

**OTP BANK S.A.**

**Financial Statements  
31 December 2025**

Prepared in accordance with  
IFRS Accounting Standards



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## Statement of Comprehensive Income for the year ended 31 December 2025

	Note	2025	2024
(in thousands MDL)			
Interest income	4	1,173,520	1,065,047
Interest expense	4	(300,541)	(325,619)
<b>Net interest income</b>		<b>872,979</b>	<b>739,428</b>
Fee and commission income	5	232,783	228,402
Fee and commission expense	5	(106,395)	(100,159)
<b>Net fee and commission income</b>		<b>126,388</b>	<b>128,243</b>
Net trading income	6	289,405	405,954
Credit loss expense on financial assets	7	4,967	921
Other operating income	8	28,444	29,267
<b>Net operating income</b>		<b>1,322,183</b>	<b>1,303,813</b>
Personnel expenses	9	(432,256)	(397,984)
Depreciation of property, equipment and right-of-use assets	18	(54,788)	(52,657)
Amortization of intangible assets	19	(35,841)	(29,900)
Other operating expenses	10	(208,091)	(197,364)
<b>Profit before tax</b>		<b>591,207</b>	<b>625,908</b>
Income tax expense	11	(72,501)	(75,332)
<b>Profit for the year</b>		<b>518,706</b>	<b>550,576</b>
<b>Basic and diluted earnings per share (in MDL)</b>	12	<b>51.87</b>	<b>55.06</b>

The accounting policies and Notes on pages 8 to 125 form part of, and should be read in conjunction with, these financial statements.

The financial statements and related notes were authorised for issue by the Supervisory Board on 18 March 2026.

Daniel-Bogdan SPUZĂ  
President of the Executive Committee  
OTP BANK S.A.

Ion VEVERIȚĂ  
Chief Financial Officer  
OTP BANK S.A.

19 March 2026

## Statement of Financial Position as at 31 December 2025

	Note	31 December 2025	31 December 2024
(in thousands MDL)			
<b>Assets</b>			
Cash and balances with Central Bank	13	4,176,896	5,531,137
Due from banks	14	1,061,446	2,738,170
Derivative financial instruments		27	120
Financial assets at fair value through profit or loss	17	4,020	3,574
Loans and advances to customers	15	10,140,457	8,115,774
Debt instruments at amortized cost	16	3,902,000	4,447,877
Other assets	20	82,700	112,100
Property and equipment	18	258,787	278,150
Deferred tax assets	11	5,224	4,659
Intangible assets	19	183,741	155,043
<b>Total assets</b>		<b>19,815,298</b>	<b>21,386,604</b>
<b>Liabilities</b>			
Due to banks	21	2,643	4,477
Derivative financial instruments		45	215
Due to customers	22	15,527,963	17,017,703
Borrowed funds from IFIs	23	821,211	956,030
Other liabilities	24	150,833	204,526
Provisions	25	69,375	79,056
<b>Total liabilities</b>		<b>16,572,070</b>	<b>18,262,007</b>
<b>Equity</b>			
Issued capital	26	100,000	100,000
Treasury shares	26	(56)	(56)
Share premium		151,410	151,410
General reserve		10,674	10,674
Prudential reserve		348,893	262,136
Retained earnings		2,632,307	2,600,433
<b>Total equity</b>		<b>3,243,228</b>	<b>3,124,597</b>
<b>Total liabilities and equity</b>		<b>19,815,298</b>	<b>21,386,604</b>

The accounting policies and Notes on pages 8 to 125 form part of, and should be read in conjunction with, these financial statements.

The financial statements and related notes were authorised for issue by the Supervisory Board on 18 March 2026.

Daniel-Bogdan SPUZĂ  
President of the Executive Committee  
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Chief Financial Officer  
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19 March 2026

## Statement of Changes in Equity for the year ended 31 December 2025

	Issued capital	Treasury shares	Share premium	General reserve	Prudential reserve	Retained earnings	Total
(in thousands MDL)							
<b>At 31 December 2023</b>	<b>100,000</b>	<b>(56)</b>	<b>151,410</b>	<b>10,674</b>	<b>154,466</b>	<b>2,657,547</b>	<b>3,074,041</b>
Profit	-	-	-	-	-	550,576	550,576
Prudential reserves allocation	-	-	-	-	107,670	(107,670)	-
Dividend	-	-	-	-	-	(500,020)	(500,020)
<b>At 31 December 2024</b>	<b>100,000</b>	<b>(56)</b>	<b>151,410</b>	<b>10,674</b>	<b>262,136</b>	<b>2,600,434</b>	<b>3,124,598</b>
Profit	-	-	-	-	-	518,706	518,706
Prudential reserves allocation	-	-	-	-	86,757	(86,757)	0
Dividend	-	-	-	-	-	(400,076)	(400,076)
<b>At 31 December 2025</b>	<b>100,000</b>	<b>(56)</b>	<b>151,410</b>	<b>10,674</b>	<b>348,893</b>	<b>2,632,307</b>	<b>3,243,228</b>

General reserve represents a statutory non-distributable reserve that according to the legislation consists of 10% of the share capital.

Prudential reserve represents general reserves for covering the bank risks related to the differences between the allowance for asset losses and commitments, according to the IFRS Accounting Standards, and the amount calculated but not created of allowances for asset losses and commitments, according to the prudential regulations. This reserve was first established in 2012, in accordance with the applicable legal requirements and accounting regulations approved by the National Bank of Moldova, and may not be distributable.

The accompanying notes on pages 8 to 125 form an integral part of the financial statements.

## Statement of Cash Flows for the year ended 31 December 2025

	Note	2025	2024
(in thousands MDL)			
<b>Cash flows from operating activities</b>			
Profit before tax		591,207	625,908
<b>Adjustments for:</b>			
Depreciation and amortization	18,19	90,629	82,557
Loss on disposal of property and equipment	10	165	1,440
Net impairment gain on financial assets	7	944	7,490
Foreign exchange loss/(gain)		(8,413)	(5,100)
Interest income		(1,173,520)	(1,065,047)
Interest expenses		300,541	325,619
Tax expense	11	(72,501)	(75,332)
<b>Changes in:</b>			
Mandatory reserves		907,496	2,527,804
Due from Banks		(1,686)	(640)
Loans and advances to customers		(2,025,222)	(928,489)
Other assets		32,065	(11,800)
Deposits from banks		(1,615)	(2,515)
Deposits from customers		(1,493,089)	349,083
Other liabilities		(47,215)	38,156
<b>Cash received/(used) in operating activities before interest</b>		<b>(2,900,214)</b>	<b>1,869,134</b>
Interest paid		(296,508)	(345,517)
Interest received		1,173,520	1,065,047
Income tax paid		(977)	(32,253)
<b>Cash received in operating activities</b>		<b>(2,024,179)</b>	<b>2,556,411</b>
<b>Investing activities</b>			
Purchase of property and equipment		(35,386)	(35,799)
Purchase of intangible assets		(64,539)	(46,273)
Proceeds from sale of property and equipment		(1)	-
Purchase of securities		42,264,719	73,154,042
Proceeds from securities		(42,920,696)	(72,337,464)
<b>Cash received/(used) from investing activities</b>		<b>(755,903)</b>	<b>734,506</b>
<b>Financing activities</b>			
Proceeds from loans from banks and IFI's		353,731	309,791
Repayment of loans from banks and IFI's		(480,821)	(721,595)
Lease liabilities payments		(17,675)	(20,749)
Dividends paid		(400,076)	(500,020)
<b>Cash received/(used) from financing activities</b>		<b>(544,841)</b>	<b>(932,573)</b>
<b>Increase in cash and cash equivalents</b>		<b>(3,324,923)</b>	<b>2,358,344</b>
<b>Cash and cash equivalents at 1 January</b>	30	<b>6,565,541</b>	<b>4,207,197</b>
<b>Cash and cash equivalents at 31 December</b>	30	<b>3,240,618</b>	<b>6,565,541</b>

The accounting policies and Notes on pages 8 to 125 form part of, and should be read in conjunction with, these financial statements.

# Notes to the Financial Statements

## 1 Corporate information

OTP BANK S.A. ("the Bank") was founded in the Republic of Moldova on 4<sup>th</sup> of July as an independent commercial bank, under the legal form of a limited liability company oriented towards serving the SME sector. During June 2002 the Bank was registered as an open joint stock commercial bank and its shares became listed on the Moldova Stock Exchange. Holder of a NBM issued banking license, the Bank offers a complete set of banking operations and services to enterprises and private customers.

The Bank's head office is located on Boulevard Stefan cel Mare si Sfânt, 81A, Chisinau, Republic of Moldova.

In 2007, the international financial group Société Générale acquired a 67.85% stake. In 2008 the capital increase and the appointment of new strategic shareholders (Groupe Société Générale) and the EBRD (European Bank for Reconstruction and Development) spurred the development of a universal banking model. At the same time, the official name was changed to BC „Mobiasbanca - Groupe Société Générale” S.A.

The year 2019 was a milestone year for the bank in the field of Corporate Governance. Significant changes have taken place involving the change of the majority shareholder and the launch of the integration process within the OTP Group.

On July 22, 2019, the majority shares of the bank were sold in favour of the Hungarian Bank - OTP Bank Nyrt (Hungary), which represents the ultimate parent of OTP BANK S.A. As a result of this transaction, OTP Bank Nyrt became the majority shareholder with 96.69% of the bank's capital. Its head office is located on Nádor Street 16, Budapest, Hungary H-1051.

In order to comply with the requirements of the national legislation in October 2019, the majority shareholder announced the Offer to take over the shares issued by OTP BANK S.A. Follow-up of the transaction carried out by OTP Bank Nyrt. it became the holder of 98.26% of the total shares issued by the Bank.

In 2020 the Bank has opened the Leasing Centre. During 2021, the Bank went through a rebranding process and it changed the name to "OTP BANK S.A." and the ATM fleet has been modernised.

As at 31 December 2025 the bank has 52 points of sale, out of which 47 universal points of sale, 1 VIP branch, 3 agencies and 1 corporate branch (2024: 49 points of sale, out of which 47 universal points of sale, 1 VIP branch and 1 specialized).

## 2 Accounting policies

### 2.1 Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value: derivative financial instruments, financial assets at fair value through profit and loss (FVPL). The financial statement is presented in MDL and all values are rounded to the nearest thousand lei, except when otherwise indicated.

### 2.2 Statement of compliance

The financial statements of the Bank have been prepared in accordance with IFRS Accounting Standards as adopted by International Accounting Standards Board (IASB).

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.3 Presentation of financial statements

The Bank presents its statement of financial position in order of liquidity based on the Bank's intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial statement line item. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 31.

Financial assets and financial liabilities are generally reported gross in the statement of financial position except when IFRS Accounting Standards netting criteria are met.

#### 2.4 Changes in accounting policies and disclosures

##### 2.4.1 The standards/amendments that are effective and have been endorsed by the European Union

The accounting policies adopted are consistent with those of the previous financial year, except for the following IFRS Accounting Standard which has been adopted by the Bank as of 1 January 2025 however, is not relevant for the Bank:

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)**

The amendments are effective for annual reporting periods beginning on January 1, 2025. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.5 Summary of material accounting policies

##### 2.5.1 Foreign Currency translation

###### (i) Functional and presentation currency

The financial statements are presented in Moldovan Lei (“MDL”), rounded to the nearest thousand, which is the Bank’s functional and presentation currency.

###### (ii) Transactions and balances

Transactions in foreign currencies are initially recorded at the spot rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange at the reporting date. All differences arising on non-trading activities are taken to Net trading income in the income statement (as outlined in Note 6).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition. Non-monetary items measured at fair value in a foreign currency are translated using the spot exchange rates at the date when the fair value was determined.

The official exchange rates for major foreign currencies at year-end were as follows:

	31 December 2025	31 December 2024
(in Moldovan Lei per unit of foreign currency)		
US dollar	16.7925	18.4791
EUR	19.7597	19.3106
Russian Rouble	0.2139	0.1713

##### 2.5.2 Recognition of interest income

###### (i) Presentation of net interest income

The Bank considers its net interest margin to be a key performance indicator; the measure includes both interest calculated using the effective interest method and interest recognized on a contractual basis on its financial assets measured at FVPL.

The existent portfolio of debt instrument financial assets classified at FVPL is not significant amounting MDL 2,100 thousand as at 31 December 2025. The Bank has therefore concluded that including an additional line item entitled, “Other interest income” in order to show all interest income resulted from FVPL financial assets would not add additional value to its stakeholders and decided to keep one single line item entitled “Interest income” for showing interest income calculated using the EIR and on a contractual basis on its financial assets measured at FVPL. The Bank has also elected to present its interest expense in a manner consistent and symmetrical with interest income.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.5 Summary of material accounting policies (continued)

##### 2.5.2 Recognition of interest income (continued)

###### (ii) Interest and similar income/expenses

Net interest income comprises interest income and interest expense calculated using the effective interest method. In its Interest income/expense calculated using the effective interest method, the Bank only includes interest on those financial instruments.

The Bank calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset.

When a financial asset becomes credit-impaired (as set out in Note 2.5.9 and is therefore regarded as 'Stage 3', the Bank calculates interest income by applying the EIR to the net amortised cost of the financial asset. If the financial asset cures (as outlined in Note 2.5.9) and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

##### 2.5.3 Fees and commission income

The Bank earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognized at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services.

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The Bank's revenue contracts do not typically include multiple performance obligations. When the Bank provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time.

The Bank has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

##### 2.5.4 Net trading income

Net trading income includes all gains and losses from changes in fair value and the related gains and losses from foreign currency transactions, and dividends, for financial assets and financial liabilities held for trading.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.5 Summary of material accounting policies (continued)

##### 2.5.5 Financial instruments – initial recognition

###### (i) Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognized on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognized when funds are transferred to the customers' accounts. The Bank recognizes balances due to customers when funds are transferred to the Bank.

###### (ii) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Notes 2.5.6.1 (i) and Note 2.5.6.1 (ii). Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price.

###### (iii) Measurement categories of financial assets and liabilities

According to IFRS 9, the Bank classifies all of its financial assets that are debt instruments based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortized cost, as explained in Note 2.5.9.1
- FVPL, as explained in Note 17

The Bank classifies and measures its derivative and trading portfolio at FVPL. The Bank may designate financial instruments at FVPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies, as explained in Note 27. Financial liabilities, other than loan commitments and financial guarantees, are measured at amortized cost or at FVPL when they are held for trading and derivative instruments, as described per Note 2.5.6.4.

#### 2.5.6 Financial assets and liabilities

##### 2.5.6.1 Due from banks, Loans and advances to customers, Financial investments at amortized cost

According to IFRS 9, the Bank only measures *Due from banks, Loans and advances to customers* and *other financial investments* at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.5 Summary of material accounting policies (continued)

##### 2.5.6 Financial assets and liabilities (continued)

###### 2.5.6.2 Due to customers, due to banks and borrowed funds

After initial measurement, due to customers, due to banks and borrowed funds are subsequently measured at amortized cost.

###### 2.5.6.3 Financial assets and liabilities at fair value through profit or loss

###### ➤ Financial assets and liabilities

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9.

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated. Interest earned or incurred on instruments designated at FVPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVPL is recorded using contractual interest rate. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other operating income when the right to the payment has been established.

###### ➤ Derivative Financial Instruments

###### - Foreign exchange swaps and interest rate swaps

The Bank enters into foreign-exchange swap and interest rate swap ("IRS") transactions. The swap transaction is a complex agreement concerning the swap of certain financial instruments, which usually consists of a spot and one or more forward contracts. Interest rate swaps obligate two parties to exchange one or more payments calculated with reference to fixed or periodically reset rates of interest applied to a specific notional principal amount (the base of the interest calculation). Notional principal is the amount upon which interest rates are applied to determine the payment streams under interest rate swaps. Such notional principal amounts are often used to express the volume of these transactions but are not actually exchanged between the counterparties. The Bank's interest rate swap contracts can be hedging or held for trading contracts.

###### - Foreign exchange options

A foreign exchange option is a derivative financial instrument that gives the owner the right to exchange money denominated in one currency into another currency at a pre-agreed exchange rate at a specified future date. The transaction, for a fee, guarantees a worst case exchange rate for the futures purchase of one currency for another. These options protect against unfavourable currency movements while preserving the ability to participate in favourable movements.

###### 2.5.6.4 Financial guarantees, letters of credit and undrawn loan commitments

The Bank issues financial guarantees, letters of credit and loan commitments.

Financial guarantees are initially recognized in the financial statements at fair value, being the premium received.

Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the income statement, and – under IFRS 9 – and an ECL provision as set out in Note 25.1.1.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.5 Summary of material accounting policies (continued)

##### 2.5.6 Financial assets and liabilities (continued)

##### 2.5.6.4 Financial guarantees, letters of credit and undrawn loan commitments (continued)

The premium received is recognized in the income statement in *Net fees and commission income* on a straight-line basis over the life of the guarantee.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. Based on IFRS 9, these contracts are in the scope of the ECL requirements.

The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded on in the statement of financial position. The nominal values of these instruments together with the corresponding ECLs are disclosed in Note 25.1.

##### 2.5.7 Reclassification of financial assets and liabilities

The Bank does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Bank acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

##### 2.5.8 Derecognition of financial assets and liabilities

###### 2.5.8.1 Derecognition due to substantial modification of terms and conditions

The Bank derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.

When assessing whether or not to derecognize a loan to a customer, amongst others, the Bank considers the following factors:

- Change in currency of the loan;
- Introduction of an equity feature;
- Change in counterparty;
- If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded. For financial liabilities, the Bank considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent. For financial assets, this assessment is based on qualitative factors.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.5 Summary of material accounting policies (continued)

##### 2.5.8 Derecognition of financial assets and liabilities (continued)

###### 2.5.8.2 Derecognition other than for substantial modification

###### *(i) Financial assets*

The Bank shall derecognise a financial asset when, and only when:

(a) the contractual rights to the cash flows from the financial asset expire, or

(b) it transfers the financial asset and the transfer meets the following two conditions:

i. transfers the contractual rights to receive the cash flows of the financial asset, or

ii. retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions:

The Bank has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.

The Bank is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows

The Bank has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay.

###### *(ii) Financial liabilities*

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.5 Summary of material accounting policies (continued)

##### 2.5.9 Impairment of financial assets

###### 2.5.9.1 Financial assets carried at amortized cost

This category includes due from banks, loans and advances to customers as well as debt instruments carried at amortized cost.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of the Bank's internal credit grading system, that considers credit risk characteristics such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group.

The Bank has developed a methodology for assessing impairment on loans and advances that is based on three years historical information on the timing and the amounts of the expected future cash flows. The Bank regularly reviews the methodology and assumptions used for estimating future cash flows in order to reduce any differences between loss estimates and actual loss.

###### *(i) Overview of expected credit loss (ECL) principle*

The Bank records allowance for expected credit losses for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in referred to as "financial instruments".

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Bank's policies for determining if there has been a significant increase in credit risk are set out in Note 28.2.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

PDs, both for LTECLs and for 12mECLs are calculated on a collective basis (the description of criteria determining the calculation of ECL on collective or individual basis are set out in Note 28), depending on the nature of the underlying portfolio of financial instruments.

The LGD collectively evaluated for impairment is estimated based on historical loss or recovery experience observed.

The collective ECL calculation parameters take into account the current situation and the impact of the forward-looking information (considering the expectation related to the evolution of macro-economic indicators), as described in Note 28.2.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.5 Summary of material accounting policies (continued)

##### 2.5.9 Impairment of financial assets (continued)

###### 2.5.9.1 Financial assets carried at amortized cost (continued)

###### *(i) Overview of expected credit loss (ECL) principle (continued)*

For the purpose of specific provisions calculated for individually assessed counterparties that are declared “in default”, the Bank assesses the cash flow that is expected to recover from client’s operation (if there is an activity that generates cash flows) or by exercising the guaranties and collaterals. The expected cash flows are spread over the time so that their value is discounted at the time of provisioning closing. The uncovered part of exposure by estimated recoveries is provisioned.

The Bank has established a methodology to perform an assessment, at the end of each reporting period, of whether a financial instrument’s credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Bank groups its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: when loans are first recognized, the Bank recognizes an allowance based on 12mECLs and keeps the loans in this stage if no significant increase in credit risk since origination is identified. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from other stages.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Loans considered in “default” or credit-impaired. The bank records an allowance for the LTECLs.

The bank records an allowance for the 12mECLs and LTECLs.

The methodology applied for the calculation of provisions for off-balance sheet items (loan commitments, financial guarantees, letters of credit) is similar to the one used for financial assets carried out at amortized cost (loans and advances, including leasing). Exposure at default for off-balance sheet items is calculated taking into account the CCF (credit conversion factor).

This is explained in Notes 28.2 and 25.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.5 Summary of material accounting policies (continued)

##### 2.5.9 Impairment of financial assets (continued)

###### 2.5.9.1 Financial assets carried at amortized cost (continued)

###### *(ii) The calculation of ECLs*

The Bank calculates ECLs based on a probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD: the Probability of Default is an estimate of the likelihood of default over a given time horizon;
- EAD: the Exposure at Default is the basis for provisioning;
- LGD: the Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on historic recoveries;
- FL: the Forward-Looking coefficient is a coefficient used at the calibration of PD which takes into account the expectation related to the evolution of macro-economic indicators;
- CCF: the Cash Conversion Factor used to estimate the EAD for off-balance commitments and contingencies, subject to ECL calculation.

The key elements for ECL calculation are explained in Notes 28.2.

The concept of PD is further explained in Note 28.2.

The mechanics of the ECL method are summarized below:

###### **Stage 1:**

The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities adjusted with FL are applied to EAD and multiplied by LGD.

###### **Stage 2:**

When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs are estimated over the lifetime of the instrument.

###### **Stage 3:**

For loans considered credit-impaired (as defined in Note 28.2), the Bank recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.5 Summary of material accounting policies (continued)

##### 2.5.9 Impairment of financial assets (continued)

###### 2.5.9.1 Financial assets carried at amortized cost (continued)

###### *(iii) Credit Cards and other revolving facility*

The Bank's product offering includes a variety retail overdraft and credit cards facilities, in which the Bank has the right to cancel and/or reduce the facilities with a notification period as specified in lending agreement. The Bank does not limit its exposure to credit losses to the contractual notice period and calculates ECL over a period of the validity of the facility agreement under rules disclosed in Note 28.2.7 below.

###### *(iv) Forward looking information*

In order to assess the FL coefficient, the Bank has determined the correlation between the dynamic of main macroeconomic indicators and evolution of internal probability of default (PD), subsequently estimating the PD for 2025-2029 time horizon.

In its ECL models, the Bank relies on a broad range of forward looking information as economic inputs, such as:

- Gross Domestic Product (GDP), y-o-y growth (real prices);
- Inflation (e-o-y data);
- EUR/MDL exchange rate (e-o-y data);
- Unemployment rate (e-o-y data).

The historical data for these indicators has been collected from official sources; the forecasted figures have been taken from IMF report, from data included in Medium-term budgetary framework of the country and from internal budgetary estimations (exchange rate for EUR/USD).

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in Note 28.2.

###### 2.5.9.2 Forborne and modified loans

The Bank sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Bank considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Bank would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the front-office unit or Risk Management Division. Forborne may involve extending the payment arrangements and the agreement of new loan conditions.

It is the Bank's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. The forborne status defines the transaction's risk status which indicator should be examined at a transactional level. If a restructuring measure is applied, the transaction acquires Non-Performing Forborne or Performing Forborne status, except commercial renegotiation.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.5 Summary of material accounting policies (continued)

##### 2.5.9 Impairment of financial assets (continued)

###### 2.5.9.2 Forborne and modified loans (continued)

The loans for which was made a commercial renegotiation (necessary for developing the business relation with the client) are not considered forborne and are treated as performing. Commercial renegotiation is referring to the modification of interest rate, the substitution of pledge, or any other event, in which the Bank has the opportunity to refuse this renegotiation (meaning that it is voluntarily agreed by the Bank) with any impact on the activity of the client. The modification of any initial condition of the loans is considered as commercial renegotiation only if the client is treated as performing, no delay more than 30 days was registered during the last 3 months and the counterparty meets all criteria of the bank to be credited. All other modifications are considered forborne.

Where possible, the Bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Management constantly reviews restructured loans to ensure that there are no other unlikely to pay criteria and future payments will occur with a high degree of probability. The renegotiated loans remain to be assessed for impairment, individually or collectively.

###### 2.5.9.3 Credit enhancements: collateral valuation and financial guarantees

The Bank seeks to use collateral, where required by internal normative bank, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets. The fair value of collateral is generally assessed, at a minimum, at inception and periodically according to internal rules, however, some collateral, for example, cash, is valued daily.

To the extent possible, the Bank uses active market data for valuing financial assets, held as collateral. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as evaluation companies and other independent sources.

###### 2.5.9.4 Collateral repossessed

The Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. For initial recognition, repossessed assets are measured and accounted for in accordance with the policies applicable for the relevant assets categories. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Bank's policy.

Repossessed assets are evaluated at the lower value between carrying amount and fair value minus selling costs. They are reflected in the balance sheet in accordance with the Chart of Accounts of the accounting record in banks and other financial institutions from the Republic of Moldova.

In its normal course of business, the Bank does not physically repossess properties or other assets in its portfolio. During 2024, the Bank did not repossessed assets from its customers.

###### 2.5.9.5 Write-offs

Financial assets are written off either partially or in their entirety only when the Bank has stopped pursuing the recovery and the asset is fully covered by provisions. Any subsequent recoveries are credited to credit loss expense.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.5 Summary of material accounting policies (continued)

##### 2.5.9 Impairment of financial assets (continued)

###### 2.5.9.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash in transit and cash bank's automated teller machines (ATM).

For the purposes of the statement of cash flows, cash and cash equivalents comprise: cash balances on hand, cash deposited with National Bank of Moldova, Nostro accounts with banks, placements with NBM and with other banks with less than 90 days original maturity and short-term treasury investments with a maturity of less than 90 days.

###### 2.5.9.7 Property, plant and equipment

Property and equipment are stated at cost, less accumulated depreciation and accumulated impairment in value. Right-of-use assets are presented together with property and equipment in the statement of financial position. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated. The estimated useful lives are as follows:

- • Buildings: 40-56 years
- • Vehicles: 5-7 years
- • Computers: 4-5 years
- • Equipment 5-15 years
- • Furniture and office equipment: 2.5-15 years

Property and equipment are derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in Other operating income in the income statement in the year the asset is derecognized.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.5 Summary of material accounting policies (continued)

##### 2.5.9 Impairment of financial assets (continued)

###### 2.5.9.8 IFRS 16: Leases

The Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

###### ➤ Bank as a lessee

The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

###### *Right-of-use assets*

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are presented within Note 18 Property, equipment and right-of-use assets and are subject to impairment in line with the Bank's policy as described in Note 2.5.9.11 Impairment of non-financial assets.

###### *Lease liabilities*

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

###### ➤ Bank as a lessor

A lease is classified as a finance lease when the terms and conditions of the lease agreement substantially transfer all the risks and rewards of ownership to the lessee. Amounts owed by tenants under a finance lease agreement are recognised as receivables.

The recognition of a lease agreement is made at its commencement date. Commencement date is the date when the asset is made available for use to the lessee. Gross investment in the lease is the sum of all minimum lease payments plus any unsecured residual value. Finance lease income is allocated over the accounting periods to reflect a constant periodic return on the net investment remaining to the Bank.

The investment in the lease is subject to the impairment and derecognition rules of IFRS 9 "Financial Instruments" as described in notes 2.5.8 and 2.5.9 above.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.5 Summary of material accounting policies (continued)

##### 2.5.9 Impairment of financial assets (continued)

###### 2.5.9.9 Intangible assets

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on the basis of the expected useful lives up to 5 years. Costs associated with maintaining computer software programs are recognized as an expense when incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Bank, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized using the straight-line method over their useful lives over 5 years.

Licenses are capitalized on the basis of the costs incurred to acquire the specific license. These costs are amortized on the basis of the license period (5-20 years). Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss

###### 2.5.9.10 Financial guarantees

In the ordinary course of business, the Bank gives financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial guarantees are initially recognized in the financial statements (within Other liabilities) at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the income statement, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee.

Any increase in the liability relating to financial guarantees is recorded in the income statement in Net impairment loss on financial assets. The premium received is recognized in the income statement in Net fees and commission income on a straight-line basis over the life of the guarantee.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.5 Summary of material accounting policies (continued)

##### 2.5.9 Impairment of financial assets (continued)

###### 2.5.9.11 Impairment of non-financial assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement.

###### 2.5.9.12 Employee benefits

The Bank's short-term employment benefits includes wages, bonuses, holiday pay and social security contributions and they are recognized as an expense as incurred.

Obligations for contributions to defined contribution pension plans are recognized as an expense in the income statement as incurred.

The Bank, in the normal course of business makes payments to the National House of Social Insurance and to the National House of Medical Insurance on behalf of its Moldovan employees for pension, health care and unemployment benefit. All employees of the Bank are members and are also legally obliged to make defined contributions (included in the social security contributions) to the Moldovan State pension plan (a State defined contribution plan). All relevant contributions to the Moldovan State pension plan are recognized as an expense in the income statement as incurred. The Bank does not have any further obligations.

The Bank does not operate any independent pension scheme and, consequently, has no obligation in respect of pensions. The Bank does not operate any other defined benefit plan or postretirement benefit plan. The Bank has no obligation to provide further services to current or former employees.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.5 Summary of material accounting policies (continued)

##### 2.5.9 Impairment of financial assets (continued)

###### 2.5.9.13 Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

###### 2.5.9.14 Taxes

###### (i) Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

###### (ii) Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax relating to items recognized directly in equity are also recognized in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Since 1 January 2012 the corporate income tax rate is 12%.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.5 Summary of material accounting policies (continued)

##### 2.5.9 Impairment of financial assets (continued)

###### 2.5.9.15 Treasury shares

Ordinary shares acquired by the Bank are deducted from equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

###### 2.5.9.16 Dividends on ordinary shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Bank's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Bank.

Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

###### 2.5.9.17 Equity reserves

The reserves recorded in equity on the Bank's statement of financial position include general and prudential reserves that are required by the legislation.

###### 2.5.9.18 Earnings per share

The Bank presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated based by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.6 Standards issued but not yet effective and not early adopted

##### 2.6.1 The standards/amendments that are not yet effective, but have been endorsed by the European

**IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments).** In May 2024, the IASB issued amendments to the Classification and Measurement of Financial Instruments which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and they become effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The amendments will not have impact on the financial position or performance of the Bank

**IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments).** In December 2024, the IASB issued targeted amendments for a better reflection of Contracts Referencing Nature-dependent Electricity, which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and they become effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The amendments will not have impact on the financial position or performance of the Bank

**Annual Improvements to IFRS Accounting Standards – Volume 11.** In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11. An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendments will not have impact on the financial position or performance of the Bank

**IFRS 18 Presentation and Disclosure in Financial Statements.** In April 2024, the IASB issued the IFRS 18 - Presentation and Disclosure in Financial Statements which replaces IAS 1 - Presentation of Financial Statements and it becomes effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments will not have impact on the financial position or performance of the Bank

##### 2.6.2 The standards/amendments that are not yet effective and have not yet been endorsed by the European Union

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures (including amendments)**  
In May 2024, the IASB issued the IFRS 19 - Subsidiaries without Public Accountability: Disclosures, and in August 2025 the IASB issued amendments to IFRS 19. IFRS 19 (including the amendments) becomes effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments will not have impact on the financial position or performance of the Bank
- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (Amendments)**  
In November 2025, the IASB issued amendments to Translation to a Hyperinflationary Presentation Currency which amend IAS 21 The Effects of Changes in Foreign Exchange Rates, and they become effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments will not have impact on the financial position or performance of the Bank
- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**  
In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments will not have impact on the financial position or performance of the Bank.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.7 Significant accounting judgements, estimates and assumptions

##### 2.7.1 Impact of novel risk on accounting judgments and estimates. Current macroeconomic and geopolitical uncertainty

Due to the increasing uncertainty of the US tariffs and geopolitical situation, a new overlay was implemented in 2025 in the IFRS 9 framework of the bank. This overlay methodology focuses on the non-retail portfolio by differentiating industries based on the underlying risk. Technically the model adjustment was implemented as a PL add-on - directly connected to the IFRS9 PL vectors of the MSE and MLE segments.

At the same time, for IFRS 9 purposes bank is considering ESG risks as novel risks. Starting with November 2025, to mitigate physical and transition risks arising from climate change that could affect the Bank's ECL, a climate risk overlay was introduced in the calculation of ECL. The related methodology affected both LGD calculation, considering geographical factors of the client's premises and collaterals, as well as PD determination, considering NACE code-level classification in relation to various climate risk scenarios.

##### 2.7.2 Going concern

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

##### 2.7.3 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Bank based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Bank. Such changes are reflected in the assumptions when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are disclosed for PD, LGD in Note 28.2.8.

##### 2.7.4 Fair value of financial instruments

The fair value of the financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under the current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgement is required to establish fair values. The judgements include considerations of liquidity and model inputs such as volatility for longer-dated derivatives and discount rates, prepayment rates and default rate assumptions for asset-backed securities. The valuation of financial instruments is described in more detail in Note 27.1.

##### *Determination of fair value*

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 2.7 Significant accounting judgements, estimates and assumptions (continued)

##### 2.7.4 Fair value of financial instruments (continued)

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison with similar instruments for which market observable prices exist, options pricing models, credit models and other relevant valuation models.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the balance sheet date. Where a fair value cannot be reliably be estimated, unquoted equity instruments that do not have a quoted market price in an active market are measured at cost and periodically tested for impairment.

##### 2.7.5 Impairment losses on financial instruments

The measurement of impairment losses under IFRS across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. For more details refer to Note 15. The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Bank's internal credit rating model;
- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on PDs, EADs and LGDs; Selection of forward-looking macroeconomic scenarios. For more details refer Note 28.2.8.

##### 2.7.6 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, therefore, the related assets and liabilities are presented gross in the Statement of financial position. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

##### 2.7.7 Provisions and other contingent liabilities

The Bank operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in local jurisdictions, arising in the ordinary course of the Bank's business. When the Bank can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Bank records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Bank takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates. For further details on provisions and other contingencies see Note 25.

## Notes to the Financial Statements

### 3 Segment information

During 2025 and 2024 respectively, the bank has been organised into two operating segments based on products and services, as follows:

- Retail banking - Individual customers 'deposits and consumer loans, overdrafts, credit card facilities;
- Corporate banking - Loans and other credit facilities and deposits and current accounts for corporate and institutional customers.

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the financial statement.

Interest income is reported net as management primarily relies on net interest revenue as a performance measure, along with the gross income and expenses.

Transfer prices between operating segments are based on the bank's internal pricing framework.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Bank's total revenue in 2025 or 2024.

#### Profit segments

An analysis of the bank's income, for 2025 and 2024 is presented, as follows:

	Total	Retail	Non-Retail
(in thousands MDL)			
<b>2025</b>			
Interest income	1,173,520	403,177	770,343
Interest expense	(300,541)	(156,560)	(143,981)
Fee and commission income	232,783	137,394	95,389
<b>2024</b>			
Interest income	1,065,047	341,771	723,276
Interest expense	(325,619)	(168,400)	(157,219)
Fee and commission income	228,402	141,229	87,173

An analysis of the bank's assets and liabilities for 2025 and 2024 is presented, as follows:

	Total	Retail	Non-Retail
(in thousands MDL)			
<b>31 December 2025</b>			
Loans and advances to customers	10,140,457	4,780,160	5,360,297
Due to customers	15,527,963	9,851,002	5,676,961
<b>31 December 2024</b>			
Loans and advances to customers	8,115,774	3,789,139	4,326,635
Due to customers	17,017,703	9,677,907	7,339,796

## Notes to the Financial Statements

### 4 Net interest income

#### *Interest and similar income calculated using the effective interest rate*

	<b>2025</b>	<b>2024</b>
(in thousands MDL)		
Cash and balances with Central Bank	73,641	95,840
Due from banks	50,639	83,427
Debt instruments at amortized cost	276,096	208,814
Loans and advances to customers	773,144	676,966
	<b>1,173,520</b>	<b>1,065,047</b>

The interest income accrued on impaired (Stage 3) Loans and advances to customers during 2025 amounted to MDL'000 22,142 (2024: MDL'000 33,380).

#### *Interest and similar expense calculated using the effective interest rate*

	<b>2025</b>	<b>2024</b>
(in thousands MDL)		
Due to customers	242,350	256,449
Borrowed funds from IFI's	54,646	65,417
Due to banks	416	27
Interest-related expenses on operating lease from customers	3,129	3,726
	<b>300,541</b>	<b>325,619</b>

## Notes to the Financial Statements

### 5 Net fee and commission income

Net fee and commission income includes fees and commission income from various banking services, including income from banking services regarding domestic and international payments, less fees and commission expenses paid for similar services received by the Bank.

#### 5.1 Fee and commission income

	Total	31 December 2025	
		Fee income earned from services that are provided over time:	Fee income from providing financial services at a point in time:
(in thousands MDL)			
Payment processing	64,012	-	64,012
Transactions with cards	75,939	-	75,939
Cash transactions	19,106	-	19,106
Guarantee fee income	21,950	-	21,950
Current accounts administration	15,853	15,853	-
Early repayment fees	2,808	-	2,808
SMS banking	3,665	-	3,665
Cash collection fee	3,049	-	3,049
Remote banking	2,277	2,277	-
Cash transactions in foreign currency-interbank	1,174	-	1,174
Distribution of social payments	4,000	-	4,000
Transfers through international payment systems	985	-	985
loans commitment fees	5,095	-	5,095
Loans upfront fees*	3,167	-	3,167
Broker fees	2,537	-	2,537
Insurance fees	1,376	-	1,376
Loans renewal fees	3,332	-	3,332
Letters of credit	419	-	419
Other	2,039	-	2,039
	<b>232,783</b>	<b>18,130</b>	<b>214,653</b>

\* These are non-refundable upfront fees associated with loan applications that were not approved.

## Notes to the Financial Statements

### 5 Net fee and commission income (continued)

#### 5.1 Fee and commission income (continued)

	Total	31 December 2024	
		Fee income earned from services that are provided over time:	Fee income from providing financial services at a point in time:
(in thousands MDL)			
Payment processing	74,502	-	74,502
Transactions with cards	67,739	-	67,739
Cash transactions	18,917	-	18,917
Guarantee fee income	19,408	-	19,408
Current accounts administration	15,914	15,914	-
Early repayment fees	3,852	-	3,852
SMS banking	4,503	-	4,503
Cash collection fee	3,381	-	3,381
Remote banking	2,765	2,765	-
Cash transactions in foreign currency-interbank	699	-	699
Distribution of social payments	3,706	-	3,706
Transfers through international payment systems	1,929	-	1,929
Loans commitment fees	4,357	-	4,357
Loans upfront fees	1,991	-	1,991
Broker fees	1,161	-	1,161
Insurance fees	942	-	942
Loans renewal fees	430	-	430
Consulting service	184	-	184
Letters of credit	339	-	339
Other	1,683	-	1,683
	<b>228,402</b>	<b>18,679</b>	<b>209,723</b>

#### 5.2 Fee and commission expense

	2025	2024
(in thousands MDL)		
Transactions with cards	77,192	64,204
Commissions on interbank transfers	15,988	17,892
Cash transactions in foreign currency – interbank	4,025	5,904
Other	9,190	12,159
	<b>106,395</b>	<b>100,159</b>

## Notes to the Financial Statements

### 6 Net trading income

	2025	2024
<i>(in thousands MDL)</i>		
<i>Foreign exchange result on transactions with:</i>		
Corporate clients	254,284	346,428
Individuals	38,474	47,003
Banks	5,384	11,046
Result from revaluation	(8,737)	1,477
	<b>289,405</b>	<b>405,954</b>

### 7 Credit loss expense on financial assets

	2025	2024
<i>(in thousands MDL)</i>		
Loans and advance to customers	(539)	3,979
Financial guarantee contracts	(14,714)	6,569
Other assets	1,015	828
Due from Central Bank	219	(2,840)
Due from banks	(1,639)	(704)
Debt instruments at amortized cost	10,691	(8,753)
	<b>(4,967)</b>	<b>(921)</b>

## Notes to the Financial Statements

### 7 Credit loss expense on financial assets (continued)

The table below shows the ECL charges on financial instruments for 31 December 2025 recorded in the income statement under IFRS 9:

	Note	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)						
Due from banks	14	(1,420)	-	-	-	(1,420)
Loans and advances to customers	15	(5,732)	27,299	(22,139)	34	(539)
Debt instruments measured at amortized cost	16	10,691	-	-	-	10,691
Other assets	20	1,015	-	-	-	1,015
Financial guarantees	25	(5,518)	(93)	(20)	-	(5,631)
Loan commitments	25	(5,512)	(3,248)	-	-	(8,761)
Letters of credit	25	(187)	(135)	-	-	(322)
<b>Total impairment loss</b>		<b>(6,663)</b>	<b>23,823</b>	<b>(22,159)</b>	<b>34</b>	<b>(4,967)</b>

The table below shows the impairment charges recorded in the income statement during 2024:

	Note	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)						
Due from banks	14	(3,544)	-	-	-	(3,544)
Loans and advances to customers	15	(687)	19,667	8,626	(23,627)	(3,979)
Debt instruments measured at amortized cost	16	(8,753)	-	-	-	(8,753)
Other assets	20	-	-	828	-	(828)
Financial guarantees	25	(1,239)	447	(313)	-	(1,105)
Loan commitments	25	2,728	4,760	(77)	-	7,411
Letters of credit	25	263	-	-	-	263
<b>Total impairment loss</b>		<b>(11,232)</b>	<b>24,874</b>	<b>9,064</b>	<b>(23,627)</b>	<b>(921)</b>

### 8 Other operating income

	2025	2024
(in thousands MDL)		
Gain from disposal of fixed assets	1	-
Fines, penalties and other sanctions	81	48
Other income from dormant accounts	1,017	738
Other operating income	876	1,051
Income from recoveries of credits and payments thereof	26,469	27,430
<b>Total other operating income</b>	<b>28,444</b>	<b>29,267</b>

### 9 Personnel expenses

	2025	2024
(in thousands MDL)		
Wages and salaries	251,765	232,413
Bonuses	52,087	43,732
Social security costs	76,007	69,369
Accrual for employee benefits and related contribution	37,219	37,254
Meal tickets	13,442	13,501
Other payments	1,736	1,715
	<b>432,256</b>	<b>397,984</b>

The average number of staff employed by the Bank in 2025 was 865 (2024: 871).

## Notes to the Financial Statements

### 10 Other operating expenses

	2025	2024
(in thousands MDL)		
Maintenance of intangibles	45,231	37,308
Repair and maintenance of fixed assets	23,623	24,127
Rent and utilities	15,947	13,237
Contribution to resolution fund	31,068	33,580
Advertising and publishing	12,044	10,733
Consulting and auditing (1)	11,592	6,790
Telecommunication	7,936	7,704
Training	2,511	2,743
Insurance	6,891	7,078
Security costs	6,025	5,981
Consumables and LVA	5,140	6,987
Information cost	5,899	5,433
Travel and transportation	4,474	3,739
Taxes and duties	2,698	2,656
Charity	3,922	6,120
Representation expenses	398	407
Result of disposal of fixed assets	142	1,439
Other	11,211	13,249
Contribution to deposit guarantee fund (2)	11,339	8,053
	<b>208,091</b>	<b>197,364</b>

(1) The line "Consulting and auditing" includes the expense related to the audit of financial statements in amount of MDL '000 4,196 (2024: MDL '000 3,831).

(2) In accordance with the Law No. 575-XV "On Guaranteeing of Deposits Placed in the Banks" of 26 December 2003 and its modification LP227 from 01.11.18, MO441-447/30.11.18 art. 703 in force from 01.01.20, subsequent "Regulation on Methodology on Calculation and Payment of Contribution in Deposit Guarantee Fund of the Republic of Moldova" of 20 August 2004 and it's modification HFGDSB03/2 from 18.02.19, MO111-118/29.03.19 art.576 in force 01.01.20, the Bank has to transfer to the Deposit Guarantee Fund a contribution equal to 0.08% of total deposits outstanding at the end of each quarter (only for qualified deposits, as stipulated in the law). In 2023 Parliament partially transposes into national law Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on Deposit Guarantee Schemes (Review) and adopted a new Law No. 160 from 22.06.2023. Under the newly adopted Law the target level of the Bank Deposit Cover Fund is 4% of total guaranteed deposits registered in the banking system. At the Bank level, the annual rate of the ordinary contribution is 0.3%. The Bank prepares the basis for the calculation of contribution based on its database of client deposits on a monthly basis and the ordinary contribution is paid quarterly as one-fourth of the annual ordinary contribution rate to the arithmetic average of the guaranteed deposit amounts, recorded in the member institution on the last day of each month of the management quarter. The expenditure with contribution to deposits guarantee fund is accrued monthly i.e. 15th day of the next month from the reported quarter.

### 11 Income tax expense

	2025	2024
(in thousands MDL)		
<b>Current tax</b>		
Current income tax	73,066	75,139
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	-565	193
<b>Income tax expense</b>	<b>72,501</b>	<b>75,332</b>

During 2025 the corporate income tax rate was 12% (2024: 12%).

## Notes to the Financial Statements

### 11 Income tax expense (continued)

#### 11.1 Reconciliation of the total tax charge

Reconciliation between the tax expense and the accounting profit multiplied by the tax rate enforced in the Republic of Moldova for the years ended 31 December 2025 and 2024 is, as follows:

	2025	2024
(in thousands MDL)		
Accounting profit before tax	591,207	625,908
At statutory income tax rate of 12% (2024: 12%)	70,945	75,109
Adjustment in respect of current income tax of prior years	49	(1,110)
Income not subject to tax	(1,701)	130
Non-deductible expenses	3,208	1,203
<b>Income tax expense reported in the income statement</b>	<b>72,501</b>	<b>75,332</b>

The effective income tax rate for 2025 is 12.26% (2024: 12.04%).

Non-deductible expenses mainly include accruals and provisions, which do not meet the deductibility requirements based on tax rules.

#### 11.2 Deferred tax

The following table shows deferred tax recorded on the statement of financial position in other assets and other liabilities and changes recorded in the Income tax expense:

31 December 2025	Deferred tax Assets	Deferred tax Liabilities	NET	Charge in Income statement
(in thousands MDL)				
Property and equipment		3,196	3,196	1,241
Other liabilities	(8,420)		(8,420)	(1,806)
	<b>(8,420)</b>	<b>3,196</b>	<b>(5,224)</b>	<b>(565)</b>
<hr/>				
31 December 2024	Deferred tax Assets	Deferred tax Liabilities	NET	Charge in Income statement
(in thousands MDL)				
Property and equipment	-	1,955	1,955	97
Other liabilities	(6,614)		(6,614)	96
	<b>(6,614)</b>	<b>1,955</b>	<b>(4,659)</b>	<b>193</b>

## Notes to the Financial Statements

### 12 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary equity holders of Bank by the weighted average number of ordinary shares outstanding during the year.

	<b>2025</b>	<b>2024</b>
(in thousands MDL)		
Net profit attributable to ordinary equity holders	518,706	550,576
Weighted average number of ordinary shares	9,994,394	9,994,394
Basic earnings per share (MDL/share)	51.90	55.09
Dividends per share (MDL/share)	40.03	50.03

The diluted earnings per share is equal to the basic earnings per share as there are no dilutive instruments as at the end of year.

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the completion of these financial statements which would require the restatement of earnings per share.

### 13 Cash and balances with Central Bank

	<b>31 December 2025</b>	<b>31 December 2024</b>
(in thousands MDL)		
Cash on hand	860,806	856,358
Current account with Central bank	1,768,193	2,280,545
Mandatory reserve deposit held in foreign currency	1,549,673	2,395,798
Impairment on balances with Central bank (Stage 1)	(1,776)	(1,564)
	<b>4,176,896</b>	<b>5,531,137</b>

#### ***Current account and obligatory reserves***

The National Bank of Moldova (NBM) requires commercial banks to maintain for liquidity purposes mandatory reserves calculated at a certain rate of the average funds borrowed by banks during the previous month (period between date 16 of the previous month and date 15 of the current month) including all customer deposits.

The Bank maintains its mandatory reserves in a current account opened with the NBM on funds attracted in Moldovan Lei and non-convertible currencies. Mandatory reserves on funds denominated in USD and EUR and other free-convertible currencies are held in a special obligatory reserves accounts with NBM.

The exposure to Central Bank is classified at Stage 1.

As of 31 December 2025 the rate for calculation of the obligatory reserve in local currency was 20% (31 December 2024: 25%) and in foreign currencies 29% (31 December 2024: 34%).

As of 31 December 2025 the Bank had to maintain as obligatory reserve in MDL an average of MDL'000 1,648,635 (2024: MDL'000 2,369,857), in USD of USD'000 19,949 (2024: USD'000 37,573) and in EUR of EUR'000 61,125 (2024: EUR'000 84,038). As of 31 December 2025 and 2024 the Bank is in line with the above mentioned limits.

## Notes to the Financial Statements

### 14 Due from banks

	31 December 2025	31 December 2024
(in thousands MDL)		
Current accounts	354,445	1,755,603
Overnight deposits	607,943	905,577
Term deposits	99,852	79,470
<b>Total, gross</b>	<b>1,062,240</b>	<b>2,740,650</b>
Allowances for Impairment for Current accounts	(220)	(1,311)
Allowances for Impairment for Overnight deposits	(493)	(1,075)
Allowances for Impairment for Term deposits	(81)	(94)
<b>Total Allowances for Impairment</b>	<b>(794)</b>	<b>(2,480)</b>
<b>Total, net</b>	<b>1,061,446</b>	<b>2,738,170</b>

#### 14.1 Impairment allowances for due from banks

The tables below show gross amount, credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification of due to banks:

##### Current accounts

	31 December 2025	31 December 2024
(in thousands MDL)		
Current accounts	354,445	1,755,603
Less: Allowance for impairment losses	(220)	(1,311)
	<b>354,225</b>	<b>1,754,292</b>

##### Overnight deposits

	31 December 2025	31 December 2024
(in thousands MDL)		
Overnight deposits	607,943	905,577
Less: Allowance for impairment losses	(493)	(1,075)
	<b>607,450</b>	<b>904,502</b>

##### Term deposits

	31 December 2025	31 December 2024
(in thousands MDL)		
Term deposits (1)	99,852	79,470
Less: Allowance for impairment losses (2)	(81)	(94)
	<b>99,771</b>	<b>79,376</b>

## Notes to the Financial Statements

### 14 Due from banks (continued)

#### 14.1 Impairment allowances for due from banks (continued)

- (1) Term deposits include short-term and long-term placements in SOCIETE GENERALE, PARIS, including accrued interest.
- (2) ECL for term deposits is classified according to accounting policy as Stage 1 collective. By internal credit rating system term deposits are neither past due nor impaired.

An analysis of gross carrying amount in relation to due from banks is for the year ended 31 December 2025, as follows:

#### Current accounts

	Stage 1 collective
<i>(in thousands MDL)</i>	
<b>Gross carrying amount as at 1 January 2025</b>	<b>1,755,603</b>
New assets originated or purchased	187,350
Assets derecognized or repaid (excluding write offs)	(1,588,508)
Changes to contractual cash flows due to modifications not resulting in de-recognition	0
Amounts written off	0
Foreign exchange adjustments	0
<b>Gross carrying amount as at 31 December 2025</b>	<b>354,445</b>

#### Overnight deposits

	Stage 1 collective
<i>(in thousands MDL)</i>	
<b>Gross carrying amount as at 1 January 2025</b>	<b>905,577</b>
New assets originated or purchased	323,777
Assets derecognized or repaid (excluding write offs)	(621,411)
Changes to contractual cash flows due to modifications not resulting in de-recognition	0
Amounts written off	0
Foreign exchange adjustments	0
<b>Gross carrying amount as at 31 December 2025</b>	<b>607,943</b>

#### Term deposits

	Stage 1 collective
<i>(in thousands MDL)</i>	
<b>Gross carrying amount as at 1 January 2025</b>	<b>79,470</b>
New assets originated or purchased	103,755
Assets derecognized or repaid (excluding write offs)	(83,373)
Changes to contractual cash flows due to modifications not resulting in de-recognition	-
Amounts written off	-
Foreign exchange adjustments	-
<b>Gross carrying amount as at 31 December 2025</b>	<b>99,852</b>

## Notes to the Financial Statements

### 14 Due from banks (continued)

#### 14.1 Impairment allowances for due from banks (continued)

An analysis of charges in the gross carrying amount in relation to due from banks is for the year ended 31 December 2024, as follows:

##### Current accounts

	<b>Stage 1 collective</b>
<i>(in thousands MDL)</i>	
<b>Gross carrying amount as at 1 January 2024</b>	<b>1,472,862</b>
New assets originated or purchased	1,053,674
Assets derecognized or repaid (excluding write offs)	(771,598)
Changes to contractual cash flows due to modifications not resulting in de-recognition	
Amounts written off	
Foreign exchange adjustments	665
<b>Gross carrying amount as at 31 December 2024</b>	<b>1,755,603</b>

##### Overnight deposits

	<b>Stage 1 collective</b>
<i>(in thousands MDL)</i>	
<b>Gross carrying amount as at 1 January 2024</b>	<b>792,312</b>
New assets originated or purchased	905,577
Assets derecognized or repaid (excluding write offs)	(792,312)
Changes to contractual cash flows due to modifications not resulting in de-recognition	
Amounts written off	
Foreign exchange adjustments	-
<b>Gross carrying amount as at 31 December 2024</b>	<b>905,577</b>

##### Term deposits

	<b>Stage 1 collective</b>
<i>(in thousands MDL)</i>	
<b>Gross carrying amount as at 1 January 2024</b>	<b>105,413</b>
New assets originated or purchased	1,447
Assets derecognized or repaid (excluding write offs)	-
Changes to contractual cash flows due to modifications not resulting in de-recognition	(27,389)
Amounts written off	-
Foreign exchange adjustments	(1)
<b>Gross carrying amount as at 31 December 2024</b>	<b>79,470</b>

## Notes to the Financial Statements

### 14 Due from banks (continued)

#### 14.1 Impairment allowances for due from banks (continued)

An analysis of charges in the corresponding ECL allowances in relation to due from banks is for the year ended 31 December 2025, as follows:

##### Current accounts

	Stage 1 collective
(in thousands MDL)	
<b>ECL allowance as at 1 January 2025 under IFRS 9</b>	<b>1,311</b>
New assets originated or purchased	366
Methodology changes, including risk parameters changes	(1,457)
<b>Net ECL Charge</b>	<b>(1,091)</b>
Foreign exchange adjustments	0
<b>ECL allowance as at 31 December 2025</b>	<b>220</b>

##### Overnight deposits

	Stage 1 collective
(in thousands MDL)	
<b>ECL allowance as at 1 January 2025 under IFRS 9</b>	<b>1,075</b>
New assets originated or purchased	291
Methodology changes, including risk parameters changes	-873
<b>Net ECL Charge</b>	<b>(582)</b>
Foreign exchange adjustments	0
<b>ECL allowance as at 31 December 2025</b>	<b>493</b>

##### Term deposits

	Stage 1 collective
(in thousands MDL)	
<b>ECL allowance as at 1 January 2025 under IFRS 9</b>	<b>94</b>
New assets originated or purchased	90
Methodology changes, including risk parameters changes	(103)
<b>Net ECL Charge</b>	<b>(13)</b>
Foreign exchange adjustments	0
<b>ECL allowance as at 31 December 2025</b>	<b>81</b>

## Notes to the Financial Statements

### 14 Due from banks (continued)

#### 14.1 Impairment allowances for due from banks (continued)

An analysis of charges in the corresponding ECL allowances in relation to due from banks is for the year ended 31 December 2024, as follows:

##### Current accounts

	<b>Stage 1 collective</b>
(in thousands MDL)	
<b>ECL allowance as at 1 January 2024 under IFRS 9</b>	1,949
New assets originated or purchased	484
Methodology changes, including risk parameters changes	(1,118)
<b>Net ECL Charge</b>	<b>(634)</b>
Foreign exchange adjustments	(4)
<b>ECL allowance as at 31 December 2024</b>	<b>1,311</b>

##### Overnight deposits

	<b>Stage 1 collective</b>
(in thousands MDL)	
<b>ECL allowance as at 1 January 2024 under IFRS 9</b>	1,054
New assets originated or purchased	1,075
Methodology changes, including risk parameters changes	(1,054)
<b>Net ECL Charge</b>	<b>21</b>
Foreign exchange adjustments	-
<b>ECL allowance as at 31 December 2024</b>	<b>1,075</b>

##### Term deposits

	<b>Stage 1 collective</b>
(in thousands MDL)	
<b>ECL allowance as at 1 January 2024 under IFRS 9</b>	117
New assets originated or purchased	-
Methodology changes, including risk parameters changes	(23)
<b>Net ECL Charge</b>	<b>(23)</b>
Foreign exchange adjustments	-
<b>ECL allowance as at 31 December 2024</b>	<b>94</b>

## Notes to the Financial Statements

### 15 Loans and advances to customers and Leasing

The Bank's commercial lending is concentrated on companies and individuals domiciled in Moldova.

	31 December 2025	31 December 2024
(in thousands MDL)		
Loans and advances to customers, gross	10,475,211	8,483,013
Less: Allowance for impairment losses	(334,754)	(367,239)
	<b>10,140,457</b>	<b>8,115,774</b>
<i>out of which:</i>		
Leasing, gross	298,992	261,466
Less: Allowance for impairment losses	(7,921)	(6,387)
	<b>291,071</b>	<b>255,079</b>

As of 31 December 2025 the outstanding of loans granted to related parties amounted at MDL1,655 (2024: MDL'000 2,081) at an average interest rate of 8,86% per annum (2024: 14.43% per annum) (Note 32).

Segments of loans and advances to customers are described in the table below (more details on segments – Note 28.2.3):

	31 December 2025	31 December 2024
(in thousands MDL)		
MLE	5,302,311	4,290,195
Consumer	1,806,980	1,402,987
Mortgage	2,419,872	1,967,599
MSE	647,056	560,766
Leasing	298,992	261,466
	<b>10,475,211</b>	<b>8,483,013</b>
Less: Allowance for ECL/impairment losses	(334,754)	(367,239)
	<b>10,140,457</b>	<b>8,115,774</b>

## Notes to the Financial Statements

### 15 Loans and advances to customers and Leasing (continued)

#### 15.1 Impairment allowance for loans and advances to customers and Leasing

##### 15.1.1 MLE

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification for Medium and Large Enterprises (MLE). The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 28 the policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 28.

	31 December 2025				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
<b>Probability of Default rates</b>	<b>2.30%</b>	<b>13.90%</b>	<b>100%</b>	<b>100%</b>	
(in thousands MDL)					
<b>Internal rating grade</b>					
Neither past due nor impaired	4,993,474	89,044	-	-	<b>5,082,518</b>
Past due but not impaired	63,323	25,999	-	-	<b>89,322</b>
Non-performing	-	-	5,285	-	<b>5,285</b>
Individually impaired	-	-	-	125,186	<b>125,186</b>
<b>Total</b>	<b>5,056,797</b>	<b>115,043</b>	<b>5,285</b>	<b>125,186</b>	<b>5,302,311</b>

	31 December 2024				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
<b>Probability of Default rates</b>	<b>1.3%</b>	<b>9.7%</b>	<b>100%</b>	<b>100%</b>	
(in thousands MDL)					
<b>Internal rating grade</b>					
Neither past due nor impaired	3,851,442	170,225	-	-	<b>4,021,667</b>
Past due but not impaired	101,252	24,424	-	-	<b>125,676</b>
Non-performing	-	-	10,442	-	<b>10,442</b>
Individually impaired	-	-	-	132,410	<b>132,410</b>
<b>Total</b>	<b>3,952,694</b>	<b>194,649</b>	<b>10,442</b>	<b>132,410</b>	<b>4,290,195</b>

## Notes to the Financial Statements

### 15 Loans and advances to customers and Leasing (continued)

#### 15.1 Impairment allowance for loans and advances to customers and Leasing (continued)

##### 15.1.1 MLE (continued)

An analysis of charges in the gross carrying amount in relation to MLE lending is for the year ended 31 December 2025, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
<i>(in thousands MDL)</i>					
<b>Gross carrying amount as at 1 January 2025</b>	<b>3,952,695</b>	<b>194,649</b>	<b>10,442</b>	<b>132,410</b>	<b>4,290,196</b>
New assets originated or purchased	2,985,829	-	-	-	<b>2,985,829</b>
Assets derecognized or repaid (excluding write offs)	(2,146,207)	(130,355)	(5,303)	(9,678)	<b>(2,291,543)</b>
Transfers to S1	35,098	(35,098)	-	-	<b>0</b>
Transfers to S2	(86,878)	86,878	-	-	<b>0</b>
Transfers to S3	-	-	-	-	<b>0</b>
Movements of accrued interest	1,237	959	116	10,248	<b>12,560</b>
Effect of modifications	291,189	(2,620)	582	(6,562)	<b>282,589</b>
Amounts written off	-	-	(574)	-	<b>(574)</b>
Foreign exchange adjustments	23,834	630	22	(1,232)	<b>23,254</b>
<b>Gross carrying amount as at 31 December 2025</b>	<b>5,056,797</b>	<b>115,043</b>	<b>5,285</b>	<b>125,186</b>	<b>5,302,311</b>

An analysis of charges in the gross carrying amount in relation to Corporate and MLE lending is for the year ended 31 December 2024, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
<i>(in thousands MDL)</i>					
<b>Gross carrying amount as at 1 January 2024</b>	<b>3,539,628</b>	<b>91,866</b>	<b>12,930</b>	<b>142,266</b>	<b>3,786,690</b>
New assets originated or purchased	2,262,028	-	-	-	<b>2,262,028</b>
Assets derecognized or repaid (excluding write offs)	(696,205)	(50,187)	(2,256)	(22,585)	<b>(771,233)</b>
Transfers to S1	4,996	(4,996)	-	-	<b>-</b>
Transfers to S2	(170,108)	170,108	-	-	<b>-</b>
Transfers to S3	-	(2,576)	2,576	-	<b>-</b>
Movements of accrued interest	3,261	486	636	11,036	<b>15,419</b>
Effect of modifications	(1,008,483)	(10,559)	(3,060)	28	<b>(1,022,074)</b>
Amounts written off	-	-	(470)	-	<b>(470)</b>
Foreign exchange adjustments	17,579	507	85	1,664	<b>19,835</b>
<b>Gross carrying amount as at 31 December 2024</b>	<b>3,952,696</b>	<b>194,649</b>	<b>10,441</b>	<b>132,409</b>	<b>4,290,195</b>

## Notes to the Financial Statements

### 15 Loans and advances to customers and Leasing (continued)

#### 15.1 Impairment allowance for loans and advances to customers and Leasing (continued)

##### 15.1.1 MLE (continued)

An analysis of charges in the corresponding ECL allowances in relation to Corporate and MLE lending is for the year ended 31 December 2025, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>ECL allowance as at 1 January 2025 under IFRS 9</b>	<b>56,325</b>	<b>18,056</b>	<b>8,418</b>	<b>83,862</b>	<b>166,661</b>
New assets originated or purchased	44,367	-	-	-	<b>44,367</b>
Assets derecognized or repaid (excluding write offs)	(30,055)	(8,435)	(3,507)	(1,830)	<b>(43,827)</b>
Transfers to S1	5,754	(5,754)	-	-	<b>0</b>
Transfers to S2	(3,828)	3,828	-	-	<b>0</b>
Transfers to S3	-	-	-	-	<b>-</b>
Impact on ECL of modifications	(2,497)	2,107	596	(182)	<b>24</b>
Unwinding	-	-	(14)	(9)	<b>(23)</b>
Changes to inputs used for ECL calculations	710	(736)	(141)	(5,696)	<b>(5,863)</b>
Amounts written off	-	-	(574)	-	<b>(574)</b>
Foreign exchange adjustments	417	36	21	(938)	<b>(464)</b>
<b>Net ECL Charge</b>	<b>14,867</b>	<b>(8,955)</b>	<b>(3,619)</b>	<b>(8,654)</b>	<b>(6,361)</b>
<b>ECL allowance as at 31 December 2025</b>	<b>71,193</b>	<b>9,102</b>	<b>4,799</b>	<b>75,207</b>	<b>160,301</b>

An analysis of charges in the corresponding ECL allowances in relation to Corporate and MLE lending is for the year ended 31 December 2024, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>ECL allowance as at 1 January 2024 under IFRS 9</b>	<b>43,992</b>	<b>12,612</b>	<b>9,779</b>	<b>102,129</b>	<b>168,512</b>
New assets originated or purchased	36,423	-	-	-	<b>36,423</b>
Assets derecognized or repaid (excluding write offs)	(8,492)	(1,476)	(857)	(10,994)	<b>(21,819)</b>
Transfers to S1	1,643	(1,643)	-	-	<b>-</b>
Transfers to S2	(6,883)	6,883	-	-	<b>-</b>
Transfers to S3	-	(740)	740	-	<b>-</b>
Impact on ECL of modifications	(13,943)	640	(625)	2,722	<b>(11,206)</b>
Unwinding	-	-	(324)	(976)	<b>(1,300)</b>
Changes to inputs used for ECL calculations	3,365	1,772	111	(10,424)	<b>(5,176)</b>
Amounts written off	-	-	(470)	-	<b>(470)</b>
Foreign exchange adjustments	220	8	62	1,409	<b>1,699</b>
<b>Net ECL Charge</b>	<b>12,333</b>	<b>5,444</b>	<b>(1,363)</b>	<b>(18,263)</b>	<b>(1,849)</b>
<b>ECL allowance as at 31 December 2024</b>	<b>56,325</b>	<b>18,056</b>	<b>8,416</b>	<b>83,866</b>	<b>166,663</b>

## Notes to the Financial Statements

### 15 Loans and advances to customers and Leasing (continued)

#### 15.1 Impairment allowance for loans and advances to customers and Leasing (continued)

##### 15.1.2 Consumer

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 28 the policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 28.

31 December 2025					
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
<b>Probability of Default rates</b>	<b>2.70%</b>	<b>19.10%</b>	<b>100%</b>	<b>100%</b>	
(in thousands MDL)					
<b>Internal rating grade</b>					
Neither past due nor impaired	1,542,218	151,552	-	-	1,693,770
Past due but not impaired	46,513	47,657	-	-	94,170
Non-performing	-	-	19,040	-	19,040
Individually impaired	-	-	-	-	-
<b>Total</b>	<b>1,588,731</b>	<b>199,209</b>	<b>19,040</b>	<b>-</b>	<b>1,806,980</b>

31 December 2024					
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
<b>Probability of Default rates</b>	<b>2.30%</b>	<b>18.30%</b>	<b>100.00%</b>	<b>100.00%</b>	
(in thousands MDL)					
<b>Internal rating grade</b>					
Neither past due nor impaired	1,183,689	110,965	-	-	1,294,654
Past due but not impaired	36,864	31,768	-	-	68,632
Non-performing	-	-	39,701	-	39,701
Individually impaired	-	-	-	-	-
<b>Total</b>	<b>1,220,553</b>	<b>142,733</b>	<b>39,701</b>	<b>-</b>	<b>1,402,987</b>

## Notes to the Financial Statements

### 15 Loans and advances to customers and Leasing (continued)

#### 15.1 Impairment allowance for loans and advances to customers and Leasing (continued)

##### 15.1.2 Consumer (continued)

An analysis of charges in the gross carrying amount in relation to consumer lending is for the year ended 31 December 2025, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>Gross carrying amount as at 1 January 2025</b>	<b>1,220,553</b>	<b>142,733</b>	<b>39,701</b>	-	<b>1,402,987</b>
New assets originated or purchased	1,126,925	-	-	-	<b>1,126,925</b>
Assets derecognized or repaid (excluding write offs)	(574,617)	(129,917)	(31,042)	-	<b>(735,576)</b>
Transfers to S1	18,654	(18,513)	(141)	-	-
Transfers to S2	(161,268)	162,160	(892)	-	-
Transfers to S3	(8,826)	(4,310)	13,136	-	-
Movements of accrued interest	9,771	5,551	1,285	-	<b>16,607</b>
Effect of modifications	(42,461)	41,505	28,221	-	<b>27,265</b>
Amounts written off	-	-	(31,228)	-	(31,228)
Foreign exchange adjustments	-	-	-	-	<b>0</b>
<b>Gross carrying amount as at 31 December 2025</b>	<b>1,588,731</b>	<b>199,209</b>	<b>19,040</b>	-	<b>1,806,980</b>

An analysis of charges in the gross carrying amount in relation to consumer lending is for the year ended 31 December 2024, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>Gross carrying amount as at 1 January 2024</b>	<b>865,838</b>	<b>186,030</b>	<b>36,228</b>	-	<b>1,088,096</b>
New assets originated or purchased	915,355	-	-	-	<b>915,355</b>
Assets derecognized or repaid (excluding write offs)	(180,923)	(60,682)	(7,583)	-	<b>(249,188)</b>
Transfers to S1	22,124	(21,551)	(573)	-	-
Transfers to S2	(93,427)	94,883	(1,456)	-	-
Transfers to S3	(5,524)	(11,840)	17,364	-	-
Movements of accrued interest	20,150	9,576	12,782	-	<b>42,508</b>
Effect of modifications	(323,041)	(53,683)	(1,344)	-	<b>(378,068)</b>
Amounts written off	-	-	(15,837)	-	(15,837)
Foreign exchange adjustments	-	-	121	-	<b>121</b>
<b>Gross carrying amount as at 31 December 2024</b>	<b>1,220,552</b>	<b>142,733</b>	<b>39,702</b>	-	<b>1,402,987</b>

## Notes to the Financial Statements

### 15 Loans and advances to customers and Leasing (continued)

#### 15.1 Impairment allowance for loans and advances to customers and Leasing (continued)

##### 15.1.2 Consumer (continued)

An analysis of charges in the corresponding ECL allowances in relation to consumer lending is for the year ended 31 December 2025, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>ECL allowance as at 1 January 2025 under IFRS 9</b>	<b>19,519</b>	<b>15,997</b>	<b>34,724</b>	-	<b>70,240</b>
New assets originated or purchased	27,490	-	-	-	<b>27,490</b>
Assets derecognized or repaid (excluding write offs)	(8,951)	(7,899)	(26,036)	-	<b>(42,886)</b>
Transfers to S1	3,163	(3,027)	(136)	-	0
Transfers to S2	(8,034)	9,078	(1,045)	-	(1)
Transfers to S3	(3,129)	(1,317)	4,446	-	0
Impact on ECL of modifications	(2,810)	9,217	32,403	-	<b>38,810</b>
Unwinding	-	-	24	-	<b>24</b>
Changes to inputs used for ECL calculations	752	(144)	563	-	<b>1171</b>
Amounts written off	0	0	(31,228)	-	<b>(31,228)</b>
Foreign exchange adjustments	0	0	(1)	0	<b>0</b>
<b>Net ECL Charge</b>	<b>8,481</b>	<b>5,908</b>	<b>(21,010)</b>	-	<b>(6,621)</b>
<b>ECL allowance as at 31 December 2025</b>	<b>28,000</b>	<b>21,905</b>	<b>13,714</b>	-	<b>63,620</b>

An analysis of charges in the corresponding ECL allowances in relation to consumer lending is for the year ended 31 December 2024, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>ECL allowance as at 1 January 2024 under IFRS 9</b>	<b>24,358</b>	<b>35,019</b>	<b>26,149</b>	-	<b>85,526</b>
New assets originated or purchased	19,666	-	-	-	<b>19,666</b>
Assets derecognized or repaid (excluding write offs)	(4,205)	(4,104)	(1,611)	-	<b>(9,920)</b>
Transfers to S1	6,029	(5,489)	(540)	-	-
Transfers to S2	(6,824)	8,341	(1,517)	-	-
Transfers to S3	(1,300)	(9,439)	10,739	-	-
Impact on ECL of modifications	(14,399)	(6,406)	16,718	-	<b>(4,087)</b>
Unwinding	-	-	66	-	<b>66</b>
Changes to inputs used for ECL calculations	(3,806)	(1,926)	456	-	<b>(5,276)</b>
Amounts written off	-	-	(15,837)	-	<b>(15,837)</b>
Foreign exchange adjustments	-	-	101	-	<b>101</b>
<b>Net ECL Charge</b>	<b>(4,839)</b>	<b>(19,023)</b>	<b>8,575</b>	-	<b>(15,287)</b>
<b>ECL allowance as at 31 December 2024</b>	<b>19,519</b>	<b>15,996</b>	<b>34,724</b>	-	<b>70,239</b>

## Notes to the Financial Statements

### 15 Loans and advances to customers and Leasing (continued)

#### 15.1 Impairment allowance for loans and advances to customers and Leasing (continued)

##### 15.1.3 Mortgage

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 28 the policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 28.

31 December 2025					
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
<b>Probability of Default rates</b>	<b>0.90%</b>	<b>18.20%</b>	<b>100.00%</b>	<b>100.00%</b>	
(in thousands MDL)					
<b>Internal rating grade</b>					
Neither past due nor impaired	1,758,941	502,116			<b>2,261,057</b>
Past due but not impaired	50,593	64,646	-	-	<b>115,239</b>
Non-performing	-	-	43,576	-	<b>43,576</b>
Individually impaired	-	-	-	-	<b>-</b>
<b>Total</b>	<b>1,809,534</b>	<b>566,762</b>	<b>43,576</b>	<b>-</b>	<b>2,419,872</b>

31 December 2024					
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
<b>Probability of Default rates</b>	<b>1.10%</b>	<b>18.20%</b>	<b>100.00%</b>	<b>100.00%</b>	
(in thousands MDL)					
<b>Internal rating grade</b>					
Neither past due nor impaired	1,383,879	435,934	-	-	<b>1,819,813</b>
Past due but not impaired	39,035	65,201	-	-	<b>104,236</b>
Non-performing	-	-	43,550	-	<b>43,550</b>
Individually impaired	-	-	-	-	<b>-</b>
<b>Total</b>	<b>1,422,914</b>	<b>501,135</b>	<b>43,550</b>	<b>-</b>	<b>1,967,599</b>

## Notes to the Financial Statements

### 15 Loans and advances to customers and Leasing (continued)

#### 15.1 Impairment allowance for loans and advances to customers and Leasing (continued)

##### 15.1.3 Mortgage (continued)

An analysis of charges in the gross carrying amount in relation to mortgage lending is for the year ended 31 December 2025, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>Gross carrying amount as at 1 January 2025</b>	<b>1,422,913</b>	<b>501,135</b>	<b>43,550</b>	-	<b>1,967,598</b>
New assets originated or purchased	824,800	-	-	-	<b>824,800</b>
Assets derecognized or repaid (excluding write offs)	(253,395)	(136,739)	(8,355)	-	<b>(398,489)</b>
Transfers to S1	155,582	(155,392)	(191)	-	<b>(1)</b>
Transfers to S2	(330,821)	331,991	(1,170)	-	<b>0</b>
Transfers to S3	(4,232)	(3,469)	7,701	-	<b>0</b>
Movements of accrued interest	8,765	7,370	3,710	-	<b>19,845</b>
Effect of modifications	(15,000)	21,374	(1,548)	-	<b>4,826</b>
Amounts written off	-	-	-	-	-
Foreign exchange adjustments	922	492	(121)	-	<b>1293</b>
<b>Gross carrying amount as at 31 December 2025</b>	<b>1,809,534</b>	<b>566,762</b>	<b>43,576</b>	-	<b>2,419,872</b>

An analysis of charges in the gross carrying amount in relation to mortgage lending is for the year ended 31 December 2024, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>Gross carrying amount as at 1 January 2024</b>	<b>1,508,699</b>	<b>357,595</b>	<b>56,864</b>	-	<b>1,923,158</b>
New assets originated or purchased	437,648	-	-	-	<b>437,648</b>
Assets derecognized or repaid (excluding write offs)	(137,807)	(77,159)	(5,019)	-	<b>(219,985)</b>
Transfers to S1	106,630	(105,390)	(1,240)	-	-
Transfers to S2	(317,827)	323,117	(5,290)	-	-
Transfers to S3	(82)	(4,610)	4,692	-	-
Movements of accrued interest	8,804	7,206	3,370	-	<b>19,380</b>
Effect of modifications	(184,164)	78	(9,920)	-	<b>(194,006)</b>
Amounts written off	-	-	-	-	-
Foreign exchange adjustments	1,013	299	92	-	<b>1,404</b>
<b>Gross carrying amount as at 31 December 2024</b>	<b>1,422,914</b>	<b>501,136</b>	<b>43,549</b>	-	<b>1,967,599</b>

## Notes to the Financial Statements

### 15 Loans and advances to customers and Leasing (continued)

#### 15.1 Impairment allowance for loans and advances to customers and leasing (continued)

##### 15.1.3 Mortgage (continued)

An analysis of charges in the corresponding ECL allowances in relation to mortgage lending is for the year ended 31 December 2025, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>ECL allowance as at 1 January 2025 under IFRS 9</b>	<b>11,359</b>	<b>49,770</b>	<b>24,758</b>	-	<b>85,887</b>
New assets originated or purchased	6,155	-	-	-	<b>6,155</b>
Assets derecognized or repaid (excluding write offs)	(1,821)	(8,222)	(3,592)	-	<b>(13,635)</b>
Transfers to S1	18,442	(18,312)	(130)	-	0
Transfers to S2	(4,814)	5,581	(766)	-	1
Transfers to S3	(36)	(662)	698	-	0
Impact on ECL of modifications	(17,631)	20,817	2,275	-	<b>5,461</b>
Unwinding	-	-	253	-	<b>253</b>
Changes to inputs used for ECL calculations	(2,382)	(5,661)	(5,803)	-	<b>(13,846)</b>
Amounts written off	-	-	-	-	-
Foreign exchange adjustments	11	20	(60)	-	<b>(29)</b>
<b>Net ECL Charge</b>	<b>(2,076)</b>	<b>(6,439)</b>	<b>(7,125)</b>	-	<b>(15,640)</b>
<b>ECL allowance as at 31 December 2025</b>	<b>9,283</b>	<b>43,331</b>	<b>17,633</b>	-	<b>70,247</b>

An analysis of charges in the corresponding ECL allowances in relation to mortgage lending is for the year ended 31 December 2024, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>ECL allowance as at 1 January 2024 under IFRS 9</b>	<b>7,873</b>	<b>34,633</b>	<b>29,496</b>	-	<b>72,002</b>
New assets originated or purchased	4,105	-	-	-	<b>4,105</b>
Assets derecognized or repaid (excluding write offs)	(611)	(2,075)	(1,747)	-	<b>(4,433)</b>
Transfers to S1	11,968	(11,360)	(608)	-	-
Transfers to S2	(2,557)	5,329	(2,772)	-	-
Transfers to S3	(1)	(948)	949	-	-
Impact on ECL of modifications	(11,876)	23,183	(1,981)	-	<b>9,326</b>
Unwinding	-	-	131	-	<b>131</b>
Changes to inputs used for ECL calculations	2,453	999	1,248	-	<b>4,700</b>
Amounts written off	-	-	-	-	-
Foreign exchange adjustments	6	9	41	-	<b>56</b>
<b>Net ECL Charge</b>	<b>3,487</b>	<b>15,137</b>	<b>(4,739)</b>	-	<b>13,885</b>
<b>ECL allowance as at 31 December 2024</b>	<b>11,360</b>	<b>49,770</b>	<b>24,757</b>	-	<b>85,887</b>

## Notes to the Financial Statements

### 15 Loans and advances to customers and Leasing (continued)

#### 15.1 Impairment allowance for loans and advances to customers and Leasing (continued)

##### 15.1.4 MSE

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification for Micro and Small Enterprises. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 28 the policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 28.

31 December 2025					
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
<b>Probability of Default rates</b>	<b>3.30%</b>	<b>16.50%</b>	<b>100%</b>	<b>100%</b>	
(in thousands MDL)					
<b>Internal rating grade</b>					
Neither past due nor impaired	544,902	28,362	-	-	<b>573,264</b>
Past due but not impaired	17,882	18,991	-	-	<b>36,873</b>
Non-performing	-	-	29,946	-	<b>29,946</b>
Individually impaired	-	-	-	6,973	<b>6,973</b>
<b>Total</b>	<b>562,784</b>	<b>47,353</b>	<b>29,946</b>	<b>6,973</b>	<b>647,056</b>

31 December 2024					
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
<b>Probability of Default rates</b>	<b>1.90%</b>	<b>11.00%</b>	<b>100.00%</b>	<b>100.00%</b>	
(in thousands MDL)					
<b>Internal rating grade</b>					
Neither past due nor impaired	364,943	133,940	-	-	<b>498,883</b>
Past due but not impaired	2,216	17,290	-	-	<b>19,506</b>
Non-performing	-	-	35,404	-	<b>35,404</b>
Individually impaired	-	-	-	6,973	<b>6,973</b>
<b>Total</b>	<b>367,159</b>	<b>151,230</b>	<b>35,404</b>	<b>6,973</b>	<b>560,766</b>

## Notes to the Financial Statements

### 15 Loans and advances to customers and Leasing (continued)

#### 15.1 Impairment allowance for loans and advances to customers and Leasing (continued)

##### 15.1.4 MSE (continued)

An analysis of charges in the gross carrying amount in relation to MSE lending is for the year ended 31 December 2025, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>Gross carrying amount as at 1 January 2025</b>	<b>367,159</b>	<b>151,230</b>	<b>35,404</b>	<b>6,973</b>	<b>560,766</b>
New assets originated or purchased	304,605	-	-	-	<b>304,605</b>
Assets derecognized or repaid (excluding write offs)	(180,148)	(64,232)	(11,133)	-	<b>(255,513)</b>
Transfers to S1	36,824	(36,824)	-	-	-
Transfers to S2	(23,723)	24,073	(350)	-	-
Transfers to S3	(496)	(2,926)	3,423	-	-
Movement of accrued interest	1,001	250	6,409	1,184	<b>8,844</b>
Effect of modifications	57,089	(24,228)	(1,242)	(1,184)	<b>30,435</b>
Amounts written off	-	-	(2,620)	-	<b>(2,620)</b>
Foreign exchange adjustments	473	9	56	-	<b>538</b>
<b>Gross carrying amount as at 31 December 2025</b>	<b>562,784</b>	<b>47,352</b>	<b>29,947</b>	<b>6,973</b>	<b>647,056</b>

An analysis of charges in the gross carrying amount in relation to MSE lending is for the year ended 31 December 2024, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>Gross carrying amount as at 1 January 2024</b>	<b>289,130</b>	<b>190,786</b>	<b>46,321</b>	<b>6,899</b>	<b>533,136</b>
New assets originated or purchased	275,173	-	-	-	<b>275,173</b>
Assets derecognized or repaid (excluding write offs)	(45,667)	(45,109)	(13,472)	-	<b>(104,248)</b>
Transfers to S1	3,985	(3,985)	-	-	-
Transfers to S2	(69,612)	70,418	(806)	-	-
Transfers to S3	(705)	(5,904)	6,609	-	-
Movement of accrued interest	(17)	523	5,849	1,184	<b>7,539</b>
Effect of modifications	(85,282)	(55,537)	(6,834)	(1,111)	<b>(148,764)</b>
Amounts written off	-	-	(2,293)	-	<b>(2,293)</b>
Foreign exchange adjustments	156	38	29	-	<b>223</b>
<b>Gross carrying amount as at 31 December 2024</b>	<b>367,161</b>	<b>151,230</b>	<b>35,403</b>	<b>6,972</b>	<b>560,766</b>

## Notes to the Financial Statements

### 15 Loans and advances to customers and Leasing (continued)

#### 15.1 Impairment allowance for loans and advances to customers and Leasing (continued)

##### 15.1.4 MSE (continued)

An analysis of charges in the corresponding ECL allowances in relation to MSE lending is for the year ended 31 December 2025, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>ECL allowance as at 1 January 2025 under IFRS 9</b>	<b>5,390</b>	<b>11,922</b>	<b>18,697</b>	<b>2,057</b>	<b>38,066</b>
New assets originated or purchased	6,964	-	-	-	<b>6,964</b>
Assets derecognized or repaid (excluding write offs)	(2,227)	(5,244)	(4,856)	-	<b>(12,327)</b>
Transfers to S1	4,093	(4,093)	-	-	-
Transfers to S2	(1,149)	1,347	(198)	-	-
Transfers to S3	(116)	(507)	623	-	-
Impact on ECL of modifications	(2,904)	936	1,758	(67)	<b>(277)</b>
Unwinding	-	-	1,659	67	<b>1,726</b>
Changes to inputs used for ECL calculations	1,303	77	(246)	(28)	<b>1,106</b>
Amounts written off	-	-	(2,620)	-	<b>(2,620)</b>
Foreign exchange adjustments	8	1	21	-	<b>30</b>
<b>Net ECL Charge</b>	<b>5,974</b>	<b>(7,485)</b>	<b>(3,858)</b>	<b>(28)</b>	<b>(5,397)</b>
<b>ECL allowance as at 31 December 2025</b>	<b>11,362</b>	<b>4,439</b>	<b>14,838</b>	<b>2,029</b>	<b>32,668</b>

An analysis of charges in the corresponding ECL allowances in relation to MSE lending is for the year ended 31 December 2024, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>ECL allowance as at 1 January 2024 under IFRS 9</b>	<b>3,592</b>	<b>16,437</b>	<b>21,120</b>	<b>4,701</b>	<b>45,850</b>
New assets originated or purchased	7,266	-	-	-	<b>7,266</b>
Assets derecognized or repaid (excluding write offs)	(526)	(3,165)	(3,382)	-	<b>(7,073)</b>
Transfers to S1	486	(486)	-	-	-
Transfers to S2	(4,266)	4,826	(560)	-	-
Transfers to S3	(11)	(1,474)	1,485	-	-
Impact on ECL of modifications	(1,502)	(3,435)	(357)	(19)	<b>(5,313)</b>
Unwinding	-	-	813	67	<b>880</b>
Changes to inputs used for ECL calculations	347	(787)	1,861	(2,693)	<b>(1,272)</b>
Amounts written off	-	-	(2,293)	-	<b>(2,293)</b>
Foreign exchange adjustments	3	5	10	-	<b>18</b>
<b>Net ECL Charge</b>	<b>1,797</b>	<b>(4,516)</b>	<b>(2,423)</b>	<b>(2,645)</b>	<b>(7,787)</b>
<b>ECL allowance as at 31 December 2024</b>	<b>5,389</b>	<b>11,921</b>	<b>18,697</b>	<b>2,056</b>	<b>38,063</b>

## 15 Loans and advances to customers and Leasing (continued)

### 15.1 Impairment allowance for loans and advances to customers and Leasing (continued)

#### 15.1.5 Leasing

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 28 the policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 28.

31 December 2025					
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
<b>Probability of Default rates</b>	<b>2.50%</b>	<b>15.90%</b>	<b>100%</b>	<b>100%</b>	
(in thousands MDL)					
<b>Internal rating grade</b>					
Neither past due nor impaired	277,036	8,571	-	-	<b>285,607</b>
Past due but not impaired	7,517	1,729	-	-	<b>9,246</b>
Non-performing	-	-	1,858	-	<b>1,858</b>
Individually impaired	-	-	-	2,281	<b>2,281</b>
<b>Total</b>	<b>246,023</b>	<b>11,899</b>	<b>1,306</b>	<b>2,238</b>	<b>298,992</b>

31 December 2024					
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
<b>Probability of Default rates</b>	<b>1.50%</b>	<b>8.10%</b>	<b>100.00%</b>	<b>100.00%</b>	
(in thousands MDL)					
<b>Internal rating grade</b>					
Neither past due nor impaired	245,883	8,624	-	-	<b>254,507</b>
Past due but not impaired	140	3,275	-	-	<b>3,415</b>
Non-performing	-	-	1,306	-	<b>1,306</b>
Individually impaired	-	-	-	2,238	<b>2,238</b>
<b>Total</b>	<b>246,023</b>	<b>11,899</b>	<b>1,306</b>	<b>2,238</b>	<b>261,466</b>

## Notes to the Financial Statements

### 15 Loans and advances to customers and Leasing (continued)

#### 15.1 Impairment allowance for leasing (continued)

##### 15.1.5 Leasing (continued)

An analysis of charges in the gross carrying amount in relation to Leasing is for the year ended 31 December 2025, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>Gross carrying amount as at 1 January 2025</b>	<b>246,024</b>	<b>11,899</b>	<b>1,306</b>	<b>2,238</b>	<b>261,467</b>
New assets originated or purchased	145,248	-	-	-	<b>145,248</b>
Assets derecognized or repaid (excluding write offs)	(101,555)	(7,599)	(920)	-	<b>(110,074)</b>
Transfers to S1	921	(921)	-	-	-
Transfers to S2	(8,028)	8,028	-	-	-
Transfers to S3	-	(823)	823	-	-
Movement of accrued interest	(1,238)	(19)	176	7	<b>(1,074)</b>
Effect of modifications	(84)	(377)	452	(2)	<b>(11)</b>
Amounts written off	-	-	-	-	-
Foreign exchange adjustments	3,265	112	21	38	<b>3,436</b>
<b>Gross carrying amount as at 31 December 2025</b>	<b>284,553</b>	<b>10,300</b>	<b>1,858</b>	<b>2,281</b>	<b>298,992</b>

An analysis of charges in the gross carrying amount in relation to Leasing is for the year ended 31 December 2024, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>Gross carrying amount as at 1 January 2024</b>	<b>208,725</b>	<b>17,540</b>	<b>1,707</b>	<b>2,530</b>	<b>230,502</b>
New assets originated or purchased	140,854	-	-	-	<b>140,854</b>
Assets derecognized or repaid (excluding write offs)	(65,786)	(8,053)	(220)	(59)	<b>(74,118)</b>
Transfers to S1	2,653	(2,653)	-	-	-
Transfers to S2	(8,484)	8,484	-	-	-
Transfers to S3	-	(255)	255	-	-
Movement of accrued interest	(2,472)	(272)	43	7	<b>(2,694)</b>
Effect of modifications	(30,164)	(2,962)	(479)	(249)	<b>(33,854)</b>
Amounts written off	-	-	-	-	-
Foreign exchange adjustments	698	70	-	8	<b>776</b>
<b>Gross carrying amount as at 31 December 2024</b>	<b>246,024</b>	<b>11,899</b>	<b>1,306</b>	<b>2,237</b>	<b>261,466</b>

## Notes to the Financial Statements

### 15 Loans and advances to customers and Leasing (continued)

#### 15.1 Impairment allowance for loans and advances to customers and Leasing (continued)

##### 15.1.5 Leasing (continued)

An analysis of charges in the corresponding ECL allowances in relation to Leasing is for the year ended 31 December 2025, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>ECL allowance as at 1 January 2025 under IFRS 9</b>	<b>2,606</b>	<b>1,443</b>	<b>694</b>	<b>1,641</b>	<b>6,384</b>
New assets originated or purchased	2,873	-	-	-	<b>2,873</b>
Assets derecognized or repaid (excluding write offs)	(1,477)	(448)	(144)	-	<b>(2,069)</b>
Transfers to S1	117	(117)	-	-	-
Transfers to S2	(602)	602	-	-	-
Transfers to S3	-	(68)	68	-	-
Impact on ECL of modifications	881	(495)	243	(316)	<b>313</b>
Unwinding	-	-	53	(5)	<b>48</b>
Changes to inputs used for ECL calculations	147	(22)	268	(101)	<b>292</b>
Amounts written off	-	-	-	-	-
Foreign exchange adjustments	50	7	1	22	<b>80</b>
<b>Net ECL Charge</b>	<b>1,988</b>	<b>(541)</b>	<b>489</b>	<b>(399)</b>	<b>1,537</b>
<b>ECL allowance as at 31 December 2025</b>	<b>4,594</b>	<b>901</b>	<b>1183</b>	<b>1,241</b>	<b>7,920</b>

An analysis of charges in the corresponding ECL allowances in relation to Leasing is for the year ended 31 December 2024, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>ECL allowance as at 1 January 2024 under IFRS 9</b>	<b>2,606</b>	<b>1,443</b>	<b>694</b>	<b>1,641</b>	<b>6,384</b>
New assets originated or purchased	2,161	-	-	-	<b>2,161</b>
Assets derecognized or repaid (excluding write offs)	(819)	(205)	(66)	(34)	<b>(1,124)</b>
Transfers to S1	363	(363)	-	-	-
Transfers to S2	(297)	297	-	-	-
Transfers to S3	-	(28)	28	-	-
Impact on ECL of modifications	(657)	(287)	31	(156)	<b>(1,069)</b>
Unwinding	-	-	(13)	(5)	<b>(18)</b>
Changes to inputs used for ECL calculations	221	(68)	17	(134)	<b>36</b>
Amounts written off	-	-	-	-	-
Foreign exchange adjustments	8	3	-	6	<b>17</b>
<b>Net ECL Charge</b>	<b>980</b>	<b>(651)</b>	<b>(3)</b>	<b>(323)</b>	<b>3</b>
<b>ECL allowance as at 31 December 2024</b>	<b>3,586</b>	<b>792</b>	<b>691</b>	<b>1,318</b>	<b>6,387</b>

## Notes to the Financial Statements

### 16 Debt instruments measured at amortized cost

	31 December 2025	31 December 2024
(in thousands MDL)		
<b>Debt instruments at amortized cost:</b>		
Treasury bills issued by the Ministry of Finance	2,732,063	2,067,480
State bonds issued by the Ministry of Finance	2,024	2,024
NBM certificates	1,202,310	2,402,078
<b>Total gross amount of exposure</b>	<b>3,936,397</b>	<b>4,471,582</b>
Less: Allowance for ECL/impairment losses	(34,397)	(23,705)
	<b>3,902,000</b>	<b>4,447,877</b>

#### **Securities issued by the Ministry of Finance**

As of 31 December 2025 treasury bills issued by the Ministry of Finance represent fixed rate MDL treasury bills issued with discount with original maturity between 182 and 364 days yielding an average interest rate of 9.45% per annum (31 December 2024: 5.42% per annum).

State bonds are issued by the Ministry of Finance at nominal value with a fixed interest rate announced by the Ministry of Finance and with maturities between 2 and 10 years. The average interest rate as of 31 December 2025 was 6.50% per annum for 7 years (31 December 2024: 6.50% per annum for 7 years).

As of 31 December 2025 there are no REPO transactions with NBM.

#### **NBM certificates**

As of 31 December 2025 NBM certificates represent fixed rate financial instruments issued with discount with original maturity of up to 14 days yielding an average interest rate of 5.00% per annum (31 December 2024: 3.60% per annum).

## Notes to the Financial Statements

### 16 Debt instruments measured at amortized cost (continued)

#### 16.1 Impairment losses on financial investments subject to impairment

##### *Debt instruments at amortized cost*

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's year-end stage classification. The amounts presented below are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 28.2.3. By internal credit rating system debt instruments at amortized cost are neither past due nor impaired:

An analysis of changes in the gross carrying amount for the year ended 31 December 2025 is, as follows:

	<b>Stage 1 collective</b>
(in thousands MDL)	
<b>Gross carrying amount as at 1 January 2025</b>	<b>4,471,583</b>
New assets originated or purchased	1,221,350
Assets derecognized or repaid (excluding write offs)	(1,756,536)
Accrued interest	-
<b>Gross carrying amount as at 31 December 2025</b>	<b>3,936,397</b>

An analysis of changes in the gross carrying amount for the year ended 31 December 2024 is, as follows:

	<b>Stage 1 collective</b>
(in thousands MDL)	
<b>Gross carrying amount as at 1 January 2024</b>	<b>4,409,106</b>
New assets originated or purchased	3,086,782
Assets derecognized or repaid (excluding write offs)	(3,024,330)
Accrued interest	24
<b>Gross carrying amount as at 31 December 2024</b>	<b>4,471,582</b>

An analysis of changes in the corresponding ECLs for the year ended 31 December 2025 is, as follows:

	<b>Stage 1 collective</b>
(in thousands MDL)	
<b>ECL allowance as at 1 January 2025</b>	<b>23,705</b>
New assets originated or purchased	13,737
Assets derecognized or repaid (excluding write offs)	(3,045)
<b>Net ECL Charge</b>	<b>10,691</b>
<b>ECL allowance as at 31 December 2025</b>	<b>34,397</b>

An analysis of changes in the corresponding ECLs for the year ended 31 December 2024 is, as follows:

	<b>Stage 1 collective</b>
(in thousands MDL)	
<b>ECL allowance as at 1 January 2024</b>	<b>32,458</b>
New assets originated or purchased	15,650
Assets derecognized or repaid (excluding write offs)	(24,403)
<b>Net ECL Charge</b>	<b>(8,753)</b>
<b>ECL allowance as at 31 December 2024</b>	<b>23,705</b>

## Notes to the Financial Statements

### 17 Financial assets measured at FVPL

#### *Financial assets at fair value through profit or loss*

	31 December 2025	31 December 2024
(in thousands MDL)		
<b>Financial assets at fair value through profit or loss</b>		
Treasury bills issued by the Ministry of Finance	1,997	2,543
Equity investments at FVPL	2,023	1,031
	<b>4,020</b>	<b>3,574</b>

#### *Equity investments at fair value through profit or loss*

The Bank has designated its equity as equity investments at FVPL. Investments include mandatory shares in institutions mentioned below in the table.

All equity investments as of the end of 2025 and 2024 are classified at FVPL as presented below:

	Field of activity	Ownership 2025, %	31 December 2025	31 December 2024
(in thousands MDL)				
Credit Bureau S.R.L.	Research of credit information	6.70%	1,019	1,019
Bursa de Valori a Moldovei "BURSA INTERNAȚIONALĂ A MOLDOVEI" S.A.	Stock Exchange Stock Exchange	2.56%	7 991	7
IM "Tirex Petrol" S.A.	Downstream	3.33%	4	4
Equity investments in commercial banks (Moldova) (less than 1 % ownership)	Banking	0.01%	1	1
<b>Carrying amount</b>			<b>2,023</b>	<b>1,031</b>

All equity investments at FVPL as of 31 December 2025 and 2024 are unquoted and are recorded at fair value.

## Notes to the Financial

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### 18 Property, equipment and right-of-use assets

	Land and buildings	Assets under construction	Vehicles	Computers and equipment	Others	Right-of-use Assets	Total
(in thousands MDL)							
<b>Cost</b>							
<b>At 1 January 2024</b>	<b>170,458</b>	<b>43,136</b>	<b>22,310</b>	<b>194,900</b>	<b>75,410</b>	<b>94,877</b>	<b>601,091</b>
Additions	550	20,290	-	2,205	142	17,344	<b>40,531</b>
Disposals	(2,711)	-	-	(2,186)	(3,581)	(15,437)	<b>(23,915)</b>
Transfers	-	(36,155)	4,931	30,429	795	-	-
<b>At 31 December 2024</b>	<b>168,297</b>	<b>27,271</b>	<b>27,241</b>	<b>225,348</b>	<b>72,766</b>	<b>96,784</b>	<b>617,707</b>
Additions	69	30,059	-	2,211	142	8,486	<b>40,967</b>
Disposals	(35,922)	(3,061)	-	(23,545)	(3,306)	(9,176)	<b>(75,010)</b>
Transfers	2,339	(32,320)	-	18,066	11,915	-	<b>0</b>
<b>At 31 December 2025</b>	<b>134,783</b>	<b>21,949</b>	<b>27,241</b>	<b>222,080</b>	<b>81,517</b>	<b>96,094</b>	<b>583,664</b>
<b>Depreciation and impairment</b>							
<b>At 1 January 2024</b>	<b>77,211</b>	-	<b>11,719</b>	<b>133,741</b>	<b>48,142</b>	<b>33,904</b>	<b>304,717</b>
Depreciation charge for the	5,508	-	3,961	21,105	5,470	18,720	<b>54,764</b>
Disposals	(1,336)	-	-	(2,171)	(3,502)	(10,808)	<b>(17,817)</b>
Impairment	(2,107)	-	-	-	-	-	<b>(2,107)</b>
<b>Balance at 31 December 2024</b>	<b>79,276</b>	-	<b>15,680</b>	<b>152,675</b>	<b>50,110</b>	<b>41,816</b>	<b>339,557</b>
Depreciation charge for the year	4,665	-	4,032	23,683	6,287	19,426	<b>58,093</b>
Disposals	(35,922)	-	-	(23,476)	(3,157)	(6,913)	<b>(69,468)</b>
Impairment	(3,305)	-	-	-	-	-	<b>(3,305)</b>
<b>Balance at 31 December 2025</b>	<b>44,714</b>	-	<b>19,712</b>	<b>152,882</b>	<b>53,240</b>	<b>54,329</b>	<b>324,877</b>
<b>Carrying amount</b>							
<b>at 1 January 2024</b>	<b>93,247</b>	<b>43,136</b>	<b>10,591</b>	<b>61,159</b>	<b>27,268</b>	<b>60,973</b>	<b>296,374</b>
<b>at 31 December 2024</b>	<b>89,021</b>	<b>27,271</b>	<b>11,561</b>	<b>72,673</b>	<b>22,656</b>	<b>54,968</b>	<b>278,150</b>
<b>at 31 December 2025</b>	<b>90,069</b>	<b>21,949</b>	<b>7,529</b>	<b>69,198</b>	<b>28,277</b>	<b>41,765</b>	<b>258,787</b>

## Notes to the Financial Statements

### 18 Property, equipment and right-of-use assets (continued)

As of 31 December 2025 the cost of fully depreciated assets amounted at MDL'000 119,181 (31 December 2024: MDL'000 138,032).

During 2025 the Bank carried capital construction works in the rented premises in line with the network development plan. As of 31 December 2025 the cost of such investments included in "Land and buildings" category amounts to MDL'000 2,339. Investments in repair in 2025 were reflected in the profit and loss report in the amount of MDL'000 141 (2024: MDL'000 241).

Right-Of-Use assets includes only one category of assets - the branches that the bank leases. Set out below are the carrying amounts of lease liabilities (included under 'Other liabilities' in Note 24) and the movements during the period:

	Note	2025	2024
<i>(in thousands MDL)</i>			
<b>As at 1 January</b>		<b>57,307</b>	<b>62,450</b>
Additions	18	8,485	17,345
Payments	18	(16,809)	(17,024)
Accrued interest on lease liabilities		(3,129)	(3,725)
Exchange rate difference		(751)	(1,739)
<b>As at 31 December</b>	24	<b>45,103</b>	<b>57,307</b>

The Bank had total cash outflows for leases of MDL'000 16,809. Accretion of interest on lease liability amounted MDL'000 3,129 (31 December 2024: MDL'000 3,725). The expenses relating to low value items for the year 2025 decreased to MDL'000 2,919 (31 December 2024: MDL'000 3,518) and represents mainly ATM rentals.

## Notes to the Financial Statements

### 19 Intangible assets

	Informational System development costs	Software	Licenses	Other	Total
(in thousands MDL)					
<b>Cost</b>					
<b>At 1 January 2024</b>	<b>44,174</b>	<b>98,945</b>	<b>65,850</b>	<b>13,537</b>	<b>222,506</b>
Additions	24,780	22,095	145	-	47,020
Disposals	(10,717)	(5,367)	(9,290)	(2,043)	(27,417)
Transfers	(16,312)	13,416	2,896	-	-
<b>Balance at 31 December 2024</b>	<b>41,925</b>	<b>129,089</b>	<b>59,601</b>	<b>11,494</b>	<b>242,109</b>
Additions	39,487	25,052	-	-	64,539
Disposals	-	(1,738)	-	(12)	(1,750)
Transfers	(23,598)	10,138	13,460	-	0
<b>Balance at 31 December 2025</b>	<b>57,814</b>	<b>162,541</b>	<b>73,061</b>	<b>11,482</b>	<b>304,898</b>
<b>Amortization and impairment</b>					
<b>Balance at 1 January 2024</b>	<b>19,237</b>	<b>31,731</b>	<b>21,626</b>	<b>11,242</b>	<b>83,836</b>
Disposals	(10,585)	(4,864)	(9,178)	(2,043)	(26,670)
Amortization charge for the year	2,900	15,834	10,149	1,017	29,900
Impairment	-	-	-	-	-
<b>Balance at 31 December 2024</b>	<b>11,552</b>	<b>42,701</b>	<b>22,597</b>	<b>10,216</b>	<b>87,066</b>
Disposals	-	(1,738)	-	(12)	(1,750)
Amortization charge for the year	2,906	20,676	11,522	737	35,841
Impairment	-	-	-	-	-
<b>Balance at 31 December 2025</b>	<b>14,458</b>	<b>61,639</b>	<b>34,119</b>	<b>10,941</b>	<b>121,157</b>
<b>Carrying amount</b>					
<b>at 1 January 2024</b>	<b>24,937</b>	<b>67,214</b>	<b>44,224</b>	<b>2,295</b>	<b>138,670</b>
<b>at 31 December 2024</b>	<b>30,373</b>	<b>86,388</b>	<b>37,004</b>	<b>1,278</b>	<b>155,043</b>
<b>at 31 December 2025</b>	<b>43,356</b>	<b>100,902</b>	<b>38,942</b>	<b>541</b>	<b>183,741</b>

As of 31 December 2025 the cost of fully amortized intangible assets amounts at MDL'000 30,644 and mainly represent the cost of Cards Module on scoring and granting loans system to individuals.

## Notes to the Financial Statements

### 20 Other assets

	31 December 2025	31 December 2024
(in thousands MDL)		
<b>Other Financial Assets</b>		
Operations with payment cards (Master Card and VISA)	41,036	33,514
Commission fees receivable	8,791	9,378
Other receivables	12,829	28,619
Clearing and transit amounts (1)	1,006	1,511
Due from employees	340	265
<b>Total Other Financial Assets</b>	<b>64,002</b>	<b>73,287</b>
Less allowance for ECL (2)	(9,625)	(9,045)
<b>Total Other Financial Assets Net</b>	<b>54,377</b>	<b>64,242</b>
<b>Other Assets</b>		
Income and other taxes receivable	5,476	33,075
Other prepayments	20,051	12,060
Consumables	2,796	2,723
<b>Total Other Assets</b>	<b>28,323</b>	<b>47,858</b>
Less allowance for impairment losses	-	-
<b>Total Other Assets Net</b>	<b>28,323</b>	<b>47,858</b>
<b>Total Other and Other Financial Assets</b>	<b>82,700</b>	<b>112,100</b>

- (1) Clearing and transit amounts represent transactions through international payment systems as of 31 December 2025 amounting MDL'000 992 (as of 31 December 2024 MDL'000 804) and the remaining amount relates to operations with cards.
- (2) Allowance for impairment losses relates to non-recoverable commission fees receivable amounting MDL'000 8,367 (as of 31 December 2024 MDL'000 7,696), settlements transactions MDL '000 686 (as of December 2024 MDL'000 0,22) and other settlements MDL '000 572 (as of December 2024 MDL '000 1,347).

## Notes to the Financial Statements

### 20 Other assets (continued)

	31 December 2025		
	Stage 1 Collective	Stage 3 collective	Total
(in thousands MDL)			
<b>Internal rating grade</b>			
Neither past due nor impaired	55,601	-	55,601
Past due but not impaired	-	-	-
Non-performing	-	-	-
Individually impaired	-	8,401	8,401
<b>Grand Total</b>	<b>55,601</b>	<b>8,401</b>	<b>64,002</b>
	31 December 2024		
	Stage 1 Collective	Stage 3 collective	Total
(in thousands MDL)			
<b>Internal rating grade</b>			
Neither past due nor impaired	35,365	-	35,365
Past due but not impaired	-	-	-
Non-performing	-	-	-
Individually impaired	-	37,922	37,922
<b>Grand Total</b>	<b>35,365</b>	<b>37,922</b>	<b>73,287</b>

An analysis of changes in the gross carrying amount for the year ending 31 December 2025 is, as follows:

	Stage 1 collective	Stage 3 collective	Total
(in thousands MDL)			
<b>Gross carrying amount as at 1 January 2025</b>	35,365	37,922	73,287
New assets originated or purchased	69,650	936	70,586
Assets derecognized or repaid (excluding write off)	(49,413)	(30,458)	(79,871)
<b>Gross carrying amount as at 31 December 2025</b>	<b>55,602</b>	<b>8,400</b>	<b>64,002</b>

An analysis of changes in the gross carrying amount or the year ending 31 December 2024 is, as follows:

	Stage1collective	Stage3collective	Total
(in thousands MDL)			
<b>Gross carrying amount as at 1 January 2024</b>	50,164	7,170	57,334
New assets originated or purchased	36,369	46,342	82,711
Assets derecognized or repaid (excluding write off)	(51,168)	(15,590)	(66,758)
<b>Gross carrying amount as at 31 December 2024</b>	<b>35,365</b>	<b>37,922</b>	<b>73,287</b>

## Notes to the Financial Statements

### 20 Other assets (continued)

An analysis of changes in the corresponding ECLs or the year ending 31 December 2025 is, as follows:

	Stage 1 collective	Stage 3 collective	Total
(in thousands MDL)			
<b>ECL allowance as at 1 January 2025 under IFRS 9</b>	1,349	7,696	<b>9,045</b>
New assets originated or purchased	1,103	1,112	<b>2,215</b>
Assets derecognized or repaid (excluding write off)	(1,225)	(410)	<b>(1,635)</b>
Net ECL Charge	(449)	702	<b>253</b>
<b>ECL allowance as at 31 December 2025</b>	<b>1,227</b>	<b>8,398</b>	<b>9,625</b>

An analysis of changes in corresponding ECLs or the year ending 31 December 2024 is, as follows:

	Stage 1 collective	Stage 3 collective	Total
(in thousands MDL)			
<b>ECL allowance as at 1 January 2024 under IFRS 9</b>	<b>1,736</b>	<b>6,518</b>	<b>8,254</b>
New assets originated or purchased	1,574	1,194	<b>2,768</b>
Assets derecognized or repaid (excluding write off)	(1,960)	(17)	<b>(1,977)</b>
Net ECL Charge	(386)	1,177	<b>791</b>
<b>ECL allowance as at 31 December 2024</b>	<b>1,350</b>	<b>7,695</b>	<b>9,045</b>

### 21 Due to banks

	31 December 2025	31 December 2024
(in thousands MDL)		
Current accounts	2,643	4,454
Term deposits	-	23
Term deposit held by OTP Nyrt.	-	-
	<b>2,643</b>	<b>4,477</b>

### 22 Due to customers

	31 December 2025	31 December 2024
(in thousands MDL)		
<b>Retail customers</b>		
Current/savings accounts	4,291,259	4,290,169
Term deposits	3,684,113	3,331,364
	<b>7,975,372</b>	<b>7,621,533</b>
<b>Corporate customers</b>		
Current/savings accounts	6,554,978	8,211,332
Term deposits	997,613	1,184,838
	<b>7,552,591</b>	<b>9,396,170</b>
	<b>15,527,963</b>	<b>17,017,703</b>

Included in Due to customers were deposits of MDL'000 171,439 (2024: MDL'000 257,199) held as collateral for loans and guarantees.

## Notes to the Financial Statements

### 23 Borrowed funds from IFI's

	31 December 2025	31 December 2024
(in thousands MDL)		
European Bank for Reconstruction and Development - EBRD (1)	225,494	251,462
European Fund for South East Europe - EFSE (2)	-	(137)
"Filere du Vin" and "Fruit of garden" - UCIP - EIB (3)	76,505	104,535
International Fund for Agricultural Development - IFAD (4)	17,221	12,604
Management of External Assistance Programs Office - OEAPM (5)	500,868	587,566
Organization for Entrepreneurship Development (ODA) – The financing product "FACEM Investment Sustainable BGK" (6)	1,123	-
	<b>821,211</b>	<b>956,030</b>

The loans are secured with the right to collect receivables under sub-loans granted by the Bank.

Below are the descriptions of the main financing lines:

#### (1) Loans from EBRD

(1.1) On 28 May 2020 the Bank signed the MSME facility in amount of EUR 5.0 million. The purpose of the facility is strengthening MSME capacity and to fund loans structured with a high degree of flexibility to provide loan profiles that match client and project needs. By 31 December 2021 the Bank has disbursed EUR 1.0 million from MSME facility with an Interest Rate of 3,25% + EURIBOR 3M. By 09 September 2022 the Bank has disbursed EUR 4.0 million from MSME facility with an Interest Rate of 3,25% + EURIBOR 3M. The loan is not secured by any financial guarantee having the "Stand Alone" status.

(1.2) On 29 July 2020 the Bank extended the loan limit under EU4BUSINESS EBRD Credit Line (DCFTA Programme) in amount of EUR 5.0 million. The purpose of facility is strengthening MSME capacity and meets the EU standards. By 31 December 2021 the Bank disbursed EUR 5.0 million from DCFTA facility with an Interest Rate of 3,25% + EURIBOR 3M. The loan is not secured by any financial guarantee having the "Stand Alone" status. By 20 March 2024 the Bank disbursed full amount.

(1.3) On 29 April 2021 the Bank signed a new loan agreement with EBRD in order to release a new Credit Line EaP SMEC, under DCFTA Programme in amount of EUR 15.0 million. The purpose of the facility is strengthening MSME capacity and meets the EU standards. By 31 December 2021 the Bank disbursed first tranche of EUR 5.0 million from EaP SMEC facility with an Interest Rate of 3,25% + EURIBOR 3M. By 28 March 2022 the Bank disbursed the second tranche of EUR 5.0 million from EaP SMEC facility with an Interest Rate of 3% + EURIBOR 3M. By 1 July 2022 the Bank disbursed the third tranche of EUR 5.0 million from EaP SMEC facility with an Interest Rate of 3% + EURIBOR 3M. The loan is not secured by any financial guarantee having the "Stand Alone" status. By 04 September 2025 the Bank has disbursed full amount.

(1.4) On 12 December 2022 the Bank signed a new loan agreement with EBRD under EaP SMEC (DCFTA Programme) in amount of EUR 15.0 million. The purpose of the facility is strengthening MSME capacity and meets the EU standards. By 28 December 2022 the Bank has disbursed the first tranche of EUR 5.0 million from EaP SMEC facility with an Interest Rate of 3,5% + EURIBOR 3M. The loan is not secured by any financial guarantee having the "Stand alone" status. By 15 December 2023 the Bank disbursed the second tranche of EUR 5.0 million from EaP SMEC facility, with interest rate of 3.2% + EURIBOR 3M, and, December 29<sup>th</sup>, 2023 commenced the commitment period of Tranche C of EUR 5.0 million. The loan is not secured by any financial guarantee having the "Stand Alone" status.

(1.5) On 16 December 2026 the Bank signed a new loan agreement with EBRD under EaP SMECI (DCFTA Programme) in amount of EUR 10.0 million. The purpose of the facility is strengthening MSME capacity and meets the EU standards. The loan is not secured by any financial guarantee having the "Stand alone" status. The Bank has not yet disbursed any loan tranches of from EaP SMECI facility.

#### (2) Loan from EFSE

On 21 October 2022 the Bank has signed a new loan agreement with "The European Fund for Southeast Europe S.A., SICAV-SIF" in amount of equivalent of EUR 20.0 million equivalent in national currency. The purpose of the facility is to support the development of MSMEs focusing on creating a favourable development environment, which would support private sector. By 26 October 2022 the Bank disbursed first tranche of EUR 10 million equivalent in national currency and by 22 December 2022 the Bank has disbursed EUR 10.0 million

## Notes to the Financial Statements

### 23 Borrowed funds from IFI's (continued)

in national currency from EFSE facility with an Interest Rate of 3,25% + TDR6-12M+0.5%. On 14.06.2023, OTP Bank has anticipated reimbursed the 1<sup>st</sup> Tranche in total amount of EUR 10 million equivalent in national currency. The loan is not secured by any financial guarantee having the "Stand Alone" status. By 16 December 2024 the Bank disbursed full amount.

#### **(3) Loans from UCIP – EIB**

On December 2011 and July 2016 the Bank signed the Framework Agreements with the Ministry of Finance and became the Participant Bank in "Filiere du Vin" and, respectively, "Orchard of Moldova" facilities. The total amount of Framework Agreements on "Filiere du Vin" is EUR 75.0 million and is directed for stimulation of wine industry and connected industries. The total amount of Framework Agreement "Orchard of Moldova" a facility is EUR 120.0 million and is directed for stimulation fruit-growers, as well as, in connected industries. The purpose of facilities are financing investments and working capital denominated in EUR and MDL. The Ministry of Finance acts as a representative of the Republic of Moldova under the loan agreements signed with EIB. By 04.10.2018 EIB closed "Filiere du Vin" program and extended the "Orchard of Moldova" program with the purposes afferent to winemakers. In December 2023, the "Orchard of Moldova" facility has been extended also for traditional agriculture and the eligibility period has been prolonged up to 27 May 2025.

#### **(4) Loans from IFAD**

On December 2014, the Bank signed a long-term Loan Agreement with the Ministry of Finance, which acts as a representative of the Republic of Moldova under the loan agreement signed with International Fund for Agricultural Development (IFAD). The facility was targeting to finance small and medium agricultural enterprises, as well as for young entrepreneurs, program which includes a grant-component. In 2018, the limit of grant component fully assimilated by local banks. The facility (IFAD VI) is in the final stage and the Implementation Unit in 2019 has implemented a new facility IFAD VII. In 2021, IFAD has launched a new loan facility with Grant component in order to support Women in Business from rural area. In 2022 IFAD continued to support micro and small businesses oriented to companies involved in rural development, especially agriculture, awarding with grant component Young Entrepreneurs and Enterprises founded and driven by Women, following IFAD VII and starting IFAD VIII program.

#### **(5) Loans from OEAPM (Office for External Assistance Programs Management)**

The Bank has become partner bank of the Office for External Assistance Programs Management (former Credit Line Directorate) starting with 2004. The Ministry of Finance, which acts as a representative of the Republic of Moldova under the loan agreements signed with IFIs has granted to the bank sub-loans denominated in MDL, USD and EUR. The facilities are available for financing MSMEs activating covering the entire territory of the country and financing all eligible fields (agro, production, services, and trade). In 2020, to overcome the crisis caused by the COVID-19 pandemic, the Government of the Republic of Moldova in collaboration with Council of Europe Development Bank (CEB) has released a new credit line, offering necessary liquidity for continuing the positive trend of business and job creation, and a subsidy of 0% interest applied for 10% of the total sub-loan amount. Throughout 2022 the demand for CEB resources has been maintained. Also during 2022 the Bank, with support of OEAPM allocation of funds destined for Young Entrepreneurs in competitive conditions with fixed and attractive interest rate, in local currency, and, inclusive with grant component came from OED (Organization for Entrepreneurship Development), aimed to encourage amplification of young business market positions.

In 2025, under the auspices of the Prime Minister of the Republic of Moldova, OEAPM in coordination with the Ministry of Agriculture and Food Industry, has elaborated a new loan facility "Agricultural Credit Facility (ACF)", providing financial resources with Grant component up to 30% and support for SMEs developing their activity in the Agricultural sector. The implementation period of the FCA Program is 5 years, starting March 1, 2025, offering advantageous conditions and subsidized rates for eligible projects of SME enterprises in the field of Agriculture.

## Notes to the Financial Statements

### 23 Borrowed funds from IFI's (continued)

#### *(6) Loans from IDA*

Starting with November 2004 the Bank joined the programs (RISP 1 and RISP 2) launched by International Development Association (IDA). The Ministry of Finance, which acts as a representative of the Republic of Moldova under the loan agreements signed with IDA, granted to the Bank sub-loans denominated in local currency, USD and EUR. The facilities were available for finance of entrepreneurs, SME in rural area as well as agribusiness. By 23.12.2019 the Council of Credit Line Directorate decided to close the programs RISP 1, RISP 2 and Competitiveness Enhancement Project (CEP I).

On November 2014 the Bank became the partner bank of the Competitiveness Enhancement Project (CEP II) launched by World Bank (WB). The purpose of facility is financing of investment and working capital needs of exporters and economic activity related to generation of exports revenue. The sub-loans may be denominated in local currency, USD and EUR. The loan is unsecured.

## Notes to the Financial Statements

### 24 Other liabilities

	Note	31 December 2025	31 December 2024
(in thousands MDL)			
Lease liability	18	45,103	57,307
Money transfers pending execution (1)		29,706	20,056
Other accruals		16,694	16,614
Other liabilities on financial leasing (2)		21,285	49,436
Money waiting approval (3)		991	26,649
Due to budget		5,945	6,911
IT maintenance (4)		1,704	2,838
Accrued audit and consulting fees		4,826	3,730
Dividends payable		4,024	6,814
Guarantees for safe deposits		1,606	1,769
Credit transit account		2,886	2,855
Settlements on FCY swap transaction		89	46
Due to international payment systems		722	319
Non-performing loans management account		526	538
Documentary transactions		523	5,061
Due to suppliers of property and equipment		203	74
Settlements related to intangible assets		-	-
Other liabilities (5)		14,000	3,509
		<b>150,833</b>	<b>204,526</b>

(1) Money transfers pending execution refer to the clearing of customer card transactions (Mastercard and VISA). Clearing assumes that these amounts are subsequently allocated to customer accounts and settlement in relation to Mastercard and VISA.

(2) Other liabilities on financial leasing represents the deductible VAT, according to the Fiscal Code, from financial leasing operations.

(3) Money waiting approval represents transfers which are above a certain limit, under investigation. After AML investigation the clients receive their transfers if they are not declined. The balance as of 31 December 2025 was subsequently settled as follows:

	31 December 2025
Transferred to the customer's account	991
Returned	
Unresolved	-
	<b>991</b>

(4) Represents post migration maintenance related to card processing centre and new core banking soft.

(5) Other liabilities represent mainly payables through an intermediary account for broker services for clients. The amounts disclosed in the table below represent undiscounted Lease liabilities at 31 December 2025 by the amount of the lease liabilities expected to be settled within no more than twelve months after the reporting period and of the lease liabilities expected to be settled within more than twelve months after the reporting period.

	31 December 2025	31 December 2024
(in thousands MDL)		
Lease liabilities Within one year	4,635	1,655
Lease liabilities between one and five years	25,255	37,626
Lease liability over five years	15,213	18,026
	<b>45,103</b>	<b>57,307</b>

## Notes to the Financial Statements

### 25 Provisions

The movement in liability-side provisions during 2025 and 2024 respectively is, as follows:

	Provision for employee benefits	Legal	Commitments and guarantees given	Total
(in thousands MDL)				
<b>1 January 2024</b>	<b>45,666</b>	<b>1,610</b>	<b>26,146</b>	<b>73,422</b>
Provision arising during the year	104,758	-	45,778	150,536
Release of provision	(105,670)	-	(39,209)	(144,879)
Foreign exchange adjustments	-	-	(23)	(23)
<b>31 December 2024</b>	<b>44,754</b>	<b>1,610</b>	<b>32,692</b>	<b>79,056</b>
Provision arising during the year	117,614	-	57,130	174,744
Release of provision	(111,361)	(1,610)	(71,818)	(184,789)
Foreign exchange adjustments	-	-	364	364
<b>31 December 2025</b>	<b>51,007</b>	<b>0</b>	<b>18,368</b>	<b>69,375</b>

#### 25.1 Financial guarantees, letters of credit and other undrawn commitments

To the financial needs of customers, the Bank enters into various commitments and contingent liabilities. These consist of financial guarantees, letters of credit and other commitments to lend. Even though these obligations may not be recognized on the statement of financial position, they contain credit risk and therefore, form part of the overall risk of the Bank.

At any time, the Bank has outstanding commitments to extend credit. These commitments take the form of approved loans and credit lines.

The Bank provides letters of guarantee and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for up to one year. The guarantees are secured with cession of money agreements and other type of collateral.

The amounts reflected in the table of guarantees and letters of credit represent the maximum loss that would be recognized at the balance sheet date if counterparties failed completely to perform as contracted and no guarantees are provided to the Bank. The credit risk amounts are minimized by the quality of collateral (deposits, real estate, etc.).

The contractual amounts of commitments and contingent liabilities are set out in the following table by category. The amounts reflected in the table for commitments assume that amount is fully advanced.

	31 December 2025	31 December 2024
(in thousands MDL)		
Commitments to grant loans	2,138,598	1,205,493
Financial guarantees	1,203,166	1,131,230
Letters of credit	15,181	36,433
	<b>3,356,945</b>	<b>2,373,156</b>

## Notes to the Financial Statements

### 25 Provisions (continued)

#### 25.1 Financial guarantees, letters of credit and other undrawn commitments (continued)

These commitments and contingent liabilities have off-balance-sheet risk because only organization fees and impairment for probable losses are recognized in the balance sheet until the commitments are fulfilled or expire. Many of the contingent liabilities and commitments will expire without being advanced in whole or in part. Therefore, the amounts do not represent expected future cash flows. The policy of the Bank provides that only fully secured letters of credit are issued, i.e. all letters of credit are secured with a blocked deposit on the clients' accounts and other types of security.

##### 25.1.1 Impairment losses on guarantees and other commitments

An analysis of changes in the gross carrying amount and the corresponding allowance for impairment losses in relation to guarantees and other commitments is, as follows:

###### (i) Commitments to grant loans

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. Details of the Bank's internal grading system are explained in Note 28 and policies on whether ECLs are calculated on an individual or collective basis are set out in Note 28:

	31 December 2025				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
(in thousands MDL)					
<b>Internal rating grade</b>					
Neither past due nor impaired	2,047,583	90,415	-	-	2,137,998
Past due but not impaired	378	222	-	-	600
Non-performing	-	-	-	-	-
Individually impaired	-	-	-	-	-
<b>Total</b>	<b>2,047,961</b>	<b>90,637</b>	<b>-</b>	<b>-</b>	<b>2,138,598</b>
	31 December 2024				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
(in thousands MDL)					
<b>Internal rating grade</b>					
Neither past due nor impaired	1,111,568	81,907	-	-	1,193,475
Past due but not impaired	11,604	414	-	-	12,018
Non-performing	-	-	-	-	-
Individually impaired	-	-	-	-	-
<b>Total</b>	<b>1,123,172</b>	<b>82,321</b>	<b>-</b>	<b>-</b>	<b>1,205,493</b>

## Notes to the Financial Statements

### 25 Provisions (continued)

#### 25.1 Financial guarantees, letters of credit and other undrawn commitments (continued)

##### 25.1.1 Impairment losses on guarantees and other commitments (continued)

An analysis of charges in the gross carrying amount in relation to Commitments to grant loans is for the year ended 31 December 2025, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>Gross carrying amount as at 1 January 2025</b>	<b>1,123,171</b>	<b>82,321</b>	-	-	<b>1,205,492</b>
New assets originated or purchased	1,430,965	-	-	-	<b>1,430,965</b>
Assets derecognized or repaid (excluding write offs)	(778,854)	(16,698)	-	-	<b>(795,552)</b>
Transfers to S1	16,802	(16,802)	-	-	-
Transfers to S2	(13,936)	13,936	-	-	-
Transfers to S3	-	-	-	-	-
Impact of modifications	267,888	26,958	-	-	<b>294,846</b>
Amounts written off	-	-	-	-	-
Foreign exchange adjustments	1,925	923	-	-	<b>2,848</b>
<b>Outstanding exposure as at 31 December 2025</b>	<b>2,047,961</b>	<b>90,638</b>	-	-	<b>2,138,599</b>

An analysis of charges in the gross carrying amount in relation to Commitments to grant loans is for the year ended 31 December 2024, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>Gross carrying amount as at 1 January 2024</b>	<b>990,277</b>	<b>11,267</b>	<b>4</b>	-	<b>1,001,548</b>
New assets originated or purchased	816,903	-	-	-	<b>816,903</b>
Assets derecognized or repaid (excluding write offs)	(373,187)	(4,171)	-	-	<b>(377,358)</b>
Transfers to S1	3,009	(3,009)	-	-	-
Transfers to S2	(77,047)	77,047	-	-	-
Transfers to S3	(29)	-	29	-	-
Impact of modifications	(237,743)	1,165	(33)	-	<b>(236,611)</b>
Amounts written off	-	-	-	-	-
Foreign exchange adjustments	990	21	-	-	<b>1,011</b>
<b>Outstanding exposure as at 31 December 2024</b>	<b>1,123,173</b>	<b>82,320</b>	-	-	<b>1,205,493</b>

## Notes to the Financial Statements

### 25 Provisions (continued)

#### 25.1 Financial guarantees, letters of credit and other undrawn commitments (continued)

##### 25.1.1 Impairment losses on guarantees and other commitments (continued)

An analysis of charges in the corresponding ECL allowances in relation to Commitments to grant loans is for the year ended 31 December 2025, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>ECL allowance as at 1 January 2025 under IFRS 9</b>	<b>12,053</b>	<b>5,764</b>	<b>0</b>	<b>0</b>	<b>17,817</b>
New assets originated or purchased	4,879	-	-	-	4,879
Assets derecognized or repaid (excluding write offs)	(3,506)	(199)	-	-	(3,705)
Transfers to S1	39	(39)	-	-	-
Transfers to S2	(242)	242	-	-	-
Transfers to S3	-	-	-	-	-
Impact on ECL of modifications	(2,574)	(706)	-	-	(3,280)
Changes to inputs used for ECL calculations	(3,740)	(3,802)	-	-	(7,542)
Foreign exchange adjustments	30	69	-	-	99
<b>Net ECL Charge</b>	<b>(5,113)</b>	<b>(4,310)</b>	<b>-</b>	<b>-</b>	<b>(9,423)</b>
<b>ECL allowance as at 31 December 2025</b>	<b>6,939</b>	<b>1,453</b>	<b>1</b>	<b>-</b>	<b>8,393</b>

An analysis of charges in the corresponding ECL allowances in relation to Commitments to grant loans is for the year ended 31 December 2024, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>ECL allowance as at 1 January 2024 under IFRS 9</b>	<b>9,249</b>	<b>937</b>	<b>2</b>	<b>-</b>	<b>10,188</b>
New assets originated or purchased	12,825	-	-	-	12,825
Assets derecognized or repaid (excluding write offs)	(3,481)	(336)	-	-	(3,817)
Transfers to S1	(661)	661	-	-	-
Transfers to S2	(4,975)	4,975	-	-	-
Transfers to S3	(3)	(64)	67	-	-
Impact on ECL of modifications	(1,569)	(345)	(68)	-	(1,982)
Changes to inputs used for ECL calculations	659	(66)	-	-	593
Foreign exchange adjustments	9	2	-	-	11
<b>Net ECL Charge</b>	<b>2,804</b>	<b>4,827</b>	<b>(1)</b>	<b>-</b>	<b>7,630</b>
<b>ECL allowance as at 31 December 2024</b>	<b>12,053</b>	<b>5,764</b>	<b>1</b>	<b>-</b>	<b>17,818</b>

## Notes to the Financial Statements

### 25 Provisions (continued)

#### 25.1 Financial guarantees, letters of credit and other undrawn commitments (continued)

##### 25.1.1 Impairment losses on guarantees and other commitments (continued)

###### (ii) Guarantees issued

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. Details of the Bank's internal grading system are explained in Note 28 and policies on whether ECLs are calculated on an individual or collective basis are set out in Note 28:

<b>31 December 2025</b>					
	<b>Stage 1 Collective</b>	<b>Stage 2 Collective</b>	<b>Stage 3 Collective</b>	<b>Stage 3 Individual</b>	<b>Total</b>
(in thousands MDL)					
<b>Internal rating grade</b>					
Neither past due nor impaired	1,005,096	198,070	0	0	1,203,166
Past due but not impaired	-	-	-	-	-
Non-performing	-	-	-	-	0
Individually impaired	-	-	-	-	-
<b>Total</b>	<b>1,005,096</b>	<b>198,070</b>	<b>0</b>	<b>-</b>	<b>1,203,1660</b>

<b>31 December 2024</b>					
	<b>Stage 1 Collective</b>	<b>Stage 2 Collective</b>	<b>Stage 3 Collective</b>	<b>Stage 3 Individual</b>	<b>Total</b>
(in thousands MDL)					
<b>Internal rating grade</b>					
Neither past due nor impaired	943,694	186,344	-	-	1,130,038
Past due but not impaired	-	-	-	-	-
Non-performing	-	-	1,192	-	1,192
Individually impaired	-	-	-	-	-
<b>Total</b>	<b>943,694</b>	<b>186,344</b>	<b>1,192</b>	<b>-</b>	<b>1,131,230</b>

## Notes to the Financial Statements

### 25 Provisions (continued)

#### 25.1 Financial guarantees, letters of credit and other undrawn commitments (continued)

##### 25.1.1 Impairment losses on guarantees and other commitments (continued)

An analysis of charges in the gross carrying amount in relation to guarantees issued is for the year ended 31 December 2025, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>Gross carrying amount as at 1 January 2025</b>	<b>932,716</b>	<b>186,344</b>	<b>1,192</b>	-	<b>1,120,252</b>
New assets originated or purchased	617,448	-	-	-	<b>617,448</b>
Assets derecognized or repaid (excluding write offs)	(448,532)	(120,614)	(58)	-	<b>(569,204)</b>
Transfers to S1	3,144	(2,003)	(1,142)	-	-
Transfers to S2	(133,954)	133,954	-	-	-
Transfers to S3	-	-	-	-	-
Effects of Modifications	29,411	(676)	8	-	<b>28,743</b>
Amounts written off	-	-	-	-	-
Foreign exchange adjustments	4,863	1,065	-	-	<b>5,928</b>
<b>Gross carrying amount as at 31 December 2025</b>	<b>1,005,096</b>	<b>198,070</b>	<b>0</b>	-	<b>1,203,166</b>

An analysis of charges in the gross carrying amount in relation to guarantees issued is for the year ended 31 December 2024, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>Gross carrying amount as at 1 January 2024</b>	<b>842,757</b>	<b>127,341</b>	<b>1,889</b>	-	<b>971,987</b>
New assets originated or purchased	415,335	-	-	-	<b>415,335</b>
Assets derecognized or repaid (excluding write offs)	(3,080)	(780)	(109)	-	<b>(3,969)</b>
Transfers to S1	-	-	-	-	-
Transfers to S2	(59,547)	59,547	-	-	-
Transfers to S3	(58)	-	58	-	-
Effects of Modifications	(255,510)	(316)	(651)	-	<b>(256,477)</b>
Amounts written off	-	-	-	-	-
Foreign exchange adjustments	3,797	552	5	-	<b>4,354</b>
<b>Gross carrying amount as at 31 December 2024</b>	<b>943,694</b>	<b>186,344</b>	<b>1,192</b>	-	<b>1,131,230</b>

## Notes to the Financial Statements

### 25 Provisions (continued)

#### 25.1 Financial guarantees, letters of credit and other undrawn commitments (continued)

##### 25.1.1 Impairment losses on guarantees and other commitments (continued)

An analysis of charges in the corresponding ECL allowances in relation to guarantees issued is for the year ended 31 December 2025, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>ECL allowance as at 1 January 2025 under IFRS 9</b>	<b>9,277</b>	<b>4,440</b>	<b>739</b>	-	<b>14,456</b>
New assets originated or purchased	4,767	-	-	-	4,767
Assets derecognized or repaid (excluding write offs)	(1,065)	-	-	-	(1,065)
Transfers to S1	-	-	-	-	-
Transfers to S2	(3,513)	3,513	-	-	-
Transfers to S3	-	-	-	-	-
Impact on ECL of modifications	(2,388)	(2,265)	(739)	-	(5,392)
Changes to inputs used for ECL calculations	(2,243)	(762)	-	-	(3,005)
Foreign exchange adjustments	60	37	-	-	97
<b>Net ECL Charge</b>	<b>(4,382)</b>	<b>523</b>	<b>(739)</b>	-	<b>(4,598)</b>
<b>ECL allowance as at 31 December 2025</b>	<b>4,895</b>	<b>4,963</b>	<b>0</b>	-	<b>9,858</b>

An analysis of charges in the corresponding ECL allowances in relation to guarantees issued is for the year ended 31 December 2024, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>ECL allowance as at 1 January 2024 under IFRS 9</b>	<b>11,005</b>	<b>3,750</b>	<b>1,056</b>	-	<b>15,811</b>
New assets originated or purchased	3,860	-	-	-	3,860
Assets derecognized or repaid (excluding write offs)	(56)	(23)	(61)	-	(140)
Transfers to S1	(1,446)	1,446	-	-	-
Transfers to S2	(985)	985	-	-	-
Transfers to S3	(22)	-	22	-	-
Impact on ECL of modifications	30	(275)	(360)	-	(605)
Changes to inputs used for ECL calculations	(3,167)	(1,459)	80	-	(4,546)
Foreign exchange adjustments	58	15	3	-	76
<b>Net ECL Charge</b>	<b>(1,728)</b>	<b>689</b>	<b>(316)</b>	-	<b>(1,355)</b>
<b>ECL allowance as at 31 December 2024</b>	<b>9,277</b>	<b>4,439</b>	<b>740</b>	-	<b>14,456</b>

## Notes to the Financial Statements

### 25 Provisions (continued)

#### 25.1 Financial guarantees, letters of credit and other undrawn commitments (continued)

##### 25.1.1 Impairment losses on guarantees and other commitments (continued)

###### (iii) Letters of credit

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. Details of the Bank's internal grading system are explained in Note 28 and policies on whether ECLs are calculated on an individual or collective basis are set out in Note 28:

	31 December 2025				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
(in thousands MDL)					
<b>Internal rating grade</b>					
Neither past due nor impaired	15,181	-	-	-	15,181
Past due but not impaired	-	-	-	-	-
Non-performing	-	-	-	-	-
Individually impaired	-	-	-	-	-
<b>Total</b>	<b>15,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,181</b>
	31 December 2024				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Individual	Total
(in thousands MDL)					
<b>Internal rating grade</b>					
Neither past due nor impaired	36,433	-	-	-	36,433
Past due but not impaired	-	-	-	-	-
Non-performing	-	-	-	-	-
Individually impaired	-	-	-	-	-
<b>Total</b>	<b>36,433</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,433</b>

## Notes to the Financial Statements

### 25 Provisions (continued)

#### 25.1 Financial guarantees, letters of credit and other undrawn commitments (continued)

##### 25.1.1 Impairment losses on guarantees and other commitments (continued)

An analysis of charges in the gross carrying amount in relation to letters of credit is for the year ended 31 December 2025, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>Gross carrying amount as at 1 January 2025</b>	<b>47,411</b>	-	-	-	<b>47,411</b>
New assets originated or purchased	5,006	-	-	-	<b>5,006</b>
Assets derecognized or repaid (excluding write offs)	(36,434)	-	-	-	<b>(36,434)</b>
Transfers to S1	-	-	-	-	-
Transfers to S2	-	-	-	-	-
Transfers to S3	-	-	-	-	-
Effects of Modifications	164	-	-	-	<b>164</b>
Amounts written off	-	-	-	-	-
Foreign exchange adjustments	(967)	-	-	-	<b>(967)</b>
<b>Gross carrying amount as at 31 December 2025</b>	<b>15,180</b>	-	-	-	<b>15,180</b>

An analysis of charges in the gross carrying amount in relation to letters of credit is for the year ended 31 December 2024, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>Gross carrying amount as at 1 January 2024</b>	<b>13,697</b>	-	-	-	<b>13,697</b>
New assets originated or purchased	36,434	-	-	-	<b>36,434</b>
Assets derecognized or repaid (excluding write offs)	(182)	-	-	-	<b>(182)</b>
Transfers to S1	-	-	-	-	-
Transfers to S2	-	-	-	-	-
Transfers to S3	-	-	-	-	-
Effects of Modifications	(3,252)	-	-	-	<b>(3,252)</b>
Amounts written off	-	-	-	-	-
Foreign exchange adjustments	714	-	-	-	<b>714</b>
<b>Gross carrying amount as at 31 December 2024</b>	<b>47,411</b>	-	-	-	<b>47,411</b>

## Notes to the Financial Statements

### 25 Provisions (continued)

#### 25.1 Financial guarantees, letters of credit and other undrawn commitments (continued)

##### 25.1.1 Impairment losses on guarantees and other commitments (continued)

An analysis of charges in the corresponding ECL allowances in relation to letters of credit is for the year ended 31 December 2025, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>ECL allowance as at 1 January 2025 under IFRS 9</b>	<b>420</b>	-	-	-	<b>420</b>
New assets originated or purchased	40	-	-	-	40
Assets derecognized or repaid (excluding write offs)	-	-	-	-	0
Transfers to S1	-	-	-	-	-
Transfers to S2	-	-	-	-	-
Transfers to S3	-	-	-	-	-
Impact on ECL of modifications	(260)	-	-	-	(260)
Changes to inputs used for ECL calculations	(116)	-	-	-	(116)
Foreign exchange adjustments	(15)	-	-	-	(15)
<b>Net ECL Charge</b>	<b>(351)</b>	-	-	-	<b>(351)</b>
<b>ECL allowance as at 31 December 2025</b>	<b>69</b>	-	-	-	<b>69</b>

An analysis of charges in the corresponding ECL allowances in relation to letters of credit is for the year ended 31 December 2024, as follows:

	Stage 1 collective	Stage 2 collective	Stage 3 collective	Stage 3 individual	Total
(in thousands MDL)					
<b>ECL allowance as at 1 January 2024 under IFRS 9</b>	<b>150</b>	-	-	-	<b>150</b>
New assets originated or purchased	262	-	-	-	262
Assets derecognized or repaid (excluding write offs)	(2)	-	-	-	(2)
Transfers to S1	-	-	-	-	-
Transfers to S2	-	-	-	-	-
Transfers to S3	-	-	-	-	-
Impact on ECL of modifications	(20)	-	-	-	(20)
Changes to inputs used for ECL calculations	22	-	-	-	22
Foreign exchange adjustments	8	-	-	-	8
<b>Net ECL Charge</b>	<b>270</b>	-	-	-	<b>270</b>
<b>ECL allowance as at 31 December 2024</b>	<b>420</b>	-	-	-	<b>420</b>

## Notes to the Financial Statements

### 25 Provisions (continued)

#### 25.2 Other provisions and contingent liabilities

##### Contingent liabilities

As of 31 December 2025, and 2024 the Bank acts as plaintiff in a number of litigation cases.

##### Legal claims

Litigation is a common occurrence in the Banking industry due to the nature of the business undertaken.

The Bank has formal controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Bank makes adjustments to account for any adverse effects which the claims may have on its financial standing. At year-end, the Bank had 7 (seven) unresolved legal claims brought against the Bank, and for none of those claims were necessary to be made provisions.

During the 2025 year a litigation brought against Bank was resolved in the courts for which was made a provision in sum of 1,610,400 (one million six hundreds ten thousands four hundreds) MDL. The case was resolved in November 2025 and the issued decision was against the Bank, thus Bank had to pay the provisioned amount.

### 26 Issued capital

The list of major shareholders as of 31 December 2025 is presented below:

	Shareholding	2025 Number of shares '000	Value
(in thousands MDL)			
OTP BANK NYRT, Hungary	98.26%	9,826	98,258
Other legal entities (<10%)	0.10%	9	98
Other individuals (<10%)	1.58%	159	1,588
Treasury shares	0.06%	6	56
Issued capital	<b>100%</b>	<b>10,000</b>	<b>100,000</b>
<b>Less: Treasury shares</b>			<b>(56)</b>
Total			<b>99,944</b>

The list of major shareholders as of 31 December 2024 is presented below:

	Shareholding	2024 Number of shares '000	Value
(in thousands MDL)			
OTP BANK NYRT, Hungary	98.26%	9,826	98,258
Other legal entities (<10%)	0.10%	9	98
Other individuals (<10%)	1.58%	159	1,588
Treasury shares	0.06%	6	56
Issued capital	<b>100.00%</b>	<b>10,000</b>	<b>100,000</b>
<b>Less: Treasury shares</b>			<b>(56)</b>
Total			<b>99,944</b>

As of 31 December 2025 all shares are ordinary and have a nominal value of MDL 10 (31 December 2024: MDL 10). As of 31 December 2025 the total authorized share capital in amount of 10 million of ordinary shares was fully paid in.

## Notes to the Financial Statements

### 27 Fair value of financial instruments

#### 27.1 Fair value estimations

The following is a description of how fair values are determined for financial instruments using valuation techniques. These incorporate the Bank's estimate of assumptions that a market participant would make when valuing the instruments.

**Placement with Central Bank and other banks:** These include inter-bank placements and items in the course of collection. The fair value of floating rate placements and overnight deposits is their carrying amount. Fixed interest-bearing deposits mature in less than three months and it is assumed that their fair value is not significantly different from its carrying value because these instruments have short maturity terms and are convertible into cash or are settled without significant transaction costs.

**Loans and advances to customers:** These are net of provisions for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. To determine the fair value the expected cash flows are discounted at rates available in industry publications and other industry materials published by the National Bank of Moldova. For loans and advances to customers maturing within one-year it is assumed that their fair value is not significantly different from carrying value. For non-performing loans the fair value approximates the net book value.

**Debt instruments at amortized cost:** Fair value for financial investments classified as loans and receivable is based on prices obtained from new issue market and are included in the Level 2 fair value hierarchy. The National Bank Certificates and State Securities above 1year are generally highly liquid, but not actively traded in active markets, thus the Bank considered that the fair value of these instruments are presumed to be equal to the carrying amount.

**Deposits from banks and customers:** For demand deposits and deposits with no defined maturities, fair value is taken to be the amount payable on demand at the balance sheet date. The estimated fair value of fixed-maturity deposits is based on discounted cash flows using rates available in industry publications and other industry materials.

**Borrowings from IFI's:** Loans from banks and financial institutions are carried at amortised cost which approximates their fair value because these instruments have short maturity terms or bear a floating interest rate to reflect the market changes. The estimated fair value of borrowings from IFI's represents the discounted amount of future cash flows expected to be paid. The discounted rate represents average interest rate of deposits with maturity up to 1 year which is published by National Bank of Moldova.

#### 27.2 Determination of fair value and fair value hierarchy

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** quoted (unadjusted) prices from active markets for identical assets or liabilities;

**Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

**Level 3:** techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data. In arriving at fair value for the items in this hierarchy the Bank is using industry publications and other industry materials with relevant data on pricing. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

## Notes to the Financial Statements

### 27 Fair value of financial instruments (continued)

#### 27.2 Determination of fair value and fair value hierarchy (continued)

	Level 1	Level 2	Level 3	Total
(in thousands MDL)				
<b>31 December 2025</b>				
<b>Financial assets</b>				
<b>Assets measured at fair value on a recurring basis</b>				
Treasury bills issued by the Ministry of Finance	-	1,997	-	<b>1,997</b>
Equity investments at FVPL	-	-	2,023	<b>2,023</b>
<b>Other financial assets not measured at Fair Value on a recurring basis</b>				
Placements with Central Bank	3,311,948	-	-	<b>3,311,948</b>
Due from banks	1,061,051	-	-	<b>1,061,051</b>
Debt instruments at amortized cost	-	4,160,375	-	<b>4,160,375</b>
Loans and advances to customers	-	-	9,959,119	<b>9,959,119</b>
	<b>4,372,999</b>	<b>4,162,372</b>	<b>9,961,142</b>	<b>18,496,513</b>
<b>Financial liabilities</b>				
Deposits from banks	-	2,643	-	2,643
Borrowings from IFI's	-	813,319	-	813,319
Deposits from customers	-	-	15,659,881	15,659,881
	-	<b>815,962</b>	<b>15,659,881</b>	<b>16,475,843</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>

(in thousands MDL)

#### 31 December 2024

##### Financial assets

##### Assets measured at fair value on a recurring basis

Treasury bills issued by the Ministry of Finance	-	2,543	-	<b>2,543</b>
Equity investments at FVPL	-	-	1,031	<b>1,031</b>
<b>Other financial assets not measured at Fair Value on a recurring basis</b>				
Placements with Central Bank	4,668,080	-	-	<b>4,668,080</b>
Due from banks	2,740,455	-	-	<b>2,740,455</b>
Debt instruments at amortized cost	-	4,196,044	-	<b>4,196,044</b>
Loans and advances to customers	-	-	7,784,063	<b>7,784,063</b>
	<b>7,408,535</b>	<b>4,198,587</b>	<b>7,785,094</b>	<b>19,392,216</b>
<b>Financial liabilities</b>				
Deposits from banks	-	4,477	-	4,477
Borrowings from IFI's	-	951,010	-	951,010
Deposits from customers	-	-	17,008,834	17,008,834
	-	<b>955,487</b>	<b>17,008,834</b>	<b>17,964,321</b>

##### Other financial assets not measured at Fair Value on a recurring basis

##### Financial liabilities

## Notes to the Financial Statements

### 27 Fair value of financial instruments (continued)

#### 27.2 Determination of fair value and fair value hierarchy (continued)

The table below sets out the Bank's classification of each class of financial assets and liabilities, and their fair values:

	2025		2024	
	Total carrying amount	Fair value	Total carrying amount	Fair value
(in thousands MDL)				
<b>Financial assets</b>				
Placements with Central Bank	3,316,090	3,311,948	4,674,779	4,668,080
Due from banks	1,061,446	1,061,051	2,738,170	2,740,455
Debt instruments at amortized cost	3,902,000	4,160,375	4,447,877	4,196,044
Loans and advances to customers	10,140,457	9,959,119	8,115,774	7,784,063
	<b>18,419,993</b>	<b>18,492,493</b>	<b>19,976,600</b>	<b>19,388,642</b>
<b>Financial liabilities</b>				
Due to banks	4,477	-	4,477	4,477
Borrowed funds from IFIs	956,030	813,319	956,030	951,010
Deposits from customers	17,017,703	15,659,881	17,017,703	17,008,834
	<b>17,978,210</b>	<b>16,473,200</b>	<b>17,978,210</b>	<b>17,964,321</b>

There were no reclassifications between financial assets and liabilities categories done in 2025 and 2024.

# Notes to the Financial Statements

## 28 Risk management

### 28.1 Introduction and overview

The Bank has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Operational risks
- Currency risk

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risk, and the Bank's management of capital.

#### ***Business environment and country risk***

The Bank's operations are subject to country risk being the economic, political, and social risks inherent in doing business in the Republic of Moldova. These risks include matters arising out of the policies of the government, economic conditions, imposition of or changes to taxes and regulations, foreign exchange fluctuations and the enforceability of contract rights. The accompanying financial statements reflect management's assessment of the impact of the Moldovan business environment on the operations and the financial position of the Bank. The future business environment may differ from management's assessment. The impact of such differences on the operations and financial position of the Bank may be hard to estimate.

#### ***Risk management framework***

The Executive Board has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established the Risk Management Committee, Assets and Liabilities Management Committee, Audit Committee, Credit and Operational Risk Committees, Retail and Corporate Monitoring Committees, which are responsible for developing and monitoring Group risk management policies in their specified areas. All committees report regularly to the Executive Board on their activities.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures set up at the OTP Group level, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

### 28.2 Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers and other banks and investment securities. Also, the Bank exposes itself to a credit risk in cases where it acts as an intermediary on behalf of customers or other third parties or issues guarantees.

The Bank Risk Division manages and controls credit risk having a complex matrix of individual competencies, monitoring the evolution of risk indicators per market segments and products, by setting limits on the share of portfolio per industry concentrations, and by monitoring exposures in relation to such limits.

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.2 Credit risk (continued)

The Bank has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty risk level is established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Bank to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

The Bank has also an Early Warning System (EWS) in place, which represents a mechanism that analyses and turns information into signals to identify the risk at an early stage and has also the purpose to take effective action in the event of EWS signalization and to prevent customers from transitioning to default status. The EWS-based monitoring process ensures the efficient and prompt identification of high-risk debtors.

##### 28.2.1 Impairment assessment

The references below show where the Bank's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

- The Bank's definition and assessment of default and cure (Note 28.2.2);
- An explanation of the Bank's internal grading system (Note 28.2.3);
- How the Bank defines, calculates and monitors the probability of default, exposure at default and loss given default) (Notes 28.2.4 and 28.2.5);
- When the Bank considers there has been a significant increase in credit risk of an exposure (Note 28.2.6);
- The Bank's policy of segmenting financial assets where ECL is assessed on a collective basis (Note: 28.2.7);
- The details of the ECL calculations for Stage 1, Stage 2 and Stage 3 assets (Note: 2.5.9.1(ii)).

For accounting purposes, the Bank uses an expected credit loss model for the recognition of losses on financial assets (Note 2.5.9.1 (ii)).

Depending on the factors below, the Bank calculates ECLs either on a collective or an individual basis.

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.2 Credit risk (continued)

##### 28.2.2 Definition of default and cure

The Bank considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) in all cases when the borrower becomes consecutive 90 past due on any material credit obligation.

In the case of the non-enterprise segment materiality is defined as:

- Absolute threshold: 100 EUR (equivalent to the NBM exchange rate) on transaction level, and
- Relative threshold: the ratio of the transaction's overdue debt exceeds 1% of the on-balance sheet exposure on transaction (In case of credit facility /revolving type contracts (e.g: overdraft) it means the contracted amount).

In the case of the enterprise segment, it is defined as:

- The absolute threshold: 500 EUR (equivalent to the NBM exchange rate) on client level, and
- Relative threshold: the ratio of the client's total overdue debt exceeds 1% of the total amount of all on-balance sheet client's exposures (In case of credit facility /revolving type contracts (e.g: overdraft) it means the contracted amount).

As part of quality assessment of whether a customer is in default, the Bank also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Bank carefully considers whether the events should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL or whether Stage 2 is appropriate. Such events include:

- Identifying a risk event that is likely to result in partial or total non-recovery of amounts due by the counterparty under the initial contract (irrespective of the sufficiency of the Guarantees or the existence of a Guarantor / Fiduciary), the cause being the significant deterioration of the debtor's financial situation; the exceeding of limits established for financial indicators mentioned below can be used as trigger for transferring into default, however the bank will not rely only on the value of those indicators and an individual analysis will be performed in order to assess the counterparty' financial situation and the necessity to transfer it in Stage 3.
- The counterparty is the subject of legal proceedings in connection with the company's administrative difficulties (appointment of special administrator, seizure, winding-up by court order, summons to an international court, etc.) or an equivalent procedure under the law applicable in the debtor's country.
- Identify a situation requiring a restructuring agreement for a forbore credit (any situation / event that results in credit restructuring) (except in cases of "commercial renegotiation": credits for performing (healthy) clients for which the bank for commercial reasons agrees to modify the conditions stipulated in the Initial Loan Agreement) generates the customer's inevitable reclassification in the default category).
- The occurrence of any situation that is defined in the credit agreement as a Non-Execution Event such as a covenant breach not waived by the Bank.
- The loan is put for selling at a material credit related economic loss.
- Other triggers that can be considered as default event (based on expert assessment): information from public sources, breach of important covenants for other borrowing facilities not originated by the Bank, registered default in other banking/financial institution etc.

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.2 Credit risk (continued)

##### 28.2.2 Definition of default and cure (continued)

It is the Bank's policy to consider a financial instrument/exposure as "cured" and therefore re-classified out of Stage 3 when they no longer meet any of the above conditions, which means in particular that all late payments will be made. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of cure, and whether there has been a significant increase in credit risk compared to initial recognition. The healing period for "non-performing forborne" loans is 12 months after any grace periods granted after restructuring event and the healing period for Default is 3 months since the conditions that led to default are no longer valid. The probation period for performing forborne is 24 months (considering all necessary criteria are met), after this period the exposure is no more considered as forborne.

The Bank is in continuous monitoring of any specific industry/BASEL/EBA/OTP Group requirements regarding classification of loans in risk categories to apply best market practice.

##### 28.2.3 The bank's internal rating and PD estimation process

The Bank's independent Credit Underwriting Department operates its internal rating models. The Bank runs separate models for its key portfolios in which its customers are rated. Following key portfolios are monitored:

###### **NON-RETAIL:**

###### **MLE**

This category includes loans granted to Corporate clients with turnover more than 100 million MDL and transnational companies and Small and Medium Enterprises with turnover between 30 and 100 million MDL, Banks and Sovereign, including State Securities portfolio.

For MLE the borrowers are assessed by specialize credit risk employees of the Bank. The credit risk assessment is based on a credit scoring model that takes into account various quantitative and qualitative factors regarding historical, current and forward-looking information such as:

- Historical financial information together with forecasts and budgets prepared by the client: realized and expected results, solvency ratios, liquidity ratios and any other relevant ratios to measure the client's financial performance. Some of these indicators are captured in covenants with the clients and are, therefore, measured with greater attention;
- Any publicly available information on the clients from external parties. This includes external rating grades issued by rating agencies, independent analyst reports or press releases and articles;
- Presence of legal cases, their status at assessment date;
- Whether the loan is secured or unsecured;
- Existence of indicator of forborne/non-forborne;
- Any other objectively supportable information on the quality and abilities of the client's management relevant for the company's performance: insolvency process.

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.2 Credit risk (continued)

##### 28.2.3 The bank's internal rating and PD estimation process (continued)

###### Classification of NON-RETAIL loans in risk stages

Stage 1 – exposure of the counterparties that are not in Stage 2 or Stage 3, on regular basis have a maximum of days past due of 10 days in the last six months. Under internal rating these exposures have the rating of:

- S1 Neither past due nor impaired – when the DPD is 0 days;
- S1 Past due but not impaired – when the DPD is up to 10 days in the last six months.

Stage 2 – exposures presenting signs of significant deterioration of credit risk since origination. Triggers considered by the Bank to show deterioration of credit risk for a counterparty to be moved from Stage 1 to Stage 2 are:

- Watch List Flag WL2;
- Overdue payments of more than 30 days;
- Overdue payments of more than 10 days during the last 6 months;
- Restructured loans under probation period (the ones migrated from Stage 3 to Stage 2);
- Restructured loans as performing forbore;
- Rating 8 or 9;
- Other qualitative factors taken into account such as deterioration of financial situation, breach of covenants etc.

Under internal rating these exposures have the rating of S2 Past due but not impaired – when the DPD is more than 10 days in the last six months.

Stage 3 – exposures that are in “default” as detailed in Note 28.2.4. Under internal rating these exposures have the rating of “impaired”.

###### RETAIL:

###### **Consumer**

Consumer lending comprise personal loans, credit cards and overdrafts and less complex small business lending. These products are rated for ECL calculation purposes using less complex indicators, the main one being driven by days past due.

###### **Mortgage**

Mortgage loans includes loans granted to individuals for financing a mortgage. These products are rated for ECL calculation purposes using less complex indicators, the main ones being driven by days past due and LTV.

###### **MSE**

MSE complies loans granted to less complex small business lending. These products are rated using similar risk indicators and for MLE.

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.2 Credit risk (continued)

##### 28.2.3 The bank's internal rating and PD estimation process (continued)

###### Classification of RETAIL loans in risk stages

Stage 1 – exposure of the counterparties that are not in Stage 2 or Stage 3, on regular basis have a maximum of days past due of 10 days. Under internal rating these exposures have the rating of:

- S1 Neither past due nor impaired – when the DPD is 0 days;
- S1 Past due but not impaired – when the DPD is up to 10 days in the last six months.

Stage 2 – exposures presenting signs of significant deterioration of credit risk since origination. Triggers considered by the Bank to show deterioration of credit risk for a counterparty to be moved from Stage 1 to Stage 2 are:

- Overdue payments of more than 30 days;
- Restructured loans under probation period (the ones migrated from Stage 3 to Stage 2);
- LTV > 125% for mortgage products;
- DTI > 55% for consumer loans;
- Restructured loans as performing forbore;
- Overdue payments of more than 10 days at least once in the last 6 months;
- Mortgage loans with variable interest rate: (i) for which the degree of indebtedness estimated after the interest rate change from September 2022 exceeds the limits regulated by the NBM - 40% (clients with incomes below 19,800 MDL) and 55% (clients with incomes above 19,800 MDL), and (ii) granted to private individuals in the PRO category whose incomes are not of an official nature and were estimated according to MICRO technology.

Under internal rating these exposures have the rating of S2 Past due but not impaired – when the DPD is more than 10 days in the last six months.

Stage 3 – exposures that are in “default” as detailed in Note 28.2.4. Under internal rating these exposures have the rating of “impaired loans and securities”. Specifically, the following indicators of default are monitored (the list is not limited to these):

- Overdue payments of more than consecutive 90 days over the materiality threshold;
- Restructured loans;
- The hard recovery procedures started;
- Death of the debtor;
- Fraud events identified.

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.2 Credit risk (continued)

##### 28.2.4 Exposure at default

Exposure at Default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation and is equal to the current exposure including drawn part (corresponding to principal accounted in on balance sheet) and undrawn part (corresponding to the off-balance sheet adjusted with CCF) to which adjustment coefficients may be applied depending on the residual maturity (integrated into the provisioning rate).

To calculate the EAD for a Stage 1 loan, the Bank assesses the possible default events within 12 months for the calculation of the 12mECL. However, if a Stage 1 loan that is expected to default in the 12 months from the balance sheet date and is also expected to cure and subsequently default again, then all linked default events are taken into account. For Stage 2 and Stage 3 the exposure at default is considered for events over the lifetime of the instruments.

The Bank determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The IFRS 9 PDs are then assigned to each economic scenario based on the outcome of Bank's models.

PD models are based on a two-step approach:

- Construction of the marginal curve of the TTC PD for each homogenous group;  
Calculation is based on the number of defaults on a quarterly basis from period starting with 01/01/2012. The survival rate is ignored, meaning that any default incurred during the observation period was considered as default in the calculation of PD, even at the reporting date the client's performance improved and any default that was recovered during the observation period was also considered in the calculation of PD.
- Adjusting the TTC PD curve taking into consideration the current situation and the impact of the forward-looking information.

PD at 12m is applied for 12mECL; life time PD is applied for LTECL.

##### 28.2.5 Loss given default

The LGDs used for ECL calculation in the context of IFRS9 are based on internal LGD model using historic recoveries adjusted with forward looking coefficient.

##### 28.2.6 Significant increase in credit risk

The Bank continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Bank assesses whether there has been a significant increase in credit risk since initial recognition.

The Bank applies quantitative and qualitative methods for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to the watchlist, or the account becoming forborne. In certain cases, the Bank may also consider that events explained in Note 28.2.2 are a significant increase in credit risk as opposed to a default. Regardless of the change in credit grades, if contractual payments are more than 30 days past due as of reporting date or more than 10 days during the last 6 months, the credit risk is deemed to have increased significantly since initial recognition.

For 2025, no events have occurred that a bank would consider as leading to a significant increase in credit risk for its credit exposures.

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.2 Credit risk (continued)

##### 28.2.7 Grouping financial assets measured on a collective basis

As explained in Note 28.2.1 and 2.5.9.1 dependent on the factors below the Bank calculates ECLs either on a collective or an individual basis.

###### ***Impairment assessment on individual basis***

Asset classes where the Bank calculates ECL on an individual basis include Stage 3 assets, except unsecured portfolios and collectively assessed secured loans.

###### ***Impairment assessment on collective basis***

The bank had classified loan portfolio in several homogeneous groups:

###### **MLE**

This category includes loans granted to Corporate clients with turnover more than 100 million MDL and transnational companies and Small and Medium Enterprises with turnover between 30 and 100 million MDL, Banks and Sovereign, including State Securities portfolio.

###### **Consumer**

Consumer lending comprise personal loans, credit cards and overdrafts and less complex small business lending.

###### **Mortgage**

Mortgage loans includes loans granted to individuals for financing a mortgage.

###### **MSE**

This category comprises loans granted to less complex small business lending.

Asset classes where the Bank calculates ECL on a collective basis include:

- Performing assets (Stage 1 and 2) from all segments;
- S3 assets from unsecured portfolios;
- S3 assets from secured portfolio (usually forbore loans or not significant exposures).

# Notes to the Financial Statements

## 28 Risk management (continued)

### 28.2 Credit risk (continued)

#### 28.2.8 Analysis of collectively impaired assets

##### (i) Analysis of inputs to the ECL under multiple economic scenarios

Measurement of Bank's ECL reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes. The model considers reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring ECL.

##### Main macroeconomic highlights

Geographical position, trade links, high dependence on Russian energy and local geopolitical tensions made Moldova heavily exposed to the Russia – Ukraine conflict and its consequences. The population is decreasing due to emigration of 30-50 000 people annually.

Economic performance is very volatile due to the small size of the economy, high share of agriculture and the high CIS (Commonwealth of Independent States) exposure. However, after three years of recession and stagnation GDP growth is returning to Moldova. GDP growth is expected to accelerate to 3% or maybe beyond in the coming years.

Other key aspects considered are as follows:

- High and rising current account (C/A) deficit, the MDL might be overvalued.
- The budget deficit is around 4-5% of GDP, public debt is low.
- The C/A deficit rose fast to 20% of GDP, which could make Moldova vulnerable to external shocks and the MDL looks to be overvalued. However, the C/A deficit is not financed by rising debt, but through external assets of residents, which moderates the risks.
- Inflation has reached the corridor set by the National Bank of Moldova.
- The MDL fluctuates in a range against the EUR.

Main risks:

- Russian influence.
- External dependency position.
- Emigration.

Four scenarios were used for ECL calculations:

1. Optimistic Scenario – with 10% probability weight in ECL provision.
2. Baseline Scenario – 20%.
3. Mild Stress Scenario – 30%
4. Stress scenario – 40%.

The mild stress scenario was included this year in addition to the existing three ones.

Gross Domestic Product (GDP), q-o-q growth	Assigned Weight	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4
Optimistic scenario	10%	-1.2%	-0.4%	3.4%	3.8%	3.6%	3.4%	3.5%	3.9%	4.3%	4.7%	4.9%	4.9%
Mild stress scenario	30%	-1.2%	-0.4%	3.4%	3.8%	2.6%	1.5%	0.6%	0.0%	0.6%	1.1%	1.8%	2.5%
Stress scenario	40%	-1.2%	-0.4%	3.4%	3.8%	-1.0%	-4.8%	-6.4%	-6.3%	-2.4%	0.7%	2.3%	2.3%
Forecast scenario	20%	-1.2%	-0.4%	3.4%	3.8%	3.2%	2.7%	2.6%	2.7%	3.0%	3.2%	3.3%	3.4%

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.2 Credit risk (continued)

##### 28.2.8 Analysis of collectively impaired assets

###### (i) Analysis of inputs to the ECL under multiple economic scenarios (continued)

During the yearly parameters review from November 2025, both PD and LGD parameters were reviewed based on latest input data.

The review of the above-mentioned parameters, as well as the new macro scenarios update had a considerable impact on ECL provisions, expressed in a release of 26,2 MMDL. The main impact coming from MLE (-21.7 MMDL) and MSE segments (-4.4 MMDL).

###### (ii) Sensitivity Analysis of inputs to the ECL

The Bank elaborated four scenarios for sensitivity analysis, two are based on increasing/decreasing of PD by 500 basis points while LGD remains the same, and the last two are based on increasing/decreasing of LGD by 1000 basis points while PD remains the same.

The sensitivity analysis for the year 2025 and 2024, respectively, is presented in the tables below:

	<b>Total Provision 2025 Real Booked</b>	<b>Change of PD</b>	<b>Total Provision Simulation</b>	<b>Increase/ Decrease in Total Stock of Provision, MDL</b>	<b>Increase/ Decrease in Total Stock of Provision, %</b>
(in thousands MDL)					
<b>Retail</b>	166,533	+500 bps	326,087	159,554	96%
		- 500 bps	112,256	(54,278)	-33%
<b>Non-Retail</b>	168,221	+500 bps	432,594	264,373	157%
		-500 bps	94,175	(74,046)	-44%
	334,754				
	<b>Total Provision 2025 Real Booked</b>	<b>Change in basis points of LGD</b>	<b>Total Provision Simulation</b>	<b>Increase/Decrea se in Total Stock of Provision, MDL</b>	<b>Increase/Decrea se in Total Stock of Provision, %</b>
(in thousands MDL)					
<b>Retail</b>	166,533	+1000 bps	215,124	48,591	29%
		-1000 bps	153,197	(13,337)	-8%
<b>Non-Retail</b>	168,221	+1000 bps	237,984	69,763	41%
		-1000 bps	169,529	1,308	1%

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.2 Credit risk (continued)

##### 28.2.8 Analysis of collectively impaired assets (continued)

###### (ii) Sensitivity Analysis of inputs to the ECL (continued)

	Total Provision 2024 Real Booked	Change of PD	Total Provision Simulation	Increase/Decrease in Total Stock of Provision, MDL	Increase/Decrease in Total Stock of Provision, %
(in thousands MDL)					
<b>Retail</b>	194,192	+ 500 bps	338,460	144,268	74%
		- 500 bps	143,022	-51,169	-26%
<b>Non-Retail</b>	173,048	+ 500 bps	432,353	259,305	150%
		- 500 bps	136,533	-36,514	-21%
	367,240				
	Total Provision 2024 Real Booked	Change of LGD	Total Provision Simulation	Increase/Decrease in Total Stock of Provision, MDL	Increase/Decrease in Total Stock of Provision, %
(in thousands MDL)					
<b>Retail</b>	194,192	+ 1000 bps	233,983	39,791	20%
		- 1000 bps	176,540	-17,652	-9%
<b>Non-Retail</b>	173,048	+ 1000 bps	229,024	55,976	32%
		- 1000 bps	181,902	8,854	5%
	367,240				

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.2 Credit risk (continued)

##### 28.2.9 Overview of modified and forborne loans

The table below shows the gross carrying amount of previously modified financial assets for which loss allowance has changed between 12mECL and LTECL measurement during the period:

	as at 31 December 2025		as at 31 December 2024	
	Gross carrying amount	Corresponding ECL	Gross carrying amount	Corresponding ECL
Facilities that have cured since modification and are now measured using 12mECLs (Stage 1)	1,325	6.80	28	0.20
Facilities that reverted to (Stage 2/3) LTECLs having once cured	0	0	0	0

Carrying amount by class of financial assets that had the forborne status as of 31 December 2025 and 2024 is analyzed below:

Forborne Loans	31 December 2025	Of which: forborne in 2025	31 December 2024	Of which: forborne in 2024
(in thousands MDL)				
<b>Loans and advances to customers</b>				
<b>Performing</b>				
MLE	-	-	803	803
Consumer	1,141	566	3,804	2,158
Mortgage	-	-	1,468	-
MSE	7,424	2,178	16,648	15,243
Leasing	-	-	-	-
	<b>8,565</b>	<b>2,744</b>	<b>22,723</b>	<b>18,204</b>
<b>NON-Performing</b>				
MLE	-	-	4,589	-
Consumer	53	-	267	86
Mortgage	708	-	989	-
MSE	11,818	64	12,142	2,198
Leasing	358	-	668	668
	<b>12,937</b>	<b>64</b>	<b>18,655</b>	<b>2,952</b>

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.2 Credit risk (continued)

##### 28.2.10 Analysis of risk concentration

The major concentrations of credit risk arise by location and type of customer in relation to the Bank investments, loans and advances and guarantees issued. The Bank has no significant exposure to any individual customer or counterparty. The Bank's lending activities are conducted in the Republic of Moldova. The ability of borrowers to repay their debt is dependent on a number of factors including the overall financial wealth of the borrower and the Moldovan economy. The loan portfolio comprises loans to approximately 4,699 legal entities (2024: 4,711) and 30,732 individuals (2024: 63,274), out of which 104 legal entities and 708 individuals have only unauthorized overdrafts.

The maximum credit on-balance exposure to any client or counterparty in the loan portfolio as of 31 December 2025 was at MDL 196,570,319 (2024: MDL 163,360,000).

As at 31 December 2025 ten major gross loans have a total on-balance exposure of MDL 1,058,988,646 (31 December 2024: MDL1,012,408,000).

##### **Maximum exposure to credit risk**

The table below shows the maximum exposure to credit risk for the components of the balance sheet. The maximum exposure is shown net of ECL, before the effect of mitigation through the use of master netting and collateral agreements.

	Note	31 December 2025	31 December 2024
(in thousands MDL)			
Placements with Central Bank	13	3,316,090	4,674,779
Due from banks	14	1,061,446	2,738,170
Debt instruments at amortized cost	16	3,902,000	4,447,877
Loans and advances to customers	15	9,849,386	7,860,695
Leasing	15	291,071	255,079
Other assets		82,700	112,100
<b>Total</b>		<b>18,514,197</b>	<b>20,088,700</b>
Financial guarantees, letters of credit and other undrawn commitments	25	3,338,750	2,340,465
<b>Total credit risk exposure</b>		<b>21,841,443</b>	<b>22,429,165</b>

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.2 Credit risk (continued)

##### 28.2.10 Analysis of risk concentration (continued)

###### Industry analysis

The Bank monitors concentrations of credit risk by sector and by geographic location.

An analysis of concentrations of credit risk gross exposure as of 31 December 2025 is shown below:

	Loans and advances to customers	Leasing	Due from banks	Debt instruments at amortized cost	Financial assets at FV through PL
(in thousands MDL)					
<b>Concentration by sector</b>					
Sovereign	-	-	-	2,734,087	-
Central Bank	-	-	3,317,866	1,202,310	-
Commercial banks	-	-	1,062,240	-	-
Individuals	4,231,738	-	-	-	-
Legal entities	5,944,481	298,992	-	-	-
<b>Off balance sheet items:</b>	-	-	-	-	2,023
Individuals	12,628	-	-	-	-
Legal entities	3,332,779	11,538	-	-	-
	<b>13,521,626</b>	<b>310,530</b>	<b>4,380,106</b>	<b>3,936,397</b>	<b>2,023</b>
<b>Concentration by location</b>					
Moldova	12,745,539	310,530	3,317,866	3,936,397	2,023
CIS <sup>1</sup>	177,779	-	3,049	-	-
EU	146,537	-	982,621	-	-
USA	484	-	219,440	-	-
Other	451,287	-	-	-	-
Total gross amount of exposure	<b>13,521,626</b>	<b>310,530</b>	<b>4,522,976</b>	<b>3,936,397</b>	<b>2,023</b>
Less: Allowance for ECL/impairment losses	(345,153)	975,873	(2,570)	(34,397)	-
	<b>13,176,473</b>	<b>1,286,403</b>	<b>4,520,406</b>	<b>3,902,000</b>	<b>2,023</b>

<sup>1</sup> CIS - Commonwealth of Independent States, free association of sovereign states that was formed in 1991 by Russia and 11 other republics that were formerly part of the Soviet Union.

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.2 Credit risk (continued)

##### 28.2.10 Analysis of risk concentration (continued)

###### *Industry analysis (continued)*

An analysis of concentrations of credit risk gross exposure as of 31 December 2024 is shown below:

	Loans and advances to customers	Leasing	Due from banks	Debt instruments at amortized cost	Financial assets at FV through PL
(in thousands MDL)					
<b>Concentration by sector</b>					
Sovereign	-	-	-	2,069,504	-
Central Bank	-	-	4,676,343	2,402,078	-
Commercial banks	-	-	2,740,650	-	-
Individuals	3,376,291	-	-	-	-
Legal entities	4,845,256	261,466	-	-	-
<b>Off balance sheet items:</b>	-	-	-	-	1,031
Individuals	14,976	-	-	-	-
Legal entities	2,357,700	480	-	-	-
	<b>10,594,223</b>	<b>261,946</b>	<b>7,416,993</b>	<b>4,471,582</b>	<b>1,031</b>
<b>Concentration by location</b>					
Moldova	9,677,648	261,946	4,676,343	4,471,582	1,031
CIS <sup>2</sup>	160,041	-	4,352	-	-
EU	126,627	-	2,444,064	-	-
USA	510	-	292,234	-	-
Other	629,397	-	-	-	-
	<b>10,594,223</b>	<b>261,946</b>	<b>7,416,993</b>	<b>4,471,582</b>	<b>1,031</b>
Less: Allowance for ECL/impairment losses	(393,546)	(6,384)	(4,044)	(23,705)	-
	<b>10,200,677</b>	<b>255,562</b>	<b>7,412,949</b>	<b>4,447,877</b>	<b>1,031</b>

<sup>2</sup> CIS - Commonwealth of Independent States, free association of sovereign states that was formed in 1991 by Russia and 11 other republics that were formerly part of the Soviet Union.

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.2 Credit risk (continued)

##### 28.2.10 Analysis of risk concentration (continued)

An analysis of concentrations of ECL as of 31 December 2025 is shown below:

	Loans and advances to customers	Leasing	Due from banks	Debt instruments at amortized cost	Financial assets at FV through PL
(in thousands MDL)					
<b>Concentration by sector</b>					
Sovereign	-	-	-	34,292	-
Central Bank	-	-	1,776	105	-
Commercial banks	-	-	794	-	-
Individuals	135,768	-	-	-	-
Legal entities	191,065	7,921	-	-	-
<b>Off balance sheet items:</b>					
Individuals	113	-	-	-	-
Legal entities	18,168	34	-	-	-
<b>Concentration by location</b>					
Moldova	334,826	7,955	1,776	34,397	-
CIS*	4,668	-	29.05	-	-
EU	262	-	734	-	-
USA	34	-	30.93	-	-
Other	5,324	-	-	-	-
	<b>345,114</b>	<b>7,955</b>	<b>2,569.98</b>	<b>34,397</b>	<b>-</b>

An analysis of concentrations of ECL as of 31 December 2024, shown below:

	Loans and advances to customers	Leasing	Due from banks	Debt instruments at amortized cost	Financial assets at FV through PL
(in thousands MDL)					
<b>Concentration by sector</b>					
Sovereign	-	-	-	23,584	-
Central Bank	-	-	1,564	121	-
Commercial banks	-	-	2,480	-	-
Individuals	158,035	-	-	-	-
Legal entities	202,817	6,387	-	-	-
<b>Off balance sheet items:</b>					
Individuals	99	-	-	-	-
Legal entities	32,587	5	-	-	-
	<b>393,538</b>	<b>6,392</b>	<b>4,044</b>	<b>23,705</b>	<b>-</b>
<b>Concentration by location</b>					
Moldova	381,741	6,392	1,564	23,705	-
CIS*	2,993	-	35.67	-	-
EU	980	-	2,368	-	-
USA	4	-	76.09	-	-
Other	7,820	-	-	-	-
	<b>393,538</b>	<b>6,392</b>	<b>4,044</b>	<b>23,705</b>	<b>-</b>

Ageing analysis of loans by class of financial assets as of 31 December 2025 and 2024 is presented below:

(in thousands MDL)	Stage 1		Stage 2					Stage 3					Total	
	Not past due	Less than 30 days	Not past due	Less than 30 days	31 to 60 days	61 to 90 days	More than 90	Not past due	Less than 30 days	31 to 60 days	61 to 90 days	More than 90		
<b>31-Dec-25 Loans and advances to customers</b>														
<b>MLE</b>	4,993,474	63,323	89,044	19,400	6,599	-	-	-	-	-	-	-	130,471	<b>5,302,311</b>
<b>Consumer</b>	1,542,219	46,513	151,552	38,293	7,138	1,873	352	1,522	477	1,571	1,150	14,320	<b>1,806,980</b>	
<b>Mortgage</b>	1,758,941	50,593	502,116	61,739	2,399	508	-	4,634	5,339	3,122	2,970	27,511	<b>2,419,872</b>	
<b>MSE</b>	544,903	17,882	28,362	15,724	1,302	1,961	4	574	821	452	2,016	33,055	<b>647,056</b>	
<b>Total Loans and advances to customers</b>	<b>8,839,537</b>	<b>178,311</b>	<b>771,074</b>	<b>135,156</b>	<b>17,438</b>	<b>4,342</b>	<b>356</b>	<b>6,730</b>	<b>6,637</b>	<b>5,145</b>	<b>6,136</b>	<b>205,357</b>	<b>10,176,219</b>	
<b>Leasing</b>	<b>277,037</b>	<b>7,517</b>	<b>8,571</b>	<b>1,062</b>	<b>145</b>	<b>521</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>410</b>	<b>-</b>	<b>3,729</b>	<b>298,992</b>	
<b>Total Loans and advances to customers and Leasing</b>	<b>9,116,574</b>	<b>185,828</b>	<b>779,645</b>	<b>136,218</b>	<b>17,583</b>	<b>4,863</b>	<b>356</b>	<b>6,730</b>	<b>6,637</b>	<b>5,555</b>	<b>6,136</b>	<b>209,086</b>	<b>10,475,211</b>	
<b>31-Dec-24 Loans and advances to customers</b>														
<b>MLE</b>	3,851,448	101,252	170,225	16,663	7761	-	-	6	-	-	-	-	142,846	<b>4,290,201</b>
<b>Consumer</b>	1,183,688	36,864	110,965	27,211	3,445	954	159	5,169	1306	2,023	2,026	29,178	<b>1,402,988</b>	
<b>Mortgage</b>	1,383,878	39,035	435,934	62,578	1,815	808	-	4,259	5,896	5,670	2,104	25,621	<b>1,967,598</b>	
<b>MSE</b>	364,943	2,216	133,940	9,030	4,670	3590	-	3,232	2,224	249	3,449	33,222	<b>560,765</b>	
<b>Total Loans and advances to customers</b>	<b>6,783,957</b>	<b>179,367</b>	<b>851,064</b>	<b>115,482</b>	<b>17,691</b>	<b>5,352</b>	<b>159</b>	<b>12,666</b>	<b>9,426</b>	<b>7,942</b>	<b>7,579</b>	<b>230,867</b>	<b>8,221,552</b>	
<b>Leasing</b>	<b>245,883</b>	<b>140</b>	<b>8,624</b>	<b>3275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3543</b>	<b>261,465</b>	
<b>Total Loans and advances to customers and Leasing</b>	<b>7,029,840</b>	<b>179,507</b>	<b>859,688</b>	<b>118,757</b>	<b>17,691</b>	<b>5,352</b>	<b>159</b>	<b>12,666</b>	<b>9,426</b>	<b>7,942</b>	<b>7,579</b>	<b>234,410</b>	<b>8,483,017</b>	

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.2 Credit risk (continued)

##### 28.2.10 Analysis of risk concentration (continued)

An analysis of loans and advances to customers by customer type and industry as of 31 December 2025 and 2024 is presented below:

	31 December 2025	31 December 2024
(in thousands MDL)		
<b>Loans to individuals</b>		
Consumer loans	1,806,980	1,402,987
Mortgage loans	2,419,872	1,967,599
	<b>4,226,852</b>	<b>3,370,586</b>
Less allowance for impairment losses Consumer Loans	(63,621)	(70,240)
Less allowance for impairment losses Mortgage Loans	(70,245)	(85,887)
<b>Net loans to individuals</b>	<b>4,092,986</b>	<b>3,214,459</b>
<b>Loans to legal entities</b>		
Industry and commerce	3,371,093	3,135,059
Agriculture and food industry	1,098,981	903,173
Fuel and energy	280,955	22,986
Construction	168,838	124,490
Transportation, telecommunications and development	415,510	405,485
Overdrafts	219,562	4,052
Micro-enterprises	179,106	147,037
Leasing	298,992	261,466
Other	215,323	108,679
	<b>6,248,360</b>	<b>5,112,427</b>
Less allowance for impairment losses		
Industry and commerce	(89,605)	(96,854)
Agriculture and food industry	(72,674)	(81,475)
Fuel and energy	(3,940)	(331)
Construction	(2,946)	(2,386)
Transportation, telecommunications and development	(7,393)	(8,200)
Overdrafts	(3,210)	(58)
Micro-enterprises	(10,579)	(12,390)
Leasing	(7,921)	(6,387)
Other	(2,619)	(3,031)
<b>Net loans to legal entities</b>	<b>6,047,473</b>	<b>4,901,315</b>
<b>Total net loans and advances to customers</b>	<b>10,140,459</b>	<b>8,115,774</b>

The Bank's lending activities are conducted in Moldova. The ability of borrowers to repay their debt is dependent on a number of factors including the overall financial wealth of the borrower and the Moldovan economy.

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.2 Credit risk (continued)

##### 28.2.11 Collateral and other enhancements

The main types of collateral obtained are as follows: real estate premises (residential, commercial, land), stock of goods and materials, trade receivables, securities, cash and other types (if object can be identified, evaluated and pledged).

The Bank also obtains guarantees from parent companies for loans to their subsidiaries. The Bank monitors the market value of collateral and request additional collateral in accordance with the underlying agreement.

Bank's policy is to avoid repossession of assets and to use this tool as an exceptional one, due to the fact that legislation offers the possibility to take under legal possession the collaterals in order to manage them for selling, from clients' name, and repay the debt. In order to recover the debt where are set collaterals that are under legal possession, Bank uses several ways:

- Selling of collateral with Bank's permission;
- Cession of debts (that includes the selling of rights legal possession);
- Selling of collaterals by Bank – direct negotiations (by Bank or involving a real estate company) or auction (auction organized by third parties – dedicated company / bailiff / notary);
- Selling of collaterals in enforced execution procedure.

All information regarding the collaterals available for selling is published on Bank's website as well as in a dedicated Newspaper.

The Bank holds collateral against loans and advances to customers in the form of mortgage interests over property, stock of materials and equipment as well as corporate guarantees and cash deposits. The fair value of collateral placed against all impaired loans as of 31 December 2025 is estimated at MDL 10,221,316 (31 December 2024: MDL 8,244,693). The fair value of collateral placed against past due but not impaired loans as of 31 December 2025 is estimated at MDL'000 231,083 (31 December 2024: MDL'000 270,372).

Collateral generally is held over loans, except when securities are held as part of reverse repurchase and securities borrowing activity. Collateral usually is not held against investment securities, and no such collateral was held as of 31 December 2025 and 2024.

The tables on the following pages show the maximum exposure to credit risk by class of financial assets.

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.2 Credit risk (continued)

##### 28.2.11 Collateral and other enhancements (continued)

(in thousands MDL)	Maximum exposure to credit risk	Cash	Securities	3 <sup>rd</sup> party guarantees	Property	Other	Surplus of collateral	Total collateral	Net exposure	Associated ECLs
<b>31 December 2025</b>										
MLE	5,142,011	88,416	-	16,581,141	2,750,646	2,239,649	(16,849,549)	21,659,852	-	160,300
Consumer	1,743,359	115	-	484,155	3,517	240	(382,573)	488,028	1,255,332	63,621
Mortgage	2,349,627	13,330	-	2,309,003	3,241,388	3,845	(3,221,519)	5,567,566	-	70,245
MSE	614,388	6,728	-	1,974,020	515,741	395,095	(2,223,276)	2,891,584	-	32,668
Leasing	291,071	-	-	782,320	16,832	1,542	(578,354)	800,694	-	7,921
Commitments to grant loans	2,130,205	1,217	-	3,068,403	585,077	308,694	(2,763,264)	3,963,391	-	8,393
Financial guarantees	1,193,314	53,237	-	1,117,980	118,402	106,422	(540,772)	1,396,040	-	9,852
Letters of credit	15,111	8,396	-	11,176	3,806	2,576	(12,486)	25,954	-	70
<b>Total</b>	<b>13,479,086</b>	<b>171,439</b>	<b>-</b>	<b>26,328,198</b>	<b>7,235,409</b>	<b>3,058,063</b>	<b>(26,571,793)</b>	<b>36,793,109</b>	<b>1,255,332</b>	<b>353,070</b>
<b>31 December 2024</b>										
MLE	4,123,534	123,298	-	12,539,980	2,579,873	1,988,761	(13,166,218)	17,231,911	-	166,661
Consumer	1,332,747	196	-	818,830	4,446	2,570	(597,746)	826,042	506,704	70,240
Mortgage	1,881,712	19,123	-	2,383,190	2,803,789	3,603	(3,330,276)	5,209,705	-	85,527
MSE	522,701	6,011	-	1,827,863	482,414	420,900	(2,174,973)	2,737,188	-	85,887
Leasing	255,079	-	-	745,568	17,288	427,814	(945,867)	1,190,670	-	38,065
Commitments to grant loans	1,187,676	21,666	-	2,072,544	324,836	199,945	(1,993,062)	2,618,990	-	6,387
Financial guarantees	1,105,797	59,204	-	786,836	137,448	127,466	(509,961)	1,110,954	-	17,817
Letters of credit	46,991	27,701	-	110,166	3,600	5,552	(109,684)	147,018	-	14,455
<b>Total</b>	<b>10,456,237</b>	<b>257,199</b>	<b>-</b>	<b>21,284,977</b>	<b>6,353,694</b>	<b>3,176,611</b>	<b>(22,827,787)</b>	<b>31,072,478</b>	<b>506,704</b>	<b>399,932</b>

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.2 Credit risk (continued)

##### 28.2.11 Collateral and other enhancements (continued)

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets:

	Maximum exposure to credit risk	Cash	Securities	3 <sup>rd</sup> party guarantees	Property	Other	Surplus of collateral	Total collateral	Net exposure	Associated ECLs
(in thousands MDL)										
<b>31 December 2025</b>										
MLE	50,464	-	-	852,485	68,389	64,897	(937,427)	985,772	-	80,007
Consumer	5,324	-	-	151,810	3,408	240	(154,328)	155,458	-	13,716
Mortgage	25,945	-	-	63,145	72,453	54	(109,707)	135,652	-	17,631
MSE	-	-	-	182,324	67,146	26,612	(256,185)	276,082	-	16,867
Leasing	1,714	-	-	33,644	746	832	(33,543)	35,221	-	2,425
Commitments to grant loans	-	-	-	-	-	-	-	-	-	-
Financial guarantees	-	-	-	-	-	-	-	-	-	-
Letters of credit	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>83,447</b>	<b>-</b>	<b>-</b>	<b>1,283,408</b>	<b>212,142</b>	<b>92,635</b>	<b>(1,491,190)</b>	<b>1,588,185</b>	<b>-</b>	<b>130,646</b>
<b>31 December 2024</b>										
MLE	50,572	-	-	900,741	96,204	117,747	(1,065,980)	1,114,692	-	92,280
Consumer	4,977	-	-	177,968	4,356	2,570	(181,549)	184,894	-	34,724
Mortgage	18,792	-	-	64,698	70,735	302	(116,942)	135,735	-	24,758
MSE	-	-	-	207,176	72,093	58,982	(316,686)	338,251	-	20,753
Leasing	1,535	-	-	26,265	-	6,478	(31,208)	32,743	-	2,009
Commitments to grant loans	-	-	-	-	-	-	-	-	-	-
Financial guarantees	453	1,192	-	-	-	-	(739)	1,192	-	739
Letters of credit	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>76,329</b>	<b>1,192</b>	<b>-</b>	<b>1,376,848</b>	<b>243,388</b>	<b>186,079</b>	<b>(1,713,104)</b>	<b>1,807,507</b>	<b>-</b>	<b>175,263</b>

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.3 Liquidity risk and funding management

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations from its financial liabilities.

##### *Management of liquidity risk*

The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation.

Intraday liquidity is managed by the Treasury based on received information from other business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. Treasury then maintains a portfolio of short term liquid assets, largely made up of short term liquid investment securities, loans and advance to banks and other interbank facilities, to ensure that sufficient liquidity is maintained within the Bank as a whole.

On a medium to long term basis the liquidity is managed through ALM function reporting to ALCO on the funding needs in the future.

The table below summarizes the maturity profile of the Bank's financial assets and liabilities at 31 December 2025 based on undiscounted repayment obligations.

(in thousands MDL)	Total	Less 1 month	Between 1 month and 1 year	Between 1 and 5 years	More than 5 years
<b>Financial assets</b>					
Cash and balances with Central Bank	4,176,896	4,176,896	-	-	-
Due from banks	1,061,446	962,648	-	98,799	-
Derivative financial instruments	27	27	-	-	-
Financial assets at fair value through profit or loss	4,020	199	1,798	-	2,023
Debt instruments at amortized cost	3,902,000	1,166,998	2,733,002	2,000	-
Loans and advances to customers	10,140,457	629,279	3,717,441	4,165,888	1,627,850
Other financial assets	54,377	54,377	-	-	-
<b>Total financial assets</b>	<b>19,339,223</b>	<b>6,990,424</b>	<b>6,452,241</b>	<b>4,266,687</b>	<b>1,629,873</b>
<b>Financial Liabilities</b>					
Due to banks	2,643	2,643	-	-	-
Due to customers	15,527,963	11,084,880	2,145,845	2,276,198	21,041
Debt issued and other borrowings	821,211	17,351	428,264	368,229	7,366
Lease liabilities	45,103	-	4,635	25,255	15,213
Derivative financial instruments	45	45	-	-	-
<b>Total financial liabilities</b>	<b>16,396,965</b>	<b>11,104,874</b>	<b>2,578,744</b>	<b>2,669,682</b>	<b>43,620</b>
<b>GAP</b>	<b>2,942,258</b>	<b>(4,114,496)</b>	<b>3,873,496</b>	<b>1,597,004</b>	<b>1,586,253</b>

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.3 Liquidity risk and funding management (continued)

The table below summarizes the maturity profile of the Bank's financial assets and liabilities at 31 December 2024 based on undiscounted repayment obligations.

(in thousands MDL)	Total	Less 1 month	Between 1 month and 1 year	Between 1 and 5 years	More than 5 years
<b>Financial assets</b>					
Cash and balances with Central Bank	5,531,137	5,451,667	-	79,470	-
Due from banks	2,738,170	2,738,170	-	-	-
Derivative financial instruments	120	120	-	-	-
Financial assets at fair value through profit or loss	3,574	294	2,249	-	1,031
Debt instruments at amortized cost	4,447,877	2,378,104	2,067,773	2,000	-
Loans and advances to customers	8,115,774	450,421	3,088,856	3,451,513	1,124,984
Other financial assets	64,242	64,242	-	-	-
<b>Total financial assets</b>	<b>20,900,894</b>	<b>11,083,018</b>	<b>5,158,878</b>	<b>3,532,983</b>	<b>1,126,015</b>
<b>Financial Liabilities</b>					
Due to banks	4,477	4,477	-	-	-
Due to customers	17,017,703	12,861,913	3,056,856	1,077,798	21,136
Debt issued and other borrowings	956,030	17,262	458,113	468,127	12,528
Lease liabilities	57,307	-	1,655	37,626	18,026
Derivative financial instruments	215	215	-	-	-
<b>Total financial liabilities</b>	<b>18,035,732</b>	<b>12,883,867</b>	<b>3,516,624</b>	<b>1,583,551</b>	<b>51,690</b>
<b>GAP</b>	<b>2,865,162</b>	<b>(1,800,849)</b>	<b>1,642,254</b>	<b>1,949,432</b>	<b>1,074,325</b>

The table below is related to off-balance assets as of 31.12.2025 and 31.12.2024. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

(in thousands MDL)	Total	Less 1 month	Between 1 month and 1 year	Between 1 and 5 years	More than 5 years
<b>As at 31 December 2025</b>					
Loan commitments	2,138,958	2,138,958	-	-	-
Financial guarantees	1,203,166	1,203,166	-	-	-
Letter of credit	15,181	15,181	-	-	-
<b>Total commitments and guarantees</b>	<b>3,356,945</b>	<b>3,356,945</b>	-	-	-
<b>As at 31 December 2024</b>					
Loan commitments	1,205,493	1,205,493	-	-	-
Financial guarantees	1,131,230	1,131,230	-	-	-
Letter of credit	36,433	36,433	-	-	-
<b>Total commitments and guarantees</b>	<b>2,373,156</b>	<b>2,373,156</b>	-	-	-

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.4 Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads will affect the Bank's or the value of its holdings of financial instruments. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

As of the end of 2025 the bank hold a small trading portfolio of State Securities (2.1 million MDL). This portfolio was constituted considering the regulatory requirements imposed by Ministry of Finance for the banks who have the license of primary dealer. The bank holds a primary dealer license and carries out its activity on the primary market in accordance with the provisions and conditions of the Regulation on Placement, Transaction and Redemption of State Securities in Book-Entry Form, approved by the DEB of the NBM No.170/2018 and the Order of the minister of finance No.129/2018.

Considering the amount of portfolio and the nature of financial instruments, the related market risk is considered as not significant.

##### 28.4.1 Interest rate risk

The Bank's operations are subject to risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature at different times or in different amounts. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Bank's business strategies.

The sensitivity on net interest income of the Bank is analysed separately for variable rates (as effect of interest rate changes for variable rate assets and liabilities) and fixed rates (by revaluing fixed rate financial assets for the effects of the assumed changes in interest rates based on the assumption that there are parallel shifts in the yield curve). According to financial market evolution, the Bank estimates 2 main scenarios for interest rate sensitivity analysis:

1. Parallel increase/decrease of +/- 200 basis points for interest bearing assets and liabilities with subsequent impact of such fluctuations on net interest income (NII) and economic value of equity (EVE);
2. Non-Parallel increase/decrease of +/- 200 basis points for interest bearing assets and liabilities with subsequent impact of such fluctuations on net interest income (NII) and economic value of equity (EVE);

Power of fluctuations is determined based on market conditions and Banks assumptions in forecasted environment.

The potential change of the Bank's EVE (economic value of equity) due to changes:

	Effect	Impact on Own Funds
(in thousands MDL)		
<b>31/12/2025 (Own Funds equal to 2,210,645 M MDL)</b>		
Potential change in EVE + 200 bps	80,038	3.62%
Potential change in EVE - 200 bps	(85,491)	(3,87)%
<b>31/12/2024 (Own Funds equal to 2,149.2 M MDL)</b>		
Potential change in EVE + 200 bps	39,912	1.86%
Potential change in EVE - 200 bps	(41,831)	(1.95)%

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.4 Market risk (continued)

##### 28.4.1 Interest rate risk (continued)

The following table provides an analysis of the Bank's interest rate risk exposure on non-trading financial assets and liabilities as at 31 December 2025. The bank assets and liabilities are included at carrying amount and categorized by the earlier of contractual repricing or maturity dates.

	Carrying amount	Less than 3 month	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing
(in thousands MDL)						
<b>As at 31 December 2025</b>						
<b>Assets</b>						
Cash and Balances with Central Bank	4,176,896	3,316,090	-	-	-	860,806
Due from Banks	1,061,446	981,976	-	79,470	-	-
Financial assets at fair value through profit and loss	3,574	298	1,253	-	-	2,023
Loans and advances to customers	10,140,457	8,375,705	1,136,038	615,463	13,251	-
Debt instruments at amortized cost	3,902,000	1,472,771	2,427,229	2,000	-	-
	<b>19,284,373</b>	<b>14,146,840</b>	<b>3,564,520</b>	<b>696,933</b>	<b>13,251</b>	<b>862,830</b>
<b>Liabilities</b>						
Due to Banks	2,643	2,643	-	-	-	-
Due to Customers	15,527,963	14,586,837	846,563	13,613	20,225	60,725
Debt issued and other borrowed funds	821,211	686,457	76,745	55,049	2,960	-
	<b>16,351,817</b>	<b>15,275,937</b>	<b>923,308</b>	<b>68,662</b>	<b>23,185</b>	<b>60,725</b>
<b>Total interest sensitivity gap</b>	<b>2,932,555</b>	<b>(1,129,098)</b>	<b>2,641,211</b>	<b>628,270</b>	<b>(9,934)</b>	<b>802,105</b>

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.4 Market risk (continued)

##### 28.4.1 Interest rate risk (continued)

The following table provide an analysis of the Bank's interest rate risk exposure on non-trading financial assets and liabilities as at 31 December 2024. The bank assets and liabilities are included at carrying amount and categorized by the earlier of contractual repricing or maturity dates.

	Carrying amount	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing
(in thousands MDL)						
<b>As at 31 December 2024</b>						
Assets						
Cash and Balances with Central Bank	5,531,137	4,674,779	-	-	-	856,358
Due from Banks	2,738,170	2,658,700	-	79,470	-	-
Financial assets at fair value through profit and loss	3,574	294	2,249	-	1,031	-
Loans and advances to customers	8,115,774	6,463,238	1,650,536	2,000	-	-
Debt instruments at amortized cost	4,447,877	3,311,321	444,058	663,940	28,558	-
	<b>20,836,532</b>	<b>17,108,332</b>	<b>2,096,843</b>	<b>745,410</b>	<b>29,589</b>	<b>856,358</b>
Liabilities						
Due to Banks	4,477	4,477	-	-	-	-
Due to Customers	17,017,703	9,226,969	309,726	81,679	21,000	7,378,329
Debt issued and other borrowed funds	956,030	849,355	66,348	34,237	6,090	-
	<b>17,978,210</b>	<b>10,080,801</b>	<b>376,074</b>	<b>115,916</b>	<b>27,090</b>	<b>7,378,329</b>
<b>Total interest sensitivity gap</b>	<b>2,858,322</b>	<b>7,027,531</b>	<b>1,720,769</b>	<b>629,494</b>	<b>2,499</b>	<b>(6,521,971)</b>

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.4 Market risk (continued)

##### 28.4.2 Currency risk

The Bank is exposed to currency risk through transactions in foreign currencies against MDL. There is also a balance sheet risk that the net monetary assets/liabilities in foreign currencies will take a lower/higher value when translated into MDL as a result of currency movements.

The Bank is analysing permanently the structure of assets and liabilities in different currencies. The principal foreign currencies held by the Bank are EUR and USD. The Bank carries out operations in both the local currency and hard currencies and monitors its foreign currency exposure on a daily basis and close out its positions within individually defined limits set up by NBM for each and all currencies together. It is the Bank's policy to minimize its exposure to currency risk by maintaining an open currency position at a minimum level.

The Bank's transactional exposures give rise to foreign currency gains and losses that are recognized in the income statement. These exposures comprise the monetary assets and monetary liabilities of the Bank that are not denominated in the measurement currency of the Bank.

The table below provides the information on the effect to profit before tax and effect in equity of the change in foreign currency rates against MDL:

	FCY gap	Possible rate increase	Income / (loss) effect	Effect in equity	Possible rate decrease	Income / (loss) effect	Effect in equity
<i>(in thousand MDL)</i>							
<b>31 December 2025</b>							
EUR	37,741	10%	3,774	3,321	-10%	(3,774)	(3,321)
US Dollars	(6,978)	10%	(698)	(614)	-10%	698	614
<b>31 December 2024</b>							
EUR	39,097	10%	3,910	3,440	-10%	(3,910)	(3,440)
US Dollars	100,986	10%	10,099	8,887	-10%	(10,099)	(8,887)

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.4 Market risk (continued)

##### 28.4.2 Currency risk (continued)

The amounts of assets and liabilities held in MDL and in foreign currencies at 31 December 2025 can be analysed as follows:

<b>31 December 2025</b>	<b>Euro</b>	<b>US dollar</b>	<b>MDL</b>	<b>Other</b>	<b>Total</b>
(in thousand MDL)					
<b>Assets</b>					
Cash and balances with Central Bank	1,583,452	378,097	2,160,051	55,298	<b>4,176,898</b>
Due from banks	338,565	698,467	-	24,413	<b>1,061,445</b>
Derivative financial instruments	-	-	27	-	<b>27</b>
Financial assets at FVPL	-	-	4,020	-	<b>4,020</b>
Loans and advances to customers, net	2,939,858	203,623	6,996,976	-	<b>10,140,457</b>
Debt instruments at amortized cost	-	-	3,902,000	-	<b>3,902,000</b>
Other assets	11,495	1,564	69,623	18	<b>82,700</b>
<b>Total assets</b>	<b>4,873,370</b>	<b>1,281,751</b>	<b>13,132,697</b>	<b>79,729</b>	<b>19,367,547</b>
<b>Liabilities</b>					
Derivative financial instruments	-	-	45	-	<b>45</b>
Due to banks	-	-	2,643	-	<b>2,643</b>
Due to customers	4,409,754	1,324,373	9,763,599	30,237	<b>15,527,963</b>
Borrowed funds from IFI's	329,804	816	490,590	-	<b>821,210</b>
Other liabilities	76,998	12,881	60,771	183	<b>150,833</b>
<b>Total liabilities</b>	<b>4,816,556</b>	<b>1,338,070</b>	<b>10,317,648</b>	<b>30,420</b>	<b>16,502,694</b>
OFF BS liabilities: EUR/RUB, USD/RUB, USD/RON swaps	5,896	(49,759)	-	43,947	<b>84</b>
<b>Net position 31 December 2025</b>	<b>50,918</b>	<b>(6,560)</b>	<b>2,815,049</b>	<b>5,632</b>	<b>2,864,769</b>

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.4 Market risk (continued)

##### 28.4.2 Currency risk (continued)

The amounts of assets and liabilities held in MDL and in foreign currencies at 31 December 2024 can be analysed as follows:

<b>31 December 2024</b>	<b>Euro</b>	<b>US dollar</b>	<b>MDL</b>	<b>Other</b>	<b>Total</b>
(in thousand MDL)					
<b>Assets</b>					
Cash and balances with Central Bank	1,797,708	812,310	2,889,202	31,917	<b>5,531,137</b>
Due from banks	1,459,069	1,206,871	-	72,230	<b>2,738,170</b>
Derivative financial instruments	-	-	120	-	<b>120</b>
Debt instruments at amortized cost	-	-	3,574	-	<b>3,574</b>
Financial assets at FVPL	2,273,777	226,013	5,615,984	-	<b>8,115,774</b>
Loans and advances to customers, net	-	-	4,447,877	-	<b>4,447,877</b>
Other assets	10,399	1,225	54,900	-	<b>66,524</b>
<b>Total assets</b>	<b>5,540,953</b>	<b>2,246,419</b>	<b>13,011,656</b>	<b>104,147</b>	<b>20,903,175</b>
<b>Liabilities</b>					
Derivative financial instruments	-	-	215	-	<b>215</b>
Due to banks	23	-	4,454	-	<b>4,477</b>
Due to customers	4,909,398	2,202,095	9,821,957	84,253	<b>17,017,703</b>
Borrowed funds from IFI's	390,513	711	564,806	-	<b>956,030</b>
Other liabilities	132,707	17,348	53,709	761	<b>204,525</b>
Provisions	-	-	-	-	-
<b>Total liabilities</b>	<b>5,432,641</b>	<b>2,220,154</b>	<b>10,445,141</b>	<b>85,014</b>	<b>18,182,950</b>
OFF BS liabilities: EUR/RUB, USD/RUB, USD/RON swaps	77,242	(74,762)	-	(2,385)	<b>95</b>
<b>Net position 31 December 2024</b>	<b>31,070</b>	<b>101,027</b>	<b>2,566,514</b>	<b>21,518</b>	<b>2,720,129</b>

## Notes to the Financial Statements

### 28 Risk management (continued)

#### 28.5 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risk such those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Bank's operations and are faced by all business entities.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Bank standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties including the independent authorization of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risk faced and the adequacy of controls and procedures to address the risks identified;
- Requirements for the reporting of operational losses and proposed remedial action;
- Development of business continuity plans;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation including insurance where this is effective.

## Notes to the Financial Statements

### 29 Capital management

#### Capital management

The primary objective of the capital management of the Bank is to ensure the prudent operation, the entire compliance with the prescriptions of the regulator for a persistent business operation and maximising the shareholder value, accompanied by an optimal financing structure.

The capital management of the Bank includes the management and evaluation of the shareholders' equity available for hedging risks, other types of funds to be recorded in the equity and all material risks to be covered by the capital.

The basis of the capital management of the Bank in the short run is the continuous monitoring of its capital position, in the long run the strategic and the business planning, which includes the monitoring and forecast of the capital position.

The Bank maintains the capital adequacy required by the regulatory bodies and the planned risk taking mainly by means of ensuring and developing their profitability. In case the planned risk level of the Bank exceeded its Core and the previously raised Supplementary capital, it ensures the prudent operation by occasional measures. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. No changes were made in the objectives, policies and processes from the previous years.

#### Capital Adequacy

The Capital Requirements Directive package (CRDIV/CRR) is the new global standards on banking regulation (known as the Basel III agreement). In the context of the NBM strategy of Basel III implementation in the Republic of Moldova in terms of European legislative framework (CDR IV/ CRR package), in May 2018, the National Bank of Moldova approved the Regulation on bank's own funds and capital requirements. It sets stronger prudential requirements for institutions, requiring them to keep sufficient capital reserves and liquidity.

The National Bank of Moldova requires each bank to maintain a ratio of total regulatory capital to the risk-weighted asset at minimum of 14.00% of which 2.50% are linked to the Capital Conservation Buffer, 1% to the Systemic Risk Buffer and 0.5% to the Other Systemically Important Institutions Buffer.

The bank has entirely complied with the regulatory capital requirements in year 2025 as well as in year 2024.

## Notes to the Financial Statements

### 29 Capital management (continued)

Capital adequacy and the use of regulatory capital are monitored by the Bank's management, employing techniques based on the guidelines developed by the National Bank of Moldova.

The Bank was compliant with all the regulatory limits throughout the year.

The calculation of the Capital Adequacy Ratio as at 31 December 2025 is as follows:

	<b>31 December 2025</b>
<hr/>	
(in thousands MDL)	
<b>Total Capital</b>	<b>2,210,645</b>
<b>Tier1 Capital</b>	<b>2,210,646</b>
Tier 1 Base Capital	2,210,646
Equity instruments eligible for Tier 1 Base Capital	251,354
Paid capital instruments	99,944
Of which: Capital instruments subscribed by public authorities in emergency situations	99,944
Share premium	<b>151,410</b>
Retained Earnings	<b>2,113,601</b>
Retained Earnings from previous years	2,113,601
Current year results	-
Profit or loss attributable to owners of the parent's equity	518,706
(-) Part of the interim or end-of-year financial results that are not eligible	(518,706)
Other reserves	<b>359,566</b>
Adjustments to core Tier 1 own funds due to prudential reserves	(340,324)
(-) The positive difference between asset write-downs and contingent liabilities and the amount of write-downs for impairment losses and provisions for losses	<b>(340,324)</b>
(-) Intangible assets	<b>(168,328)</b>
(-) Other intangible assets before deduction of deferred tax liabilities	(168,328)
(-) Deferred tax assets that are based on future profitability and do not arise from temporary differences from which associated deferred tax liabilities are deducted	(5,224)
<b>Tier 2 Capital</b>	<b>(1)</b>
(-) Equity investments Tier 2 into entities from financial sector where the Bank does not have a significant share of investment	<b>(1)</b>
<b>Capital adequacy ratio</b>	<b>19.63%</b>

## Notes to the Financial Statements

### 29 Capital management (continued)

The calculation of the Capital Adequacy Ratio as at 31 December 2024 is as follows:

	<b>31 December 2024</b>
<hr/>	
(in thousands MDL)	
<b>Total Capital</b>	<b>2,173,121</b>
<b>Tier1 Capital</b>	<b>2,173,122</b>
Tier 1 Base Capital	2,173,122
Equity instruments eligible for Tier 1 Base Capital	<b>251,354</b>
Paid capital instruments	99,944
Of which: Capital instruments subscribed by public authorities in emergency situations	99,944
Share premium	<b>151,410</b>
Retained Earnings	<b>2,049,857</b>
Retained Earnings from previous years	2,049,857
Current year results	-
Profit or loss attributable to owners of the parent's equity	550,576
(-) Part of the interim or end-of-year financial results that are not eligible	(550,576)
Other reserves	<b>272,810</b>
Adjustments to core Tier 1 own funds due to prudential reserves	(256,122)
(-) The positive difference between asset write-downs and contingent liabilities and the amount of write-downs for impairment losses and provisions for losses	(256,122)
(-) Intangible assets	<b>(140,119)</b>
(-) Other intangible assets before deduction of deferred tax liabilities	(140,119)
(-) Deferred tax assets that are based on future profitability and do not arise from temporary differences from which associated deferred tax liabilities are deducted	(4,659)
<b>Tier 2 Capital</b>	<b>(1)</b>
(-) Equity investments Tier 2 into entities from financial sector where the Bank does not have a significant share of investment	(1)
<b>Capital adequacy ratio</b>	<b>22.71%</b>

## Notes to the Financial Statements

### 30 Cash and cash equivalents

	Note	31 December 2025	31 December 2024
(in thousands MDL)			
Cash and balances with Central Bank	13	980,364	767,046
Due from banks	14	962,388	2,661,180
Debt instruments at amortized cost	16	1,202,310	2,402,078
		<b>3,145,062</b>	<b>5,830,304</b>

The placement with the Central Bank which represent mandatory reserves requirements are not available to finance the Bank's day-to-day operations and, therefore, are not part of cash and cash equivalents. This includes the balance of current accounts with Central bank disclosed in Note 13 amounting MDL'000 1,648,635 reduced by the level of mandatory reserves held in MDL (MDL'000 2,369,857).

Financial investments – loans and receivables are NBM certificates and represents short-term, investments that are up to two weeks, which are subject to an insignificant risk of changes in value.

### 31 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled as of 31 December 2025.

31 December 2025	Within 12 months	After 12 months	Total
(in thousand MDL)			
<b>Assets</b>			
Cash and balances with Central Bank	4,176,896		<b>4,176,896</b>
Due from banks	962,648	98,799	<b>1,061,447</b>
Derivative financial instruments	27		<b>27</b>
Debt instruments at amortized cost	3,900,000	2,000	<b>3,902,000</b>
Financial assets at fair value through profit or loss	1,997	2,023	<b>4,020</b>
Loans and advances to customers, net	4,409,108	5,731,349	<b>10,140,456</b>
Other assets	<b>82,700</b>		<b>82,700</b>
Property and equipment	84,604	174,183	<b>258,787</b>
Deferred tax assets	5,224		<b>5,224</b>
Intangible assets		183,741	<b>183,741</b>
<b>Total assets</b>	<b>13,623,204</b>	<b>6,192,095</b>	<b>19,815,298</b>
<b>Liabilities</b>			
Due to banks	2,643	-	<b>2,643</b>
Due to customers	13,168,801	2,359,162	<b>15,527,963</b>
Borrowed funds from IFI's	445,615	375,596	<b>821,211</b>
Other liabilities	105,730	-	<b>105,730</b>
Provisions	69,375	-	<b>69,375</b>
Lease liabilities	4,635	40,468	<b>45,103</b>
Derivative financial instruments	45	-	<b>45</b>
<b>Total liabilities</b>	<b>13,796,840</b>	<b>2,775,226</b>	<b>16,572,070</b>
<b>Net</b>	<b>(235,564)</b>	<b>3,478,792</b>	<b>3,243,228</b>

## Notes to the Financial Statements

### 31 Maturity analysis of assets and liabilities (continued)

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled as of 31 December 2024.

<b>31 December 2024</b>	<b>Within 12 months</b>	<b>After 12 months</b>	<b>Total</b>
(in thousand MDL)			
<b>Assets</b>			
Cash and balances with Central Bank	5,451,667	79,470	<b>5,531,137</b>
Due from banks	2,738,170	-	<b>2,738,170</b>
Derivative financial instruments	120	-	<b>120</b>
Debt instruments at amortized cost	4,445,877	2,000	<b>4,447,877</b>
Financial assets at fair value through profit or loss	2,543	1,031	<b>3,574</b>
Loans and advances to customers, net	3,539,277	4,576,497	<b>8,115,774</b>
Other assets	112,100	-	<b>112,100</b>
Property and equipment	89,645	188,505	<b>278,150</b>
Deferred tax assets		4,659	<b>4,659</b>
Intangible assets	-	155,043	<b>155,043</b>
<b>Total assets</b>	<b>16,379,399</b>	<b>5,007,205</b>	<b>21,386,604</b>
<b>Liabilities</b>			
Due to banks	4,477		<b>4,477</b>
Due to customers	15,918,769	1,098,934	<b>17,017,703</b>
Borrowed funds from IFI's	475,375	480,655	<b>956,030</b>
Other liabilities	147,219	-	<b>147,219</b>
Provisions	79,056	-	<b>79,056</b>
Lease liabilities	1,655	55,652	<b>57,307</b>
Derivative financial instruments	215	-	<b>215</b>
<b>Total liabilities</b>	<b>16,626,766</b>	<b>1,635,241</b>	<b>18,262,007</b>
<b>Net</b>	<b>(247,367)</b>	<b>3,371,964</b>	<b>3,124,597</b>

## Notes to the Financial Statements

### 32 Related party transactions

The list of related parties, with whom the Bank entered into transactions during 2024 were as follows:

- OTP Bank NYRT (companies within the group, including major shareholder);
- Key management including Executive Board and Supervisory Board members (significant influence);
- Other categories include: parties related to those above, affiliates to bank through the function of administrator and their affiliates.

During 2025 a number of banking transactions were entered into with related parties in the normal course of business. The results of the transactions are presented in the table below:

	<b>Total 2025</b>	OTP BANK NYRT	Key management	Other
(in thousands MDL)				
<b>Balance sheet items as of 31 December 2025</b>				
Due from banks	9,246	6,504	-	2,742
Loans and advances to customers, net	3,452	-	82	3,370
Other assets (Note 20)	50	49	-	1
Due to banks	0	-	-	-
Due to clients	18,984	-	8,073	10,911
Other liabilities	89	89	-	-
<b>Result from transactions during 2025</b>				
Interest and similar income	10,864	3,854	4	7,006
Interest and similar expense	207	26	76	105
Compensation of key management personnel::	32,980	-	19,924	13,056
Salaries - base salaries and wages	25,793	-	15,578	10,215
Salaries - bonuses and premiums	7,187	-	4,346	2,841
Other non-interest expenses	9	6	1	2
<b>Off balance sheet items</b>				
Guarantees and commitments	85	85	-	-

## Notes to the Financial Statements

### 32 Related party transactions (continued)

The list of related parties, with whom the Bank entered into transactions during 2024 were as follows:

- OTP Bank NYRT (companies within the group, including major shareholder);
- Key management including Executive Board and Supervisory Board members (significant influence);
- Other categories include: parties related to those above, affiliates to bank through the function of administrator and their affiliates.

During 2024 a number of banking transactions were entered into with related parties in the normal course of business. The results of the transactions are presented in the table below:

	<b>Total 2024</b>	OTP BANK NYRT	Key management	Other
(in thousands MDL)				
<b>Balance sheet items as of 31 December 2024</b>				
Due from banks	<b>6,660</b>	2,818	-	3,842
Loans and advances to customers, net	<b>2,081</b>	-	88	1,993
Other assets (Note 20)	<b>115</b>	115	-	-
Due to banks	-	-	-	-
Due to clients	<b>23,717</b>	-	8,094	15,623
Other liabilities	<b>215</b>	215	-	-
<b>Result from transactions during 2024</b>				
Interest and similar income	<b>24,012</b>	6,964	125	16,923
Interest and similar expense	<b>326</b>	125	67	134
Compensation of key management personnel:	<b>31,313</b>	-	20,640	10,673
Salaries - base salaries and wages	<b>22,961</b>	-	14,514	8,447
Salaries - bonuses and premiums	<b>8,352</b>	-	6,126	2,226
Other non-interest expenses	<b>82</b>	-	-	82
<b>Off balance sheet items</b>				
Guarantees and commitments	<b>101,268</b>	101,268	-	-

## Notes to the Financial Statements

### 33 Assessment of going concern

As the Russian Ukrainian conflict extends into its fourth year, energy and security risks for Moldova have intensified. In 2025, the following vulnerabilities became critical:

- **Energy Vulnerabilities:**
  - Loss of Transnistrian Power Supply: The Moldavskaya GRES plant in Transnistria could no longer operate on Russian gas after Ukraine ended transit. This forced Moldova to rely almost entirely on electricity imports from Romania and EU markets.
  - EU Support & Gas Diversification: The EU provided €30 million to help Moldova purchase gas from European spot markets. Transnistria agreed to accept this gas, easing the immediate crisis.
  - High Electricity Prices: Imports stabilized supply but drove up electricity costs, making 2025 a financially difficult year for households and businesses.
- **Security Risks:**
  - Russian Pressure: Russia deliberately chose not to reroute gas to Transnistria after the Ukraine transit deal expired, aiming to destabilize Moldova politically ahead of elections.
  - Transnistrian Fragility: The separatist region's reliance on external gas supplies left it vulnerable, though EU-backed arrangements prevented a full-scale humanitarian crisis.
  - Geopolitical Leverage: Energy shortages were used as a tool of influence, but Russia's strategy may have backfired, as Moldova deepened integration with EU energy markets.

These structural dependencies are further aggravated by regional security concerns, including potential interruptions in energy supply chains, cyber risks to critical infrastructure, and heightened geopolitical instability. Collectively, these factors increase the probability of severe macroeconomic shocks in Moldova.

In consideration of these risks, OTP Bank S.A. conducted comprehensive stress testing exercise in December 2025, reassessing its severe stress recovery scenario to evaluate resilience in terms of liquidity, capital adequacy, recovery indicators, and the effectiveness of recovery measures. The assessment confirmed that the recovery options are sufficient to absorb potential shocks. As of 31 December 2025, the Bank remained fully compliant with all prudential requirements.

The Bank maintains an annual Recovery Plan, which evaluates recovery capacity in the event of breaches of recovery indicators. Indicators are internally defined under a traffic light system and monitored monthly by the ALCO Committee. In case of breach, the Recovery Plan prescribes corrective measures to ensure timely restoration of resilience. Energy supply risks and inflationary pressures are explicitly integrated into stress testing scenarios and recovery planning, demonstrating the Bank's proactive approach to capturing and mitigating these vulnerabilities. Furthermore, in its 2025 Recovery Plan, the Bank incorporated risks arising from the ongoing war between Ukraine and Russia, ensuring that geopolitical developments are systematically addressed.

Operationally, the Bank maintains a Business Continuity Plan, which prescribes actions to be implemented during crisis periods to ensure uninterrupted operations. To date, no events have occurred that could materially threaten the Bank's activity.

Based on the above, management concludes that OTP Bank S.A. has the capacity to continue operations under the going concern principle. The Bank remains vigilant in monitoring macroeconomic and geopolitical developments, with a structured and forward-looking approach to stress testing, recovery planning, and supervisory engagement, thereby reinforcing its resilience and regulatory compliance

## Notes to the Financial Statements

### 34 Subsequent events

On 11 December 2025, the National Bank of Moldova (NBM) reduced the base rate by 100 basis points to 5%. Subsequently, in January and February 2026, the NBM maintained the policy rate at this level. In addition, the central bank lowered the required reserve ratios in both local currency and foreign currency to support banking system liquidity. These measures do not require adjustments to the financial statements as of 31 December 2025.

The ongoing conflict in the Middle East has generated volatility in global energy markets and disruptions in international trade routes. As a result, fuel prices in Moldova have come under upward pressure, which in the longer term contributes to inflationary trends and increased operating costs across the economy.

In response to these external developments, on March 4, 2026, the Government of the Republic of Moldova declared a state of alert in the energy sector for a period of 60 days. The purpose of this measure is to maintain sufficient stocks of petroleum products for domestic consumption, ensure continuity of electricity supply during peak consumption hours, and protect household consumers and critical infrastructure.

While the Bank does not hold any direct exposure to the Middle East region, a prolonged conflict may indirectly affect the macroeconomic situation of the Republic of Moldova and, in turn, impact our clients through higher borrowing costs, reduced purchasing power, and potential delays in cross-border transactions.

Management continues to monitor the situation closely. At the date of approval of these financial statements, the Bank has not identified any material adverse impact on its financial position or performance. However, heightened uncertainty in global markets may influence credit demand, repayment capacity, and liquidity conditions in the medium term.