Financial Stability Assessment Report

First quarter 2026

National Bank of Moldova

35 years

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Summary

Based on the analyses and studies conducted by the Financial Stability Department regarding the situation at the end of the first quarter of 2026, an adequate level of resilience to risks in the analysed sectors was found, as characterised by the following risk dimensions:

- the financial stress index stood at 0.42, below the established threshold of 0.51;
- the Credit/annual GDP ratio stood at 28.3%, up 0.7 percentage points in the fourth quarter of 2025 compared with the previous quarter;
- four banks achieved the score required to be identified as systemically important institutions (O-SIIs);
- the banking sector recorded an overall vulnerability index of -0.32, below the vulnerability threshold (zero);
- the risk of direct contagion in the banking sector is assessed as “low,” given that the majority of interbank placements of domestic banks are held in foreign banks;
- based on the number of interconnected institutions, the interbank network is relatively concentrated, with several domestic banks holding deposits in a limited number of foreign banks;
- no cases of increased sectoral concentration of loans were identified;
- the banking sector’s direct exposure to the non-bank financial sector increased by MDL 147.5 million, or 4.0%, compared to the previous quarter, totalling MDL 3,947.7 million, which represented 3.6% of the banks’ total portfolio;
- according to the banks’ assessment, as expressed in the bank lending survey, lending standards eased slightly for both loans to non-financial corporations and loans to households; at the same time, demand for loans increased slightly from non-financial corporations and decreased slightly from households;
- the non-performing loan (NPL) ratio, as defined by national prudential requirements, for loans to legal entities decreased to 3.8% (-0.4 percentage points), while the NPL ratio for loans to individuals increased to 4.9% (+0.4 percentage points);
- the share of expired loans to legal entities in total loans granted to legal entities decreased to 1.5%; the share of expired loans to individuals in total loans granted to individuals increased to 1.5%;
- the flow of new mortgage loans decreased by 15.8% compared to the same period last year, or by 12.8% compared to the previous quarter, totalling MDL 2,401.1 million;
- the flow of new consumer loans increased by 18.1% compared to the same period of the previous year, but decreased by 0.3% compared to the previous quarter, totalling MDL 4,242.9 million;
- 76.9% of new loans granted to individuals by banks had a debt service-to-income ratio (DSTI) below 40%, and 93.9% had a DSTI below the 55% threshold;
- 94.5% of new loans granted to individuals by banks had a loan-to-value ratio (LTV) of less than 80%%;
- the residential real estate price index (RPPI), calculated based on asking prices, stood at 233.0%, up 2.8% from the fourth quarter of 2025 and 10.0% from the first quarter of 2025;
- credit risk remains the main risk to which banks are exposed;
- in the credit risk sensitivity analysis, which evaluates the impact on the own funds ratio to a deterioration in credit quality, the segments that would have the greatest impact on the erosion of the own funds ratio, given an increase in the non-performing loans under prudential standards, would be the sector related to the loans in the real

estate sector—including the loans granted for its purchase and construction—and the sector related to the loans granted in the commerce sector;

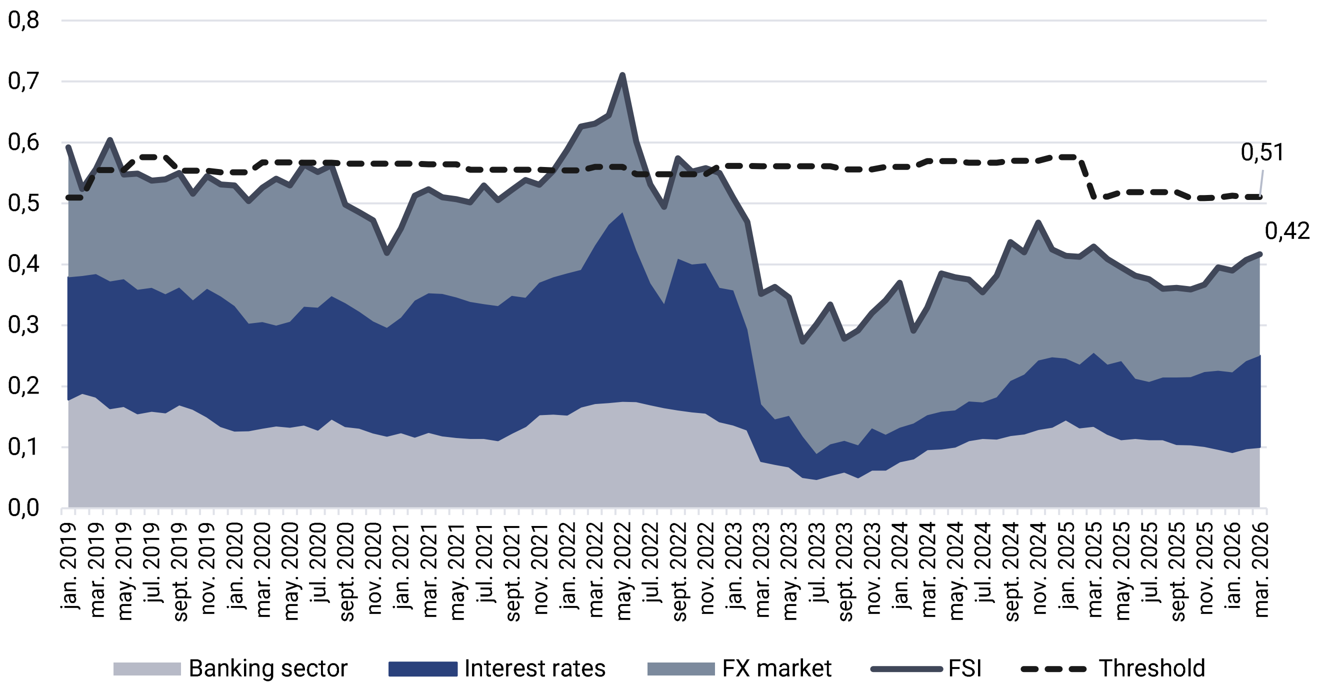
- banks remain in a resilient position with regard to liquidity risk, holding solid reserves of liquid assets to cope with crisis situations; potential liquidity shortfalls are observed in the most severe scenarios, which are less likely to unfold.

Financial stress index

The objective of the Financial stress index (FSI) is to measure the current state of instability in the financial system, as reflected by the presence (or absence) of frictions, tensions, or stress. This state of instability is captured by a single statistical measure, namely the value of the index at a given point in time. The FSI serves as a tool for identifying accumulations of systemic risks in the financial sector in order to achieve the intermediate objectives of the Macroprudential Policy Strategy.

According to data from the end of the first quarter of 2026, the threshold used to determine whether the FSI is in a stress or non-stress regime (according to the Threshold VAR method) remained unchanged from the previous quarter, at 0.51 *(Figure 1 and Figure 2)*.

Figure 1. The evolution of the FSI-MD and its components



Annual dynamics

At the end of the first quarter of 2026, the FSI stood at 0.42 (-0.01 compared to the same period of the previous year). The downward trend in the index was driven by a decline in the component that captures stress in the banking and foreign exchange markets, while the sub-index for the interest rate market showed an upward trend.

The following factors contributed to the increase of the index:

- a 0.7 percentage point narrowing of the spread between *the state securities interest rate (SS) and the 3-month CHIBOR rate*;
- a 0.2 percentage point narrowing of the spread between t*he deposit interest rate and the loan interest rate*;
- a 5.7 percentage point decline in *current liquidity*.

The decline in the index was driven by the following factors:

- an 11.7% increase in the total balance of deposits in real terms;
- a 0.4 percentage point decrease in loan loss provisions.

Quarterly dynamics

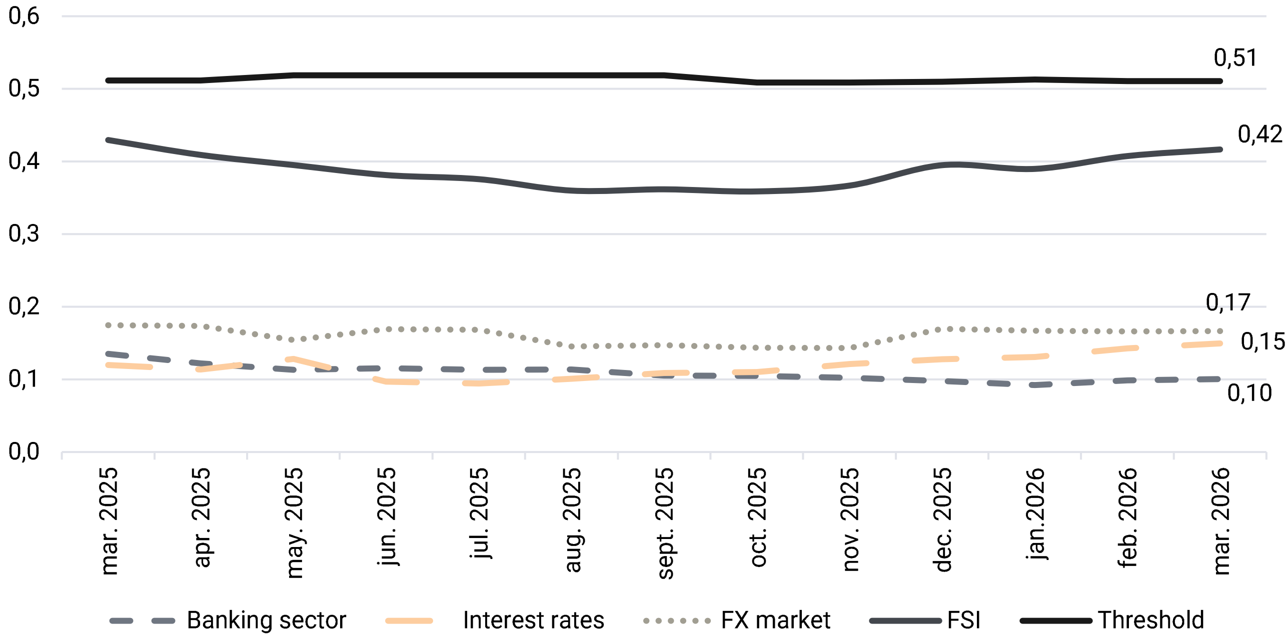
The rise in indicators reflecting stress in the interest rate and banking markets led to a 0.02 increase in the FSI during the first quarter of 2026 compared to the previous quarter.

The interest rate market subcomponent recorded a slight increase amid a 0.1 percentage point narrowing of the spread between the deposit rate and the loan rate, as well as a 0.8 percentage point narrowing of the spread between the SS rate and the 3-month CHIBOR.

The banking market sub-component showed an upward trend due to a 1.3 percentage point decline in current liquidity and a 0.19 percentage point increase in loan loss provisions. At the same time, the balance of time deposits increased by 0.12%.

The foreign exchange market sub-component showed a downward trend due to a decrease in exchange rate volatility. At the same time, the average EUR/MDL exchange rate appreciated by 0.34.

Figure 2. FSI-MD evolution over the past 12 months



Countercyclical capital buffer

Taking into account the provisions of Regulation No 110/2018 on capital buffers of banks, in the process of setting the countercyclical buffer rate for the Republic of Moldova, the countercyclical buffer benchmark was calculated based on the deviation of the ratio "loans granted to the private sector in the Republic of Moldova/gross domestic product" (Credit/annual GDP ratio) from its long-term trend.

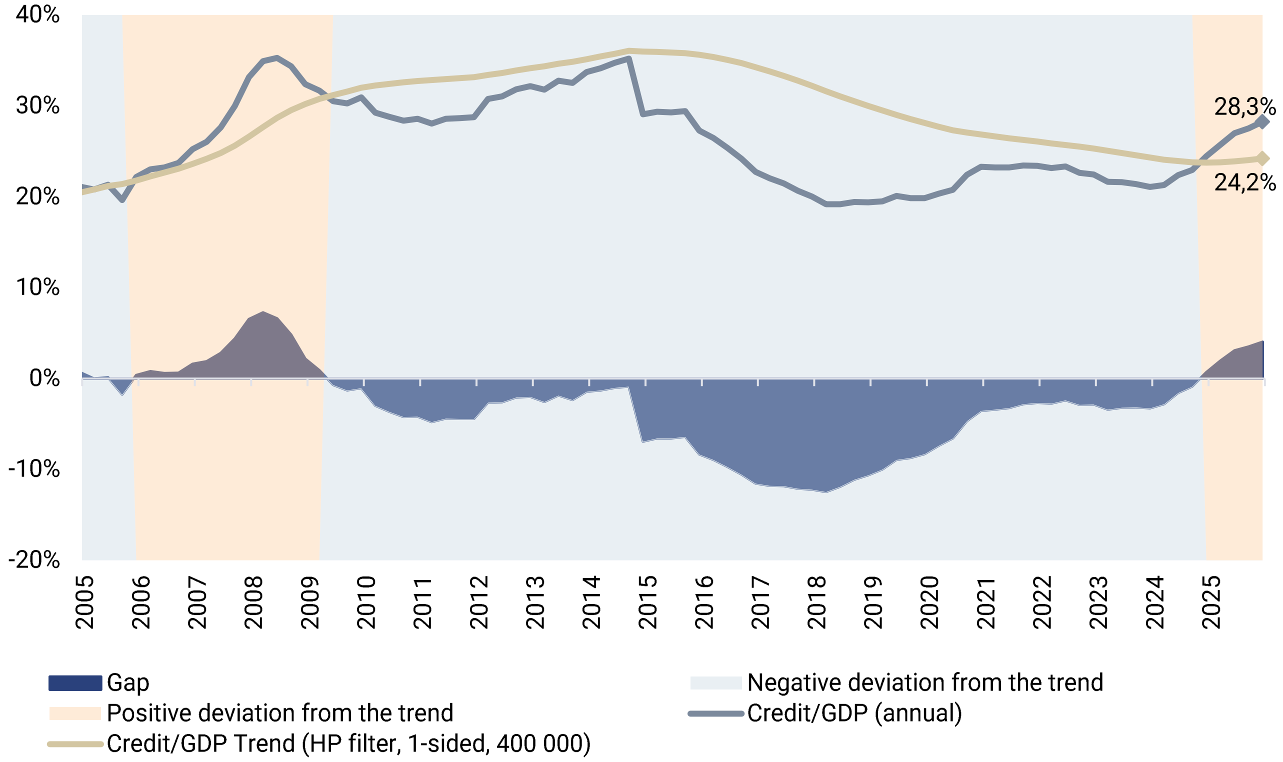
The benchmark for the buffer reflects the credit cycle and the risks associated with excessive credit growth in the Republic of Moldova; in determining it, the specific characteristics of the national economy (gross domestic product, banking sector lending, and the long-term trend of the Credit/GDP ratio) were taken into account.

According to official data published by the National Bank of Moldova (NBM) and the National Bureau of Statistics, as of the end of the fourth quarter of 2025[1], the components of the

[1] The information is presented based on the latest publicly available data published by the National Bureau of Statistics.

Credit/GDP ratio showed an increase, with the growth rates of both credit and GDP moderating compared to the previous quarter *(Figure 3)*.

Figure 3. The evolution of the financial cycle



Note: Data for the fourth quarter of 2025

The Credit/annual GDP ratio stood at 28.3% in the fourth quarter of 2025, up 0.7 percentage points compared with the third quarter of 2025. Consequently, the deviation of the Credit/annual GDP ratio from its long-term trend remained positive, indicating excessive credit growth.

Bank credit to the non-financial private sector increased by 4.9% compared with the third quarter of 2025. At the same time, the annual GDP growth rate (2.3%) was slower than credit growth, which led to a widening of the deviation of the Credit/GDP ratio from its long-term trend compared with the previous quarter.

Systemically important institutions (O-SII)

In accordance with Article 63 paragraph (7) of Law No 202/2017 on the activity of banks, the NBM, as the competent authority, identifies banks that are systemically important institutions. This identification is carried out based on the Methodology for the Identification of O-SII in the Republic of Moldova, approved by Decision No 71/2023 of the NBM's Executive Board, and aims to prevent excessive systemic risk in the banking sector by ensuring effective supervision and regulation commensurate with their systemic impact.

Based on the aggregate systemic importance rating, C.B. “MAIB” JSC continues to rank first in the banking sector of the Republic of Moldova, followed by C.B. “Moldindconbank” JSC, OTP Bank JSC, and C.B. “VICTORIABANK” JSC, with a capital buffer rate ranging from 0.5% to 1.5%, applied on an individual basis.

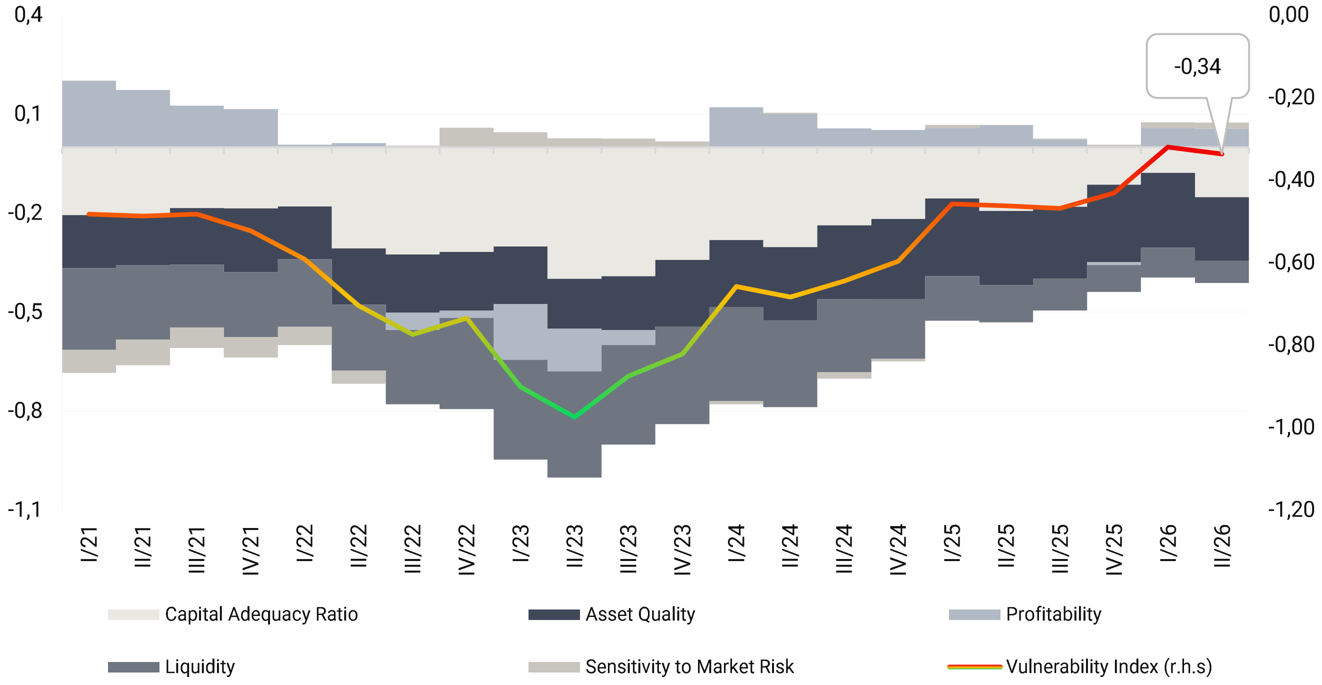
Vulnerability of the banking sector

The banking vulnerability index is a measure used to assess the degree of risk accumulation in individual banks and in the banking sector as a whole, in light of the achievement of the intermediate objectives of the Macroprudential Policy Strategy. The index measures banks' susceptibility to financial risks by assessing factors such as liquidity, capital adequacy, market risk exposure, and profitability, with the aim of early identification of potential systemic imbalances.

At the end of the first quarter of 2026, the vulnerability index remained below the vulnerability threshold[2], indicating a low level of risks identified in the assessment *(Figure 1)*.

The banking sector recorded an overall vulnerability index of -0.32, a slight deterioration compared to the previous quarter. This trend was primarily driven by a deterioration in the following indicators: *profitability (+0.33), own funds ratio (+0.14), sensitivity to market risk (+0.07), and asset quality (+0.03)*. At the same time, the liquidity indicator showed a positive trend (-0.06). Nine banks recorded scores below the threshold set for vulnerability indices.

Figure 1. Dynamics of the general vulnerability index for the banking sector, showing the contributions of each sub-index to the aggregate index



Interbank contagion

The identification of interbank links, the mitigation of contagion effects, and the reduction of systemic risk accumulation are carried out in accordance with the intermediate objective of the Macroprudential Policy Strategy.

The analysis conducted for the first quarter of 2026 indicates a low level of risk of direct contagion in the domestic banking sector, given that the majority of their interbank deposits are held in foreign banks.

[2] A general vulnerability index value of zero represents the vulnerability threshold.

The total balance of net placements[3] in the national banking sector stood at MDL 44.2 million at the end of the period under review, representing 0.31% of the total balance of net placements. The low volume of interbank placements, as well as their small number, indicates a low level of direct contagion in the banking sector of the Republic of Moldova.

The results of the stress test (Scenario I[4]) did not identify any potential cases of insolvency (1/4 of the minimum own funds adequacy level, pursuant to Article 22 paragraph (2) letter c) of Law No 202/2017 on the activity of banks), as a result of simulating contagion through the channel of interbank placements made in domestic banks.

Gross placements by Moldovan banks in foreign banks for the first quarter of 2026 amounted to MDL 15,171.7 million, or 7.7% of the sector's total assets. Compared to the previous quarter, gross placements increased by 37.4%. Placements were concentrated in banks based in Germany, Austria, and France (with their total gross value reaching MDL 5,899.6 million, or 53.4% of total placements in foreign banks).

In terms of the interbank network, systemically important banks in the Republic of Moldova hold a diversified portfolio of interbank placements.

The significant volume of foreign interbank placements by banks in the Republic of Moldova reflects a prudent approach to diversifying counterparty risk by investing financial resources in institutions with high ratings from international agencies, while at the same time increasing exposure to external factors such as exchange rates, and political risks in foreign jurisdictions.

In addition to funds placed with foreign banks, banks attracted funds totalling MDL 697.9 million, or 0.4% of total assets as of the reporting date, primarily from international development banks (EIB, EBRD, CEB).

At the same time, the simultaneous impact of failing to recover funds placed with the top three foreign counterparties was estimated (Scenario II[5]). The stress test results indicate increased vulnerability for two banks, which would fail to meet the minimum own funds requirement (10%) under the simulated stress conditions. It should be noted that the foreign counterparties have high investment ratings, which mitigates the risk of contagion through these placements.

The domestic banking sector is in a net creditor position relative to its foreign counterparties. In this regard, banks are more susceptible to external contagion effects than they are to causing contagion among their foreign counterparties.

In order to monitor potential contagion risks caused by unfavorable developments at the country level, the impact of a default on investments held in a given country was simulated (Scenario III[6]). Thus, as a result of the simulation of Scenario III, it was determined that a bank does not meet the minimum own funds ratio requirement of 10%.

Sectoral concentration of banks' portfolios

Sectoral concentration is monitored to identify potential accumulations of systemic risk associated with sectoral exposure concentrations, in order to achieve the intermediate objective of macroprudential policy regarding the limitation of direct and indirect exposure concentrations.

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[3] Net interbank placements represent the sum of the funds placed by individual banks, with the funds placed by a bank being offset by the funds it has attracted from the same counterparty.

[4] Stress Scenario I assumes that the debtor bank fails to repay the funds borrowed from the creditor bank. As a result of simulating the impact of the default (writing off the loss and, respectively, reducing the amount of own funds), the analysis verifies whether any bank becomes insolvent and whether a second-round effect ensues).

[5] Stress Scenario II assumes the default of the top three counterparties with which the banks have made the largest volume of placements.

[6] Stress Scenario III assumes the simultaneous default of all counterparties in a country.

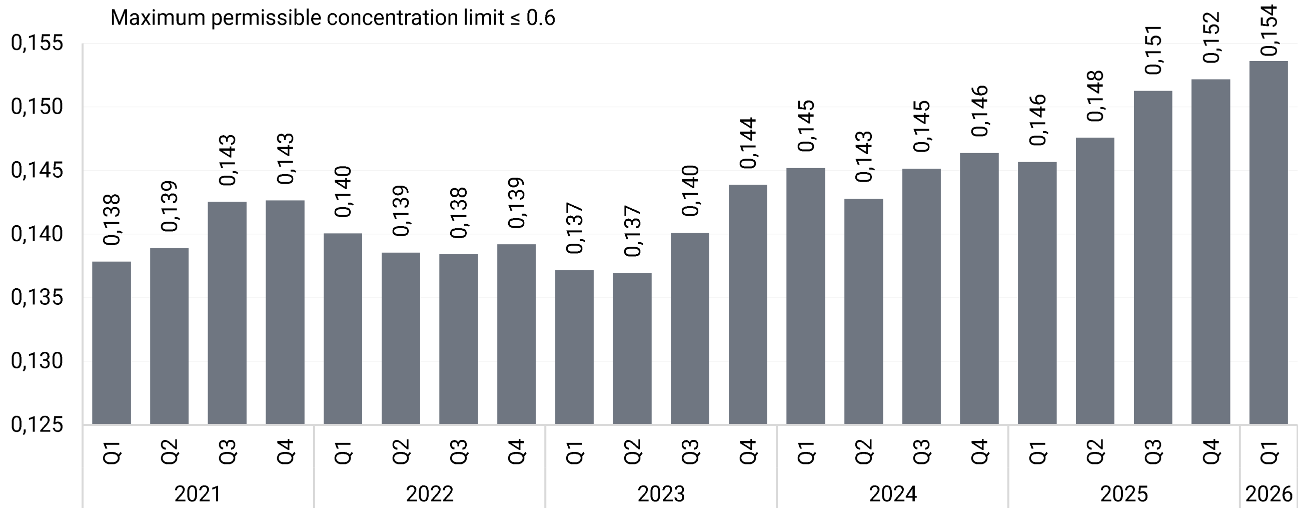
The sectoral concentration of banks was measured using the Herfindahl-Hirschman Index (HHI[7]) and the risk-adjusted Herfindahl-Hirschman Index (HHI_{risk}[8]). Two indicators are used to assess the level of concentration: the maximum permissible concentration limit[9] and the threshold for excessive concentration[10]. Based on the analysis conducted, as of 31 March 2026, no signs of excessive sectoral concentration were identified. All banks recorded low to moderate values for the selected indicators, falling well below the maximum permissible concentration limit.

At the end of the first quarter of 2026, the HHI for the banking sector stood at 0.1536, up 1.6% from the previous quarter and 6.4% from the same period a year earlier. This trend was driven primarily by an increase in the share of loans granted to two sectors with a significant weight in the total portfolio - *real estate purchase/construction* (up 0.2 percentage points to *25.2%*), *trade* (up 0.5 percentage points to *20.8%*), and a sector with a smaller share - *construction* (up 0.3 percentage points to *3.4%)*.

The non-performing loan ratio, as defined by prudential regulations, for the sector with the largest share of loans in the total portfolio (25.2%) - real estate purchase/construction - was 5.3%. Loans to the trade sector, accounting for 20.8% of the loan portfolio, saw a 0.4 percentage point decrease in the non-performing loan ratio, down to 1.9%. With regard to loans to the manufacturing industry, which accounted for 3.6% of the loan portfolio, the non-performing loan (NPL) ratio decreased by 0.3 percentage points to 4.8%. In the case of the energy industry, which accounts for 3.0% of total loans granted by the banking sector, the NPL ratio rose by 2.1 percentage points to 8.7%.

As of the reporting date, banks recorded individual HHI values ranging from 0.1026 to 0.2842, with the difference between the maximum and minimum values widening compared to the previous quarter. At the sector level, the HHI_{risk} index recorded higher values than the HHI. The indicator for the banking sector in the reference quarter stood at 0.1602, up 1.9% from the previous quarter and 10.0% from the same period a year earlier. At the same time, the indicator remained below the maximum permissible concentration limit of 0.6. *(Figure 2)*.

Figure 2. Evolution of aggregate HHI_{risk} by sector



[7] The HHI assigns the same level of risk to each sector; however, it does not take into account the size of the sectors or their contribution to aggregate economic output

[8] The HHI_{risk} indicator takes into account the specific risk of each sector of activity, based on the level of non-performing loans according to prudential standards, namely, loans with principal or interest payments overdue by more than 90 days, for each sector.

[9] The highest level of HHI_{risk} recorded by any bank that did not result in the liquidation of, or state intervention in, that bank.

[10] The historical average difference between the concentration of the most concentrated bank loan portfolio and that of the banking sector as a whole, applied to the current concentration level of the banking sector.

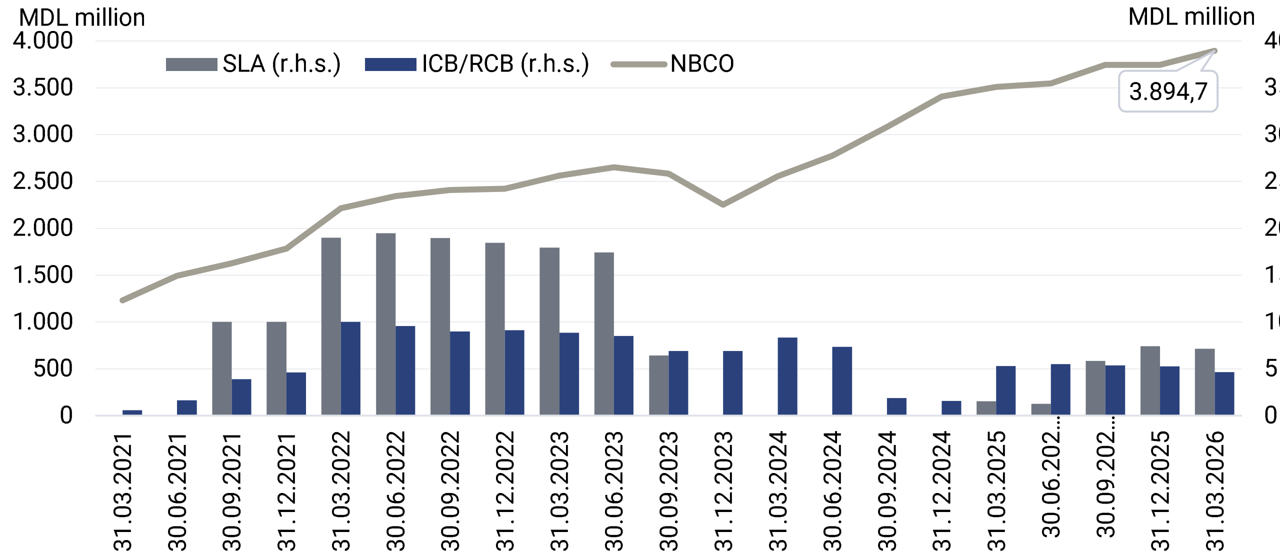
Banks' exposure to the non-bank financial sector

The analysis of banks' exposures to the non-bank financial sector is conducted to identify the risk of intersectoral contagion in light of the intermediate objective of the Macroprudential Policy Strategy regarding the limitation of concentrations of direct and indirect exposures.

During the first quarter of 2026, the balance of loans granted by banks to the non-bank financial sector increased by 4.0%, reaching MDL 3,947.7 million, which represents 3.6% of the banks' total portfolio (a level similar to that recorded in the previous quarter).

In the first quarter of 2026, the banks' portfolio included 290 active loans granted to non-bank credit organisations (NBCO), savings and loan associations (SLA), and insurance/reinsurance companies and brokers (ICB/RCB)s, totalling MDL 3,906.5 million, which represented 3.6% of the banks' total portfolio. The banking sector's direct exposure to these financial entities increased by MDL 147.5 million, or 3.9%, compared to the previous quarter *(Figure 3)*.

Figure 3. Evolution of bank loans granted to NBCO, SLA, and ICB/RCB



Of the total amount of these loans, 99.7% were granted to NBCOs and 0.2% to SLAs. Exposures to ICBs/RCBs accounted for 0.1% as of the end of the first quarter of 2026. In terms of loan quality, as of the reporting date, 100% of the loans granted to NBCOs, SLAs, and ICBs/RCBs are classified in performing risk categories.

The outstanding balance of loans granted by banks to NBCOs totalled MDL 3,894.7 million. During the quarter under review, exposure to NBCOs increased by 4.0% compared to the previous quarter and by a more pronounced 11.0% compared to the same period of the previous year.

In addition, the volume of new loans granted increased compared to the previous quarter, reaching MDL 381.0 million.

Risk dashboard for the NBCO, SLA, and insurance sectors

With reference to the risk dashboard for the **NBCO sector** (Annex 1), in the first quarter of 2026, the main prudential and business indicators remained relatively stable. Lending activity continued to show moderate growth, including in the segment of loans granted. At the same time, the sector's dependence on external financing—including funds raised from banks and other financial institutions—did not change significantly. Capital adequacy continued to support the sector's ability to absorb moderate shocks, and the foreign exchange position remained manageable.

In the case of the **SLA sector**, according to the risk dashboard (Annex 1), the indicators show that a moderate risk profile and stable activity have been maintained. The growth of assets and the loan portfolio continues to evolve at a moderate pace, while the number of members has continued to see a modest adjustment. The quality of the loan portfolio remained relatively stable, with the non-performing loan ratio showing no significant changes during the reporting period. The structure of attracted resources remains focused on short-term deposits, and the capital level continues to ensure an adequate capacity to absorb moderate risks.

Overall, developments in the first quarter of 2026 indicate that the non-banking sector remains resilient, supported by relatively stable prudential indicators, consistent loan portfolio quality, and adequate capital levels.

With regard to the risk dashboard for the **insurance sector** (Annex 2), in the first quarter of 2026, the volume of assets remained considerably above the historical average, influenced in particular by the growth in assets in the property and casualty insurance sector. The other indicators fluctuated around their historical averages.

Bank lending survey

In order to determine the financing conditions and risk profile of the financial and banking system in the Republic of Moldova, the NBM conducts a quarterly Bank Lending Survey [11].

According to the results of the bank lending survey, during the first quarter of 2026, **lending standards for nonfinancial companies eased slightly** (a net percentage[12] of 3%). This development was almost in line with the expectations expressed by respondents in the previous round of the survey (4%). Competitive pressures (1%) contributed in particular to the **slight easing** of credit standards, while some banks, taking into account the current context, reported an increase in perceived risks regarding the general economic situation and economic outlook, as well as lower risk tolerance accepted by banks (risk perception -34%). For the coming quarter, respondents **anticipate a slight easing** of credit standards applied to nonfinancial corporations (4%) *(Figure 4)*.

During the period under review, according to respondents' answers, **demand for loans from non-financial companies rose slightly** (2%), exceeding the level forecast by respondents in the previous round of the survey (-9%). This increase occurred against the backdrop of a growing preference among companies to invest in working capital (15%) and fixed assets (15%). For the coming quarter, respondents anticipate a **slight decline** in demand for loans from non-financial companies (-14%) *(Figure 5)*.

According to information provided by respondents, in the first quarter of 2026, the banking sector received loan applications from non-financial companies only in paper form. Thus, 6,754 loan applications were received, and 5,917 were approved. By loan category, the largest shares of total applications received from non-financial corporations were for loans in the trade sector (24.0%), in agriculture (15.0%), loans to individuals engaged in entrepreneurial activities (13.6%), and other sectors (16.4%).

[11] In order to assess the financing conditions and risk profile of the financial and banking system in the Republic of Moldova, the National Bank of Moldova conducts a quarterly Bank Lending Survey, with the participation of 10 banks.
[12] The difference between the percentage of banks that reported a positive change and the percentage of banks that reported a negative change in the indicator. The percentage is calculated based on the market share of the bank's assets as of the relevant date.

Figure 4. Quarterly evolution of credit standards applied to non-financial companies

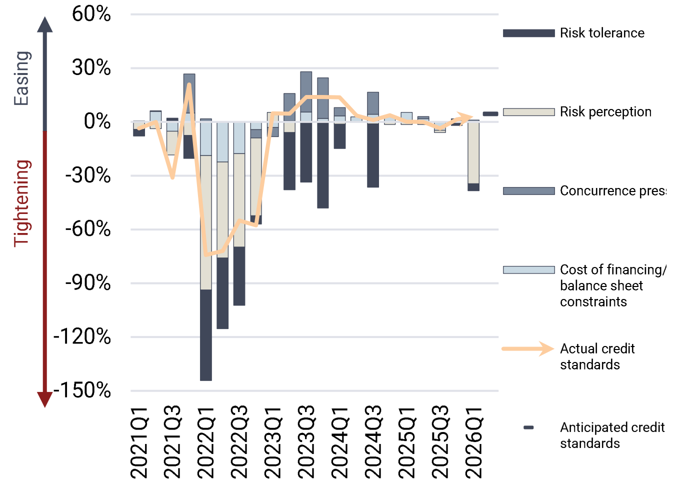
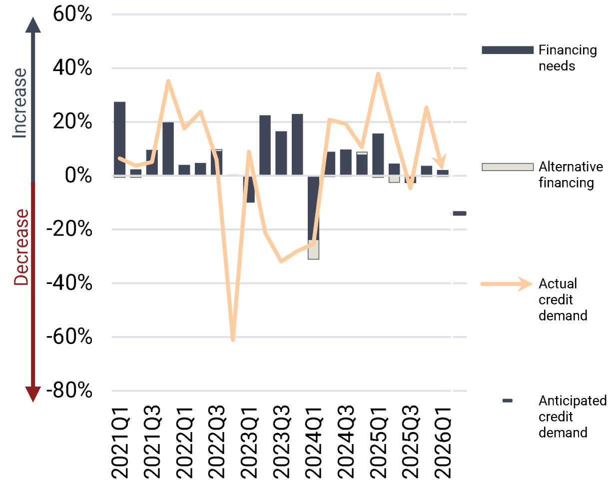
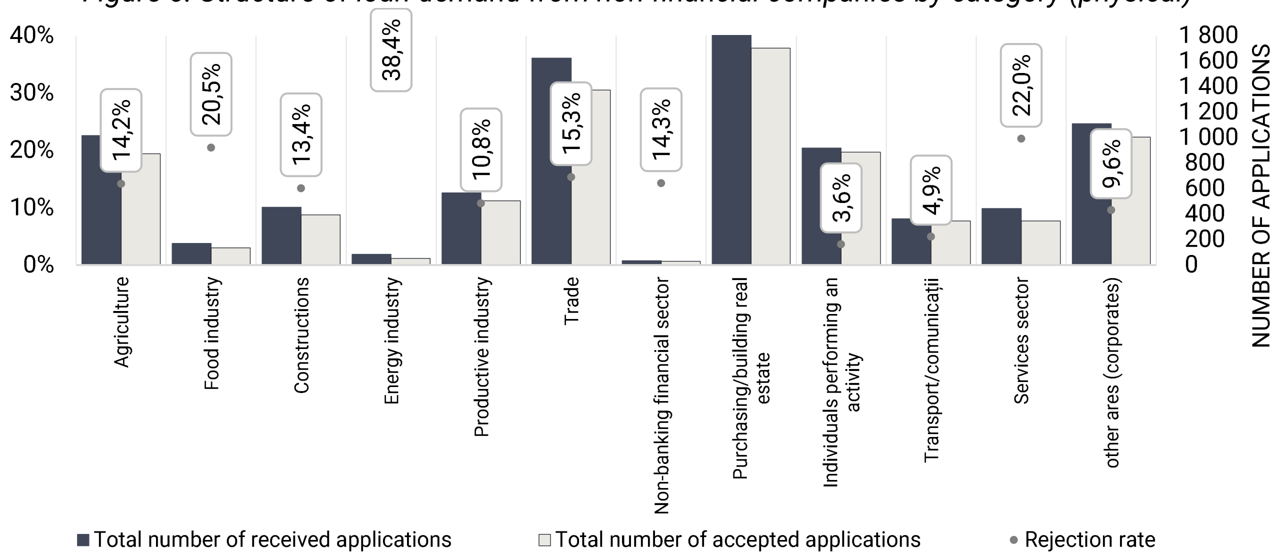


Figure 5. Quarterly evolution of demand for loans from non-financial companies



By loan category, the highest proportions of rejected applications out of the total number of applications received in hard copy for each sector were recorded in the energy (38.4%), services (22.0%), and food industry (20.5%) sectors *(Figure 6)*.

Figure 6. Structure of loan demand from non-financial companies by category (physical)



With regard to **lending standards applied to households**, during the first quarter of 2026, according to respondents, these standards **eased slightly** (by a net 3%), in line with the expectations expressed by respondents in the previous round of the survey. The factors cited by banks that could drive changes in lending standards and their application include perceptions of increased risk (-3%) (the deterioration of the overall economic situation and outlook, expectations regarding the real estate market, including price developments) and competition in the banking and non-banking sectors (-2%). Over the next quarter, respondents anticipate **a slight easing** of credit standards for households (4%) *(Figure 7)*.

During the first quarter of 2026, **demand for loans** from the households recorded a **slight decline** (-1%), contrary to the expectations expressed by respondents in the previous round of the survey (39%), driven by housing market outlook, including the anticipated rise in prices (-27%) and the overall level of interest rates (-11%). For the coming quarter, respondents anticipate a **slight increase** in demand for loans from the households *(Figure 8)*.

Figure 7. Quarterly evolution of lending standards for loans to households

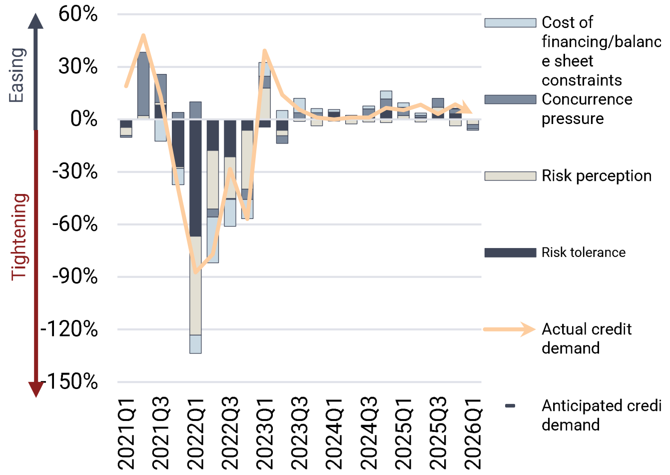
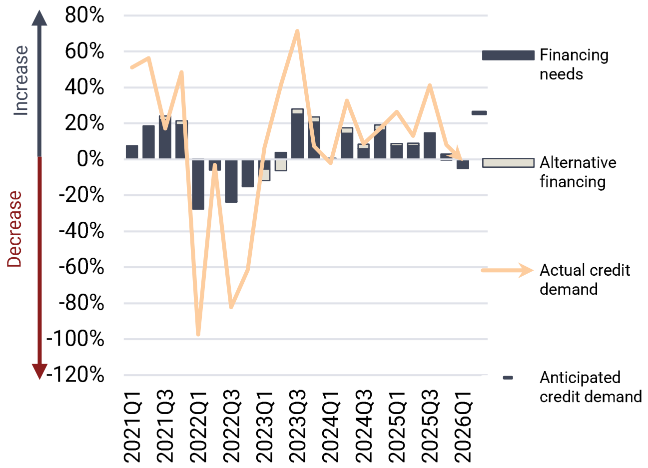


Figure 8. Quarterly evolution of demand for loans from households



According to information provided by respondents, during the first quarter of 2026, the banking sector received 46,268 loan applications from households in paper form, of which 26,025 were approved, and 120,833 applications in electronic form, of which 61,237 were approved.

By requested loan category, consumer loans accounted for the largest share of all applications received in paper form from households (78.9%), while loans for the purchase or construction of real estate and loans in other areas accounted for 6.6% and 14.5%, respectively. For applications received electronically, consumer loans accounted for 94.2%, while loans for the purchase or construction of real estate accounted for 0.2% and loans in other areas accounted for 5.6%.

The share of rejected applications out of the total number of applications received in paper form, by category, was 45.5% for consumer loans, 44.0% for mortgage loans, and 33.9% for other areas (*Figure 9*). Similarly, for electronically submitted applications, the share of rejected applications was 51.8% for consumer loans, 86.3% for mortgage loans, and 6.3% for other areas (*Figure 10*).

Figure 9. Structure of loan demand from households, by category (physical)

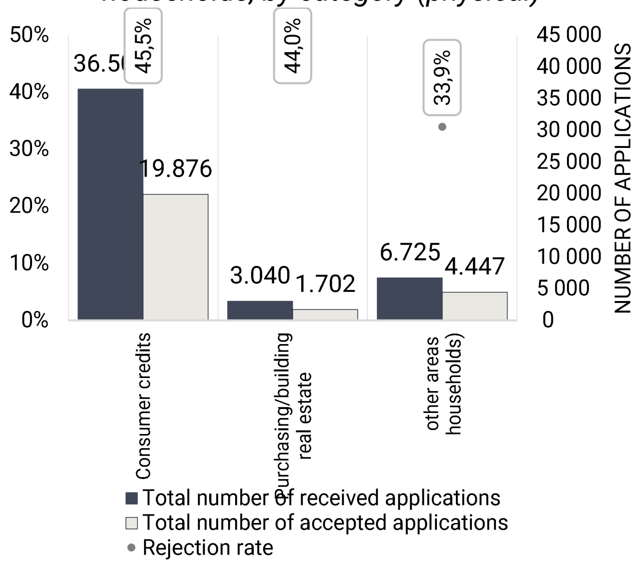
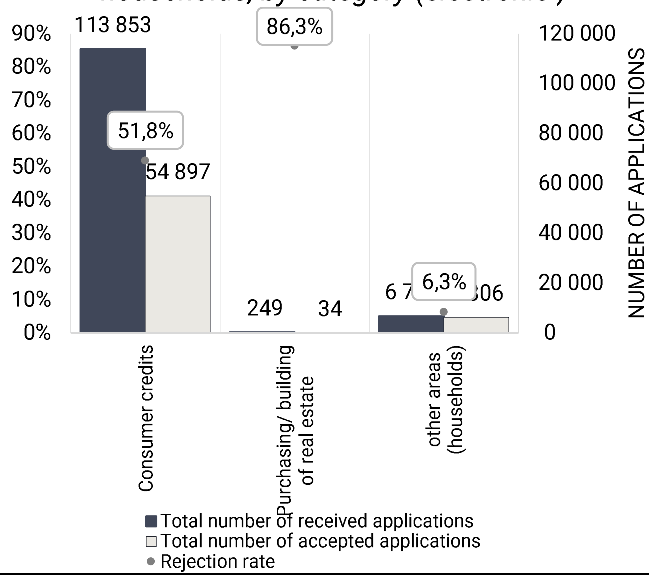


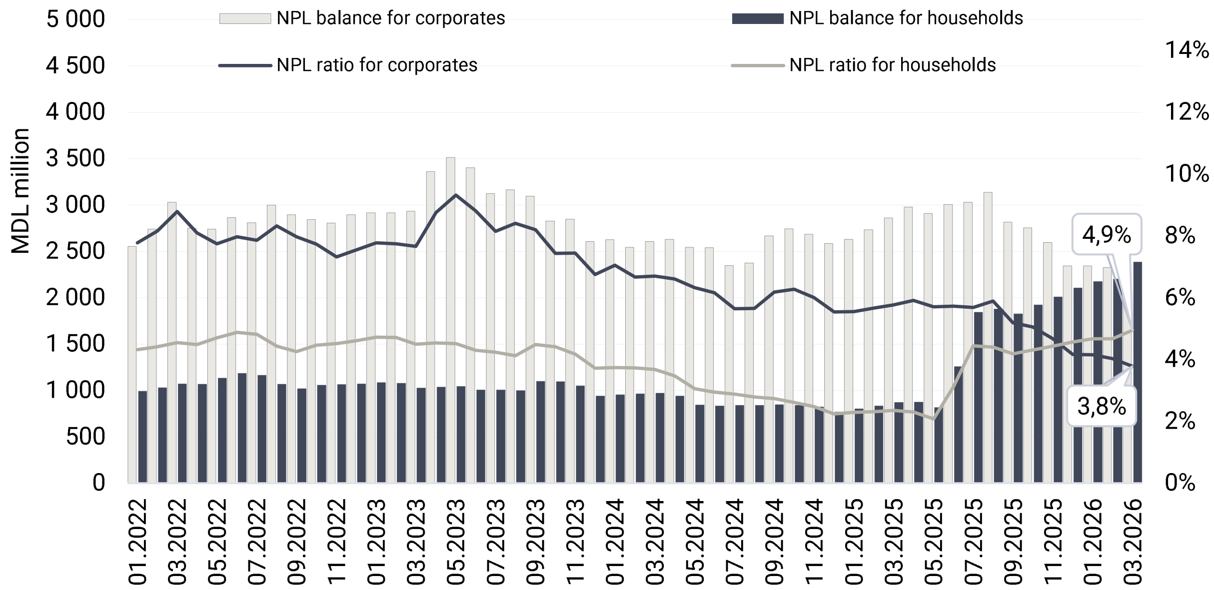
Figure 10. Structure of loan demand from households, by category (electronic)



Credit quality

In the first quarter of 2026, the non-performing loan (NPL) ratio in the banking sector, in accordance with national prudential requirements, decreased by 0.05 percentage points compared to the previous quarter, to 4.3%, of which the NPL ratio for loans to legal entities decreased to 3.8% (-0.4 percentage points), while the NPL ratio for loans to households rose to 4.9% (+0.4 percentage points) *(Figure 11)*.

Figure 11. Evolution of credit quality by type of debtor



* The NPL ratio was calculated in accordance with prudential requirements

The total balance of loans classified as non-performing increased by 4.5% compared to the previous quarter. This trend was driven by a 13.2% increase in the balance of non-performing loans to households and a 3.3% decrease in the balance of non-performing loans to legal entities. For consumer loans to households, the NPL ratio rose by 0.6 percentage points to 4.4%, while for mortgage loans, it rose by 0.2 percentage points to 5.3%.

Regarding the evolution of expired loans, in the quarter under review compared to the previous quarter, the balance of expired loans held by legal entities increased by 1.2% (or MDL 10.4 million) to MDL 869.5 million MDL, as well as a 15.0% increase (or MDL 94.6 million) in the balance of expired loans held by individual borrowers, totalling MDL 725.6 million. Overall, the total balance of expired loans increased by 7.1% (or MDL 105.0 million) to MDL 1,595.1 million.

The share of expired loans to individual borrowers in total loans granted to individuals rose to 1.5% (+0.1 percentage points). Similarly, the share of expired loans to debtors - legal entities in total loans granted to legal entities decreased, standing at 1.5% (-0.03 percentage points) *(Figure 12)*. The increase in the ratio of expired loans granted to individuals was driven by increases in the ratios of expired consumer loans and expired mortgage loans. The quality of the consumer and real estate loan portfolios, as reflected by the ratio of expired loans and the prudential non-performing loan ratio, is illustrated in *Figure 13.*

Figure 12. Evolution of expired loans (30+ days past due)

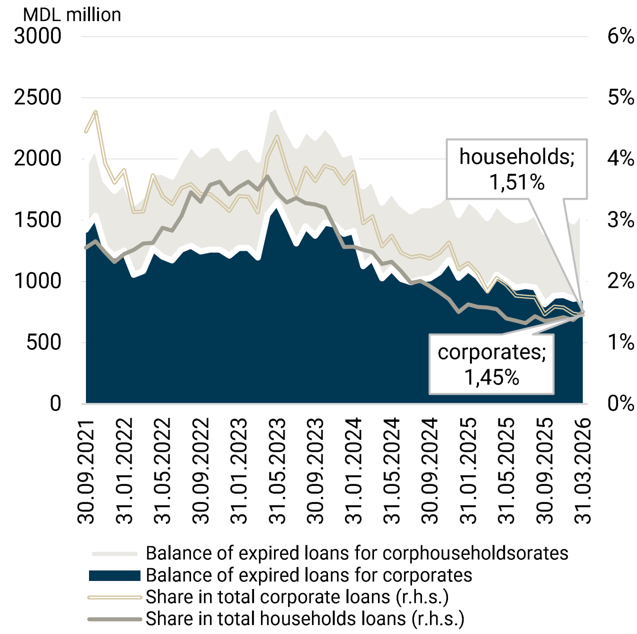
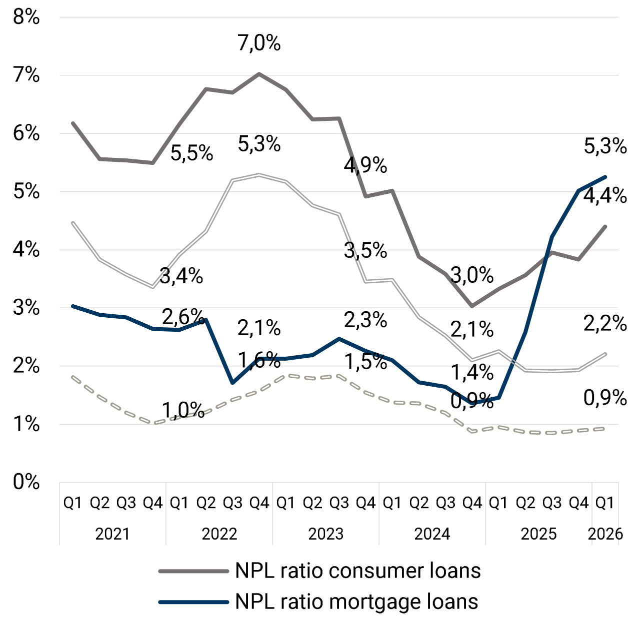


Figure 13. The quality of consumer and mortgage loans



With reference to the risk dashboard for the household sector *(Annex 3)*, in the first quarter of 2026, the portfolio of bank loans to individuals showed a positive trend, supported by an increase in the volume of new loans granted, particularly in the consumer credit and real estate investment loan segments. The quality of the household loan portfolio remained relatively stable, with the non-performing loan ratio for consumer loans and real estate investment loans showing no significant changes during the reference period. At the same time, the share of expired loans remained at a manageable level, reflecting debtors' continued ability to repay.

Bank lending to households

During the first quarter of 2026, the flow of new loans granted by the banking sector totalled MDL 21,016.5 million, up 8.2% from the same period of the previous year, as a result of a 10.6% increase in lending to legal entities and a 3.1% increase in lending to individuals.

The volume of new mortgage loans decreased by 15.8% compared to the same period of the last year, or by 12.8% compared to the previous quarter, totalling MDL 2,401.1 million. The share of new mortgage loans granted in foreign currency and indexed to the exchange rate accounted for 0.8% of the total volume of new mortgage loans granted during the quarter.

The outstanding balance of loans granted for the purchase/construction of real estate as of 31 March 2026 increased by 32.8% compared to the same period of the previous year, or by 5.0% compared to the previous quarter, and amounted to MDL 27,391.4 million, and the share of the outstanding balance of loans granted for the purchase/construction of real estate in the total banking portfolio reached 25.3% in the quarter under review *(Figure 14)*.

The flow of new consumer loans increased by 18.1% compared to the same period of the previous year, but decreased by 0.3% compared to the previous quarter, totalling MDL 4,242.9 million. Consumer lending in foreign currency accounted for less than 0.1% of the total volume of consumer loans granted during the first quarter of 2026.

The total outstanding balance of consumer loans granted by the banking sector amounted to MDL 19,982.8 million, up 28.1% from the same period a year earlier and 3.9% from the previous quarter *(Figure 15)*.

Figure 14. Evolution of new loans and the outstanding balance of real estate loans granted to individuals

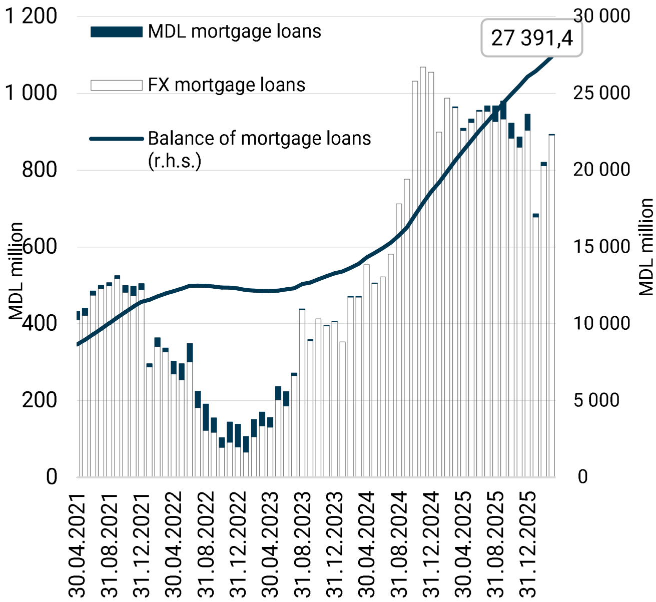
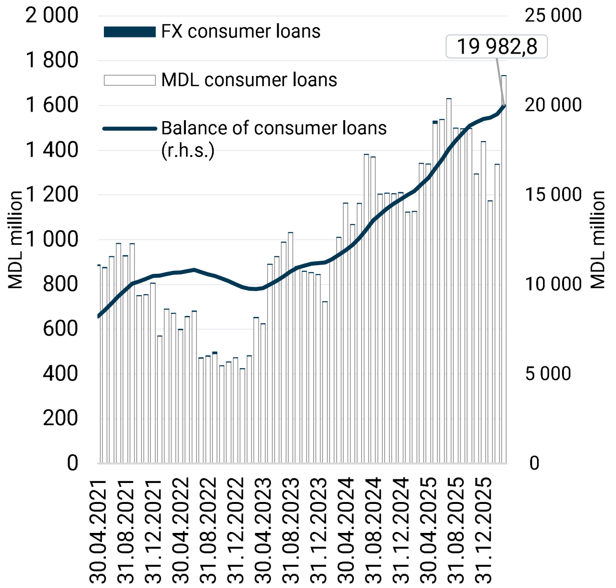


Figure 15. Evolution of new loans and the outstanding balance of consumer loans granted to individuals



Evolution of debtor-oriented indicators

In order to achieve the macroprudential policy objectives defined in the Macroprudential Policy Strategy, an assessment is conducted on a quarterly basis of the risk of excessive indebtedness and significant pressure on households to service their loans (the debt service-to-income ratio—DSTI) and the risk of a discrepancy between real estate prices and real estate investment loans (the loan-to-value ratio—LTV).

During the first quarter of 2026, the distribution of new loans granted to individuals for the DSTI indicator remained concentrated in the 35–40% range. At the same time, 17.0% of new loans were classified in the 40–55% range, which is permissible for debtors with an income twice exceeding the average monthly wage in the economy.

In addition, a share of 5.0% was recorded in the 55–70% range, which exceeds the DSTI limit established under the regulatory framework for responsible lending but fell within the 70% limit set under the government's "Prima Casă Plus" programme *(Figure 16)*. Thus, compared with the previous quarter, there was an increase in the share of new loans granted for all tranches in the 0–45% range, as well as for the 50–55%, 90–95%, and 100–200% tranches, with the largest increase—1.47 percentage points—occurring in the 25–30% tranche of the DSTI indicator *(Figure 17)*. In the reference quarter, 76.9% of new loans granted to individuals had an DSTI below 40%, and 93.9% had an DSTI below the 55% threshold.

Figure 16. Distribution of the share of new loans granted to individuals in the quarter under review, by DSTI intervals

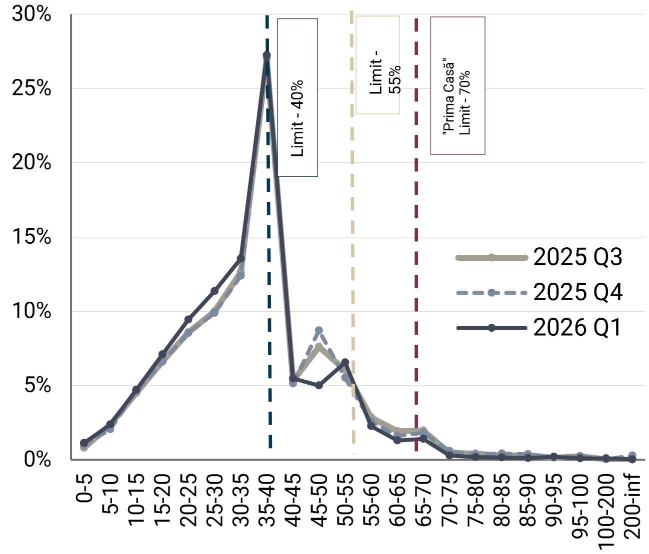
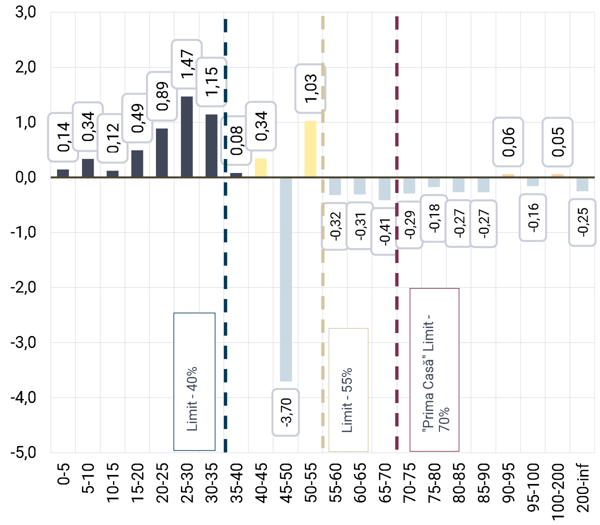


Figure 17. Distribution of the share of new loans granted to individuals: the difference by DSTI tranches compared to the previous quarter (percentage points)



The distribution of new loans granted for the LTV indicator was concentrated in the 75–80% tranche, down from the same period of the previous year *(Figure 18)*. Thus, compared to the previous quarter, a decrease was observed for the 0–60% range, as well as for the 85–90% and 200–infinity ranges, with the largest decrease—9.79 percentage points—occurring in the 35–40% range. For the tranches between 60–85% and 90–200%, an increase was observed, with the most significant increase of 26.33 percentage points in the 75–80% tranche *(Figure 19)*. In the reference quarter, 94.5% of new loans granted to individuals had an LTV below 80%.

Figure 18. Distribution of the share of new loans granted to individuals by LTV intervals

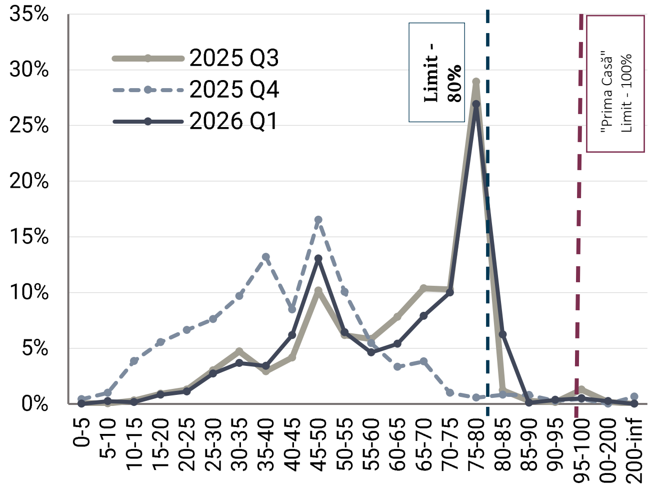
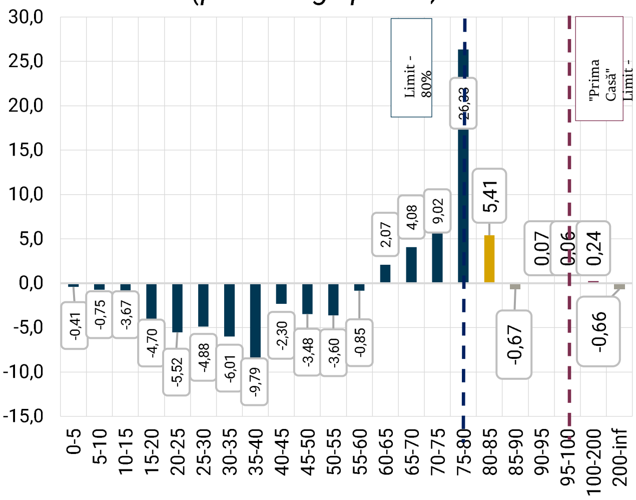


Figure 19. Distribution of the share of new loans granted to individuals: the difference by LTV tranches compared to the previous quarter (percentage points)



Real estate sector

During the reporting quarter, there was a slight increase in offer prices for residential properties compared to the previous quarter.

The total number of real estate transactions[13] recorded in the first quarter of 2026 fell sharply in both the residential and non-residential segments. In the case of sales transactions, the downward trend was even more pronounced.

The total number of building permits issued nationwide declined compared to the same period in 2025, with the decline being even more pronounced compared to the previous quarter. This trend was observed in both the residential and non-residential segments. In Chișinău, the number of permits for the residential sector fell compared to the same period last year, and the decline was even steeper compared to the previous quarter. In the non-residential segment, the number of permits remained stable compared to the same period in 2025, but fell sharply compared to the previous quarter.

In the fourth quarter of 2025[14], the construction sector made a positive contribution to GDP growth (+0.5%), while the real estate transactions sector had a negative impact of -0.2%. In the reference quarter, the share of the construction sector in GDP decreased (by 0.4 percentage points), while the share of the real estate transactions sector declined (by 0.1 percentage points) compared to the previous quarter *(Figure 20)*.

In the fourth quarter of 2025, the aggregate construction price index[15] reached 100.1%, up 0.8 percentage points compared to the third quarter of 2025 and down 0.8 percentage points compared to the fourth quarter of 2024 *(Figure 21)*. The price index for construction and assembly work stood at 100.6%, while that for machinery and equipment was 99.4%.

Figure 20. The share of the construction and real estate sectors in GDP

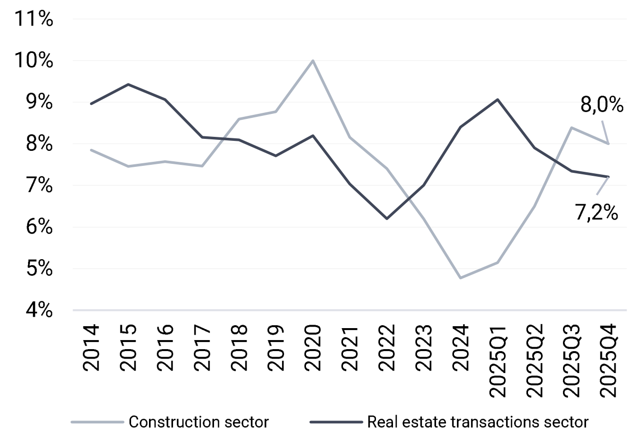
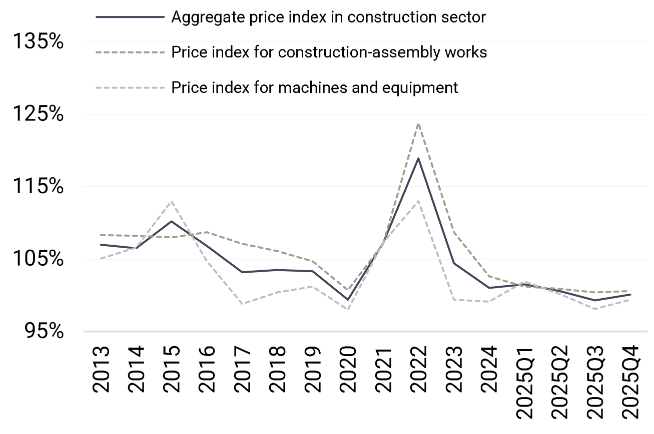


Figure 21. Evolution of the construction cost index, 100% = compared to the previous year



The number of building permits issued during the first quarter of 2026 fell by 3.5% compared with the same period of the previous year (-23.7% compared with the previous quarter). In the residential segment, 0.9% fewer permits were issued compared to the first quarter of 2025 (-18.2% compared to the fourth quarter of 2025) *(Figure 22)*, and in the non-residential segment, 10.7% fewer permits were issued (-36.9% compared to the fourth quarter of 2025 *(Figure 23)*.

From a regional perspective, within the residential segment, the number of permits issued in Chișinău increased by 8.3% compared to the first quarter of 2025 (-14.9% compared to the fourth quarter of 2025). At the same time, there was a 6.5% decrease, compared to the first quarter of 2025, in the number of permits issued in other regions of the Republic of Moldova (-20.4% compared to the fourth quarter of 2025).

[13] The total number of transactions, based on data from the Public Institution "Real Estate Cadastre", comprises the following transaction types: (1) sale and purchase; (2) inheritance; (3) donation and exchange; (4) other documents; (5) mortgage; (6) lease; and (7) primary transactions.
[14] The information is presented based on the latest data available on statistica.gov.md.
[15] The aggregate construction price index consists of the price index for construction and assembly works and the price index for machinery and equipment.

Figure 22. Evolution of residential building permits by region

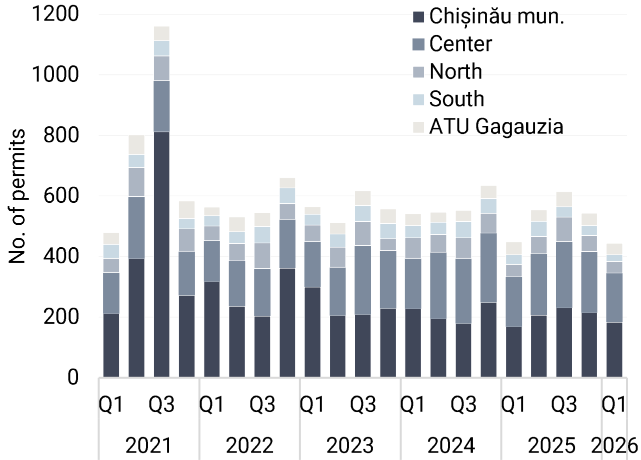
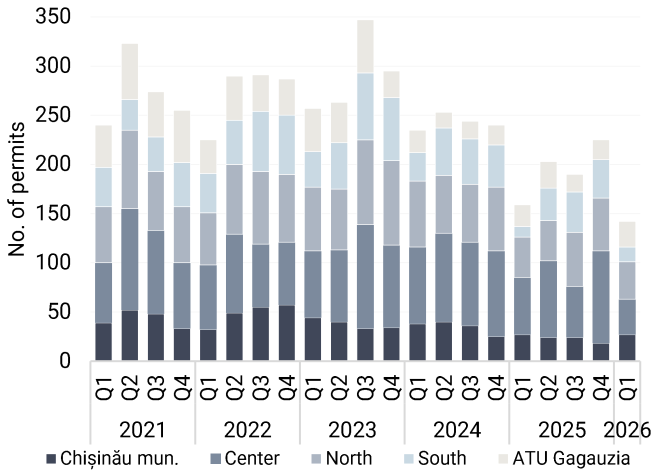


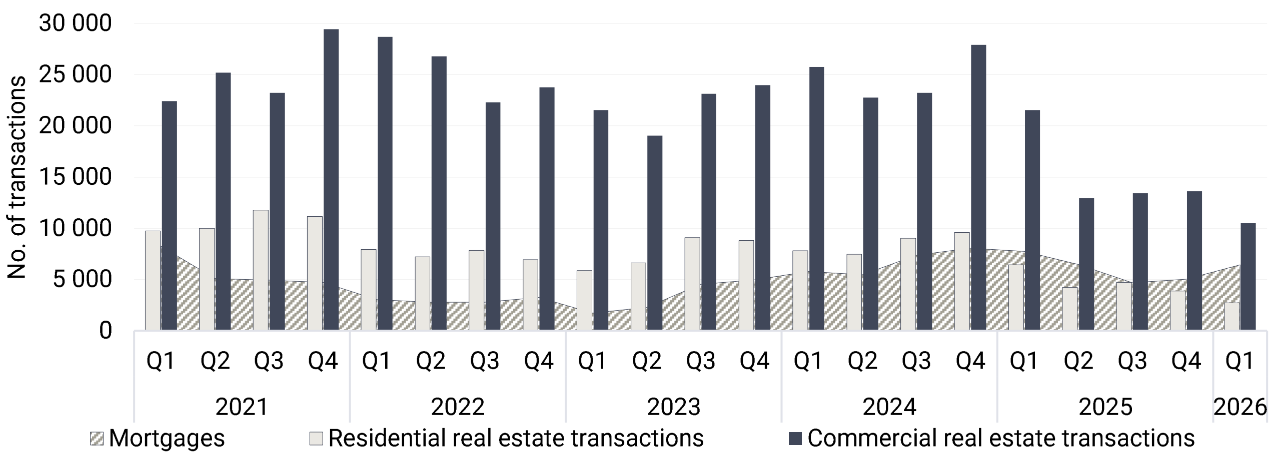
Figure 23. Evolution of non-residential building permits by region



The first quarter of 2026 was marked by a sharp decline in the total number of real estate transactions (-20.7%) compared to the previous quarter (-34.8% compared to the first quarter of 2025). The residential real estate segment recorded a 24.6% decline compared to the previous quarter (-30.9% compared to the first quarter of 2025). The non-residential real estate segment recorded an even sharper decline of 74.0% compared to the previous quarter (-79.4% compared to the first quarter of 2025).

During the reporting quarter, there was a 24.6% decrease in the number of real estate sales and purchases transactions compared to the previous quarter (-52.9% compared to the first quarter of 2025), with 13,200 transactions recorded. Nationwide, mortgages accounted for 48.8% of registered real estate sales and purchase transactions, representing an increase of 20.0 percentage points compared to the previous quarter (+21.1 percentage points compared to the first quarter of 2025) *(Figure 24)*. At the same time, in Chișinău, mortgages accounted for 80.9% of all real estate transactions in the municipality (+21.4 percentage points compared to the fourth quarter of 2025, +48.2 percentage points compared to the first quarter of 2025).

Figure 24. Transactions involving real estate sales and purchases



In Chișinău, 26.8% of the country's total residential real estate sale and purchase transactions and 19.3% of the country's total non-residential real estate transactions were recorded. In the first quarter of 2026, there were 2,026 sales and purchase transactions involving commercial real estate (-28.0% compared to the fourth quarter of 2025 and -70.4% compared to the first quarter of 2025) and 729 transactions involving residential properties (-37.6% compared to the fourth quarter of 2025 and -77.9% compared to the first quarter of 2025) *(Figure 25).*

Regarding the number of real estate lease agreements, 9,839 agreements were registered with the State Tax Service during the reporting quarter, down 2.3% compared to the fourth quarter of 2025 (+31.8% compared to the first quarter of 2025) *(Figure 26)*.

Figure 25. Transactions for the sale and purchase of real estate in Chișinău

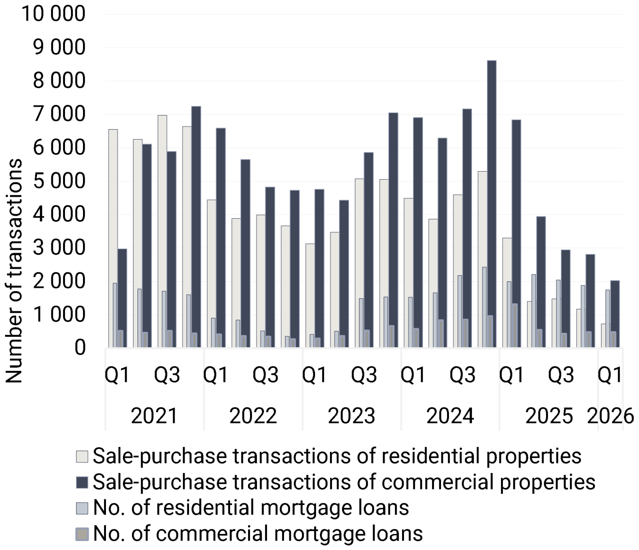
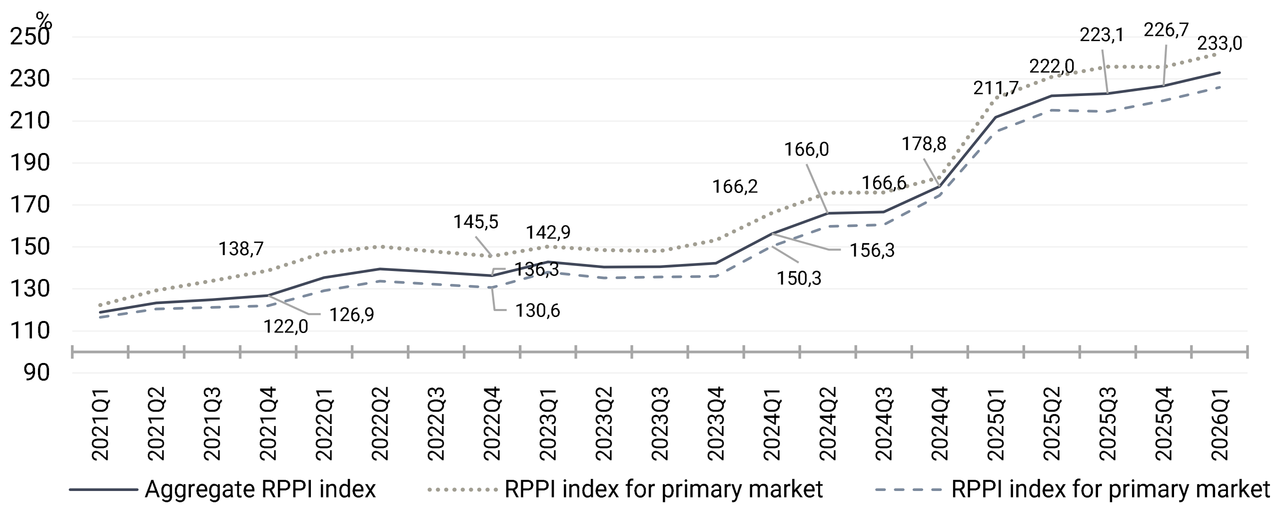


Figure 26. The number of real estate lease agreements registered with the State Tax Service

At the end of the first quarter of 2026, the offer price for residential real estate in Chișinău increased compared to the previous quarter *(Figure 27)*. The aggregate RPPI index, as of the reporting date, stood at 233.0%, up 2.8% from the fourth quarter of 2025 and 10.0% from the first quarter of 2025.

The RPPI index for the offer price of real estate listed on the primary market stood at 242.1%, up 2.7% from the fourth quarter of 2025 and 9.6% from the first quarter of 2025. The RPPI index for the offer price of real estate on the secondary market stood at 226.0%, up 2.8% from the fourth quarter of 2025 and 10.3% from the first quarter of 2025.

Figure 27. Evolution of the Residential Real Estate Price Index (RPPI) for Chișinău, % (2019 = 100%)



At the end of the first quarter of 2026, lending to the construction sector continued the upward trend recorded at the beginning of 2024, with the outstanding balance of loans increasing by 12.6% compared to the end of the fourth quarter of 2025 (+74.1% compared to the first quarter of 2025). Under these circumstances, during the first quarter of 2026, the ratio of non-performing loans—as defined by prudential standards—for the construction sector remained unchanged from the previous quarter, at 1.8%. The balance of non-performing loans as a percentage of total loans increased by 0.1 percentage points compared to the end of the fourth quarter of 2025, reaching 4.3% at the end of the first quarter of 2026.

The banking sector's loan portfolio is secured to the value of 43.6% by real estate collateral, specifically "residential real estate" (24.3%), "commercial real estate" (15.2%), and "land" (4.2%). Collateral in the form of movable property accounts for 19.9%. The mortgage value of the collateral held by all banks is sufficient to cover the loans. The average real estate collateral coverage ratio for the sector is 128.8%.

Based on the data available in the risk matrix for the real estate sector (Annex 4), as well as the analysis conducted as of the end of the first quarter of 2026, the risks related to the overvaluation of residential real estate have persisted.

Stress test results

*In order to identify structural vulnerabilities within banks' loan portfolios, as well as in the sub-portfolios associated with economic sectors, **a sensitivity analysis** of the own funds ratio to a deterioration in credit quality was conducted, simulating the impact of a 1.0 percentage point increase in the NPL ratio on the own funds ratio.*

Credit risk sensitivity analysis, evaluates the impact on the own funds ratio to a deterioration in credit quality. As of March 2026, the segments that would have the greatest impact on the erosion of the own funds ratio, given an increase in the non-performing loans under prudential standards, would be the sector related to the loans in the real estate sector—including the loans granted for its purchase and construction—and the sector related to the loans granted in the commerce sector.

*For the purposes of prudential supervision and in order to mitigate the negative impact of a potential crisis caused by the default of one or more large groups of debtors in the banking sector of the Republic of Moldova, a **stress test regarding the default of these debtor groups** was conducted.*

The stress test results show that, based on the simulated scenarios, no bank will have own funds ratio fall below the minimum requirement of 10% in the event of the bankruptcy of the groups included in the study. At the same time, the results of the scenarios show that the banks will continue to meet the individual OCR requirements. Banks' exposure to the 16 analysed groups in the first quarter of 2026 amounted to MDL 2,317.9 million, an increase of MDL 93.8 million, or +4.2%, compared to the end of the fourth quarter of 2025. Net non-performing exposures (non-performing loans not covered by capital reserves) reported to banks' capital amount to a maximum of 1.77% for one group.

*In order to identify risks and mitigate the negative impact of a potential crisis in the banking sector, **a liquidity stress test was conducted based on the banks' liquidity coverage ratio (LCR)***.

Five scenarios were simulated as part of the LCR stress test. For each scenario, individual stress parameters were used, relating to the haircut, liquidity outflows, and liquidity inflows. The severity of the scenarios was calibrated based on a gradual increase in impact from the first scenario (the least severe) to the fourth scenario (the most severe). Additionally, in the fifth scenario, for cash outflows, the stress parameters were calibrated based on historical data, as follows:

- Retail deposits (63%) – the average withdrawal amount for interest-bearing and non-interest-bearing demand deposits held by individuals, at the 99.95% percentile of the observation series.
- Deposits not covered by a deposit guarantee scheme (80%) – the average withdrawal amount of interest-bearing and non-interest-bearing demand deposits of legal entities, at the 99.95% percentile of the observation series.

The banking sector reported a high level of liquidity at the end of the first quarter of 2026. The aggregate LCR stood at 299.8%, placing banks in a strong position with regard to liquidity risk. Compared to the previous quarter, when the ratio stood at 295.0%, the reporting quarter saw an increase of 4.8 percentage points, driven by a decrease in liquidity outflows of MDL 409.4 million (–3.1%) and a reduction in reserves of MDL 595.5 million (–1.5%).

The results obtained from applying the first two stress scenarios to total liquidity showed that no bank in the sector would experience liquidity shortfalls, as they would all remain above the minimum regulatory threshold for the LCR (100%).

The breakdown by currency shows that the banking sector has a stronger position in MDL, while reserves and net inflows in foreign currency (EUR and USD) would not cover potential liquidity risks for a bank even under the first scenario.

Annex 1

Risk Overview: NBCO and SLA Sectors

Category	Indicator	2016				2017				2018				2019				2020				2021				2022				2023				2024				2025				2026
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
NBCO	Number of NBCOs																																									
	Number of clients, yoy																																									
	Total assets, yoy																																									
	Loans granted, yoy																																									
	Foreign currency-denominated and foreign currency-linked loans grante																																									
	Share of foreign currency-denominated and foreign currency-linked loar																																									
	Growth rate of non-performing loans, yoy																																									
	Non-performing loan ratio																																									
	Growth rate of loans to households, yoy																																									
	Growth rate of loans to legal entities, yoy																																									
	Bank loans and other borrowings, year-on-year change																																									
	Bank loans and other borrowings received, yoy																																									
	Bank loans and other borrowings received as a ratio to NBFI equity																																									
	Capital-to-assets ratio																																									
	Borrowings from banks, yoy																																									
	Borrowings from the public, yoy																																									
	Borrowings from non-financial corporations, yoy																																									
	Borrowings from households, yoy																																									
	Net foreign exchange position																																									
SLA	Number of SLAs																																									
	Growth in membership, yoy																																									
	Growth in SLA assets, yoy																																									
	Loans granted by SLAs, yoy																																									
	Growth in the number of borrowers, yoy																																									
	Growth in the average loan amount, yoy																																									
	Stock of non-performing loans, yoy																																									
	Non-performing loan ratio																																									
	Savings deposits, yoy																																									
	Average value of deposits attracted by SLAs, yoy																																									
	Capital-to-assets ratio																																									
	Share of deposits with a maturity of less than one year in total deposits																																									

Annex 2

Risk Overview: Insurance Sector

Category	Indicator	2016				2017				2018				2019				2020				2021				2022				2023				2024				2025				2026
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Insurance Companies	Number of Insurance Companies																																									
	Total assets																																									
	Total assets (non-life insurance)																																									
	Total assets (life insurance)																																									
	Paid-up share capital																																									
	Paid-up share capital (life insurance)																																									
	Solvency ratio – non-life insurance																																									
	Solvency ratio – life insurance																																									
	Minimum solvency margin – non-life insurance																																									
	Minimum solvency margin – life insurance																																									
	Total technical provisions																																									
	Technical provisions – non-life insurance																																									
	Technical provisions – life insurance																																									
	Insurance premiums																																									
	of which: life insurance premiums																																									
	of which: natural catastrophe insurance premiums																																									
	of which: agricultural crop insurance premiums																																									
	Claims and insurance benefits paid																																									
	of which: life insurance benefits paid																																									
	of which: natural catastrophe insurance claims paid																																									
	of which: agricultural crop insurance claims paid																																									
	Debt-to-assets ratio (TD/TA)																																									
	Profit or loss before tax																																									
	Return on equity (ROE — net profit/equity)																																									
	Return on assets (ROA — net profit/total assets)																																									
	Liquidity ratio – non-life insurance																																									
	Liquidity ratio – life insurance																																									

Risk Overview: Household Sector

Indicators	2016			2017				2018				2019				2020				2021				2022				2023				2024				2025				2026
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Total Indebtedness																																								
Outstanding Bank Loans																																								
Outstanding Foreign Currency and FX-Linked Loans (Total)																																								
Outstanding Consumer Loans (Banks)																																								
Outstanding Real Estate Investment Loans (Banks)																																								
Share of Real Estate Investment Loans (in Total Bank Loans)																																								
NPL Ratio – Total Loans (Banks)																																								
NPL Ratio – Consumer Loans (Banks)																																								
NPL Ratio – Real Estate Investment Loans (Banks)																																								
Share of Overdue Consumer Bank Loans																																								
Share of Overdue Real Estate Investment Bank Loans																																								
Year-on-Year Growth Rate (Total)																																								
Year-on-Year Growth Rate, Foreign Currency and FX-Linked Loans,																																								
Year-on-Year Growth Rate (Non-Bank Credit Organizations)																																								
Year-on-Year Growth Rate (Banks)																																								
Year-on-Year Growth Rate, Consumer Loans, Households (Banks)																																								
Year-on-Year Growth Rate, Real Estate Loans, Households (Banks)																																								
Interest Rate on New Bank Loans in MDL (Total)																																								
Interest Rate on New Foreign Currency Bank Loans (Total)																																								
Volume of New Bank Loans (Total)																																								
Volume of New Consumer Bank Loans																																								
Volume of New Real Estate Bank Loans																																								
Year-on-Year Growth Rate of New Bank Loans, Households																																								
Credit Standards, Households																																								
Credit Standards, Consumer Loans																																								
Credit Standards, Real Estate Loans																																								
Demand for Loans, Households																																								
Demand for Consumer Loans																																								
Demand for Real Estate Loans																																								
DSTI Ratio on New Loans (Total)																																								
DSTI Ratio on Outstanding Loans (Total)																																								
LTV Ratio on New Real Estate Loans																																								
LTV Ratio on Outstanding Real Estate Loans																																								

Annex 4

Risk Overview: Real Estate Sector

	Category	Indicator	2016				2017				2018				2019				2020				2021				2022				2023				2024				2025				2026	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
1		Construction sector’s share in GDP																																									1
2		Employees in the construction sector																																									2
3		Aggregate construction price index																																									3
4		Building permits issued (residential and commercial)																																									4
5	**Construction**	Volume of construction works, MDL million																																									5
6		Volume of loans to the construction sector, MDL million																																									6
7		Loans to the construction sector as a share of GDP (credit-to-GDP ratio)																																									7
8		Loans to the construction sector as a share of construction sector GDP (sectoral credit-to-GDP ratio)																																									8
9		Non-performing loan ratio in the construction sector																																									9
10		Real estate sector’s share in GDP																																									10
11		Employees in the real estate sector																																									11
12		Volume of new mortgage loans granted, MDL million																																									12
13		Weighted average interest rate on new mortgage loans																																									13
14		Total outstanding stock of mortgage loans, MDL million																																									14
15	**Real Estate Sector**	Loans granted for the purchase or construction of real estate as a share of GDP																																									15
16		Non-performing mortgage loan ratio																																									16
17		Share of floating-rate mortgage loans in total mortgage loans																																									17
18		Share of mortgage loans with a DSTI ratio above 40% (total outstanding portfolio)																																									18
19		Share of mortgage loans with a DSTI ratio above 40% (new loans)																																									19
20		Weighted average contractual maturity of mortgage loans, years																																									20
21		Weighted average residual maturity of outstanding mortgage loans, years																																									21
22		Residential Property Price Index (RPPI)																																									22
23		Residential real estate (RRE) transactions																																									23
24		RRE sale and purchase transactions																																									24
25		RRE mortgages																																									25
26	**Residential Real Estate (RRE)**	Share of RRE mortgages in residential real estate sale and purchase transactions																																									26
27		Residential building permits																																									27
28		Newly completed dwellings (apartments and individual houses), units																																									28
29		Total floor area of newly completed dwellings, square metres																																									29
30		Average floor area of newly completed dwellings, sq.m. per dwelling																																									30
31		Commercial real estate (CRE) transactions																																									31
32		CRE sale and purchase transactions																																									32
33	**Commercial Real Estate (CRE)**	CRE mortgages																																									33
34		Commercial building permits																																									34
35		Share of CRE mortgages in commercial real estate sale and purchase transactions																																									35
36		Loans to households as a share of GDP (household credit-to-GDP ratio)																																									36
37		Annual growth in loans to households as a share of GDP																																									37
38	**Loans to Households**	Share of loans to households with a DSTI ratio above 40% (total outstanding portfolio)																																									38
39		Share of loans to households with a DSTI ratio above 40% (new loans)																																									39
40		Share of loans to households with an LTV ratio above 80% (total outstanding portfolio)																																									40
41		Share of loans to households with an LTV ratio above 80% (new loans)																																									41