07.08.2026

Questions and answers about the financial results and the calculation of the profit available for distribution

What is the accounting result (accounting profit or loss)?

The accounting result (accounting profit or loss) of the National Bank of Moldova (NBM) for each fiscal year is determined in accordance with the procedures set forth in Article 66 of Law No 548/1995 and the International Financial Reporting Standards (IFRS).

The accounting result of the NBM comprises all realised and unrealised revenues and expenses recorded during the fiscal year for the purpose of carrying out operations arising from the authority's core responsibilities, as provided by law.

NBM operations are carried out in support of monetary and foreign exchange policy, stability of the financial system, financial market infrastructure, issuance of national currency and management of international reserves of the state and serving as agent and banker of the state.

For a central bank, making a profit is not an objective in itself. The fundamental objective of the NBM is to ensure and maintain price stability, and a sound financial position allows it to exercise this mandate effectively.

Main sources of income of the NBM:

- interest from management of international reserves;
- interest from management of state securities portfolios;
- interest on loans granted to banks in the form of standing facilities, REPO operations and emergency assistance;
- gains realised from foreign exchange operations from exchange rate differences and transaction prices;
- unrealised gains on foreign exchange operations and balance sheet items;
- other revenue from services rendered (commissions and other).

Main sources of expenditure of the NBM:

- interest rates on monetary policy instruments (NBM certificates, required reserves and overnight deposits of banks);
- interest on deposits of the Ministry of Finance and the Deposit Guarantee Fund in the Banking System;
- interest on loans taken out from the International Monetary Fund;
- realised and unrealised losses on foreign exchange operations;
- expenses related to the production of the national currency;
- operating (administrative) expenses.

Unrealised gains and losses are made up of:

- exchange rate differences from the revaluation of foreign exchange stocks at the official exchange rate of the MDL against the currencies forming the respective foreign exchange stocks;
- price differences from the revaluation of monetary gold at fair value;
- price differences from the revaluation of financial assets measured at fair value through profit or loss.

The accounting result of the NBM is significantly influenced by the evolution of the foreign exchange rate. The National

Bank manages the foreign exchange reserves of the state and most of its assets are held in foreign currency.

Thus, when the exchange rate of the Moldovan leu changes, the value in MDL of the NBM assets also changes, even if they are not sold and there is no actual cashing or payment of money. These changes give rise to unrealised revenue or expenditure influencing the accounting result.

For example, if the MDL appreciates against the US dollar, the same amount of dollars held by the NBM is worth less MDL, which generates an unrealised accounting loss. Conversely, if the MDL depreciates against the euro, the same amount in euro is worth more MDL, generating an unrealised accounting gains[1].

At the end of the fiscal year, unrealized gains/losses are allocated/covered in/from the unrealized gains reserve accounts, in accordance with the provisions of Article 20 of Law No 548/1995.

Reserve accounts of unrealised gains are created separately for each source that generated this gain and are used to cover unrealised losses of subsequent periods arising only from the sources that created these reserves.

If the allocation of unrealised gains and/or the coverage of unrealised losses exceeds net income, this excess is covered from the general reserve fund in accordance with Article 19, paragraph (5).

In addition to the accounting result itself (accounting profit or loss), the financial statements of the NBM include a separate section - "Other comprehensive income" - that reflects changes in the value of certain financial assets, recognised directly in equity, without (yet) passing through the accounting result.

In the case of the NBM, it is mainly about securities denominated in foreign currency, measured at fair value through other comprehensive income (FVOCI). The book value of these assets changes from one period to another as a result of revaluation at market price, without the NBM having actually sold or traded the respective asset. Therefore, these changes are considered as unrealised gains or losses, which exist only in the accounting records, as a revaluation effect, and do not represent an actual gain or loss resulting from a transaction.

Thus, they do not directly affect the result (profit/loss) of the current period, but are recorded separately in the comprehensive income and directly in the capital account under “Other reserves”. As long as the security is only held by the NBM, any increase or decrease in its market value remains “pending” - it does not influence the distributable profit of the year. At the time of sale (or other form of recognition), the gain or loss accumulated so far is moved from comprehensive income directly to accounting result.

What is statutory capital?

The NBM capital includes the statutory capital, the reserve accounts created in accordance with the provisions of the IFRS and the reserve accounts of unrealised gains formed in accordance with the provisions of Law No 548/1995.

Statutory capital is dynamic and is formed from the profit of the year available for distribution, allocated in accordance with Article 20 paragraph (5), from the income obtained in accordance with Article 64 paragraph (3) and/or from Government contributions, until its size reaches 10% of the total monetary debts of the National Bank, and is structured as follows:

- a) 1/3 – authorised capital;
- b) 2/3 – general reserve fund.

Any reduction in the level of monetary debt, both during and at the end of the financial year, does not imply a decrease in the previously created statutory capital.

The general reserve fund is used exclusively to cover losses incurred as a result of the year at the end of the financial year.

If at the end of the financial year the level of statutory capital decreases below 4% of the total monetary debts of the NBM, the Government, in the person of the Ministry of Finance, within 60 days after receiving the report of the external auditor on the financial statements of the NBM, shall transfer to the NBM a capital contribution in state securities at a market interest rate, in the amount necessary to increase the statutory capital up to 4% of the total monetary debts of the NBM.

What are monetary debts (liabilities)?

According to Article 2 of Law No 548/1995, monetary debts (also known as monetary liabilities) represent all liabilities reflected on the NBM's balance sheet, with the exception of those owed to the Government and to the International Monetary Fund.

Thus, the NBM's monetary liabilities consist of the national currency in circulation, banks' deposits held at the NBM, NBM certificates issued, and other financial and non-financial liabilities.

This indicator is the benchmark against which the law measures the adequacy of the NBM's capital for its operations and assigned obligations: the ratio of statutory capital to total monetary liabilities determines, at the end of each year, how the profit available for distribution is allocated (Article 19, Article 20, paragraph (5)) and the amount of capital that must be contributed by the Government of the Republic of Moldova.

What is profit available for distribution?

Pursuant to Article 20, paragraph (2) of Law No 548/1995, the profit available for distribution is the result achieved by the NBM for the fiscal year, after allocating unrealised gains to the corresponding reserve accounts and covering unrealised losses from these reserves, constituting the amount that may be distributed between the state budget and the NBM's statutory capital.

It is determined based on the accounting result, by excluding unrealised gains and losses resulting from changes in the value of monetary assets and liabilities denominated in foreign currency, as well as precious metals, due to fluctuations in exchange rates and market prices. These items are excluded so that the profit distributed to the state budget represents only actual realised gains and is not influenced by temporary fluctuations in exchange rates or the market value of assets, which could subsequently reverse.

Exchange rate gains realised on foreign currency transactions are distributable and are included in the profit available for distribution.

The allocation of profits available for distribution (Article 20, paragraph (5)) at the end of the fiscal year is made based on the ratio of authorised capital to total monetary liabilities, as follows[2]:

- less than 4% → 100% for the increase in statutory capital;
- between 4% and 10% → 50% for the increase in statutory capital, 50% transferred to the state budget;
- more than 10% → 100% transferred to the state budget.

---

1. In 2025, MDL depreciated by about 2% against the euro, reaching MDL 19.75 for one euro on 31 December 2025, and appreciated by about 9% against the US dollar, up to MDL 16.7925 for one dollar.
As a result of the exchange rate evolution, US dollar-denominated assets held by the NBM generated unrealised accounting expenses from exchange rate differences of approximately MDL 3.7 billion, while euro-denominated assets generated unrealised accounting income from exchange rate differences of approximately MDL 0.8 billion. In total, in 2025 were recorded unrealised expenses from exchange rate differences of approximately MDL 2.9 billion.

2. As of 31 December 2025, the NBM's statutory capital represented 6.93% of total monetary liabilities—that is, of all the National Bank's obligations recorded on the balance sheet, excluding the cash holdings of the Government of the Republic of Moldova and liabilities to the International Monetary Fund. According to the Law on the NBM, when the capital is between 4% and 10%, the profit available for distribution is allocated in equal proportions.
Thus, in 2025, the profit available for distribution was allocated in equal proportions: 50%, or MDL 910.41 million, was allocated to increase the NBM's statutory capital, and 50%, or MDL 910.41 million, was transferred to the state budget revenue.

Tags
on the NBM's financial results [1]
on the calculation of profit available for distribution [2]
on the NBM's sources of income [3]
on the NBM's sources of expenditure [4]
on unrealised gains [5]

on unrealised losses [6]
on the NBM’s authorised capital [7]
on the NBM’s monetary liabilities [8]
on monetary bonds [9]

Source URL:
http://www.bnm.md/en/content/faq-nbms-financial-results-and-calculation-profit-available-distribution

Related links:

[1] http://www.bnm.md/en/search?hashtags[0]=on the NBM’s financial results [2] http://www.bnm.md/en/search?hashtags[0]=on the calculation of profit available for distribution [3] http://www.bnm.md/en/search?hashtags[0]=on the NBM’s sources of income [4] http://www.bnm.md/en/search?hashtags[0]=on the NBM’s sources of expenditure [5] http://www.bnm.md/en/search?hashtags[0]=on unrealised gains [6] http://www.bnm.md/en/search?hashtags[0]=on unrealised losses [7] http://www.bnm.md/en/search?hashtags[0]=on the NBM’s authorised capital [8] http://www.bnm.md/en/search?hashtags[0]=on the NBM’s monetary liabilities [9] http://www.bnm.md/en/search?hashtags[0]=on monetary bonds