

B.C. “VICTORIABANK” S.A. Financial Results as of March 31, 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: 1 quarter of 2021 compared to 2020 by the numbers

	EOY 2020	1Q 2021
total Assets (MDLbn) ↑ 4.7%	15.35	16.07
CAR (%)	41.13	42.30
Customers loan portfolio, principal (MDLmn)	4,568	4,512
Net fee and commission (MDLmn)	45	53
Operating income (MDLmn)	186	187
Net income (MDLmn)	36.5	37

Larger Balance Sheet due to strong organic growth

Solid capital base, with good overall financial ratios

Loan portfolio of individuals increased by over 4.4% due to optimization of processes related to lending.

Fee and commission income increased due to rise of client portfolio

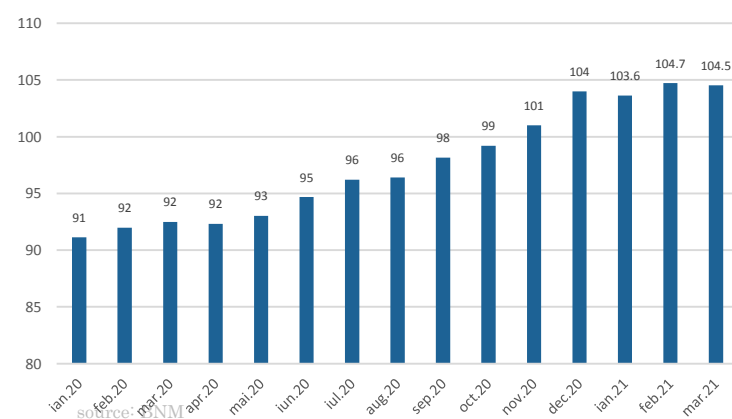
This growth is attributable to an increase in income from commission business and services

Net income increased despite of the general economic decline generated by the COVID-19 pandemic

Assets

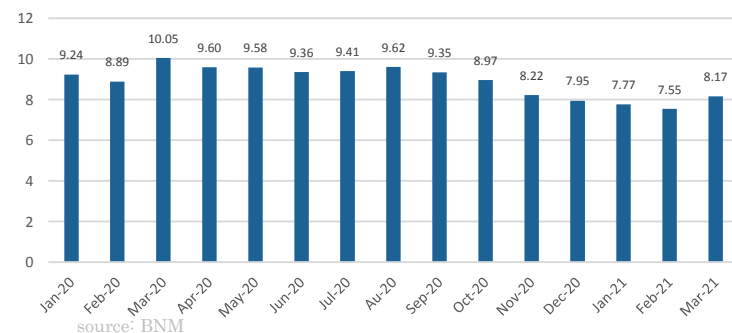
total bank assets, MDLbn, %YoY

Total Assets (MDLbn)



NPE ratio

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



Banking sector dynamics

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

- Assets growth rate picked up during the end of first trimester of 2021 year to 0.6%
- Moldova Foreign Exchange Reserves was measured at 3.71 USD bn in March 2021. The Foreign Exchange Reserves equaled 7 Months of Import in Nov 2020.

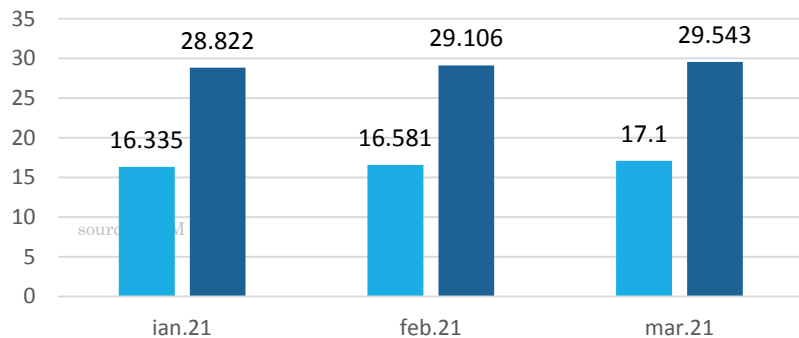
- Asset quality has been constantly improving across the banking system over the last year, the balance of net non-performing credits debt (principal amount) / own funds being 8.17% now.

Loans

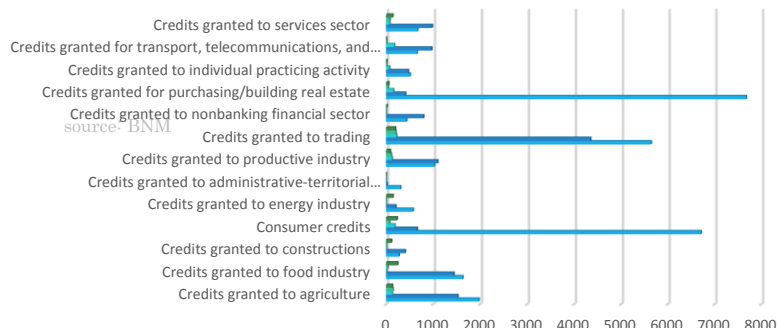
Loans by structures, MDLbn, %1Q

Loan portfolio on the banking sector

■ Individuals, MDLbn ■ Legal entities, MDLbn



Classification of credit portfolio in MDLmn 1Q, 2021 year



Banking sector dynamics

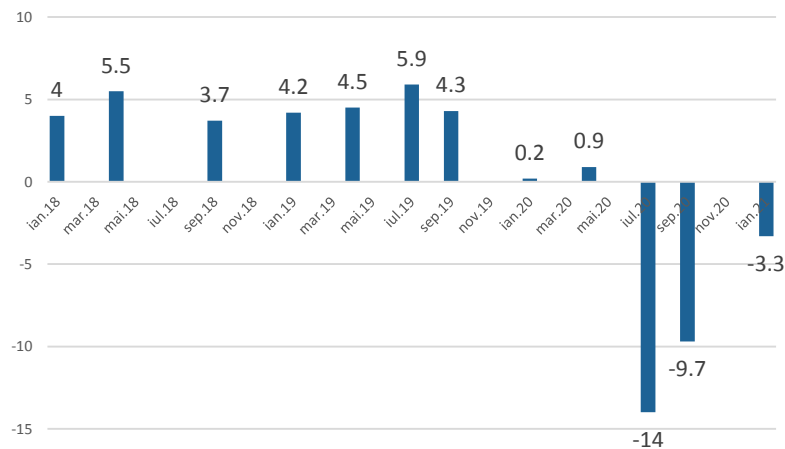
Corporate lending remains the main driver of credit activity

- Bank loans to the individuals grew accelerated during the first trimester of 2021 year
- The share of unfavorable loans in the loan portfolio of the country's banking sector was 7.20%, having decreased by 15.29%, compared to the first trimester of 2020
- The country's Domestic Credit reached 46.64 MDL bn, in Mar 2021, representing an increased of 10.97 % compared to Mar 2020.

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

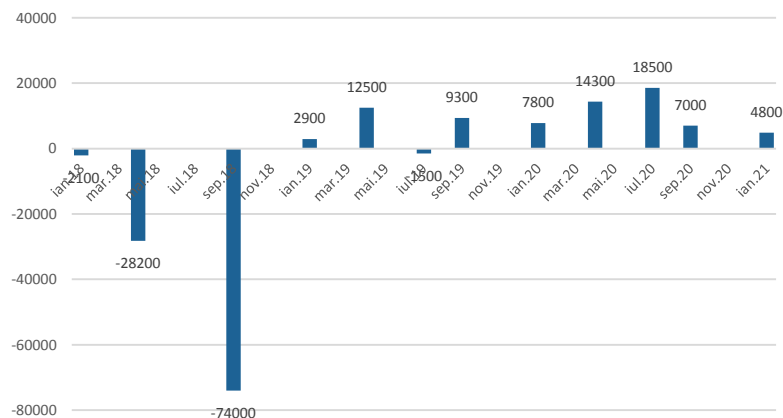
Real economy

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/>

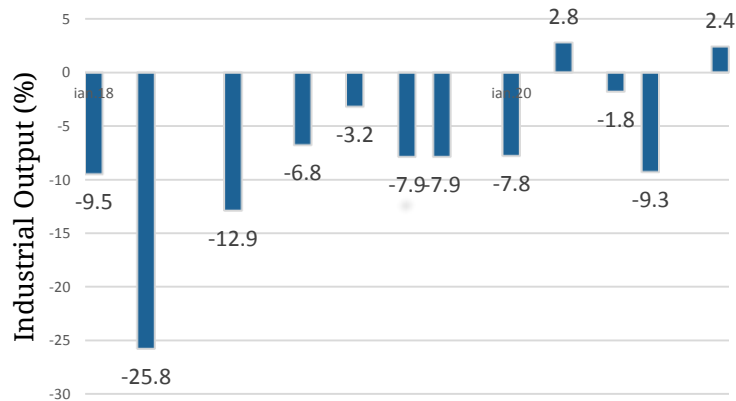
It is estimated that Retail Sales YoY in Moldova to stand at 5.99 MDLmn in 3 months time. In the long-term, the Moldova Retail Sales YoY is projected to trend around 5.66 percent in 2021 and 5.51 percent in 2022, according to the econometric models.

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/>

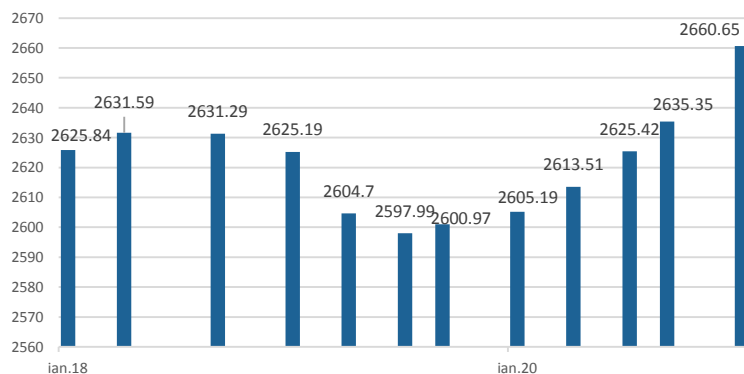
Real economy

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

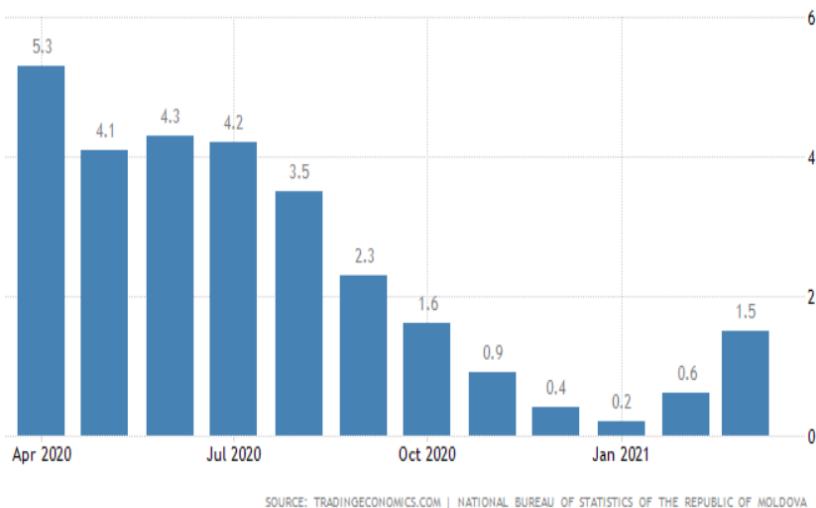
Data Mar2021 175.37

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

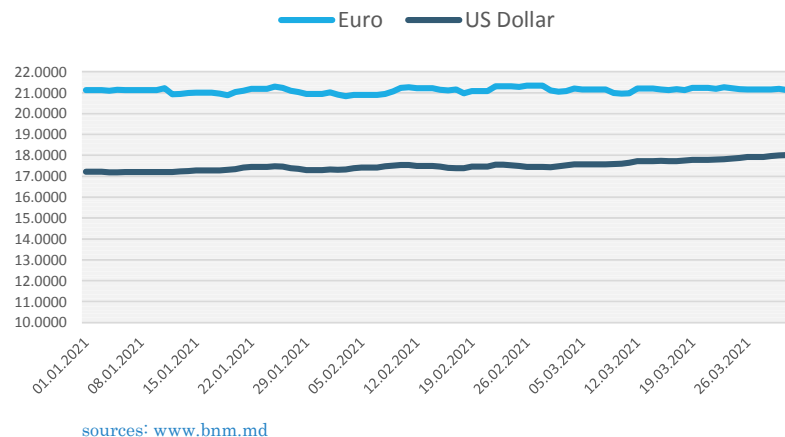
Source: <https://tradingeconomics.com/moldova/industrial-production>

Financial economy

Moldova Inflation Rate



EUR/MDL & USD/MDL fixing



Macro developments

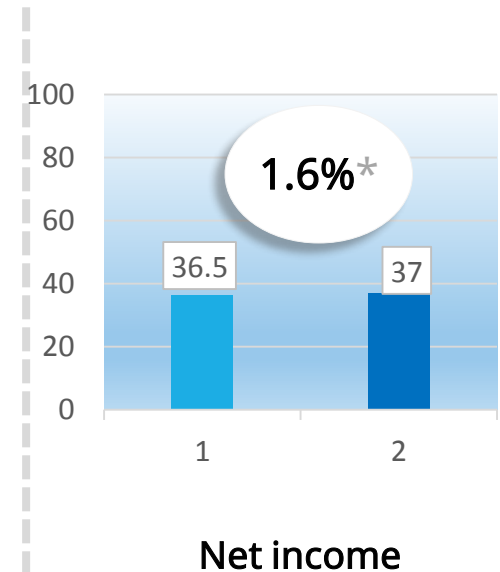
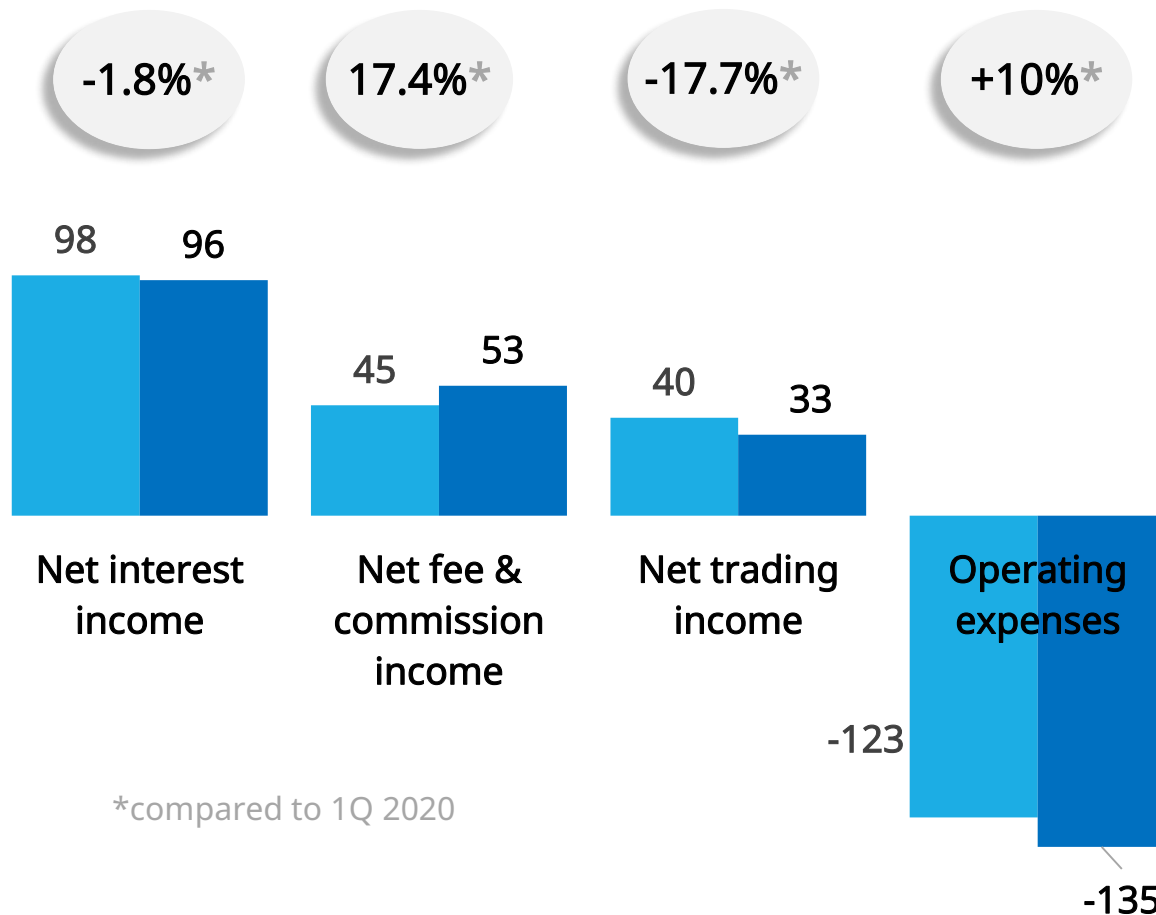
Moldova's annual inflation rate jumped to 1.5 percent in March 2021, from 0.6 percent in the previous month. It was the highest inflation rate since last October, as prices rose at a faster pace for both food (3.0 percent vs 1.8 percent in February) and non-food products (2.3 percent vs 1.2 percent). 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.

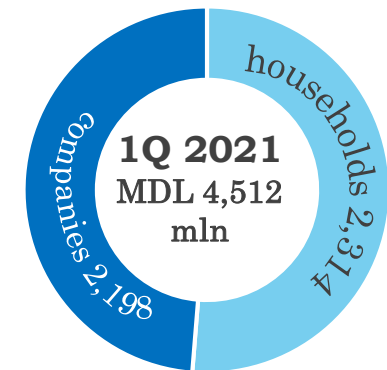
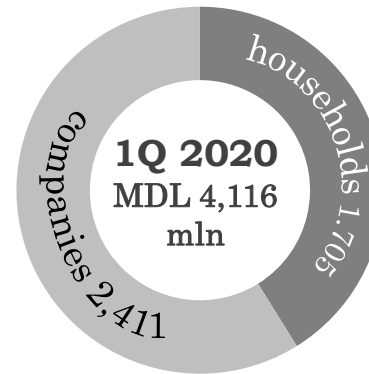
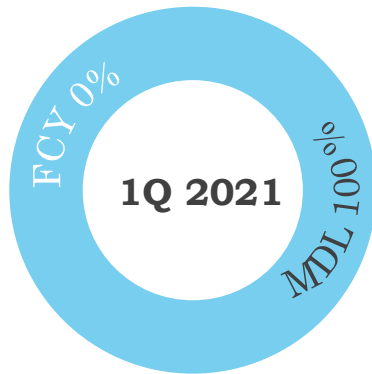
Trends in Victoriabank income structure

MDLmn

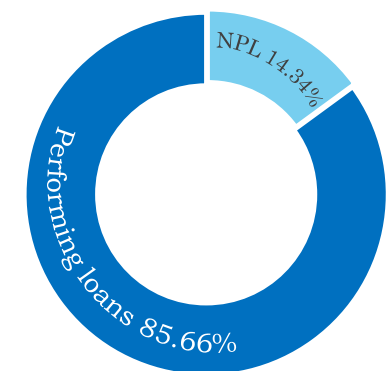
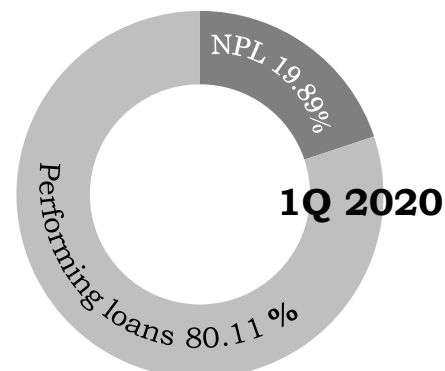
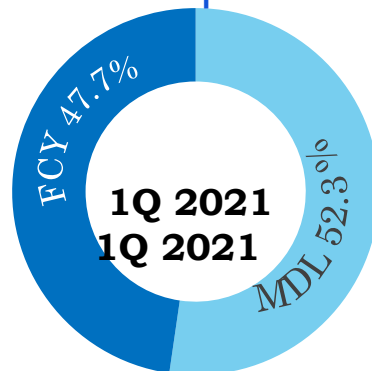


Victoriabank loan structure

Loans by currency to households

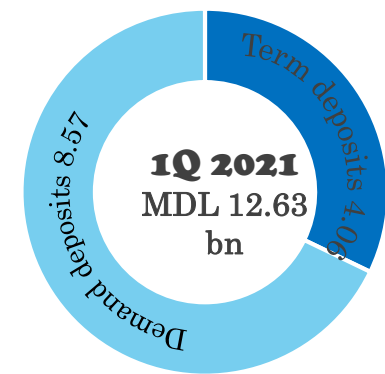
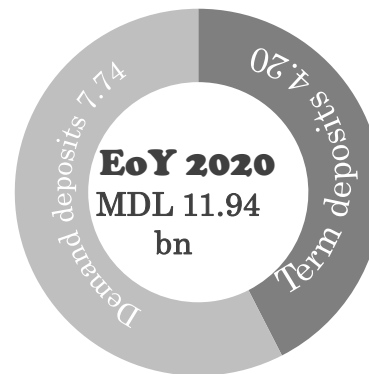
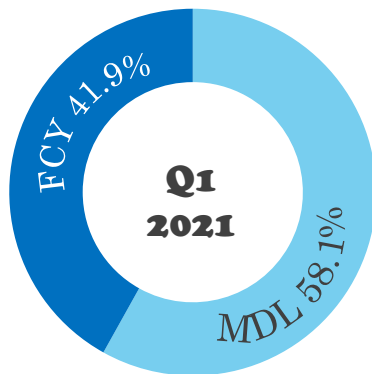


to companies

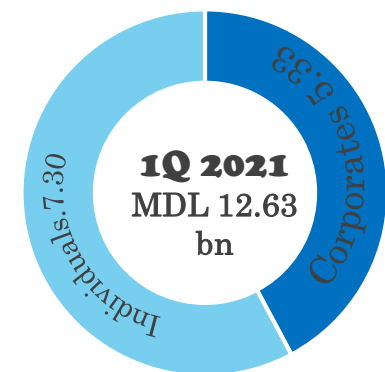
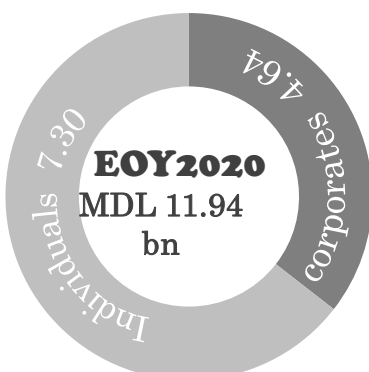
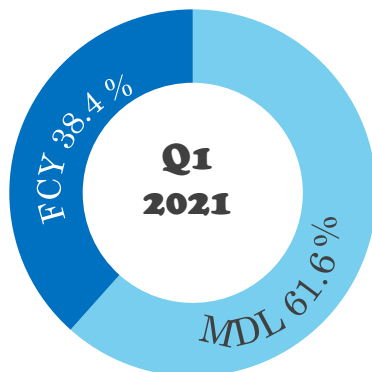


Victoriabank deposit structure

deposits from households



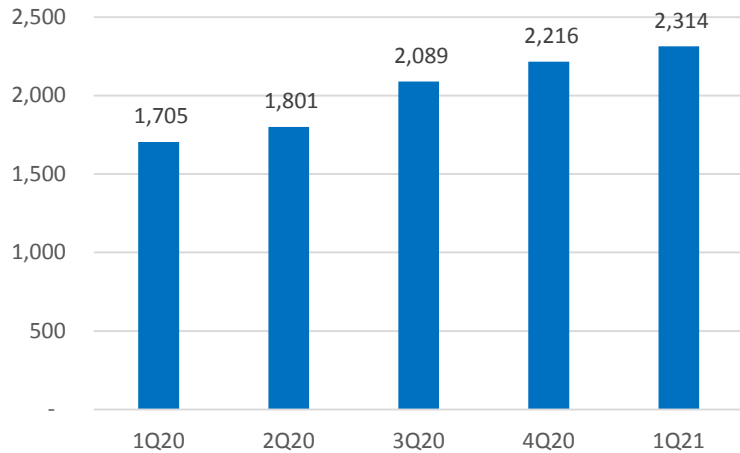
deposits from companies



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

Victoriabank Retail banking

Individuals loans

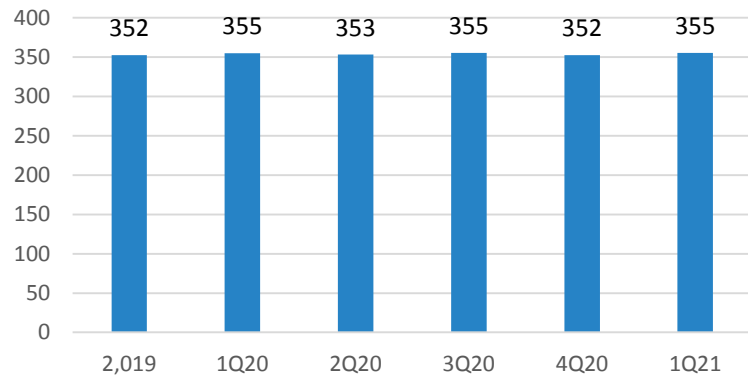


- Retail loan portfolio reached MDLmn 2,314 as of March 31, 2021

- ~250 thousand active clients

Active cards

(in thousand)

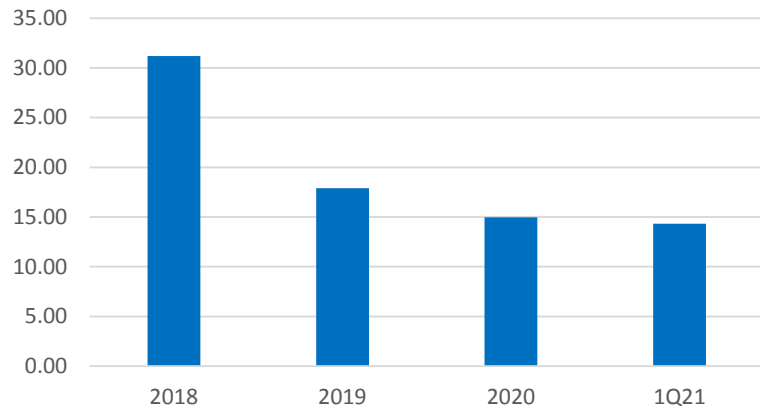


- ~ 425 MDLmn retail loans disbursed until the end of March, 2021

- ~355 thousand active cards

Victoriabank corporate banking

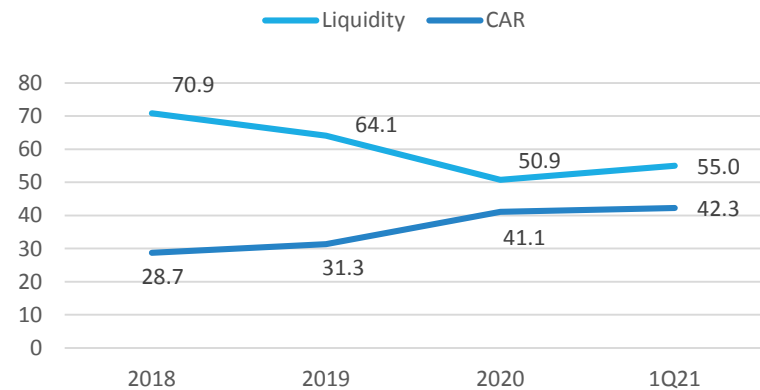
NPL ratio



- Corporate loan portfolio reached MDLmn 2,198 as of March 31, 2021

- ~10,600 active clients

Capital Adequacy Ratio and Liquidity

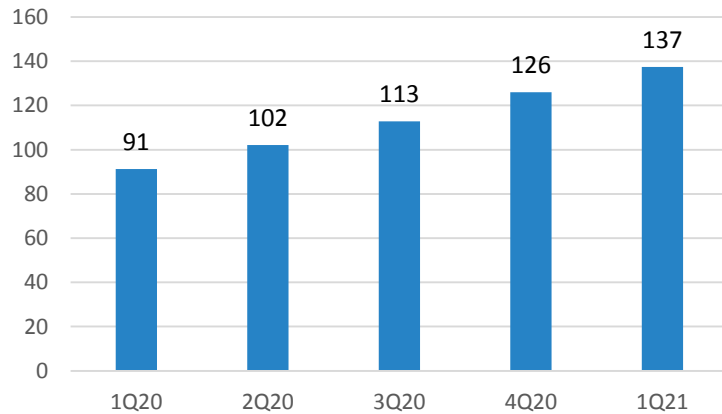


- ~ 395 MDLmn new loans disbursed until the end of March, 2021

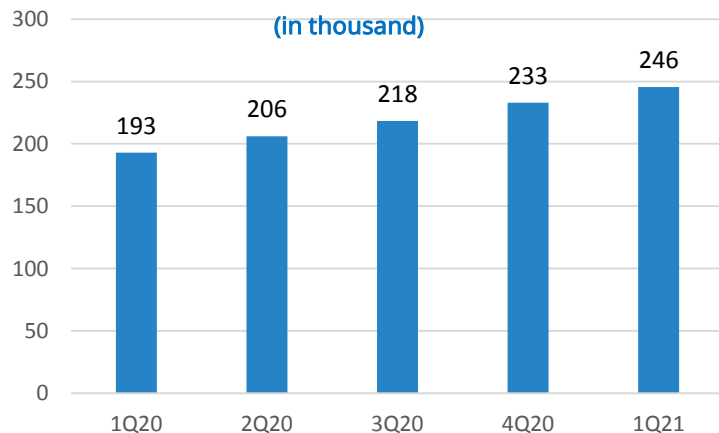
- Both the Capital Adequacy Ratio (>17.5 %) and the Liquidity Ratio (>20 %) prove the bank's stability and safety

Victoriabank remote banking systems

Mobile banking users
(in thousand)



VB24 Web and Business users
(in thousand)



- ~28,000 internet & mobile banking new users during the first trimester of 2021 year
- ~301,000 VB24 Web transactions processed in Q1, this year
- ~358,000 VB24 Business transactions processed in Q1, this year
- ~824,000 VB24 Mobile transactions processed in Q1, this year
- 355 new POS terminals installed during the first trimester of 2021 year

ANNEX 1

Victoriabank income statement, IFRS

MDLmn	Q1 2020	Q1 2021
Net interest income	98	96
Net commission income	45	53
Foreign exchange trading	40	33
Other income	3	5
Operating income	186	187
Personnel expenses	56	57
D&A	67	79
Operating expenses	123	135
Cost of risk & provisions (release)	24	10
Net income before taxation	39	41
Income tax (expense)/revenue	2	4
Net income	36.5	37

ANNEX 2

Victoriabank balance sheet, IFRS

MDLmn	1Q 2020	1Q 2021
Cash, cash balances at central banks, reserves and other demand deposits	6,799	6,187
Financial assets at fair value through other comprehensive income	18	21
Debt securities at amortised cost	3,093	4,597
Loans and advances at amortised cost	4,522	4,471
Tangible assets	223	275
Intangible assets	64	79
Tax assets	32	43
Other assets	299	395
TOTAL ASSETS	15,049	16,069
Deposits	11,983	12,710
Other financial liabilities	131	161
Provisions	48	61
Tax liabilities	7	11
Other liabilities	138	147
TOTAL LIABILITIES	12,307	13,090
TOTAL EQUITY	2,742	2,979
TOTAL EQUITY AND LIABILITIES	15,049	16,069

ANNEX 3

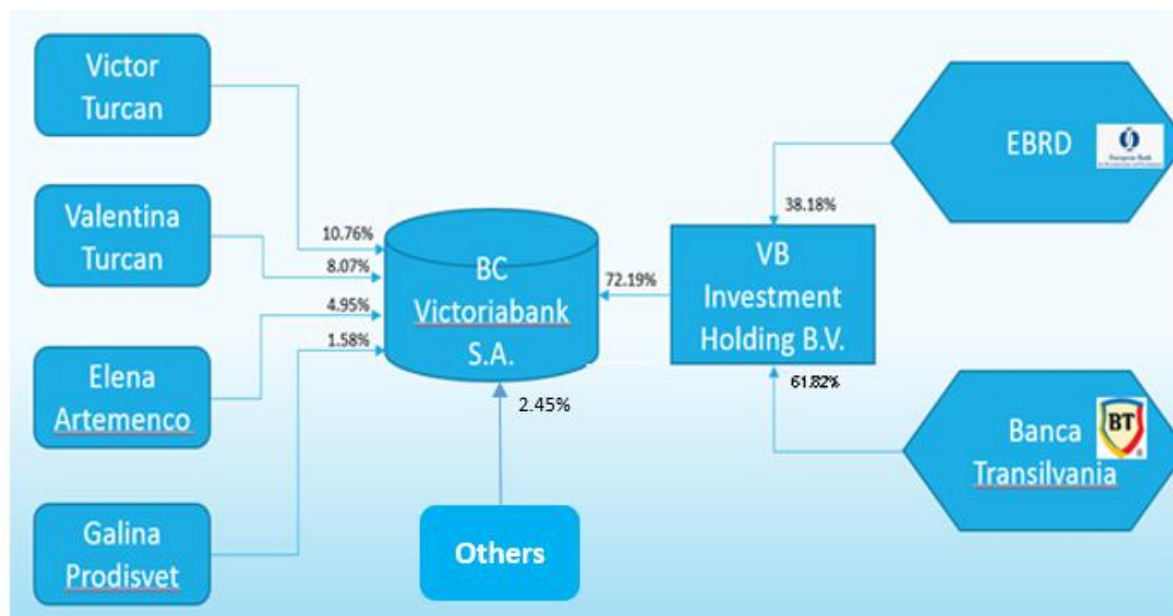
Shareholding structure as 31.03.2021

Total number of shareholders – 172

162 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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