

B.C. “VICTORIABANK” S.A. Financial Results as of June 30, 2021



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Measures taken for retail clients

Ever since the onset of the state of emergency, the retail clients were ensured of Victoriabank support, via a set of certain measures. VB embraced rapidly the national measures, but also issued additional actions, specifically designed for the bank's retail customer base.

Lending products

- Providing transparent and flexible conditions for the Unsecured Consumer Credit without material guarantees and justifying the use of the credit;
- Starting the "Bring your salary to Victoriabank" project, dedicated to those who want to benefit from flexibility in choosing and using banking services that offer multiple facilities, including access to the multifunctional online banking platform VB24;
- For individual clients who feel a direct and lasting impact due to circumstances with job loss or health problems, is proceeded with care and responsibility, trying to find for each case the right solution for rescheduling the credit.
- Launch in partnership with IBA Group and Visa of the innovative application tapXphone, which transforms a smartphone into a POS payment terminal usable in public transport in Chisinau

Bank services

- VB24 includes services such as: the VB24 Mobile application and VB24 Web - the platform for the computer. Both services are intended for online payments, such as payment for utilities and other providers, transfers between cards and own accounts but also for other customers in the country and abroad, access to foreign exchange.
- Launched loyalty campaign "VB appreciates business women up to infinite" aimed to offer Visa Infinite cards for 30 top managers of Large Corporate VB clients.
- During March-April 2021 were organized spring campaign with 5 Star card partners-retailers (HI-TECH, Paradis, Astro Optica, Carpeta MD, KAMOTO) for boosting up Star card.
- Work on adjustments of Overdraft product in accordance with strategic goals and current market conditions.

Measures taken for companies

The demand of new loans is increasing, is coming from the essential sectors with growth potential and contribute to the economic revival.

Lending products

- Implementation of scoring and online credit applications in VB Credit
- Preparing a pre-approved campaign targeting Agri businesses. The campaign is spanning from February to the end of April and is aimed to over 900 Agri SMEs.
- The adjournment of the tariffs related to the extension of the loans, the modification of the schedule established in the contract, as well as the adjournment of application of the increased interest for the delayed payment of the credit according to the established terms

Bank services

- Identifying clients for “Cumpara de langa tine” (“Buy from a store near you”) campaign with the aim of increasing in SME sales;
- Improving the support for agricultural businesses by identifying concrete steps in restarting their business.
- Providing most popular products and services across a single portal for the customer. The clients can achieve further efficiencies by leveraging cloud-based services, which enable them to deploy new products and scale infrastructure quickly, and use development tools that support automation.

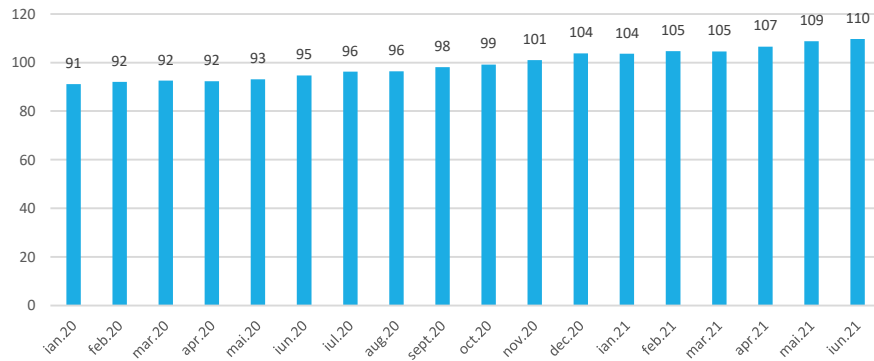
Victoriabank: 2 quarter of 2021 compared to 2020 by the numbers

	EOY 2020	2Q 2021	
total Assets (MDLbn) ↑ 4.7%	15.35	16.05	Larger Balance Sheet due to strong organic growth
CAR (%)	41.13	46.10	Solid capital base, with good overall financial ratios
Customers loan portfolio, principal (MDLmn)	4,568	4,654	Loan portfolio of individuals increased by over 1.9 % due to optimization of processes related to lending.
Net fee and commission (MDLmn)	194	108	Fee and commission income increased due to rise of client portfolio
Operating income (MDLmn)	780	382	This growth is attributable to an increase in income from commission business and services
Net income (MDLmn)	235,9	107,7	Net income increased despite of the general economic decline generated by the COVID-19 pandemic

Assets

total bank assets, MDLbn, %YoY

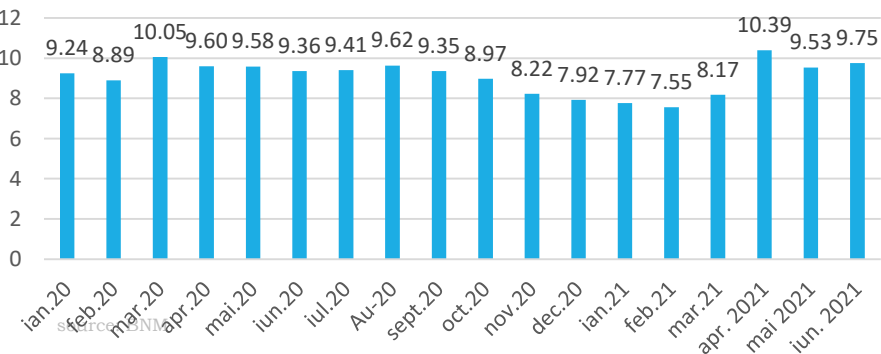
Total Assets (MDLbn)



source: BNM

NPE ratio

Balance of net non-performing credits debt (principal amount) / Total own funds



source: BNM

Banking sector dynamics

Bank assets kept expanding during all trimesters of the last year and the first semester of 2021 year

- Assets growth rate picked up during the end of first semester of 2021 year to 7.1 %
- Moldova Foreign Exchange Reserves was measured at 3.77 USD bn in June 2021.

- Asset quality has been constantly improving across the banking system over the last year, the balance of net non-performing credits debt (principal amount) / own funds being 9.75 % now.

Loans

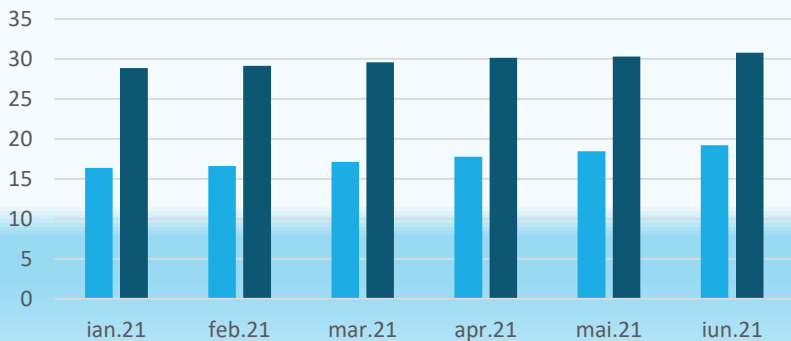
Loans by structures, MDLbn, %2Q

Banking sector dynamics

Corporate lending remains the main driver of credit activity

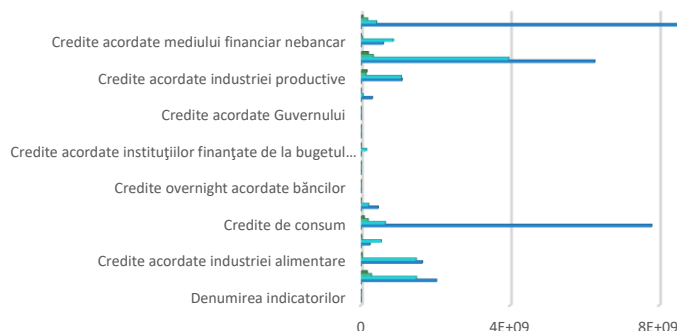
Loan portfolio on the banking sector

■ Individuals, MDLbn ■ Legal entities, MDLbn



- Bank loans to the individuals grew accelerated during the first semester of 2021 year
- The share of unfavorable loans in the loan portfolio of the country's banking sector was 7.5%, having decreased by 13.91%, compared to the first semester of 2020
- The country's Domestic Credit reached 49.93 MDL bn, in June 2021, representing an increased of 20.29 % compared to June 2021.

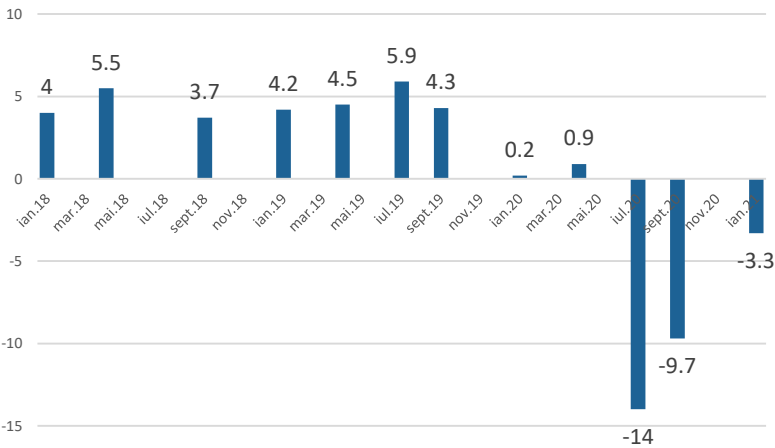
Clasification of credit portfolio in MDL 2Q, 2021 year



- Retail lending has a growing share
- All loan types (housing, consumer, other and corporate) had a positive contribution to credit growth during the first semester of 2021 year.

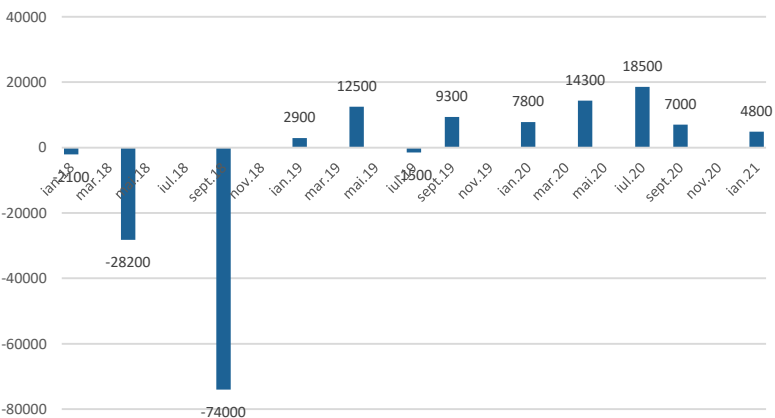
Real economy

YoY dynamics of GDP (%)



source: <https://tradingeconomics.com/moldova/>

YoY retail sales (MDLmn)



source: National Institute of Statistics

Macro developments

The National Bureau of Statistics informs that, the Gross Domestic Product (GDP), estimated for the quarter IV of 2020, in nominal value amounted to 56318 million lei current market prices. Compared to the quarter IV 2019, GDP decreased by 3.3% on the gross series and by 4.4% on the seasonally adjusted series.

In 2020, the GDP decreased compared to 2019 by 7.0%, on the gross series

Source: <https://tradingeconomics.com/moldova/>

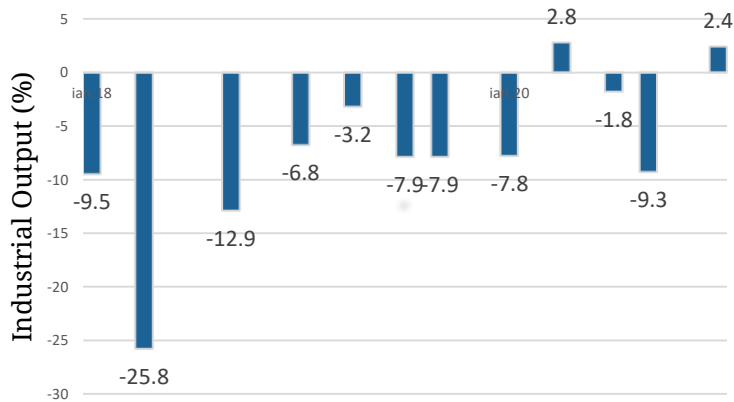
It is estimated that Retail Sales YoY in Moldova to stand at 5.99 MDLmn in 3 months time. In the long-term, the Moldova Retail Sales YoY is projected to trend around 5.66 percent in 2021 and 5.51 percent in 2022, according to the econometric models.

In Moldova, the year-over-year change in Retail sales compares the aggregated sales of retail goods and services during a certain month to the same month a year ago.

Source: <https://tradingeconomics.com/moldova/>

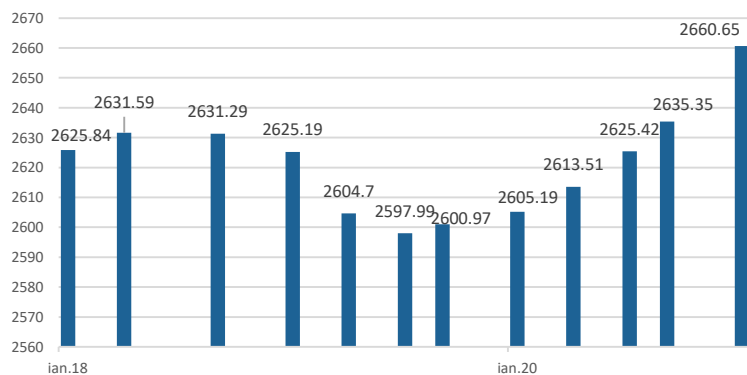
Real economy

Moldova's industrial output



source: National Institute of Statistics

Moldova Consumer Price Index (CPI)



source: <https://tradingeconomics.com/moldova/industrial-production>

Macro developments

Moldova's industrial production increased by 2.4 percent from a year earlier in February of 2021, rebounding from a 9.1 percent plunge in the prior month. Output fell less in manufacturing (-5.1 percent vs -13 percent in January) and jumped for electricity, gas, steam and air conditioning supply (32.5 percent vs 2.9 percent). Regarding mining and quarrying, it continued to sink although at a much slower pace than in the previous month (-29.4 percent vs -50 percent).

Source: <https://tradingeconomics.com/moldova/industrial-production>

Consumer Price Index CPI in Moldova increased to 2660.65 points in March from 2635.35 points in February of 2021.

Unit 2010=100, NSA

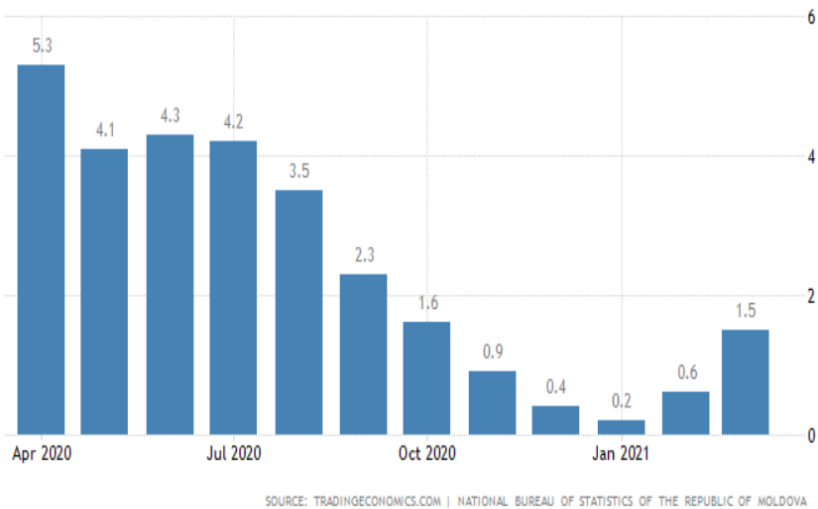
Data Mar2021 175.37

In Moldova, the Consumer Price Index or CPI measures changes in the prices paid by consumers for a basket of goods and services.

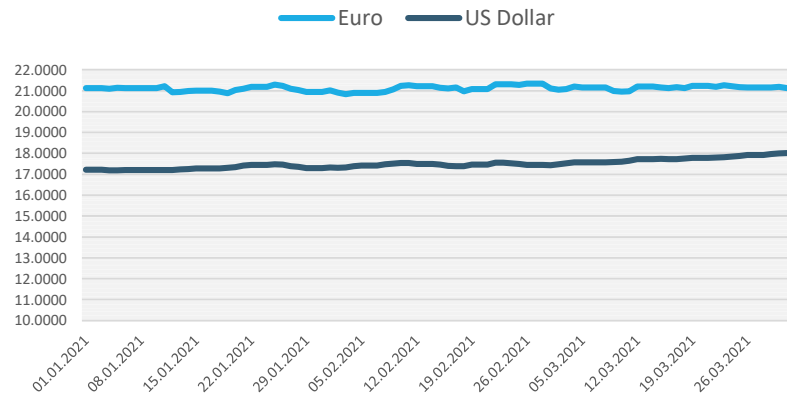
Source: <https://tradingeconomics.com/moldova/industrial-production>

Financial economy

Moldova Inflation Rate



EUR/MDL & USD/MDL fixing



sources: www.bnm.md

Macro developments

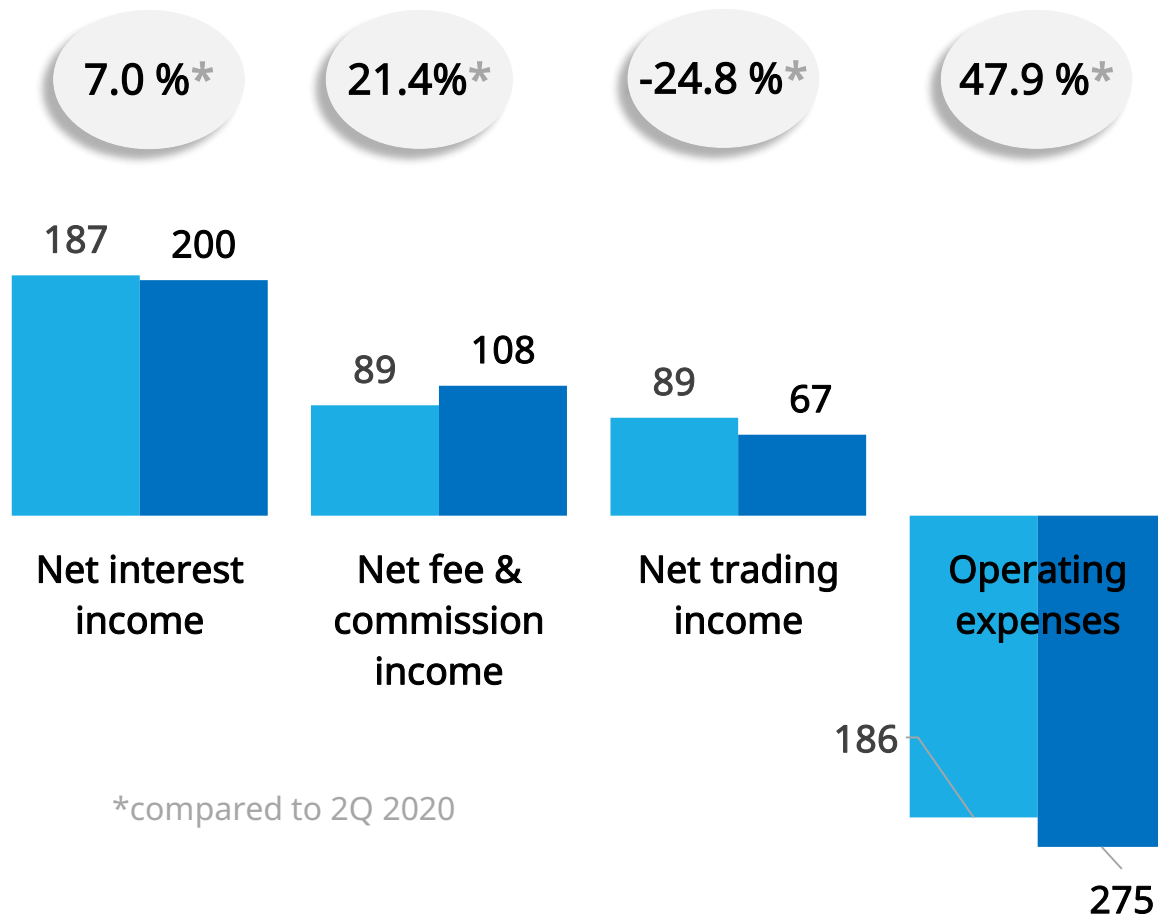
Moldova's annual inflation rate jumped to 1.5 percent in March 2021, from 0.6 percent in the previous month. It was the highest inflation rate since last October, as prices rose at a faster pace for both food (3.0 percent vs 1.8 percent in February) and non-food products (2.3 percent vs 1.2 percent). Meanwhile, cost for services declined 1.9 percent, the same as in February. On a monthly basis, consumer prices increased 1.0 percent in March, following a 0.4 percent advance in February.

Source: [National Bureau of Statistics of the Republic of Moldova](#).

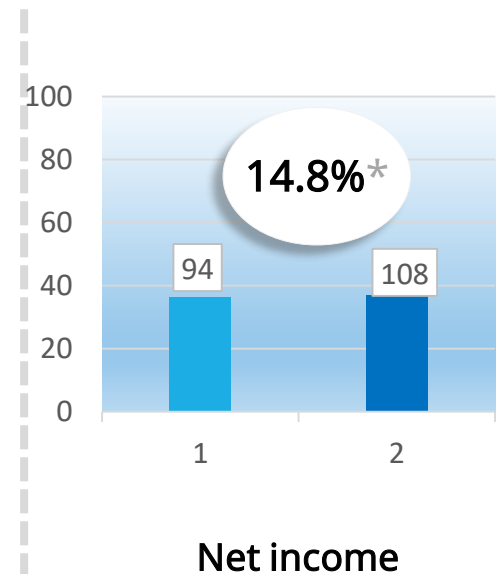
While uncertainty remains, key components of aggregate demand are expected to suffer significant declines. Assuming no additional restrictive measures domestically and more favorable external conditions in the region, a slow upturn of the economy was envisaged starting in late 2020/early 2021.

Trends in Victoriabank income structure

MDLmn

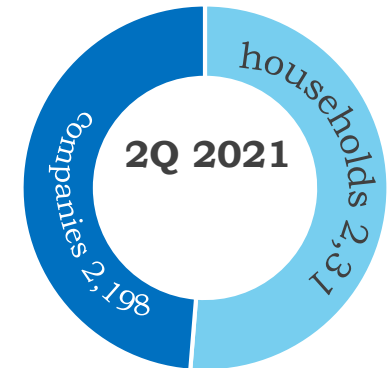
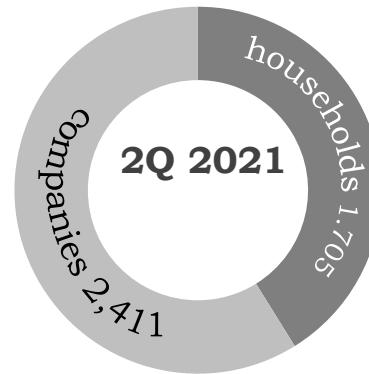
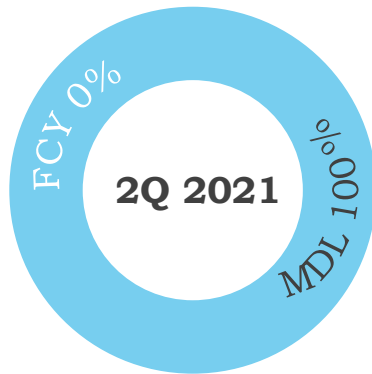


*compared to 2Q 2020

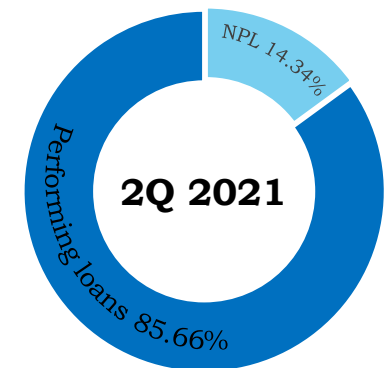
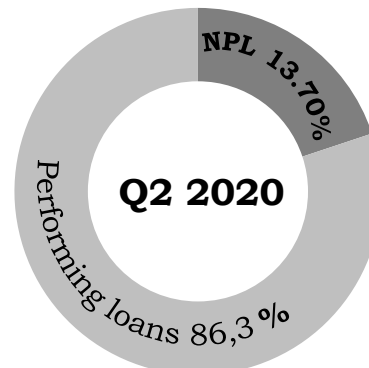
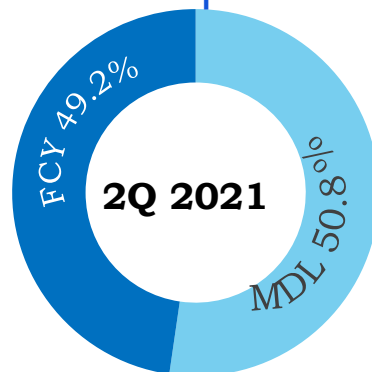


Victoriabank loan structure

Loans by currency to households

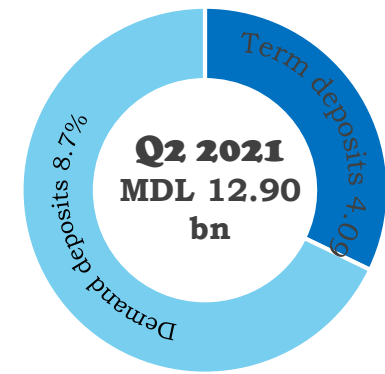
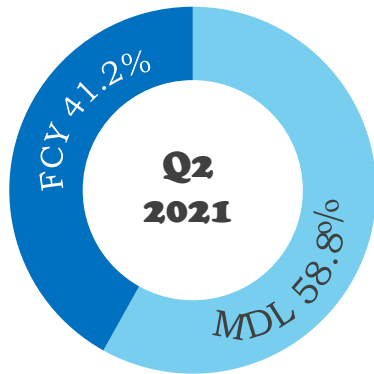


to companies

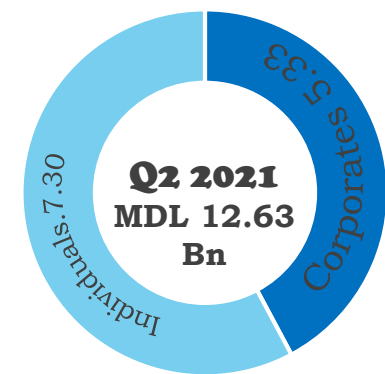
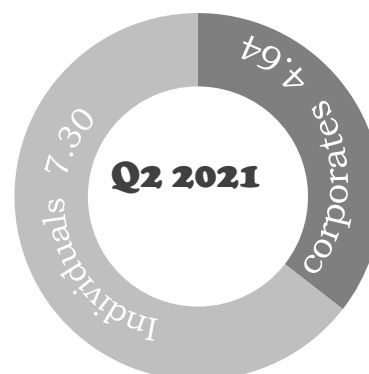
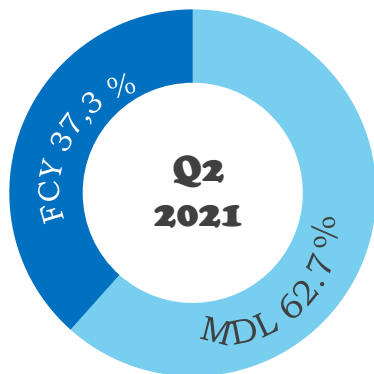


Victoriabank deposit structure

deposits from households



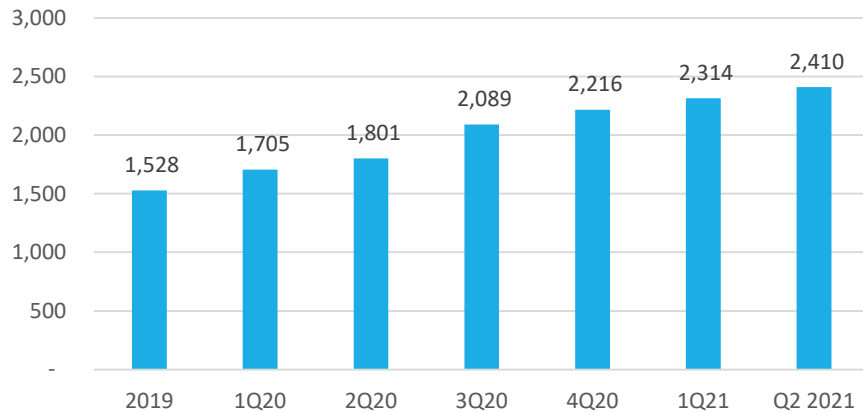
deposits from companies



The clients are confident in the bank's operational capacity and the level of deposits are balanced

Victoriabank Retail banking

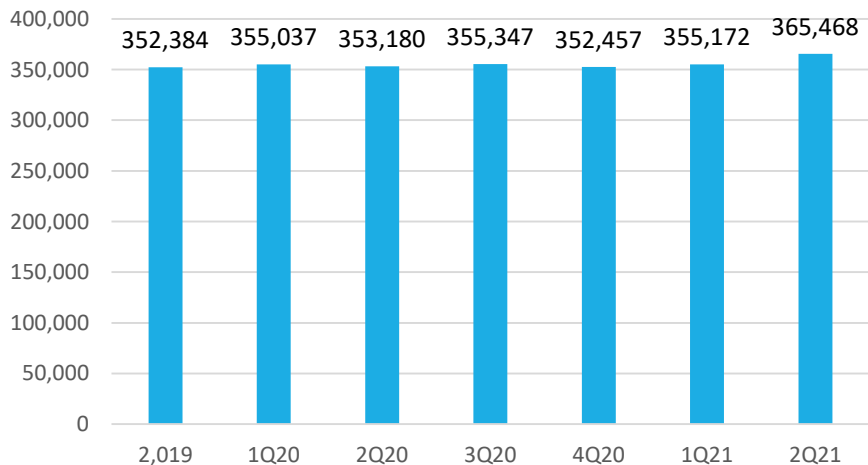
Individuals loans



- Retail loan portfolio reached MDLmn 2,410 as of June 30, 2021

- 249.169 active clients

Active cards

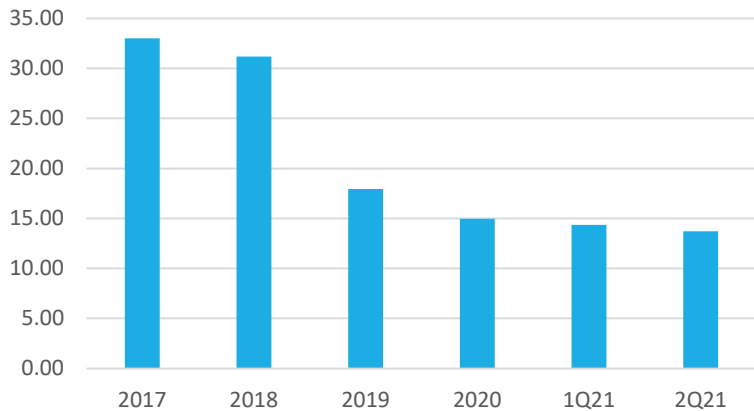


- 902 MDLmn retail loans disbursed until the end of June, 2021

- 365.468 active cards

Victoriabank corporate banking

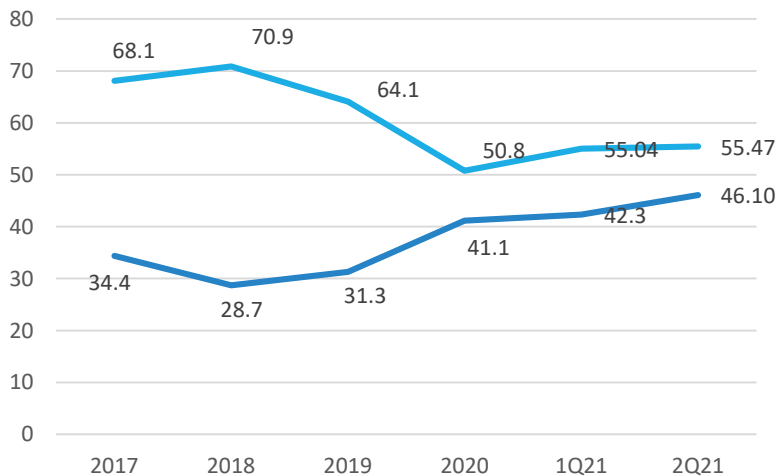
NPL ratio



- Corporate loan portfolio reached MDLmn 2,244 as of June 30, 2021

- 10.732 active clients

Capital Adequacy Ratio and Liquidity

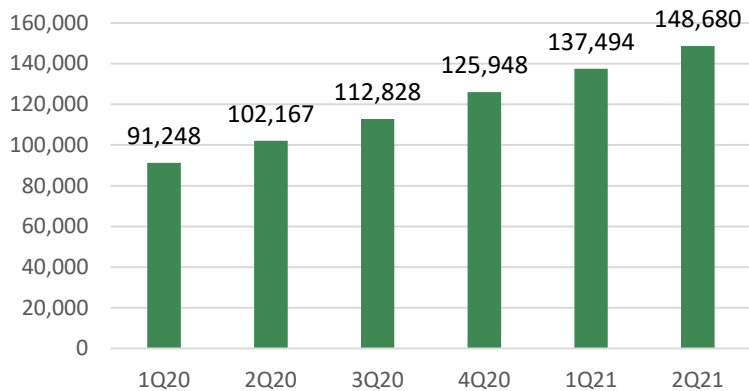


- 957 MDLmn new loans disbursed until the end of June, 2021

- Both the Capital Adequacy Ratio (>17.5 %) and the Liquidity Ratio (>20 %) prove the bank's stability and safety

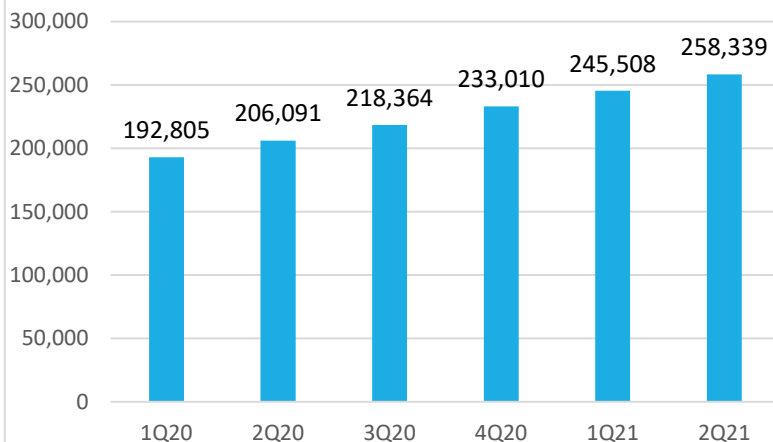
Victoriabank remote banking systems

Mobile banking users



- 24,000 internet & mobile banking new users during the first trimester of 2021 year
- 291,619 VB24 Web transactions processed in Q2, this year
- 416,249 VB24 Business transactions processed in Q2, this year
- 906,873 VB24 Mobile transactions processed in Q2, this year
- 657 new POS terminals installed during the first semester of 2021 year

VB24 Web and Business users



ANNEX 1

Victoriabank income statement, IFRS

MDLmn	EOY 2020	Q2 2021
Net interest income	388	200
Net commission income	194	108
Foreign exchange trading	178	67
Other income	21	7
Operating income	780	382
Personnel expenses	258	120
D&A	108	155
Operating expenses	367	275
Cost of risk & provisions (release)	158	-14
Net income before taxation	256	122
Income tax (expense)/revenue	20	14
Net income	93.9	107.7

ANNEX 2

Victoriabank balance sheet, IFRS

MDLmn	EOY 2020	2Q 2021
Cash, cash balances at central banks, reserves and other demand deposits	6,333	5,991
Financial assets at fair value through other comprehensive income	20	21
Debt securities at amortised cost	3,555	5,066
Loans and advances at amortised cost	4,673	4,633
Tangible assets	244	271
Intangible assets	79	80
Tax assets	41	44
Other assets	408	374
TOTAL ASSETS	15,354	16,478
Deposits	12,031	12,984
Other financial liabilities	138	173
Provisions	50	74
Tax liabilities	7	22
Other liabilities	187	176
TOTAL LIABILITIES	12,412	13,428
TOTAL EQUITY	2,942	3,050
TOTAL EQUITY AND LIABILITIES	15,354	16,478

ANNEX 3

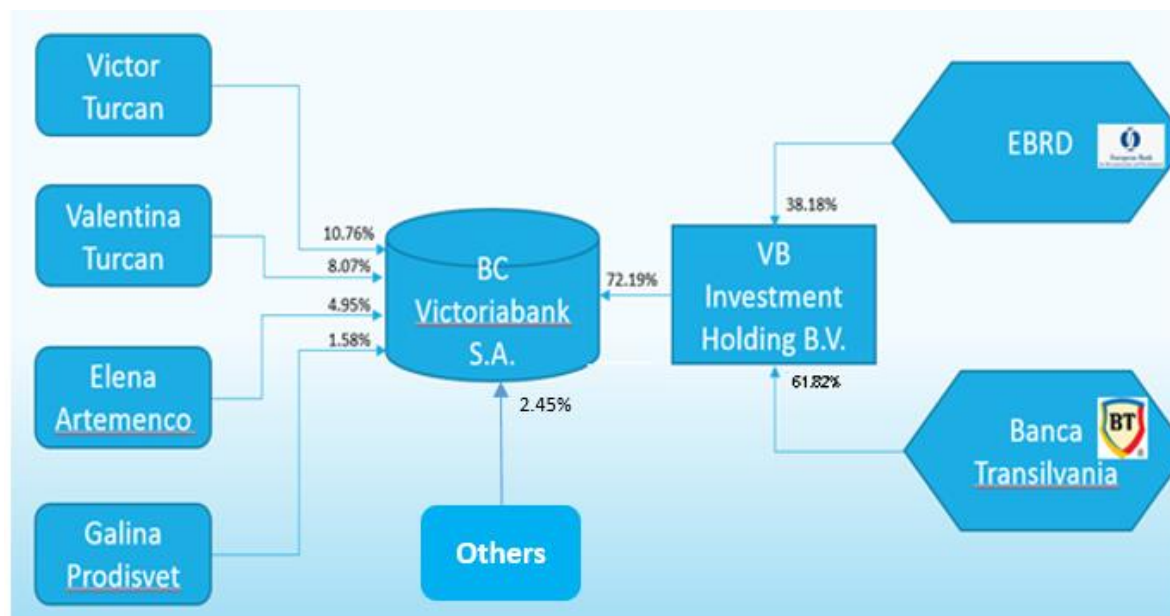
Shareholding structure as 30.06.2021

Total number of shareholders – 174

164 shareholders – individuals;

10 shareholders – legal entities,

inclusively: shareholders that own directly 1% or more of the Bank's shares:



Type of shares

ISIN

Face value of Share, MDL

Total Number of Outstanding Shares, units

Share Capital, MDL

The entity that keeps records of the rights over the securities issued by the bank

The regulated market where securities issued by Victoriabank are admitted to trading

Registered Common Share

MD14VCTB1004

10

25,000,091

250,000,910

Depozitarul Central Unic al Valorilor Mobiliare

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