-	-	-	-
Loans and advances to customers (fixed rate)	5,123,645	162,469	256,452	1,069,750	3,633,989	985	-
Finance lease receivables	-	-	-	-	-	-	-
Other financial assets	181,558	181,558	-	-	-	-	-
Total assets	56,644,833	42,490,038	1,251,664	6,424,876	4,049,576	985	2,427,694
LIABILITIES							
Due to other banks	4,571	4,571	-	-	-	-	-
Due to customers (fixed rate)	14,545,467	1,401,026	1,372,431	7,091,311	4,680,699	-	-
Due to customers (floating rate)	31,529,066	31,518,434	-	-	-	-	10,632
Borrowings	3,289,946	15,001	2,034,344	1,213,816	-	-	26,785
Lease liabilities	156,856	-	-	350	38,635	117,757	114
Debt securities in issue	779,859	95,866	59,921	624,072	-	-	-
Other financial liabilities	300,642	-	-	-	-	-	300,642
Subordinated debt	502,552	-	203,745	298,807	-	-	-
Total liabilities	51,108,959	33,034,898	3,670,441	9,228,356	4,719,334	117,757	338,173
Interest gap	5,535,874	9,455,140	(2,418,777)	(2,803,480)	(669,758)	(116,772)	2,089,521
Cumulative interest gap		9,455,140	7,036,363	4,232,883	3,563,125	3,446,353	5,535,874

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

38 Financial risk management (continued)

31 December 2023	Total	Less than 1 month	From 1 month to 3 months	From 3 months to 1 years	From 1 to 5 years	More than 5 years	Non-interest-bearing items
ASSETS							
Cash and cash equivalents	20,024,980	18,080,182	-	-	-	-	1,944,798
Due from banks	177,698	156,204	-	-	-	-	21,494
Investments in debt securities	6,202,842	855,087	722,269	4,397,772	174,979	52,735	-
Loans and advances to customers (floating rate)	19,887,759	19,887,759	-	-	-	-	-
Loans and advances to customers (fixed rate)	2,793,613	79,364	115,155	523,284	2,073,481	2,329	-
Other financial assets	135,535	135,535	-	-	-	-	-
Total assets	49,222,427	39,194,131	837,424	4,921,056	2,248,460	55,064	1,966,292
LIABILITIES							
Due to other banks	4,626	4,626	-	-	-	-	-
Due to customers (fixed rate)	13,573,076	1,218,933	1,657,276	8,845,918	1,850,949	-	-
Due to customers (floating rate)	25,454,399	25,438,276	-	-	-	-	16,123
Borrowings	3,496,558	14,867	2,025,803	1,424,776	-	-	31,113
Lease liabilities	110,473	-	-	230	38,398	71,523	323
Debt securities in issue	354,732	-	-	354,732	-	-	-
Other financial liabilities	527,579	-	-	-	-	-	527,579
Subordinated debt	503,703	-	204,789	298,914	-	-	-
Total liabilities	44,025,145	26,676,701	3,887,869	10,924,569	1,889,347	71,523	575,137
Interest gap	5,197,282	12,517,430	(3,050,445)	(6,003,513)	359,113	(16,459)	1,391,154
Cumulative interest gap		12,517,430	9,466,986	3,463,473	3,822,586	3,806,127	5,197,282

The accompanying notes are an integral part of these consolidated and separate financial statements.

38 Financial risk management (continued)**38.5 Counterparty risk**

Counterparty risk (partner banks) is the risk of the counterparty default on certain assets resulting from transactions in the financial markets (foreign exchange, monetary and securities) or from carrying out documentary and/or clearing operations that may cause losses to the Group. The Group follows a prudent policy in partnership with local and foreign banks. The majority of the completed operations, as well as the funds held in the correspondent accounts, are carried out through strategic partners with long-term cooperation experience.

The Group's counterparty risk management system provides for the application and continuous improvement of mechanisms for assessing and reviewing the solvency of partner banks based on internal evaluation model that provides the qualitative and quantitative analysis of banks in order to establish total exposure limits, according to the type and term of the operations. The limits are periodically reviewed and adjusted. In assessing the solvency category of the partner banks, in addition to internal qualitative and quantitative parameters, the Group takes into account the lowest international rating of the partner bank assigned by the rating agencies: Standard & Poor's, Moody's and Fitch Ratings.

In the process of controlling counterparty risk management (i.e. partner banks), the Group provides clear procedures for ongoing monitoring and post-factum control of compliance, the Group's level of exposure to the partner bank individually and cumulatively, and the efficiency of the monitoring and control system. The Group assesses the credit quality of its exposure to partner banks on a monthly basis and performs various stress scenarios depending on the severity of the alleged circumstances. Information on the analysis of the Group's level of exposure to the counterparty risk is provided daily to all interested units, and summary reports are presented monthly to Group' management.

38.6 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group's liquidity risk management system provides for liquidity management in accordance with regulatory requirements, systematic monitoring and analysis of risk factors regarding the Group's current and long-term liquidity. The Group aims to achieve an optimal balance between assets and liabilities on each maturity gap, by contracting a diversified and high-quality portfolio of assets, ensuring sustainable and successful activity, and attracting financial resources with various maturities. An integral part of the liquidity risk management process represents the system of early warning indicators (EWS) and stress testing of the liquidity position. The Group maintains and updates the Recovery Plan, which is a risk management tool aimed at determining procedures for early identification of vulnerabilities and measures to be taken to mitigate the negative impact of a potential crisis situation.

Group manages the liquidity risk considering: estimation of cash flows needs and of current liquidity, daily banking book structure, liquidity GAP – for each significant currency and overall, level and structure of the liquid assets portfolio, liquidity indicators with internally set EWS limits, simulation of liquidity indicator levels, stress testing risk assessment. If the indicators monitored in the reports listed above, register a warning or crisis level, ALCO Committee evaluates the situation and recommends the necessary measures to restore to the indicators to normal levels. With regard to amounts Due to customers, the Bank consider the contractual maturity of deposits when preparing the liquidity analysis, although there might be deposits that can be withdrawn earlier than the contractual maturity.

Liabilities to clients due within one month mainly include current accounts from which the clients are authorized to make withdrawals on demand. However, the Group's historical experience shows that these accounts represent a stable source of funding, with a significant proportion of those deposits being renewed at each maturity date. Simultaneously, the Group holds a significant amount of liquid assets throughout 2024 that are held in an amount matching the needs of the business, as well as in correlation to the reserve requirement rate in domestic and foreign currency. These liquid resources predominantly consist of state securities (including foreign government securities), bolstering the Group's liquidity profile. Moreover, the Group strategically places short term interbank deposits in highly solvent banks and maintains a robust cash balance, ensuring a diversified and resilient liquidity position. The Bank carries out the ILAAP exercise annually, as prescribed by NBM.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***38 Financial risk management (continued)**

The table below shows the remaining contractual cash flows to maturity of the **Group's** non-derivative financial liabilities. The amounts disclosed in the table represent undiscounted cash flows at 31 December 2024 for liabilities and discounted cash flows for assets. Such undiscounted cash flows differ from the amount included in the statement of financial position because the amount in the statement of financial position is based on discounted cash flows. When managing the liquidity from an operational point of view the Group is considering the discounted assets and liabilities.

31 December 2024	On demand	Less than 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
Financial assets						
Cash and cash equivalents	19,187,132	11,913	-	-	-	19,199,045
Due from banks	3,133	-	-	218,727	-	221,860
Investments in debt securities	6,784	2,295,023	5,353,758	197,202	-	7,852,767
Loans and advances to customers	132,457	3,633,674	8,235,034	12,371,931	4,740,271	29,113,367
Finance lease receivables	4,352	39,706	87,070	225,683	-	356,811
Other financial assets	184,256	3,062	9,189	-	-	196,507
Total financial assets	19,518,114	5,983,378	13,685,051	13,013,543	4,740,271	56,940,357
Financial liabilities						
Due to other banks	4,571	-	-	-	-	4,571
Due to customers	27,738,316	3,371,327	8,174,909	7,693,405	47,403	47,025,360
Borrowings	-	338,163	1,032,220	1,881,201	260,016	3,511,600
Lease liabilities	-	293	890	41,753	128,026	170,962
Debt securities in issue	-	766,087	-	27,615	-	793,702
Other financial liabilities	72	300,642	-	-	-	300,714
Subordinated debt	-	2,982	-	719,026	-	722,008
Total undiscounted financial liabilities	27,742,959	4,779,494	9,208,019	10,363,000	435,445	52,528,917
GAP	(8,224,845)	1,203,884	4,477,032	2,650,543	4,304,826	4,411,440
Letters of credit	-	-	16,492	2,897	-	19,389
Performance guarantees issued	900,784	-	-	-	-	900,784
Other guarantees issued	296,943	-	-	-	-	296,943
Commitments to issue guarantees	1,374,647	-	-	-	-	1,374,647
Loan commitments	3,798,245	-	-	-	-	3,798,245
Total	34,113,578	4,779,494	9,224,511	10,365,897	435,445	58,918,925
Net liquidity exceedent/ (deficit) on estimated maturities	(14,595,464)	1,203,884	4,460,540	2,647,646	4,304,826	(1,978,568)

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***38 Financial risk management (continued)**

The table below shows the remaining contractual cash flows until the maturity of the **Group's** non-derivative financial liabilities. The amounts disclosed in the table represent undiscounted cash flows at 31 December 2023 for liabilities and discounted cash flows for assets:

31 December 2023	On demand	Less than 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
Financial assets						
Cash and cash equivalents	17,626,991	2,398,389	-	-	-	20,025,380
Due from banks	177,698	-	-	-	-	177,698
Investments in debt securities	63,182	1,561,369	4,413,275	176,022	50,406	6,264,254
Loans and advances to customers	195,421	2,914,883	6,458,420	10,068,277	2,901,196	22,538,197
Finance lease receivables	928	35,735	71,399	183,900	-	291,962
Other financial assets	147,981	-	-	-	-	147,981
Total financial assets	18,212,201	6,910,376	10,943,094	10,428,199	2,951,602	49,445,472
Financial liabilities						
Due to other banks	-	-	-	-	4,626	4,626
Due to customers	21,824,875	3,391,727	10,539,712	4,632,952	258,375	40,647,641
Borrowings	-	32,311	395,955	2,356,865	7,634,806	10,419,937
Lease liabilities	-	79	232	40,449	77,815	118,575
Debt securities in issue	-	415,913	-	57,067	-	472,980
Other financial liabilities	372	527,579	-	-	-	527,951
Subordinated debt	-	4,133	-	561,577	391,349	957,059
Total undiscounted financial liabilities	21,825,247	4,371,742	10,935,899	7,648,910	8,366,971	53,148,769
GAP	(3,613,046)	2,438,634	7,195	2,779,289	(5,415,369)	(3,703,297)
Letters of credit	-	13,332	2,904	-	-	16,236
Performance guarantees issued	401,190	-	-	-	-	401,190
Other guarantees issued	342,718	-	-	-	-	342,718
Commitments to issue guarantees	626,672	-	-	-	-	626,672
Loan commitments	3,368,314	-	-	-	-	3,368,314
Total	26,564,141	4,385,074	10,938,803	7,648,910	8,366,971	57,903,899
Net liquidity excess/ (deficit) on estimated maturities	(8,351,940)	2,525,302	4,291	2,779,289	(5,415,369)	(8,458,427)

“On demand” includes transactions that have 1 day residual contractual maturity and for which there is unknown the potential maturity, while “less than 3 months”, includes all transactions with residual contractual maturity from 2 days and up to 3 months.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***38 Financial risk management (continued)**

The table below shows the remaining contractual cash flows to maturity of the **Bank's** non-derivative financial liabilities. The amounts disclosed in the table represent undiscounted cash flows at 31 December 2024. Such undiscounted cash flows differ from the amount included in the statement of financial position because the amount in the statement of financial position is based on discounted cash flows. When managing the liquidity from an operational point of view the Bank is considering the discounted assets and liabilities.

31 December 2024	On demand	Less than 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
Financial assets						
Cash and cash equivalents	19,198,819	-	-	-	-	19,198,819
Due from banks	3,133	-	-	218,727	-	221,860
Investments in debt securities	6,784	2,251,823	5,353,758	197,202	-	7,809,567
Loans and advances to customers	131,911	3,632,268	8,233,088	12,495,491	4,740,271	29,233,029
Lease receivables	-	-	-	-	-	-
Other financial assets	181,558	-	-	-	-	181,558
Total financial assets	19,522,205	5,884,091	13,586,846	12,911,420	4,740,271	56,644,833
Financial liabilities						
Due to other banks	4,571	-	-	-	-	4,571
Due to customers	27,754,683	3,371,327	8,174,909	7,693,405	47,403	47,041,727
Borrowings	-	331,773	968,395	1,869,690	260,016	3,429,874
Lease liabilities	-	114	353	40,999	128,026	169,492
Debt securities in issue	-	766,087	-	27,615	-	793,702
Other financial liabilities	-	300,642	-	-	-	300,642
Subordinated debt	-	2,982	-	719,026	-	722,008
Total undiscounted financial liabilities	27,759,254	4,772,925	9,143,657	10,350,735	435,445	52,462,016
GAP	(8,237,049)	1,111,166	4,443,189	2,560,685	4,304,826	4,182,817
Letters of credit	-	-	16,492	2,897	-	19,389
Performance guarantees issued	900,784	-	-	-	-	900,784
Other guarantees issued	296,943	-	-	-	-	296,943
Commitments to issue guarantees	1,374,647	-	-	-	-	1,374,647
Loan commitments	3,798,245	-	-	-	-	3,798,245
Total	34,129,873	4,772,925	9,160,149	10,353,632	435,445	58,852,024
Net liquidity excess/ (deficit) on estimated maturities	(14,607,668)	1,111,166	4,426,697	2,557,788	4,304,826	(2,207,191)

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***38 Financial risk management (continued)**

The table below shows the remaining contractual cash flows until the maturity of the **Bank's** non-derivative financial liabilities. The amounts disclosed in the table represent undiscounted cash flows at 31 December 2023:

31 December 2023	On demand	Less than 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
Financial assets						
Cash and cash equivalents	17,626,591	2,398,389	-	-	-	20,024,980
Due from banks	177,698	-	-	-	-	177,698
Investments in debt securities	53,895	1,561,369	4,361,150	176,022	50,406	6,202,842
Loans and advances to customers	194,697	2,924,787	6,488,174	10,172,518	2,901,196	22,681,372
Lease receivables	-	-	-	-	-	-
Other financial assets	135,535	-	-	-	-	135,535
Total financial assets	18,188,416	6,884,545	10,849,324	10,348,540	2,951,602	49,222,427
Financial liabilities						
Due to other banks	-	-	-	-	4,626	4,626
Due to customers	21,795,736	3,391,727	10,539,712	4,632,952	258,375	40,618,502
Borrowings	-	24,369	364,933	2,328,795	7,634,806	10,352,902
Lease liabilities	-	79	232	40,449	77,815	118,575
Debt securities in issue	-	415,913	-	57,067	-	472,980
Other financial liabilities	372	527,207	-	-	-	527,579
Subordinated debt	-	4,133	-	561,577	391,349	957,060
Total undiscounted financial liabilities	21,796,108	4,363,428	10,904,877	7,620,840	8,366,971	53,052,223
GAP	(3,607,692)	2,521,117	(55,553)	2,727,700	(5,415,369)	(3,829,797)
Letters of credit	-	13,332	2,904	-	-	16,236
Performance guarantees issued	401,190	-	-	-	-	401,190
Other guarantees issued	342,718	-	-	-	-	342,718
Commitments to issue guarantees	626,672	-	-	-	-	626,672
Loan commitments	3,368,314	-	-	-	-	3,368,314
Total	26,535,002	4,376,760	10,907,781	7,620,840	8,366,971	57,807,353
Net liquidity excess/ (deficit) on estimated maturities	(8,346,586)	2,507,785	(58,457)	2,727,700	(5,415,369)	(8,584,927)

The accompanying notes are an integral part of these consolidated and separate financial statements.

38 Financial risk management (continued)**38.7 Credit risk**

The Group exposes itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

Exposure to credit risk arises as a result of the Group's lending and other transactions with counterparties, giving rise to financial assets and off-balance sheet credit-related commitments.

The Group's maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the consolidated and separate statement of financial position. For financial guarantees issued, commitments to extend credit, undrawn credit lines and export/import letters of credit, the maximum exposure to credit risk is the amount of the commitment.

Credit risk management. Credit risk is the single largest risk for the Group's business, management therefore carefully manages its exposure to credit risk.

The estimation of credit risk for risk management purposes is complex and involves the use of models, as the risk varies depending on market conditions, expected cash flows and the passage of time. The assessment of credit risk for a portfolio of assets entails further estimations of the likelihood of defaults occurring, the associated loss ratios and default correlations between counterparties.

Limits. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Limits on the level of credit risk by product and industry sector are approved regularly by management. Such risks are monitored on a revolving basis and are subject to an annual, or more frequent, review.

Loan applications originating with the relevant client relationship managers are passed on to the relevant credit approval authority for the approval of the credit limit. Exposure to credit risk is also managed, in part, by obtaining collateral as well as corporate and personal guarantees. In order to monitor exposure to credit risk, regular reports are produced by the Risk Division based on a structured analysis focusing on the customer's business and financial performance.

Credit risk grading system. For measuring credit risk and grading financial instruments by the amount of credit risk, the Group applies an internal classification as presented below:

Master scale credit risk grade	Corresponding internal classification	Average PD for loans	Average PD for lease receivables
Good	1	3.50%	0.29%
Satisfactory	2	8.10%	59.72%
Special monitoring	3	29.30%	75.73%
Default	4, 5	100%	100%

The Bank calculates PD based on a days past due transition matrix, which gives some overlapping of PD between credit risk grades.

Each master scale credit risk grade is assigned a specific degree of creditworthiness:

- Good – strong and adequate credit quality with a moderate credit risk: mostly without past due days or with under 30 days past due for secured exposures;
- Satisfactory – moderate credit quality with a satisfactory credit risk: 1-30 past due days for unsecured, or more than 30 past due days for secured exposure;
- *Special monitoring* – facilities that require closer monitoring and remedial management, which usually are subject to restructuring and report poor financial results; and
- *Default* – facilities in which a default has occurred.

The accompanying notes are an integral part of these consolidated and separate financial statements.

38 Financial risk management (continued)

The classification model is regularly reviewed Risk Division and updated if deemed necessary.

ECL measurement. ECL is a probability-weighted estimate of the present value of future cash shortfalls (i.e., the weighted average of credit losses, with the respective risks of default occurring in a given time period used as weights). An ECL measurement is unbiased and is determined by evaluating a range of possible outcomes. ECL measurement is based on four components used by the Group: PD, EAD, LGD and Discount Rate.

EAD is an estimate of exposure at a future default date, taking into account expected changes in the exposure after the reporting period, including repayments of principal and interest, and expected drawdowns on committed facilities. The EAD on credit related commitments is estimated using Credit Conversion Factor ("CCF"). CCF is a coefficient that shows the probability of conversion of the committed amounts to an on-balance sheet exposure within a defined period. PD an estimate of the likelihood of default to occur over a given time period. LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD. The expected losses are discounted to present value at the end of the reporting period. The discount rate represents the effective interest rate ("EIR") for the financial instrument or an approximation thereof.

ECL are modelled over instrument's *lifetime period*. The *lifetime period* is equal to the remaining contractual period to maturity of debt instruments if any. Management models *Lifetime ECL*, that is, losses that result from all possible default events over the remaining lifetime period of the financial instrument. The *12-month ECL*, represents a portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting period, or remaining *lifetime period* of the financial instrument if it is less than a year.

The ECLs that are estimated by management for the purposes of these financial statements are point-in-time estimates, rather than through-the-cycle estimates that are commonly used for regulatory purposes. The estimates consider *forward looking information*, that is, ECLs reflect probability weighted development of key macroeconomic variables that have an impact on credit risk.

Leased objects are owned by the Group until the lease contract is terminated and they are insured.

Exposure to credit risk of finance lease receivables is managed through analysis of the ability of lessees and borrowers and potential lessees and borrowers to meet interest and principal repayment obligations and through ongoing monitoring of the carrying value of the leased objects against their net realisable value.

For purposes of measuring PD, the Group defines default as a situation when the exposure meets one or more of the following criteria:

- the borrower is more than 90 days past due on its contractual payments;
- the borrower meets the unlikeliness-to-pay criteria listed below:
 - the Group was forced to restructure the debt;
 - the borrower is deceased;
 - the borrower is insolvent;
 - the borrower was classified in internal rating 4 or 5; and
 - it is becoming likely that the borrower will enter bankruptcy.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria. The assessment whether or not there has been a significant increase in credit risk ("SICR") since initial recognition is performed on an asset level. The presumption, being that there have been significant increases in credit risk since initial recognition when financial assets are more than 30 days past due, has not been rebutted.

The accompanying notes are an integral part of these consolidated and separate financial statements.

38 Financial risk management (continued)

The Group considers a financial instrument to have experienced an SICR when one or more of the following quantitative, qualitative or backstop criteria have been met.

For loans issued:

- at least one day past due for unsecured loans;
- one day past due for prolonged loans;
- 30 days past due for secured loans;
- more than 15 days past due for loans that benefited from technical restructuring, due to some economic/social/climate crisis;
- award of risk grade "Special monitoring";
- SICR based on internal classification and less than 30 days past due;
- EWS loans marked with high risk;
- inclusion of the loan into a watch list according to the internal credit risk monitoring process;
- retail clients that result in a behavioral scoring ≥ 3 according to internal model; and
- other qualitative criteria that depends on the financial performance of the client.

For lease receivables Group uses the following credit quality categories to manage the credit risk related to lease agreements:

- Stage 1 - if payments are made regularly and in line with the contract terms, payments overdue up to 30 days are permitted;
- Stage 2- if payments are overdue from 31 to 90 days;
- Stage 3 - if payments are overdue for more than 90 days.

The Group also uses other information to determine whether there have been significant increases in credit risk since initial recognition - negative trends in the debtor's financial position, rescheduling of the original contractual terms etc.

When reasonable and justifiable predictive information is available without cost or undue effort, the Group will not only rely on overdue information but may also use other indicators to determine the increase in credit risk:

- negative information on debt service from different sources;
- violations of covenants;
- a negative trend in the debtor's financial condition. It becomes likely that the debtor will initiate the insolvency procedure or will enter into financial reorganization and others.

The level of ECL that is recognized in these financial statements depends on whether the credit risk of the borrower has increased significantly since initial recognition. This is a three-stage model for ECL measurement. A financial instrument that is not credit-impaired on initial recognition and its credit risk has not increased significantly since initial recognition has a credit loss allowance based on 12-month ECLs (Stage 1). If a SICR since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired and the loss allowance is based on lifetime ECLs. If a financial instrument is credit-impaired, the financial instrument is moved to Stage 3 and loss allowance is based on lifetime ECLs. The consequence of an asset being in Stage 3 is that the entity ceases to recognize interest income based on gross carrying value and applies the asset's effective interest rate to the carrying amount, net of ECL, when calculating interest income.

If there is evidence that the SICR criteria are no longer met, the instrument is transferred back to Stage 1 after the curing period. If an exposure has been transferred to Stage 2 based on a qualitative indicator, the Group monitors whether that indicator continues to exist or has changed. The monitoring process is done mostly automatically by the IT system through the set of rules established for the classification process. For items that were manually marked – based on management decision the removal of the SICR factor is done only if it had been resolved in a manner that would satisfy Management's expectations.

The Group has three approaches for ECL measurement: (i) assessment on an individual basis; (ii) assessment on a portfolio basis: internal classification are estimated on an individual basis but the same credit risk parameters (e.g. PD, LGD) will be applied during the process of ECL calculations for the same credit risk ratings and homogeneous segments of the loan portfolio; and (iii) assessment based on external ratings (for exposures to other Groups or State Debt Securities). The Group performs mandatory assessment on an

The accompanying notes are an integral part of these consolidated and separate financial statements.

38 Financial risk management (continued)

individual basis for defaulted exposures over MDL 10,000 thousand, same time based on management decision other non-defaulted significant exposures can be also analyzed on an individual basis. The Group performs an assessment on a portfolio basis for all loans that do not fall under individual assessment criteria.

For lease receivables considered significant, the Group applies treatment regardless of the stage in which the asset was classified.

The Group considers the weighted scenarios for all probable cash flows, namely the asset's contractual flows, the proceeds (flows) from the sale of the objects of the leased / pledged assets, of guarantees, specifying the expected cash flow schedule and estimated probability of each scenario.

ECL assessment on an individual basis is performed by weighting the estimates of credit losses for different possible outcomes against the probabilities of each outcome.

The Group performs assessments based on external ratings for interbank placements, debt securities.

Individual assessment is primarily based on the expert judgement of experienced officers from the Risk Management Division. Expert judgements are regularly reviewed in order to decrease the difference between estimates and actual losses.

When assessment is performed on a portfolio basis, the Group determines the staging of the exposures and measures the loss allowance on a collective basis. The Group analyses its exposures by segments determined on the basis of shared credit risk characteristics, such that exposures within a group have homogeneous or similar risks. The key shared credit characteristics considered are: type of customer (corporate, business banking, retail), and in case of Retail Clients – the type of product (mortgage, consumer loans, credit cards). The different segments also reflect differences in credit risk parameters such as PD and LGD. The appropriateness of groupings is monitored and reviewed on a periodic basis by the Risk Management Division.

In general, ECL is the sum of the multiplications of the following credit risk parameters: EAD, PD and LGD, that are defined as explained above, and discounted to present value using the instrument's effective interest rate. The ECL is determined by predicting credit risk parameters (EAD, PD and LGD) for each future month during the lifetime period for each individual exposure or collective segment. As result is effectively calculated an ECL for each future period, that is then discounted back to the reporting date and summed up. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof

The key principles of calculating the credit risk parameters. The EADs are determined based on the expected payment profile that varies by product type. EAD is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis for amortizing products and bullet repayment loans. This will also be adjusted for any expected prepayments made by a borrower. Early repayment or refinancing assumptions are also incorporated into the calculation. For revolving products, the EAD is predicted by taking the current drawn balance and adding a "credit conversion factor" that accounts for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type, current limit utilization and other borrower-specific behavioral characteristics.

Two types of PDs are used for calculating ECLs: 12-month and lifetime PD. An assessment of a 12-month PD is based on the latest available historic default data and adjusted for supportable forward-looking information when appropriate. Lifetime PDs represent the estimated probability of a default occurring over the remaining life of the financial instrument and it is a sum of the 12 months PDs over the life of the instrument. The Group uses different statistical approaches depending on the segment and product type to calculate lifetime PDs, such as the extrapolation of 12-month PDs based on migration matrixes, developing lifetime PD curves based on the historical default data on the theory of Markov Chain process.

The accompanying notes are an integral part of these consolidated and separate financial statements.

38 Financial risk management (continued)

LGD represents the Group's expectation of the extent of loss on a defaulted exposure. The LGDs are determined based on the historical recovery rates, which are aggregated at the level of segment type. The approach to LGD measurement is performed based on monthly recoveries discounted to the moment of default using interest rates for the loans and exposure weighted average recovery rates.

ECL measurement for financial guarantees and loan commitments. The ECL measurement for these instruments includes the same steps as described above for on-balance sheet exposures and differs with respect to EAD calculation. The EAD is a product of credit conversion factor ("CCF") and amount of the commitment ("ExOff"). CCF for undrawn credit lines of corporate customers, credit cards issued to individuals is defined based on statistical analysis of past EAD and amounts to 65% for Corporate exposures, 63% for BB exposures, 79% for Retail exposures. For financial guarantees the CCF is determined based on the guarantee type.

Principles of assessment based on external ratings. Certain exposures have external credit risk ratings, and these are used to estimate credit risk parameters PD and LGD from the default and recovery statistics published by the respective rating agencies. This approach is applied to government and towards exposures to other banks.

Forward-looking information incorporated in the ECL models. The assessment of SICR and the calculation of ECLs both incorporate unbiased and supportable forward-looking information. The Group identified certain key economic variables that correlate with developments in credit risk and ECLs. Forecasts of economic variables (the "base economic scenario") are obtained from external sources of information such as World Bank, National Bank and other institutions with details on the matter. The impact of the relevant economic variables on the PD, has been determined by performing statistical regression analysis to understand the impact that the changes in these variables historically had on the default rates.

As with any economic forecast, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analyzed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The Group regularly reviews its methodology and assumptions to reduce any difference between the estimates and the actual loss of credit.

38.8 Taxation risk

The Group is committed to ensure a sustainable management of taxation risk by building and maintaining a transparent, effective and efficient tax function within the Group. The Group strictly respects and applies the tax legislation in force for all categories of fees and taxes. The implementation of IFRS Accounting Standards, put into force since 1 January 2012, was taken into consideration for the revision of the fiscal legislation by introducing specific regulations for treating the adjustments resulted the implementation and further. In this connection, a careful analysis was made to identify the differences in accounting treatments, having a fiscal impact, both on the current tax liability as well as on the deferred tax liability.

In 2024 new amendments to the tax legislation came into effect, regulating the rules for determining transfer pricing in accordance with the arm's length principle for transactions with affiliated parties. The Group has complied with the legislative provisions and has assessed all transactions with affiliated parties that apply different taxation regimes using the comparable price method. As a result of the evaluation performed, the Group did not identify the need to adjust revenues or expenses for the purpose of determining corporate income tax.

In 2025, the Bank and Moldmediacard SRL will report to the tax authority transactions exceeding 20,000 thousand MDL for the year 2024 and will submit the transfer pricing file for total transactions exceeding 50,000 thousand MDL. It is anticipated that fiscal legislation will be subject to frequent amendments in the future. Considering the precedents, these aspects might be applied retrospectively. Tax liabilities of the Group are open to tax inspection for a period of four years.

The accompanying notes are an integral part of these consolidated and separate financial statements.

38 Financial risk management (continued)

38.9 Operational risk

The Group is aware of the importance of managing the operational risk arising from its business activities as well as of the need to hold an adequate level of capital to absorb the potential losses associated with this type of risk. The Group has an operational risk management framework that includes policies and processes for identifying, measuring/evaluating, analyzing, managing and controlling operational risk. Policies and processes are appropriate to the size, nature and complexity of the Group's activities and are adjusted periodically according to the operational risk profile.

For operational risk management, the Group uses the following tools:

- collection and management of operational risk events. The Group has a historical database, in which operational risk events are centralized, reported by all organizational units;
- definition and monitoring of key risk indicators (KRI), measures, used in the operational risk assessment, monitoring and reporting phases. The purpose of key risk indicators is to act as early warning signs of potential operational and control risk issues; to define tolerance levels and critical thresholds for operational risk and to indicate dynamic changes in the level of operational risk over time;
- identification and assessment of operational risk through the exercise of risk self-assessment and associated controls. The self-assessment process allows the identification and assessment of the operational risks related to that year, as well as the measures to be taken to reduce the losses caused by the occurrence of operational risk events; and
- analysis of test stress scenarios related to operational risk. The scenario analysis aims to assess the potential effects of one or more possible operational risk events (extreme but probable events) on the Group's financial situation.

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

- Risk analysis and assessment of new products and activities;
- Compliance procedures and related risk management;
- Management of the outsourcing process, regulated by internal policies regarding the outsourcing of the Group's activities and operations;
- Business Continuity Management characterized by maintaining and updating the business continuity plan; and
- Information and communication technology risk management.

The management framework is also supported by an appropriate organizational structure, with clear roles and responsibilities, in line with the assumption that the Group's subunits bear the primary responsibility for managing operational risk and enforcing appropriate control.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***39 Maturity structure**

The following tables provides information on amounts expected to be recovered or settled before and after twelve months after the reporting period.

31 December 2024	Group			Bank		
	Total	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year
ASSETS						
Cash and cash equivalents	19,199,045	19,199,045	-	19,198,819	19,198,819	-
Due from banks	221,860	3,133	218,727	221,860	3,133	218,727
Investments in debt securities	7,852,767	7,655,565	197,202	7,809,567	7,612,365	197,202
Investments in equity securities	6,128	852	5,276	6,128	852	5,276
Investments in subsidiaries	-	-	-	175,074	-	175,074
Loans and advances to customers	29,113,367	11,997,741	17,115,626	29,233,029	11,997,267	17,235,762
Finance lease receivables	356,811	15,740	341,071	-	-	-
Investment property	177,291	-	177,291	176,216	-	176,216
Other financial assets	196,507	196,507	-	181,558	181,558	-
Other assets	96,363	96,363	-	93,630	93,630	-
Deferred tax assets	8,033	7,144	889	7,144	7,144	-
Premises and equipment	1,915,419	-	1,915,419	1,909,759	-	1,909,759
Intangible assets	326,187	-	326,187	315,205	-	315,205
Right of use assets	158,798	-	158,798	157,550	-	157,550
Non-current assets held for sale	32,278	32,278	-	32,278	32,278	-
Total assets	59,660,854	39,204,368	20,456,486	59,517,817	39,127,046	20,390,771
LIABILITIES						
Due to other banks	4,571	4,571	-	4,571	4,571	-
Due to customers	46,058,166	39,063,073	6,995,093	46,074,533	39,079,341	6,995,192
Borrowings	3,363,248	1,322,483	2,040,765	3,289,946	1,317,444	1,972,502
Lease liabilities	158,178	464	157,714	156,856	464	156,392
Other financial liabilities	300,714	300,714	-	300,642	300,642	-
Debts securities in issue	779,859	757,119	22,740	779,859	757,119	22,740
Current income tax liability	30,825	30,825	-	30,825	30,825	-
Provision for loan commitments	32,392	32,392	-	32,392	32,392	-
Other liabilities	402,300	402,300	-	391,218	391,218	-
Subordinated debt	502,552	2,982	499,570	502,552	2,982	499,570
Total liabilities	51,632,805	41,916,923	9,715,882	51,563,394	41,916,998	9,646,396
Maturity excess/ (gap)	8,028,049	(2,712,555)	10,740,604	7,954,423	(2,789,952)	10,744,375

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***39 Maturity structure (continued)**

31 December 2023	Group			Bank		
	Total	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year
ASSETS						
Cash and cash equivalents	20,025,380	20,025,380	-	20,024,980	20,024,980	-
Due from banks	177,698	177,698	-	177,698	177,698	-
Investments in debt securities	6,264,254	6,037,826	226,428	6,202,842	5,976,414	226,428
Investments in equity securities	4,129	-	4,129	4,129	-	4,129
Investments in subsidiaries	-	-	-	160,522	-	160,522
Loans and advances to customers	22,538,197	9,568,724	12,969,473	22,681,372	9,607,658	13,073,714
Finance lease receivables	291,962	108,062	183,900	-	-	-
Investment property	2,280	-	2,280	-	-	-
Other financial assets	147,981	147,981	-	135,535	135,535	-
Other assets	122,236	122,236	-	118,412	118,412	-
Deferred tax assets	13,265	-	13,265	11,376	-	11,376
Premises and equipment	2,086,334	-	2,086,334	2,082,224	-	2,082,224
Intangible assets	307,116	-	307,116	295,912	-	295,912
Right of use assets	112,891	-	112,891	112,647	-	112,647
Non-current assets held for sale	23,204	23,204	-	23,204	23,204	-
Total assets	52,116,927	36,211,111	15,905,816	52,030,853	36,063,901	15,966,952
LIABILITIES						
Due to other banks	4,626	4,626	-	4,626	4,626	-
Due to customers	38,998,336	28,494,018	10,504,318	39,027,475	28,523,157	10,504,318
Borrowings	3,541,286	1,410,364	2,130,922	3,496,558	1,410,364	2,086,194
Lease liabilities	110,734	1,039	109,695	110,473	309	110,164
Other financial liabilities	527,951	527,951	-	527,579	527,579	-
Debts securities in issue	354,732	1,352	353,380	354,732	1,352	353,380
Current income tax liability	25,832	25,832	-	25,832	25,832	-
Provision for loan commitments	33,975	33,975	-	33,975	33,975	-
Other liabilities	374,834	374,834	-	362,343	362,343	-
Subordinated debt	503,703	4,133	499,570	503,703	4,133	499,570
Total liabilities	44,476,009	30,878,124	13,597,885	44,447,296	30,893,670	13,553,626
Maturity excess/ (gap)	7,640,918	5,332,987	2,307,931	7,583,557	5,170,231	2,413,326

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***40 Fair value and fair value hierarchy**

Fair value measurements are analyzed by the fair value level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgments in categorizing financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period. The level in the fair value hierarchy into which the recurring fair value measurements are categorized are as follows:

Group	31 December 2024				31 December 2023			
	Fair value Level 1	Level 2	Level 3	Total	Fair value Level 1	Level 2	Level 3	Total
ASSETS AT FAIR VALUE								
Financial assets								
Investments in debt securities	-	6,708,727	-	6,708,727	-	6,202,842	-	6,202,842
- Treasury bills	-	6,380,091	-	6,380,091	-	5,899,397	-	5,899,397
- Government bonds	-	277,127	-	277,127	-	251,020	-	251,020
- Municipal bonds	-	51,509	-	51,509	-	52,425	-	52,425
Investments in equity securities	-	-	6,128	6,128	-	-	4,129	4,129
Non-financial assets								
Investment property	-	-	177,291	177,291	-	-	2,280	2,280
Total assets with recurring fair value measurements	-	6,708,727	183,419	6,892,146	-	6,202,842	6,409	6,209,251
LIABILITIES AT FAIR VALUE								
Financial liabilities								
Contingent liability at FVPL	-	-	38,621	38,621	-	-	38,639	38,639
Total liabilities with recurring fair value measurements	-	-	38,621	38,621	-	-	38,639	38,639

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

40 Fair value and fair value hierarchy (continued)

Bank	31 December 2024				31 December 2023			
	Fair value Level 1	Level 2	Level 3	Total	Fair value Level 1	Level 2	Level 3	Total
ASSETS AT FAIR VALUE								
Financial assets								
Investments in debt securities	-	6,708,727	-	6,708,727	-	6,202,842	-	6,202,842
- Treasury bills	-	6,380,091	-	6,380,091	-	5,899,397	-	5,899,397
- Government bonds	-	277,127	-	277,127	-	251,020	-	251,020
- Municipal bonds	-	51,509	-	51,509	-	52,425	-	52,425
Investments in equity securities	-	-	6,128	6,128	-	-	4,129	4,129
Non-financial assets								
Investment property	-	-	176,216	176,216	-	-	-	-
Total assets with recurring fair value measurements	-	6,708,727	182,344	6,891,071	-	6,202,842	4,129	6,206,971
LIABILITIES AT FAIR VALUE								
Financial liabilities								
Contingent liability at FVPL	-	-	38,621	38,621	-	-	38,639	38,639
Total liabilities with recurring fair value measurements	-	-	38,621	38,621	-	-	38,639	38,639

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024**
*(All amounts are expressed in thousands MDL, if not stated otherwise)***40 Fair value and fair value hierarchy (continued)**

For investments in debt securities, in level 2, the valuation technique are based on Discounted cash flows (“DCF”) and the input used in the fair value measurement is the interest rate for the similar instruments, with similar residual maturity.

The valuation technique, inputs used in the fair value measurement for level 3 measurements and related sensitivity to reasonably possible changes in those inputs are as follows as at 31 December 2024 and 31 December 2023:

Group	Fair value	Valuation technique	Inputs used	Inputs/ range of inputs	Reasonable change	Sensitivity of fair value
31 December 2024						
Investments in equity securities – level 3	6,128	Market price	Quoted price	10%	±10%	±613
Investment property – level 3	177,291	DCF	Discount rate Vacancy rates	10% [5%-20%]	±10%	±8,426 ±2,060
Liabilities at a fair value	38,621	DCF	Discount rate	10%	±10%	±3,862

31 December 2023						
Investments in equity securities – level 3	4,129	Market price	Quoted price	10%	±10%	±413
Investment property – level 3	2,280	Market analogues*	Price per square meter	-	-	-
Liabilities at a fair value	38,639	DCF	Discount rate	10%	±10%	±3,864

Bank	Fair value	Valuation technique	Inputs used	Inputs/ range of inputs	Reasonable change	Sensitivity of fair value
31 December 2024						
Investments in equity securities – level 3	6,128	Market price	Quoted price	10%	±10%	±613
Investment property – level 3	176,216	DCF	Discount rate Vacancy rates	10% [5%-20%]	±10%	±8,426 ±2,060
Liabilities at a fair value	38,621	DCF	Discount rate	10%	±10%	±3,862
31 December 2023						
Investments in equity securities – level 3	4,129	Market price	Quoted price	10%	±10%	±413
Liabilities at a fair value	38,639	DCF	Discount rate	10%	±10%	±3,864

Market analogues* - represents the price per square meters developed by a third party.

The above tables disclose sensitivity to valuation inputs for financial and non-financial assets and liabilities, if changing one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly. For this purpose, significance was judged with respect to profit or loss, and total assets or total liabilities, or, when changes in fair value are recognized in other comprehensive income, total equity.

There were no changes in valuation technique for level 1, 2 and 3 recurring fair value measurements during the year ended 31 December 2024 (31 December 2023: none).

The sensitivity of fair value measurement disclosed in the above table shows the direction that an increase or decrease in the respective input variables would have on the valuation result.

The accompanying notes are an integral part of these consolidated and separate financial statements.

40 Fair value and fair value hierarchy (continued)

The Level 3 equity instruments are valued at the net present value of estimated future cash flows.

The fair value of investment properties is determined by experts with recognized and relevant professional qualification. The valuation of land which is held for capital appreciation is carried out mainly using the comparative analysis. Assessment is made on the basis of a comparison and analysis of appropriate comparable investment and sales transactions, together with evidence of demand within the vicinity of the relevant property. The characteristics of such similar transactions are then applied to the asset, taking into account size, location, covenant and other relevant factors.

During 2024, the Group has transferred into Level 3 investment property an amount of MDL 176,216 out of its 'Premises and equipment' caption in the financial statements (31 December 2023: MDL 2,280) which relates to a building which the Group holds to earn rentals. There have been no other significant changes during 2024.

Valuation techniques and significant unobservable inputs

The valuation of the building which is held to earn rentals was determined using discounted cash flow (DCF) projections based on significant unobservable inputs. These inputs include:

- **future rental cash inflows** based on the actual location, type and quality of the property and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties;
- **discount rates** reflecting current market assessments of the uncertainty in the amount and timing of cash flows (2024: 10%);
- **estimated vacancy rates** based on current and expected future market conditions after expiry of any current lease (2025: 20%, 2025: 15%, 2026: 10%, 2027 – onwards 5%);

There are inter-relationships between unobservable inputs. Expected vacancy rates might impact the future rental cash inflows with higher (lower) vacancy rates resulting in lower (higher) future rental cash inflows and as a result in a lower (higher) estimated fair value.

Assets and liabilities not measured at fair value but for which fair value is disclosed

The fair values in Level 2 and Level 3 of fair value hierarchy were estimated using the discounted cash flows valuation technique. For treasury bills and certificates issued by NBM, the fair value is determined using the income approach. Future cash flows are estimated based on contractual terms, and discounted using the interest rates established during the latest government auctions.

The fair value of floating rate instruments that are not quoted in an active market was estimated to be equal to their carrying amount. The fair value of unquoted fixed interest rate instruments was estimated based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity.

For assets, the Group used assumptions about counterparty's incremental borrowing rate and prepayment rates. Liabilities were discounted at the Group's and Bank's own incremental borrowing rate.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***40 Fair value and fair value hierarchy (continued)**

Fair values analyzed by level in the fair value hierarchy and carrying value of assets not measured at fair value are as follows:

Group	Carrying value	31 December 2024				Carrying value	31 December 2023			
		Level 1	Level 2	Level 3	Fair value Total		Level 1	Level 2	Level 3	Fair value Total
Financial assets										
Cash and cash equivalents	19,199,045	2,282,261	16,916,783	-	19,199,044	20,025,380	1,910,924	18,114,456	-	20,025,380
Due from banks	221,860	-	221,860	-	221,860	177,698	-	177,698	-	177,698
Investments in debt securities	1,144,040	43,200	1,100,840	-	1,144,040	61,412	-	61,412	-	61,412
Treasury bills	43,200	43,200	-	-	43,200	61,412	-	61,412	-	61,412
Foreign government bonds	1,100,840	-	1,100,840	-	1,100,840	-	-	-	-	-
Loans and advances to customers:	29,113,367	-	-	28,093,456	28,093,456	22,538,197	-	-	22,215,026	22,215,026
<i>Loans to Corporate entities:</i>	10,456,271	-	-	10,277,692	10,277,692	8,726,538	-	-	8,512,987	8,512,987
Investment loans	3,403,682	-	-	3,389,710	3,389,710	2,544,953	-	-	2,542,400	2,542,400
Working capital loans	1,258,914	-	-	1,118,249	1,118,249	1,422,850	-	-	1,234,058	1,234,058
Revolving lines	5,788,423	-	-	5,764,363	5,764,363	4,752,862	-	-	4,730,494	4,730,494
Other loans for legal entities	5,252	-	-	5,370	5,370	5,873	-	-	6,035	6,035
<i>Loans to Business Banking entities</i>	6,912,397	-	-	6,913,129	6,913,129	5,573,326	-	-	5,589,454	5,589,454
Investment loans	3,160,347	-	-	3,152,232	3,152,232	2,586,787	-	-	2,586,574	2,586,574
Working capital loans	2,883,935	-	-	2,892,911	2,892,911	2,485,584	-	-	2,499,981	2,499,981
Revolving lines	868,115	-	-	867,986	867,986	500,955	-	-	502,899	502,899
<i>Loans to Retails:</i>	11,744,699	-	-	10,902,635	10,902,635	8,238,333	-	-	8,112,585	8,112,585
Mortgage loans	6,197,452	-	-	6,178,005	6,178,005	4,275,394	-	-	4,262,561	4,262,561
Consumer loans	5,354,516	-	-	4,543,480	4,543,480	3,769,362	-	-	3,660,262	3,660,262
Credit cards	189,071	-	-	177,499	177,499	186,145	-	-	182,124	182,124
Other loans to individuals	3,660	-	-	3,651	3,651	7,432	-	-	7,638	7,638
Finance lease receivables	356,811	-	-	352,951	352,951	291,962	-	-	286,163	286,163
Total	50,035,123	2,325,461	18,239,483	28,446,407	49,011,351	43,094,649	1,910,924	18,353,566	22,501,189	42,765,679

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

40 Fair value and fair value hierarchy (continued)

Group	31 December 2024					31 December 2023				
	Carrying value	Fair value			Carrying value	Fair value				
		Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3	Total
Financial liabilities										
Due to other banks	4,571	-	4,571	-	4,571	4,626	-	4,626	-	4,626
Due to customers	46,058,166	-	27,719,045	18,200,157	45,919,202	38,998,336	-	21,693,096	17,194,252	38,887,348
<i>Corporate entities:</i>	9,273,237	-	6,249,886	3,026,232	9,276,118	7,862,742	-	5,660,798	2,326,075	7,986,873
current accounts	6,010,970	-	6,011,047	-	6,011,047	5,487,135	-	5,487,244	-	5,487,244
sight deposits	238,839	-	238,839	-	238,839	173,550	-	173,554	-	173,554
term deposits	2,965,615	-	-	2,966,704	2,966,704	2,155,316	-	-	2,277,916	2,277,916
collateral deposits	57,813	-	-	59,528	59,528	46,741	-	-	48,159	48,159
<i>Business Banking entities:</i>	9,579,861	-	8,287,608	1,284,513	9,572,121	7,795,522	-	6,690,532	1,090,519	7,781,051
current accounts	8,279,605	-	8,279,337	-	8,279,337	6,678,118	-	6,677,882	-	6,677,882
sight deposits	8,273	-	8,271	-	8,271	12,652	-	12,650	-	12,650
term deposits	1,229,665	-	-	1,224,392	1,224,392	1,058,366	-	-	1,046,421	1,046,421
collateral deposits	62,318	-	-	60,121	60,121	46,386	-	-	44,098	44,098
<i>Retail:</i>	27,205,068	-	13,181,551	13,889,412	27,070,963	23,340,072	-	9,341,766	13,777,658	23,119,424
current accounts	13,173,405	-	13,173,252	-	13,173,252	9,334,422	-	9,334,041	-	9,334,041
sight deposits	8,300	-	8,299	-	8,299	7,727	-	7,725	-	7,725
term deposits	13,887,681	-	-	13,753,576	13,753,576	13,848,509	-	-	13,632,265	13,632,265
collateral deposits	13,296	-	-	13,816	13,816	1,747	-	-	1,685	1,685
savings accounts	122,386	-	-	122,020	122,020	147,667	-	-	143,708	143,708
Borrowings	3,363,248	-	-	3,520,590	3,520,590	3,541,286	-	-	3,805,667	3,805,667
Debts securities in issue	779,859	-	-	783,347	783,347	354,732	-	-	368,595	368,595
Subordinated debt	502,552	-	-	607,591	607,591	503,703	-	-	647,980	647,980
Total	50,708,396	-	27,723,616	23,111,685	50,835,300	43,402,683	-	21,697,722	22,016,494	43,714,216

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

40 Fair value and fair value hierarchy (continued)

Bank	31 December 2024					31 December 2023				
	Carrying value	Level 1	Level 2	Level 3	Fair value Total	Carrying value	Level 1	Level 2	Level 3	Fair value Total
Financial assets										
Cash and cash equivalents	19,198,819	2,282,261	16,916,558	-	19,198,819	20,024,980	1,910,919	18,114,061	-	20,024,980
Due from banks	221,860	-	221,860	-	221,860	177,698	-	177,698	-	177,698
Investments in debt securities	1,100,840	-	1,100,840	-	1,100,840	-	-	-	-	-
Foreign government bonds	1,100,840	-	1,100,840	-	1,100,840	-	-	-	-	-
Loans to customers:	29,233,029	-	-	28,211,365	28,211,365	22,681,372	-	-	22,357,551	22,357,551
<i>Loans to Corporate entities:</i>	10,579,593	-	-	10,399,252	10,399,252	8,877,145	-	-	8,663,150	8,663,150
Investment loans	3,403,682	-	-	3,389,710	3,389,710	2,544,953	-	-	2,542,400	2,542,400
Working capital loans	1,387,488	-	-	1,245,179	1,245,179	1,579,330	-	-	1,390,256	1,390,256
Revolving lines	5,788,423	-	-	5,764,363	5,764,363	4,752,862	-	-	4,730,494	4,730,494
<i>Loans to Business Banking entities</i>	6,912,397	-	-	6,913,129	6,913,129	5,573,326	-	-	5,589,454	5,589,454
Investment loans	3,160,347	-	-	3,152,232	3,152,232	2,586,787	-	-	2,586,574	2,586,574
Working capital loans	2,883,935	-	-	2,892,911	2,892,911	2,485,584	-	-	2,499,981	2,499,981
Revolving lines	868,115	-	-	867,986	867,986	500,955	-	-	502,899	502,899
<i>Loans to Retails</i>	11,741,039	-	-	10,898,984	10,898,984	8,230,901	-	-	8,104,947	8,104,947
Mortgage loans	6,197,452	-	-	6,178,005	6,178,005	4,275,394	-	-	4,262,561	4,262,561
Consumer loans	5,354,516	-	-	4,543,480	4,543,480	3,769,362	-	-	3,660,262	3,660,262
Credit cards	189,071	-	-	177,499	177,499	186,145	-	-	182,124	182,124
Total	49,754,548	2,282,261	18,239,258	28,211,365	48,732,884	42,884,050	1,910,919	18,291,759	22,357,551	42,560,229

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

40 Fair value and fair value hierarchy (continued)

Bank	31 December 2024					31 December 2023				
	Carrying value	Level 1	Level 2	Level 3	Fair value Total	Carrying value	Level 1	Level 2	Level 3	Fair value Total
Financial liabilities										
Due to other banks	4,571	-	4,571	-	4,571	4,626	-	4,626	-	4,626
Due to customers	46,074,533	-	27,735,412	18,200,157	45,935,569	39,027,475	-	21,722,236	17,194,252	38,916,488
<i>Corporate entities</i>	9,277,691	-	6,254,340	3,026,232	9,280,572	7,867,886	-	5,665,943	2,326,075	7,992,018
- current accounts	6,015,424	-	6,015,501	-	6,015,501	5,492,279	-	5,492,389	-	5,492,389
- sight deposits	238,839	-	238,839	-	238,839	173,550	-	173,554	-	173,554
- term deposits	2,965,615	-	-	2,966,704	2,966,704	2,155,316	-	-	2,277,916	2,277,916
- collateral deposits	57,813	-	-	59,528	59,528	46,741	-	-	48,159	48,159
<i>Business Banking entities</i>	9,591,774	-	8,299,521	1,284,513	9,584,034	7,819,517	-	6,714,527	1,090,519	7,805,046
- current accounts	8,291,518	-	8,291,250	-	8,291,250	6,702,113	-	6,701,877	-	6,701,877
- sight deposits	8,273	-	8,271	-	8,271	12,652	-	12,650	-	12,650
- term deposits	1,229,665	-	-	1,224,392	1,224,392	1,058,366	-	-	1,046,421	1,046,421
- collateral deposits	62,318	-	-	60,121	60,121	46,386	-	-	44,098	44,098
<i>Retail:</i>	27,205,068	-	13,181,551	13,889,412	27,070,963	23,340,072	-	9,341,766	13,777,658	23,119,424
- current accounts	13,173,405	-	13,173,252	-	13,173,252	9,334,422	-	9,334,041	-	9,334,041
- sight deposits	8,300	-	8,299	-	8,299	7,727	-	7,725	-	7,725
- term deposits	13,887,681	-	-	13,753,576	13,753,576	13,848,509	-	-	13,632,265	13,632,265
- collateral deposits	13,296	-	-	13,816	13,816	1,747	-	-	1,685	1,685
- savings accounts	122,386	-	-	122,020	122,020	147,667	-	-	143,708	143,708
Borrowings	3,289,946	-	-	3,439,772	3,439,772	3,496,558	-	-	3,760,939	3,760,939
Debts securities in issue	779,859	-	-	783,347	783,347	354,732	-	-	368,595	368,595
Subordinated debt	502,552	-	-	607,591	607,591	503,703	-	-	647,980	647,980
Total	50,651,461	-	27,739,983	23,030,867	50,770,850	43,387,094	-	21,726,862	21,971,766	43,698,628

Cash and cash equivalents - The fair value of cash and cash equivalents equals to their carrying amount. *Net loans receivables* - Loans receivables are reduced by the impairment allowance on loans receivables. The estimated fair value of loans receivables represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value. *Debt instruments at amortized cost* - include only interest-bearing assets held for collection of contractual cash flows and where those cash flows represent SPPI. Fair value for debt securities at AC is based on market prices or broker/dealer price quotations. *Borrowings, due to banks* - the fair value of floating rate borrowings approximates their carrying amount. The estimated fair value of fixed interest-bearing deposits and other borrowings without quoted market price is based on discounted cash flows using interest rates for new debts with similar remaining maturity. *Other financial assets* – the fair value of other financial assets approximates to its carrying amount, and as such has not been included in the table above. *Other financial liabilities* – the fair value of other financial liabilities approximates to its carrying amount, and as such has not been included in the table above.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***41 Classification of financial assets and liabilities by measurement category**

The Group classifies financial assets in the following categories:

- a) financial assets at fair value through other comprehensive income:
 - a. debt instruments at fair value through other comprehensive income;
 - b. equity instruments at fair value through other comprehensive income;
- b) financial assets at amortized cost.

The table below provides a reconciliation of financial assets with these measurement categories as of 31 December 2024:

31 December 2024	Group				Bank		
	Financial assets at AC	Financial assets at FVOCI	Finance lease receivables	Total	Financial assets at AC	Financial assets at FVOCI	Total
Assets							
Cash and cash equivalents	19,199,045	-	-	19,199,045	19,198,819	-	19,198,819
Due from banks	221,860	-	-	221,860	221,860	-	221,860
Investments in debt securities:	1,144,040	6,708,727	-	7,852,767	1,100,840	6,708,727	7,809,567
- Treasury bills	43,200	6,380,091	-	6,423,291	-	6,380,091	6,380,091
- Government bonds	-	277,127	-	277,127	-	277,127	277,127
- Municipal bonds	-	51,509	-	51,509	-	51,509	51,509
- Foreign government bonds	1,100,840	-	-	1,100,840	1,100,840	-	1,100,840
Investments in equity securities	-	6,128	-	6,128	-	6,128	6,128
Loans and advances to customers:	29,113,369	-	-	29,113,369	29,233,029	-	29,233,029
- Loans to Corporate entities	10,456,273	-	-	10,456,273	10,579,593	-	10,579,593
- Loans to Business Banking entities	6,912,397	-	-	6,912,397	6,912,397	-	6,912,397
- Loans to individuals	11,744,699	-	-	11,744,699	11,741,039	-	11,741,039
Finance lease receivables:	-	-	356,811	356,811	-	-	-
- Legal entities	-	-	240,066	240,066	-	-	-
- Individuals	-	-	116,745	116,745	-	-	-
Other financial assets	196,496	-	-	196,496	181,547	-	181,547
Total financial assets	49,874,810	6,714,855	356,811	56,946,476	49,936,095	6,714,855	56,650,950

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

41 Classification of financial assets and liabilities by measurement category (continued)

The table below provides a reconciliation of financial assets under these measurement categories as at 31 December 2023:

31 December 2023	Group				Bank		
	Financial assets at AC	Financial assets at FVOCI	Finance lease receivables	Total	Financial assets at AC	Financial assets at FVOCI	Total
Assets							
Cash and cash equivalents	20,025,380	-	-	20,025,380	20,024,980	-	20,024,980
Due from banks	177,698	-	-	177,698	177,698	-	177,698
Investments in debt securities:	61,412	6,202,842	-	6,264,254	-	6,202,842	6,202,842
- Treasury bills	61,412	5,899,397	-	5,960,809	-	5,899,397	5,899,397
- Government bonds	-	251,020	-	251,020	-	251,020	251,020
- Municipal bonds	-	52,425	-	52,425	-	52,425	52,425
Investments in equity securities	-	4,129	-	4,129	-	4,129	4,129
Loans and advances to customers:	22,538,197	-	-	22,538,197	22,681,372	-	22,681,372
- Loans to Corporate entities	8,726,538	-	-	8,726,538	8,877,145	-	8,877,145
- Loans to Business Banking entities	5,573,326	-	-	5,573,326	5,573,326	-	5,573,326
- Loans to individuals	8,238,333	-	-	8,238,333	8,230,901	-	8,230,901
Finance lease receivables:	-	-	291,962	291,962	-	-	-
- Legal entities	-	-	175,757	175,757	-	-	-
- Individuals	-	-	116,205	116,205	-	-	-
Other financial assets	147,981	-	-	147,981	135,535	-	135,535
Total financial assets	42,950,668	6,206,971	291,962	49,449,601	43,019,585	6,206,971	49,226,556

The accompanying notes are an integral part of these consolidated and separate financial statements.

42 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at 31 December 2024 and 31 December 2023 are detailed below. Transactions were entered into with related parties during the course of business at market rates.

Transactions with significant shareholders. Other significant shareholders are those with the power to participate in the financial and operating policy decisions of a Group with which they transact, through holding over 20% of the Group's voting power, or otherwise.

Transactions with subsidiaries. The Bank holds investments in subsidiaries, represented by **maib leasing** and MMC, with whom it entered into a number of banking transactions in the normal course of business.

Transactions with key management personnel. The Group entered into a number of banking transactions with the management in the normal course of business. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. This includes the members of the Council of the Bank, Management Board and executive management of the Group. These transactions were carried out on commercial terms and conditions and at market rates.

Transactions with other related parties. The Group considers the following additional related parties: European Bank for Reconstruction and Development, companies in which key management personnel have direct or indirect interests and close family members of key management personnel.

Terms and conditions

A related party transaction represents a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. All these transactions were carried out under conditions similar to those applicable to third party agreements, in terms of interest rates and collateral clauses.

In relation to related parties, the accounts have the following characteristics:

The interest rate on current accounts is 0%.

Term deposits maturing between 2025 and 2029, and the interest rate is fixed between 0.05-4.75% depending on the currency and maturity of the deposit.

Loans and advances to customers were opened between 2013 and December 2024, maturing between 2025 and 2052, the interest rate is between 4.40-15.90% for loans and 10.59-18.50% for credit cards. Financial guarantees and other commitments given includes revocable and irrevocable letters of guarantee, undrawn commitments for loans and credit cards granted.

The Bank has signed with MMC a contract through which the subsidiary provides services for processing cards transactions. The commission is calculated based on a % applied to the level of processed transactions and is presented under "Fee and commission expenses". Fees for transactions are established in the agreement between parties and are considered to be performed at arm's length.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***42 Related parties (continued)**In the table below are disclosed the balances and transactions related parties of the **Group** as at year ended 31 December:

	2024				2023			
	Significant shareholders	Key management personnel	Shareholder who are key management personnel	Other related parties	Significant shareholders	Key management personnel	Shareholder who are key management personnel	Other related parties
Statement of financial position elements								
Loans and advances to customers	-	1,631	-	73,555	-	3,194	-	72,632
Credit loss allowance	-	(7)	-	(741)	-	(20)	-	(634)
Finance lease receivables	-	-	-	-	-	498	-	-
Other assets	-	-	-	77	-	-	-	679
Due to customers	1,086	21,123	74,053	141,595	1,739	19,080	37,175	86,419
Borrowings	-	-	-	419,140	-	-	-	911,254
Lease liabilities	-	-	-	-	-	-	-	26
Other liabilities	-	37,661	-	-	-	31,761	-	-
Provision for loan commitments	-	(1)	-	(41)	-	(19)	-	(51)
Treasury shares	186,060	-	9,132	-	-	-	-	-
Other commitments								
Guarantees and other financial commitments	-	550	-	26,449	-	668	-	23,620
Statement of profit or loss								
Interest income	-	9,165	-	3,151	-	79	-	2,202
Interest expense	-	(90)	(907)	(47,782)	-	(520)	(3,113)	(80,492)
Fee and commission income	15	842	22	2,342	3	64	21	2,370
Personnel expenses*	-	(89,429)	(2,381)	(1,460)	-	(81,658)	(2,381)	(420)
Other operating expenses	-	(61)	-	(2,351)	-	(70)	-	2,425
Credit loss allowance	-	30	-	(96)	-	(47)	(8)	809

*the amounts disclosed under personnel expenses above contain additionally the social contributions paid by the Bank on the key management remuneration disclosed on page 150.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

42 Related parties (continued)

In the table below are disclosed the balances and transactions related parties of the **Bank** as at year ended 31 December:

	2024										2023									
	Significant shareholders	Subsidiaries	Key management personnel	Shareholders who are also key management personnel	Other related parties	Significant shareholders	Subsidiaries	Key management personnel	Shareholders who are also key management personnel	Other related parties	Significant shareholders	Subsidiaries	Key management personnel	Shareholders who are also key management personnel	Other related parties					
Statement of financial position elements																				
Loans and advances to customers	-	129,751	1,631	-	73,555	-	158,201	3,194	-	72,632	-	-	-	-	-					
Credit loss allowance	-	(830)	(7)	-	(741)	-	(1,336)	(20)	-	(634)	-	-	-	-	-					
Other assets	-	-	-	-	77	-	-	-	-	679	-	-	-	-	-					
Due to customers	1,086	16,368	21,123	74,053	141,595	1,739	29,139	19,080	37,175	86,419	-	-	-	-	-					
Borrowings	-	-	-	-	419,140	-	-	-	-	911,254	-	-	-	-	-					
Lease liabilities	-	1,266	-	-	-	-	811	-	-	26	-	-	-	-	-					
Other liabilities	-	-	37,661	-	-	-	-	31,761	-	-	-	-	-	-	-					
Provision for loan commitments	-	-	(1)	-	(41)	-	(1)	(19)	-	(51)	-	-	-	-	-					
Treasury shares	186,060	-	-	9,132	-	-	-	-	-	-	-	-	-	-	-					
Other commitments																				
Guarantees and other financial commitments	-	-	550	-	26,449	-	12,395	668	-	23,620	-	-	-	-	-					
Statement of profit or loss																				
Interest income	-	8,943	9,131	-	3,151	-	9,422	25	-	2,202	-	-	-	-	-					
Interest expense	-	(32)	(90)	(907)	(47,782)	-	(37)	(520)	(3,113)	(80,492)	-	-	-	-	-					
Fee and commission income	15	185	842	22	1,630	3	237	64	21	1,257	-	-	-	-	-					
Fee and commission expense	-	(34,569)	-	-	(341)	-	(32,414)	-	-	(234)	-	-	-	-	-					
Other operating income	-	9,689	-	-	-	-	6,089	-	-	-	-	-	-	-	-					
Personnel expenses*	-	-	(80,969)	(2,381)	(1,460)	-	-	(74,427)	(2,381)	(420)	-	-	-	-	-					
Other operating expenses	-	-	-	-	(2,351)	-	-	-	-	2,425	-	-	-	-	-					
Credit loss allowance	-	507	30	-	(96)	-	1,734	(47)	(8)	809	-	-	-	-	-					

*the amounts disclosed under personnel expenses above contain additionally the social contributions paid by the Bank on the key management remuneration disclosed on page 152.

The accompanying notes are an integral part of these consolidated and separate financial statements.

42 Related parties (continued)

Key management remuneration

The executive management and non-executive members of Management Board and Supervisory Board received remuneration during the years 2024 and 2023, as follows:

	Group				Bank			
	31 December 2024		31 December 2023		31 December 2024		31 December 2023	
	Expense	Accrued liability						
<i>Short-terms benefits:</i>								
- Salaries	49,540	6,420	44,458	3,998	42,335	6,420	38,008	3,998
- Short-terms bonuses	21,708	25,194	21,936	22,389	20,453	25,194	21,156	22,389
- Benefits in-kind	3,384	-	3,886	-	3,384	-	3,886	-
<i>Share-based compensation:</i>								
- Equity-settled share-based compensation	1,949	-	284	-	1,949	-	284	-
Total	76,581	31,614	70,564	26,387	68,121	31,614	63,334	26,387

43 Reclassification of comparative figures of financial years ended 2023 and 2022

During 2024, the Group has introduced a separate line item for 'Cash and cash equivalents' in the balance sheet to provide a clearer representation of its liquid assets and better align with IFRS Accounting Standards.

Cash and cash equivalents includes cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

In prior years, amounts related to cash and cash equivalents were included under several balance sheet line items, as follows: Cash on hand, Balances with the NBM, Due from banks and Investments in debt securities.

As a result of this change, during 2024 the Group has made the following reclassifications of the amounts previously reported.

- i) *The reclassification of the comparative figures for the Consolidated and Separate Statements of Financial Position as at 31 December 2023 in relation to cash and cash equivalents is presented below:*

Group	31 December 2023		31 December 2023
	Restated	Change	Reported
Assets			
Cash and cash equivalents	20,025,380	20,025,380	-
Cash on hand	-	(1,910,924)	1,910,924
Balances with the National Bank of Moldova	-	(12,733,013)	12,733,013
Due from other banks	177,698	(2,983,054)	3,160,752
Investments in debt securities	6,264,254	(2,398,389)	8,662,643

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024**
*(All amounts are expressed in thousands MDL, if not stated otherwise)***43 Reclassification of comparative figures of financial years ended 2023 and 2022 (continued)**

Bank	31 December 2023		31 December 2023
	Restated	Change	Reported
Assets			
Cash and cash equivalents	20,024,980	20,024,980	-
Cash on hand	-	(1,910,919)	1,910,919
Balances with the National Bank of Moldova	-	(12,733,013)	12,733,013
Due from other banks	177,698	(2,982,659)	3,160,357
Investments in debt securities	6,202,842	(2,398,389)	8,601,231

ii) *The reclassification of the comparative figures for the Consolidated and Separate Statements of Financial Position as at 1 January 2023 in relation to cash and cash equivalents is presented below:*

Group	1 January 2023		1 January 2023
	Restated	Change	Reported
Assets			
Cash and cash equivalents	15,934,579	15,934,579	-
Cash on hand	-	(1,470,466)	1,470,466
Balances with the National Bank of Moldova	-	(12,075,624)	12,075,624
Due from other banks	262,351	(798,053)	1,060,404
Investments in debt securities	2,775,004	(1,591,077)	4,366,081

Bank	1 January 2023		1 January 2023
	Restated	Change	Reported
Assets			
Cash and cash equivalents	15,934,579	15,934,579	-
Cash on hand	-	(1,470,410)	1,470,410
Balances with the National Bank of Moldova	-	(12,075,624)	12,075,624
Due from other banks	262,351	(797,468)	1,059,819
Investments in debt securities	2,714,919	(1,591,077)	4,305,996

During 2024, the Group has also changed the classification of the subscribed amounts in relation to debt securities in issue collected by the Group from interested investors for which the subscription period has ended but which were pending regulatory approval at reporting date from „Other financial liabilities” to „Debt securities in issue”.

As a result of this change, during 2024 the Group has made the following reclassifications of the amounts previously reported. This reclassification is not applicable for the period ended at 1 January 2023 as the Group and the Bank did not have any balances at this date.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)***43 Reclassification of comparative figures of financial years ended 2023 and 2022 (continued)**

iii) *The reclassification of the comparative figures for the Consolidated and Separate Statements of Financial Position as at 31 December 2023 in relation to debt securities in issue is presented below:*

Group	31 December 2023		31 December 2023
	Restated	Change	Reported
Liabilities			
Other financial liabilities	527,951	(100,000)	627,951
Debt securities in issue	354,732	100,000	254,732

Bank	31 December 2023		31 December 2023
	Restated	Change	Reported
Liabilities			
Other financial liabilities	527,579	(100,000)	627,579
Debt securities in issue	354,732	100,000	254,732

During 2024, the Group has changed the classification of the penalty received amounts in relation to loans from „Other operating income” to „Interest income calculated using the EIR method”.

As a result of this change, during 2024 the Group has made the following reclassifications of the amounts previously reported.

iv) *The reclassification of the comparative figures for the Consolidated and Separate statement of profit or loss and other comprehensive income as at 31 December 2023 in relation to penalty received amounts is presented below:*

Group	31 December 2023		31 December 2023
	Restated	Change	Reported
Income			
Interest income calculated using the EIR method	3,751,980	30,190	3,721,790
Other operating income	25,519	(30,190)	55,709

Bank	31 December 2023		31 December 2023
	Restated)	Change	Reported
Income			
Interest income calculated using the EIR method	3,748,425	30,190	3,718,235
Other operating income	16,494	(30,190)	46,684

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.**Notes to the consolidated and separate financial statements for the year ended 31 December 2024***(All amounts are expressed in thousands MDL, if not stated otherwise)*

v) *The reclassification of the comparative figures for the Consolidated and Separate statement of cash flows as at 31 December 2023 in relation to cash and cash equivalents, debt securities in issue, interest income calculated using the EIR method and other operating income amounts is presented below:*

Group	31 December 2023		31 December 2023
	Restated	Change	Reported
Interest income calculated using the EIR method received	3,794,684	(35,497)	3,830,181
Other similar income received	35,497	35,497	-
<i>Net (increase) / decrease in operating assets:</i>			
Due from other banks	(273,098)	234,087	(507,185)
<i>Net increase / (decrease) in operating liabilities:</i>			
Other financial liabilities	194,668	(100,000)	294,668
Net cash from operating activities	8,084,260	134,088	7,950,172
Proceeds from debt securities in issue	357,799	100,000	257,799
Net cash from/(used in) financing activities	220,283	100,000	120,283
Net increase in cash and cash equivalents	4,090,160	234,088	3,856,073
Cash and cash equivalents at 1 January	15,935,220	5,879,769	10,055,451
Cash and cash equivalents at 31 December	20,025,380	6,113,856	13,911,524

Bank	31 December 2023		31 December 2023
	Restated)	Change	Reported
<i>Net (increase) / decrease in operating assets:</i>			
Due from other banks	(273,096)	234,089	(507,185)
<i>Net increase / (decrease) in operating liabilities:</i>			
Other financial liabilities	193,288	(100,000)	293,288
Net cash from operating activities	8,111,592	134,087	7,977,504
Proceeds from debt securities in issue	357,799	100,000	257,799
Net cash from/(used in) financing activities	213,044	100,000	113,044
Net increase in cash and cash equivalents	4,090,401	234,087	3,856,314
Cash and cash equivalents at 1 January	15,934,579	5,879,769	10,054,810
Cash and cash equivalents at 31 December	20,024,980	6,113,856	13,911,124

44 Legal proceedings

At 31 December 2024 and 31 December 2023, the Group is the defendant in several lawsuits arising in the ordinary corporate activity. According to management and the Legal Department of the Group, the loss probability is small and accordingly no provision has been recorded in these consolidated and separate financial statements.

The accompanying notes are an integral part of these consolidated and separate financial statements.

B.C. MAIB S.A.

Notes to the consolidated and separate financial statements for the year ended 31 December 2024

(All amounts are expressed in thousands MDL, if not stated otherwise)

From time to time and in the normal course of business, claims against the Group may be received. On the basis of its own estimates and both internal and external professional advice, management is of the opinion that no material losses will be incurred in respect of claims, and accordingly no provision has been made in these consolidated and separate financial statements.

45 Events after the end of the reporting period

In February 2025 the Bank has sold its former head office building and recorded a gain on the sale. As per 31 December 2024 the building was classified as a non-current asset held for sale.

In March 2025, the Bank has launched its third public offering program of corporate bonds. Under this program, the Bank will continuously, over 12 months, make cyclical placements of Corporate Bonds of 9 (nine) different classes in 10 consecutive issues of the Bonds having a subscription rate of at least 1% for each issue.