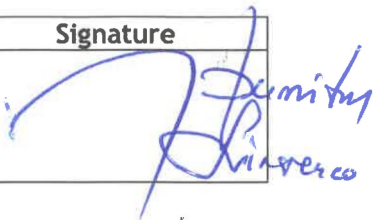


2023

Consolidated and Individual Management Report

OCN Microinvest SRL

1. Economic overview	2
2. General presentation of the Group and the Company	4
3. Financial performance indicators	6
4. Non-financial specific indicators	6
4.1. Loan portfolio evolution	6
4.2. Gross loan portfolio structure	7
4.3. Loan Portfolio quality	7
5. Human Resources Management	8
6. Financial risk management	9
7. Environmental, Social and Corporate governance	10
8. Internal Control	11
9. Subsequent events	12
Annex 1. List of Secondary Offices of O.C.N. "Microinvest" S.R.L.	13
Annex 2. Consolidated and individual financial statements	14

Date	Position	Name	Signature
29.05.2024	Administrator	Svinarenco Dumitru	

The Microinvest Group consists of O.C.N. Microinvest S.R.L. (IDNO: 1003600053518) as a parent company and its subsidiary company Microinvest Technology S.R.L. (IDNO: 1023600031802).

In the pages of this report, it is meant:

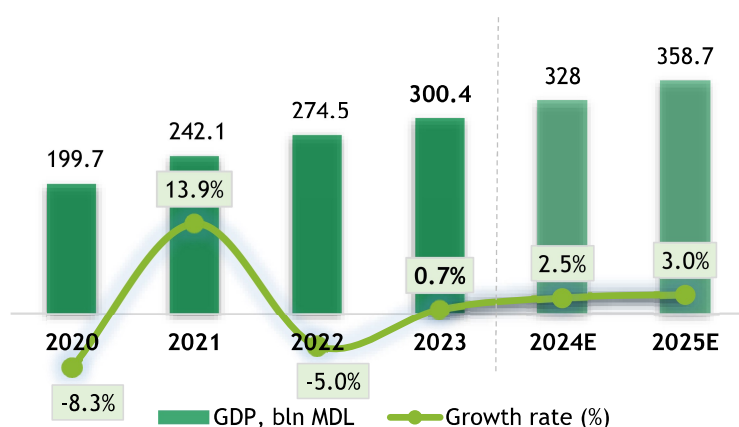
- O.C.N. Microinvest S.R.L. - when is referred to "Microinvest", "the Company" and/or "Individual";
- Microinvest Technology S.R.L. - when is referred to "Subsidiary";
- Together O.C.N. Microinvest S.R.L. and Microinvest Technology S.R.L. - when is referred to "the Group" and/or "Consolidated".



1. Economic overview

After the 2022 economic recession, the economy is returning to growth, but at a slower pace than forecasted. In 2023, the development of economic activity was mainly supported by the rich harvest in the agricultural sector, which created conditions for both an increase in exports and a decrease in imports of agri-food products. Also worth mentioning are some positive developments in the financial, communications, social services, construction and real estate sectors. However, domestic demand remained subdued, signaled by falling household consumption and investment, with low growth in real household incomes and increased uncertainty in the region.

Graph 1. Gross Domestic Product evolution



According to preliminary data from the National Bureau of Statistics, Moldova's GDP amounted to MDL 300.4b (USD 16.8b) in current market prices in 2023, increasing in real terms only by 0.7% compared to 2022.

The World Bank analysts point out that Moldova's medium-term prospects depend on structural reforms and progress towards EU accession, expecting Moldova's GDP to grow by 2.2% in 2024, followed by 3.9% growth in 2025.

Sources: Historical data - [Statistica.gov.md](https://statistica.gov.md)

Estimations - [Economic Development and Digitalization Ministry](#)

The following activities had the greatest influence on GDP growth:

- agriculture, forestry and fisheries (generated GDP growth of 2.6%);
- health and social care (+0.7%);
- information and communication (+0.5%);
- manufacturing industry (generated 1.1% decrease in GDP);
- construction, maintenance and repair of motor vehicles and motorcycles (-1.0%);
- wholesale and retail trade (-0.6%);
- transport and storage (-0.4%).

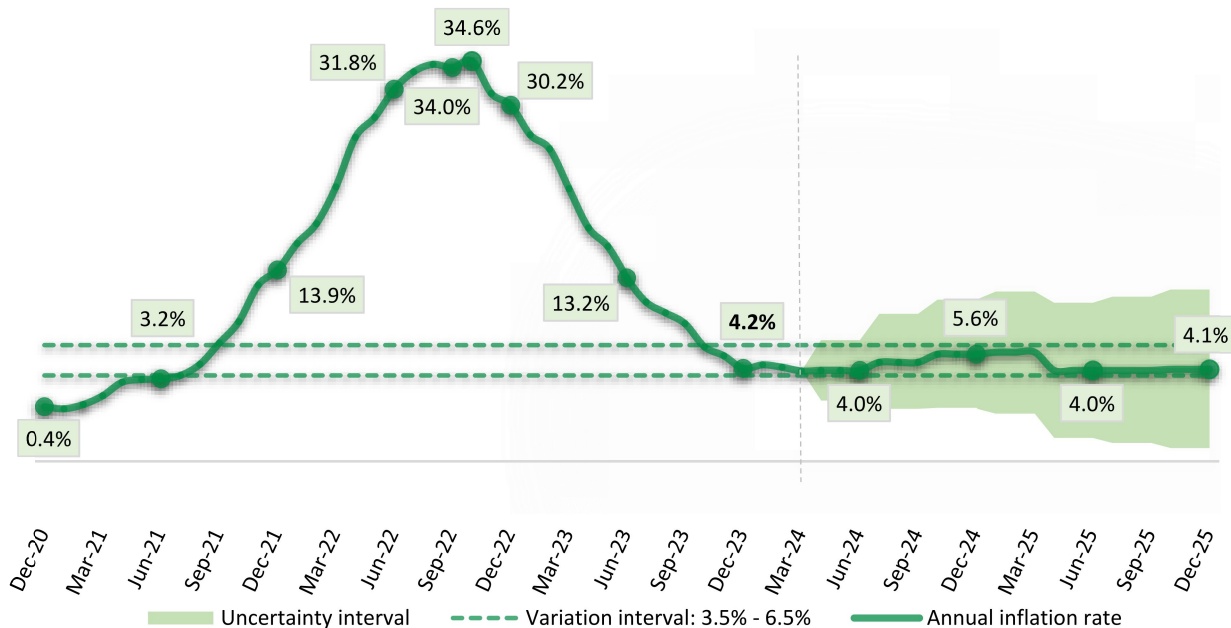
Moldovan leu appreciated against the US dollar and the Euro. In 2023 the national currency marked an appreciation of 9.1% against the US dollar in nominal terms (from 19.16 lei to 1 US dollar at 01-Jan-2023 to 17.41 lei on 31-Dec-2023). Compared to Euro, the Moldovan Leu appreciated by 5% (from 20.38 to 19.36 over the same period).

The stock of NBM assets reserve at the end of 2023 reached an all-time record USD 5,453.1m, increasing by 21.9% compared to the level recorded at end of 2022.

The considerable gap between exports and imports of goods, resulted in a trade balance deficit of USD 4,625.1m in 2023, which is by USD 261.8m (-5.4%) less than in 2022.

After its peak at 34.6% in October 2022, in 2023 the annual inflation has sharply decelerated on the back of stabilizing food and energy prices, tight monetary policy and base effects, ending the year in the NBM's target range 5% (+/- 1.5%) at 4.2%. The Central Bank forecasted an average level of 4.7% for the following year.

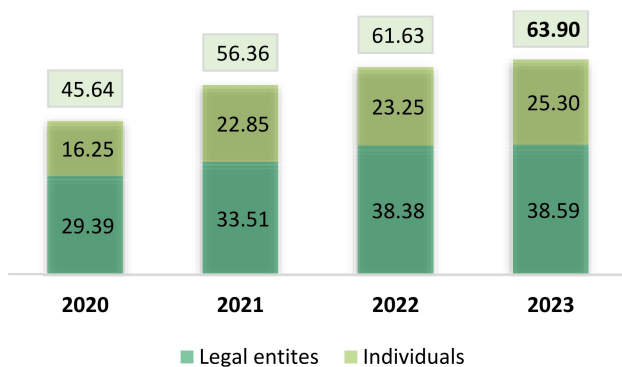
Graph 2. Annual inflation rate (CIP) evolution (%)



Sources: [National Bank of Moldova](#) (Forecasted data as of March 2024)

The reversal of the annual inflation trajectory and the emergence of pronounced disinflationary pressures from aggregate demand are the underlying factors that led the NBM to ease monetary policy. Throughout 2023, the central bank responded by repeatedly reducing the policy rate, starting from its peak of 21.5% in August 2022 (20% in Dec 2022) to 4.75% by December 2023.

Graph 3. Banking sector loans evolution (bln MDL)



In the context of decreasing interest rates, the demand for loans entered a positive trajectory, so that in 2023 the volume of new loans increased by 8% compared to 2022, which determined the 3.7% increase in the loan portfolio. This growth was mainly driven by demand from individuals, while loans to legal entities remained stagnant. At the same time, relatively high interest rates led to an increase in new deposits attracted by 8.4%.

The share of non-performing loans in the banking sector decreased in 2023, reaching 5.6% (6.4% as of the end of 2022).

Sources: [National Bank of Moldova](#)

The loan-to-deposit ratio was 167.4%. This indicates that there are resources for increased lending and that commercial banks have the necessary liquidity to finance the economy.

Graph 4. Non-Banking sector loans evolution (bln MDL)



The non-banking sector remained stable during 2023, with over one hundred registered players that continue to be highly competitive in business, asset building and consumer lending, and become an important driver of financial inclusion, with about 394 thousand of beneficiaries.

Sources: [National Bank of Moldova](#)

In 2023, the balance of non-banking loans and financial leasing of Non-Banking Credit Organizations (NBCOs) and Savings and Loan Associations (SLAs) amounted to about MDL 13.8b. Compared to 2022, the portfolio of non-banking sector loans recorded an increase of 5.1% (about MDL 0.66b).

2023 was also marked by changes in regulatory framework applied to financial sector of Moldova, namely the NBM has become the supervisory and regulatory authority for the non-banking financial sector, while the NCFM has taken the supervisory authority in relation to the rights of consumers in financial services.

2. General presentation of the Group and the Company

The Company

Over the years, Microinvest has built a solid position on the market and positioned itself as a strong brand. The Company is the leader in the MSME lending in the Republic of Moldova with a share of 34.5% from the non-banking sector, and the fifth financial organization among the banking and non-banking system, according to the size of portfolio, which represents 6.1% share of total financial market. In its head office and 16 secondary offices, Microinvest employs 272 individuals who are actively pursuing and developing successful careers. This dedicated team has effectively built a diversified principal outstanding portfolio of almost 4.8 billion MDL, thus serving over 40,000 active customers as of 2023YE. Microinvest is additionally strengthened by its professional management team, comprised of individuals with extensive experience and expertise in banking and microfinancing.

Shareholding structure

Apart from its professional administrative board and management team, the company boasts a solid shareholding structure, comprising reputable foreign and local non-profit and developmental financial institutions.

The ownership structure of Microinvest has registered several changes during 2023:

- following the decease of Mr. Richard Driehaus who owned 4.78% stake in Microinvest, the Driehaus Trust Company LLC has been registered as the new shareholder of the Company in January 2023.
- in February 2023, Driehaus Trust Company LLC expressed its intention to sell its stake. In response, OCN Microinvest SRL executed the repurchase of the ownership interest previously held by Driehaus Trust Company LLC
- in March 2023, the General Meeting of Members passed a resolution concerning the reduction of the company's share capital, decreasing it from MDL 112,771,693 to MDL 107,379,430. This reduction entailed the withdrawal of the nominal value of MDL 5,392,263, owned by OCN Microinvest SRL, effectively registered in May 2023.

As a result of the occurred changes, the actual shareholding structure is as follows:

	<u>2023</u>
BFSE Holding B.V.	57.61%
Soros Foundation Moldova	25.65%
S.A. "S.I.D.I." Solidarite Internationale pour le Developpement et l'Investissement	3.29%
"Oikocredit" Ecumenical Development Cooperative Society U.A.	13.45%
	<u>100.0%</u>

Operational activity

The Company extends loans and provides business assistance to micro, small, and medium-sized entrepreneurs across all regions of the Republic of Moldova. Many of the Company's loan recipients are private entrepreneurs residing in rural areas.

In the competitive market, Microinvest distinguishes itself as a responsible, prudent, and transparent lender. The company conducts thorough financial analyses of each client and offers risk-based pricing. In formulating both long-term strategies and daily operations, the company adheres to key principles: fostering robust and transparent corporate governance, cultivating a sustainable and profitable business model, and advocating a cautious approach to credit risk management while maintaining a personalized approach to clients. Management is confident that by embedding these values into its operations, the company can expand and develop its loan portfolio while upholding its quality standards, achieving high efficiency, and minimizing credit risk even in challenging and unpredictable circumstances.

The Subsidiary

In response to the challenges on the IT labour market and Microinvest's ambitious plans, the management team has proposed and Board/Shareholders has supported the implementation of the IT Park project, which foresees the transfer of internal IT team to a newly established subsidiary of Microinvest registered in IT Park. Therefore, Microinvest Technology SRL was opened on 14 June 2023, Microinvest owning 100% of the capital.

As at the end of 2023, the Subsidiary had 25 employees, offering IT services solely to Microinvest.

The Group

Consolidation of financial and IT services offers to the Microinvest Group the opportunity to develop and implement various projects, supporting the Group's competitive advantages and operational efficiency.

Looking ahead to 2024, the current outlook suggests a similar environment to the previous year, characterized by numerous uncertainties and changes that will demand swift responses and adaptability.

Over the years, Microinvest has stood by its clients during both prosperous times and crises, demonstrating resilience and emerging stronger after each challenge, as every crisis also presents opportunities. The inherent resilience ingrained in the Group's DNA enables to approach 2024 with confidence and optimism, even in uncertain environments.

3. Financial performance indicators

The Group's efforts in terms of maintaining high quality standards even during crisis, creating a comfortable business environment and continuous staff development have significantly influenced the level of the financial performance indicators. As the end of 2023, the Consolidated return on capital (ROE) constituted 36.3%, return on assets (ROA) is 6.1% and cost to income ratio (CIR) is 25.3%.

Table 1. Financial performance indicators

Indicator	Consolidated		Company	
	2023	2022	2023	2022
(1) ROE	36.3%	30.3%	36.3%	30.3%
(2) ROA	6.1%	4.8%	6.0%	4.8%
(3) CIR	25.3%	26.3%	25.1%	26.3%

(1) Net Income/Average Equity; (2) Net Income/Average Assets; (3) Operating Costs/Operating Income

According to the Audited figures, the profit after tax, according to IFRS, is equal to MDL 286.0m (MDL 286.7m consolidated). During 2023, Microinvest recorded an increase in interest and fee income compared to 2022, corresponding to loan portfolio growth of 21.9%. On the other side, the main challenges during 2023 were access to new funding, as well as sharp increase of cost of funds. During the year, the Operating Expenses were managed efficiently, which allowed sustaining CIR at a very good level of 25.1% (25.3% consolidated).

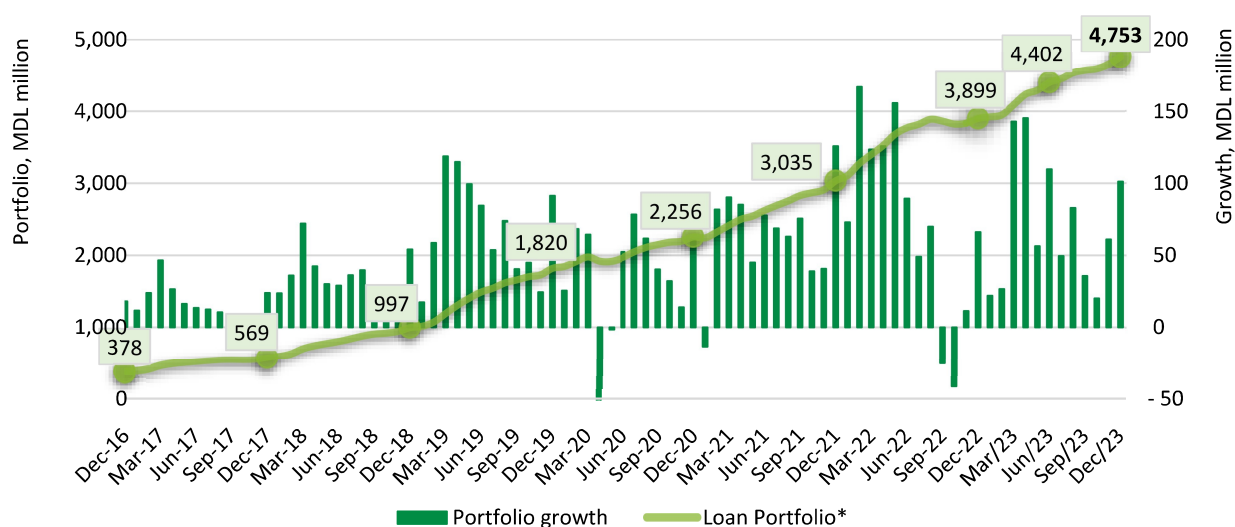
4. Non-financial specific indicators

4.1. Loan portfolio evolution

Despite the challenges of 2023, Microinvest maintained its fifth position in the ranking of the entire financial sector of the Republic of Moldova, based on the value of its loan portfolio. Additionally, the company further solidified its leading position in the country's non-banking financial market.

At the end of 2023, the principal outstanding loan portfolio reached the level of almost 4.8 billion MDL (+21.9% compared to 2022), and its quality was maintained at a good level: PAR 30 registered the value of 3.6% (2.7% in 2022).

Graph 5. Loan Portfolio evolution



*Principal outstanding portfolio

The growth achieved in 2023 was primarily due to the expansion of the business portfolio (+23.0%), despite intense competition in financing the MSME segment. Banks continued to disburse funds under the Government Program for supporting entrepreneurs “373”, where the interest rates are significantly lower than those offered by non-bank financial institutions.

Despite the crisis in agricultural sector, Microinvest has kept its focus on Agri clients (30.5% of total portfolio) who require continuous support in terms of financing working capital and investments in Agri machinery and equipment in conditions of high inflation, more expensive imports and decline in prices as a result of the increased export of cereals by Ukraine.

4.2. Gross loan portfolio structure

The distribution of the loan portfolio (outstanding principal amount, without inclusion of accrued interest, fees and provisions) at the end of 2023 is presented in the table below:

Tabel 2. Gross loan portfolio structure

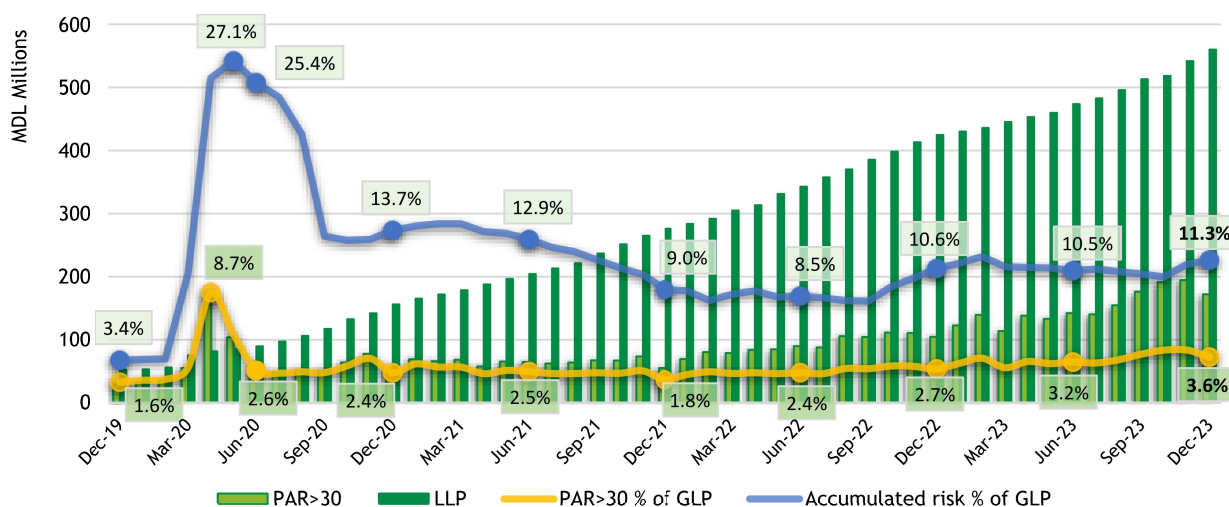
Category	Loan Portfolio, MDL	Share, %
Business	3,172,219,577	66.8
Car and HIL	1,323,189,299	27.8
Partners	142,455,306	3.0
Cash Loans	114,774,492	2.4
Total	4,752,638,675	100.0

4.3. Loan Portfolio quality

The collective efforts of the entire Microinvest team have led to a high-quality loan portfolio. By the end of 2023, the Portfolio at Risk (PAR) 30 reached 3.62%. Even if it is higher than the 2.68% recorded at the end of 2022, this result is a significant achievement, especially considering the high level of uncertainty and significant negative impact over agricultural sector.

Close communication with clients, along with internal measures such as adding capacity and optimizing processes have been key factors in maintaining the quality of the loan portfolio. Throughout 2023, Microinvest upheld effective risk management practices and continuously enhanced its collection processes. Furthermore, Microinvest continued to strengthen its loan loss provisions, ensuring coverage for potential risks at a level exceeding 300% for PAR30 and more than 100% over Accumulated risk.

Graph 6. Loan Portfolio quality



In 2024 the Company will persist in building sustainable assets with a low level of risk. This will involve thorough analysis of risk origination, systemic monitoring of the loan portfolio, and maintaining a sufficient coverage ratio of accumulated credit risk. The primary credit risk priorities for 2024 include maintaining a high level of loan portfolio quality while simultaneously reducing the share of restructured LP. This approach takes into account the impact of the previous year's crises, current economic environment, potential risks such as geopolitical tensions and adverse weather conditions over agricultural sector.

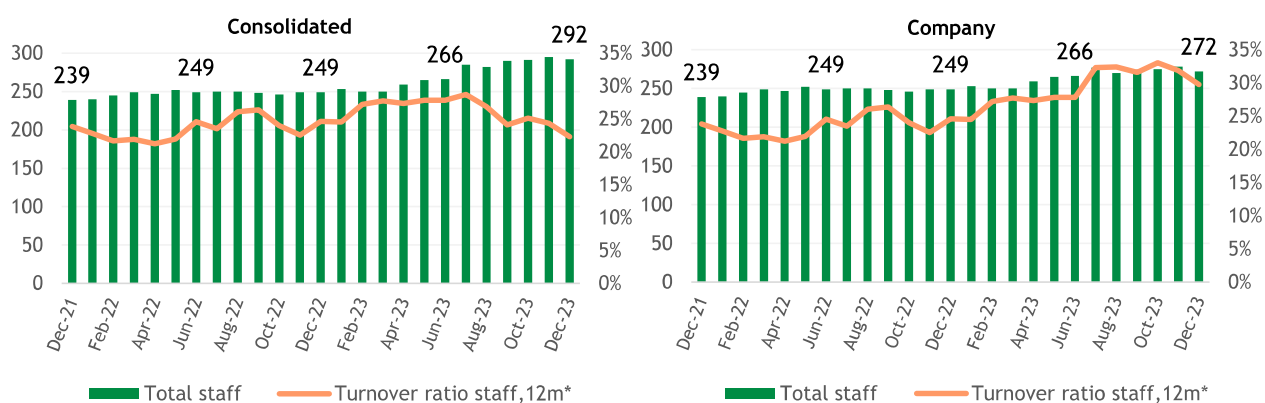
5. Human Resources Management

The main objectives for Microinvest Group's human resources management in 2023 included: (A) preserving and further nurturing Microinvest culture of professionalism, high work standards, engagement, and team spirit; (B) building a strong employer brand; and (C) identifying and developing talent while increasing leadership capacity across the organization to support the company's medium and long-term strategic goals and drive innovation.

In 2023, Moldova's labour market faced various structural challenges, including economic and social uncertainty and pressure due to reliance on external markets and geopolitical tensions. Continued labour migration reduced the available workforce within the country, while talent shortages and skill gaps created challenges in filling both general and specialized roles.

Through consistent efforts to enhance the Microinvest Employer Brand, establish partnerships with universities and colleges, maintain group's stability, invest in staff development and training, and foster a unique "team" culture, Microinvest Group successfully expanded its staff number to 292 employees. The Group maintained a turnover ratio of 22% and successfully retained experienced employees with over two years of service, achieving a turnover ratio of just 12% for this category.

Graph 6. Total staff evolution



Note* All the values represent staff without probationary period

Microinvest Group provides comprehensive training and development programs for its staff, offering both horizontal and vertical career growth opportunities. Through targeted workshops, mentorship, specialized seminars, skill-building initiatives, and leadership development programs, employees acquire the expertise needed to advance in their roles and grow within the company.

6. Financial risk management

Financial Risk Policy of OCN Microinvest SRL sets out the basic framework for managing financial risks associated with activity of the Company, aiming to achieve healthy development of the company and ensure proactive and systematic risk management practice, develops capacity to manage material risks it has identified, in a cost-effective manner, commensurate with organization's resources.

Risk management is a continuous process that will implement the following on the systematic base:

- Risk identification
- Risk measurement
- Risk control
- Risk monitoring
- Risk management.

Microinvest is exposed to a spectrum of financial Risks: Credit, Liquidity, Currency, Counterparty, Interest rate and Capital Management.

Tabel 3. Financial Risk Indicators

Ratio	Limit	Consolidated		Company	
		2023	2022	2023	2022
(1) PAR>30	< 5%	3.6%	2.7%	3.6%	2.7%
(2) Accumulated Risk + WO	< 15%	12.2%	10.9%	12.2%	10.9%
(3) Risk Coverage Ratio	> 70%	104.1%	102.4%	104.1%	102.4%
(4) Liquidity Ratio	> 3%	8.2%	13.8%	8.2%	13.8%
(5) Liquidity Coverage Ratio 3M	>0%	48.6%	48.8%	48.6%	48.8%
(6) Aggregated OCP	[-10%;+10%]	2.1%	-2.0%	2.2%	-2.0%

(1) Loans due >30 days / Outstanding portfolio

(2) (PAR>30 + Restructured <30 + WO 12M)/ Outstanding portfolio

(3) LLP / (PAR>30 + Restructured <30)

(4) Liquid assets/ Total Net Assets

(5) (Assets maturing within 3M - Liabilities maturing within 3M)/Tier 1 Capital

(6) (Assets in foreign currency - Liabilities in foreign currency + including Off BS items)/ Tier 1 Capital

Credit risk management

Due to events that unfolded in Moldova last year and their impact, the credit risk environment remains consistently high. However, Microinvest has managed to maintain high portfolio quality figures.

At the end of 2023, PAR>30 reached the level of 3.6%, compared to 2.7% in 2022. The value of PAR>30 including restructured loans reached the level of 11.3% compared to 10.6% registered as the end of 2022 (Graph 6). The company kept building additional provisions during 2023, which brought a Risk Coverage Ratio at a very prudent level of 104.1% for PAR30 including Restructured portfolio (Graph 6). Microinvest remains diligent in closely monitoring the borrowers' financial situation to promptly react to their needs.

Liquidity risk management

Throughout 2023, the Group/Company ensured a comfortable level of liquidity, enabling to cover any scheduled repayments. The approach towards the liquidity management is to continuously assess its liquidity position and maintain sufficient liquid resources in order to meet its outstanding payment obligations.

Currency risk management

The main goal of currency risk management is to ensure a stable balance between foreign assets and liabilities, thereby mitigating the impact of exchange rate fluctuations.

The management is realistic about the reliability of the mitigation measures in times of crisis/currency volatility and is developing/using a stress test that gives a realistic assessment of risk management tools failure in cases of high crisis.

Counterparty risk management

The main financial risk that the Group/Company faced is the Counterparty risk, driven by local banks used for back-to-back currency swaps. If a local bank refuses to provide swap options or fail, the Group/Company will face exposure to a combination of liquidity, funding, credit and FX risks.

The gross and net exposure to local banks is closely monitored on monthly basis.

Funding risk management

Access to funding is one of the main factors determining the portfolio growth. During 2023, the local and external lenders continued to demonstrate the ongoing support.

Interest rate risk

The principal tools for measuring interest rate risk are IRR gap analysis, IRR stress test according to predefined expected and maximum stress criteria, limits set on the resulting IRR relative to capital and NIM of the company.

Capital Management

The Group considers its capital as adequate when it can be assumed with sufficient certainty that the company has sufficient capital to adequately cover all the risks that have been incurred in course of its business operations even under unfavorable environment.

7. Environmental, Social and Corporate governance

Environmental

The Group and the Company are continuously engaged in organizing and optimizing its operations with a commitment to minimizing its environmental impact. This effort involves efficiently planning the company's travel arrangements to reduce fuel consumption and CO2 emissions. Additionally, Microinvest continues to actively promote the use of eco-friendly bags, as it has done in previous years. These eco bags are distributed to customers with the goal of reducing reliance on plastic bags. By encouraging the use of environmentally conscious alternatives, the Group strive to contribute to reducing plastic waste and fostering a greener approach in business practices.

On top of that, the Group is actively reducing its paper consumption and transitioning to digital processes to diminish its environmental impact.

On portfolio level, the Company performs the environmental risk assessment of the borrowers, which is an integral component of the business loan approval process, encompassing both environmental and social risk factors associated with micro and SMEs. Internal procedures provide a guidance to Loan Officers engaged in identifying, assessing, managing, and reporting social and environmental risks within Microinvest business client portfolio, clients being categorized into two distinct groups: low and elevated ESG risk categories.

Social

Annually, the Company is engaged in two prominent international financial education initiatives: Global Money Week and Borrow Wisely.

During Global Money Week, the focus is on empowering children and young adults with essential skills for effective money management. Through this campaign, the aim is to instill lifelong financial literacy habits in the younger generation.

In parallel, the Borrow Wisely campaign targets Microinvest clients and people planning to apply for a loan. The objective is to equip them with the necessary knowledge to make informed decisions

regarding borrowing. By highlighting key considerations, the goal is to promote responsible borrowing practices and empower individuals to navigate the lending process confidently. At Microinvest, the commitment to inclusive financial education ensures that relevant information is accessible to all, regardless of literacy levels, fostering a financially literate society.

From 2015 to 2022, Microinvest had been certified in client protection following the SMART methodology. In October 2023, Microinvest has obtained the prestigious certification in the field of client protection from the MFR Certification Committee, specifically attaining the highest level of achievement - GOLD Level. It is worth to mention that that in 2022, the certification methodology underwent a change, with international rating agencies now adopting the Cerise + SPTF methodology. Under this new more complex methodology, Microinvest has obtained 100% score under each level indicators, proving again the compliance with each client protection principle.

This outstanding distinction underscores Microinvest unwavering commitment to excellence in the non-banking lending sector.



Corporate Governance

The Group has assembled an Administrative Board comprised of individuals with extensive experience in microfinance. This Administrative Board sets high standards for corporate governance, responsibility, and transparency. It closely monitors risk indicators to ensure the Group's sustainable and profitable development.

Microinvest Management is experienced in banking and microfinance, with management background at a leading international bank in Moldova. The Company's structure is flexible, designed to quickly address each growth phase's challenges. The Board and Senior Management adjusted it to fit current needs and ensure ongoing progress.

The Subsidiary is managed by the same Administrator and the Administrative Board as the Company's, ensuring alignment with highest standards in terms of corporate governance. The Company's policies and other internal documents has been also extended to encompass the Subsidiary as well.

The detailed organizational chart of the Group is presented in Annex 3.

8. Internal Control

The Group has its own internal control mechanism in compliance with the normative acts according to the law, legal framework and the general practice accepted in this field, in order to ensure effective management of practiced activities carried out in a safe and prudent manner, in accordance with the provisions of the legislation in force.

In order to implement an effective control mechanism, the Group has four basic internal control functions, independent of each other, related to the fields of activity they monitor and control, and for some of them - related to the organizational structure as well, namely:

- The risk management function is coordinated by the Risk Management Division and the Financial Division. The responsibility for administrating a particular area of risk is delegated to the one of the two mentioned Divisions, according to primary and secondary internal regulations;
- The function of compliance is coordinated by the Head of Legal and Compliance Department and/or by other employees of the Legal department;
- AML compliance, personal data protection and information security functions are part of Risk Division, covered by Internal Control and AML Unit, managed by CRO, reporting to SMT through Operational Risk Committee.
- The internal audit function is exercised by the Internal Audit Committee, a separate subdivision, other than the Independent Audit, which is directly subordinated to the Administrative

Board, and the tasks and plans of activity of the internal audit are approved by Administrative Board.

9. Subsequent events

In April 2024, the indirect owners of the Group, Alar Consulting Shpk and Dritan Pashako concluded a transaction for the sale of 10% of shares in BFSE Holding BV. Following the conclusion of the transaction, the indirect ownership in the Group of Alar Consulting Shpk (and Astrit Hana) increased to 29.4%, while of Dritan Pashako - reduced to 8.6%.

Annex 1. List of Secondary Offices of O.C.N. “Microinvest” S.R.L.

Microinvest Technology S.R.L.		or. Chişinău, bd. Renaşterii Naţionale 12, tel. (022) 801-701	
O.C.N. “Microinvest” S.R.L.		or. Chişinău, bd. Renaşterii Naţionale 12, tel. (022) 801-701	
Nr.	Secondary office name	Region	Address
1	Secondary Office Cahul	South	or. Cahul bd. Republicii 15/5, MD 3909 tel. (022) 801-701
2	Secondary Office Căuşeni	South	or. Căuşeni str. M. Eminescu 25, ap.18, MD 4304 tel. (022) 801-701
3	Secondary Office Chişinău Botanica	Center	mun. Chişinău bd. Decebal 23/2, MD 2002 tel. (022) 801-701
4	Secondary Office Chişinău Rîşcani	Center	mun. Chişinău bd. Moscovei 15/7, MD 2068 tel. (022) 801-701
5	Secondary Office Comrat	South	or. Comrat str. Podedî 111, MD 3805 tel. (022) 801-701
6	Secondary Office Drochia	North 2	or. Drochia str. 31 August 1989, nr.33, MD 5202 tel. (022) 801-701
7	Secondary Office Edineţ	North 2	or. Edineţ str. Independenţei 61, MD 4601 tel. (022) 801-701
8	Secondary Office Floreşti	North 1	or. Floreşti str. Ştefan cel Mare, nr.6, MD 5001 tel. (022) 801-701
9	Secondary Office Ocnîţa	North 2	or. Ocnîţa str. 50 Ani ai Biruinţei 116, MD 7101 tel. (022) 801-701
10	Secondary Office Orhei	South	or. Orhei str. M. Eminescu 5, ap.3, MD 3505 tel. (022) 801-701
11	Secondary Office Rîşcani	North 1	or. Rîşcani str. Independenţei 14a, MD 5600 tel. (022) 801-701
12	Secondary Office Soroca	North 1	or. Soroca str. Independenţei 75a, MD 3006 tel. (022) 801-701
13	Secondary Office Bălţi	North 1	mun. Bălţi str. Ştefan cel Mare, 27/1, MD 3121 tel. (022) 801-701
14	Secondary Office Chişinău Sculeni	Center	mun. Chişinău str. Ştefan cel Mare şi Sfânt, 171/1, MD 2004 tel. (022) 801-701
15	Secondary Office Ungheni	South	mun. Ungheni str. Naţionale 27. nr.81, MD 3600 tel. (022) 801-701
16	Service point Şoldăneşti	North 1	or. Şoldăneşti str. Victoriei, 1, MD 7201 tel. (022) 801-701

Annex 2. Consolidated and individual financial statements

	<u>Consolidated</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest income	1,030,373,377	844,918,730	1,030,373,377	844,918,730
Interest expense	(341,261,605)	(288,248,108)	(341,245,158)	(288,248,108)
Net interest income	689,111,772	556,670,623	689,128,219	556,670,623
Allowance for impairment of loans and other financial assets	(212,138,758)	(170,898,696)	(212,138,758)	(170,898,696)
Net interest income after allowance charges	476,973,015	385,771,926	476,989,461	385,771,926
Other operating income	8,497,714	8,139,037	8,620,214	8,139,037
Salary expenses	(113,385,666)	(87,949,420)	(113,385,666)	(87,949,420)
Depreciation and amortization expenses	(14,385,137)	(11,817,415)	(14,205,861)	(11,817,415)
Other administrative costs	(49,119,863)	(51,172,006)	(50,445,951)	(51,172,006)
Regulatory fee	(2,495,950)	(3,732,119)	(2,495,950)	(3,732,119)
Net foreign exchange (losses)/gains	(4,253,097)	(335,677)	(4,253,080)	(335,677)
Income/(Loss) before income tax	301,831,015	238,904,326	300,823,168	238,904,326
Income tax (expense)/ credit	(15,163,165)	(53,407,800)	(14,792,865)	(53,407,800)
Income/(Loss) for the year	<u>286,667,851</u>	<u>185,496,526</u>	<u>286,030,303</u>	<u>185,496,526</u>
Total comprehensive income/(loss) for the year	<u>286,667,851</u>	<u>185,496,526</u>	<u>286,030,303</u>	<u>185,496,526</u>
Profit attributable to				
Owners of the Company	<u>286,667,851</u>	<u>185,496,526</u>	<u>286,030,303</u>	<u>185,496,526</u>
Non-controlling interests	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

	<u>Consolidated</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
ASSETS				
Cash and cash equivalents	219,398,935	338,278,362	218,618,437	338,278,362
Assets held for sale	96,655	-	96,655	-
Derivative financial instruments	1,124,887	7,462,279	1,124,887	7,462,279
Due from banks and other institutions	587,179,244	502,186,337	587,179,244	502,186,337
Loans and advances to customers, net	4,202,061,087	3,483,893,491	4,202,061,087	3,483,893,491
Investments held to maturity	-	-	5,000	-
Premises, equipment and right of use assets	31,977,370	29,124,308	31,304,040	29,124,308
Intangible assets	11,832,017	7,804,594	11,832,017	7,804,594
Deferred tax assets	33,573,653	-	33,573,653	-
Other assets	7,559,494	2,540,344	7,493,767	2,540,344
Total assets	<u>5,094,803,342</u>	<u>4,371,289,716</u>	<u>5,093,288,787</u>	<u>4,371,289,716</u>
LIABILITIES				
Interest-bearing borrowings	4,109,160,060	3,571,762,882	4,109,160,060	3,571,762,882
Grants for projects in process	-	89,742	-	89,742
Subordinated debts	-	30,614,942	-	30,614,942
Lease liabilities	11,544,551	10,106,026	10,864,271	10,106,026
Other liabilities	88,054,481	66,228,630	87,857,754	66,228,630
Total liabilities	<u>4,208,759,092</u>	<u>3,678,802,222</u>	<u>4,207,882,086</u>	<u>3,678,802,222</u>
SHAREHOLDERS' EQUITY				
Share capital	107,379,430	112,771,693	107,379,430	112,771,693
Overpayment for Share Capital reduction	(8,335,418)	(616,586)	(8,335,418)	(616,586)
Share Premium	3,357,782	3,357,782	3,357,782	3,357,782
Statutory reserves	11,280,168	11,280,168	11,280,168	11,280,168
Accumulated deficit/profit	<u>772,362,287</u>	<u>565,694,437</u>	<u>771,724,740</u>	<u>565,694,437</u>
Total shareholders' equity	<u>886,044,250</u>	<u>692,487,494</u>	<u>885,406,702</u>	<u>692,487,494</u>
Total liabilities and shareholders' equity	<u>5,094,803,342</u>	<u>4,371,289,716</u>	<u>5,093,288,787</u>	<u>4,371,289,716</u>

Annex 3. Organizational Chart of Microinvest Group

