National Bank of Moldova

FINANCIAL STABILITY REPORT 2025

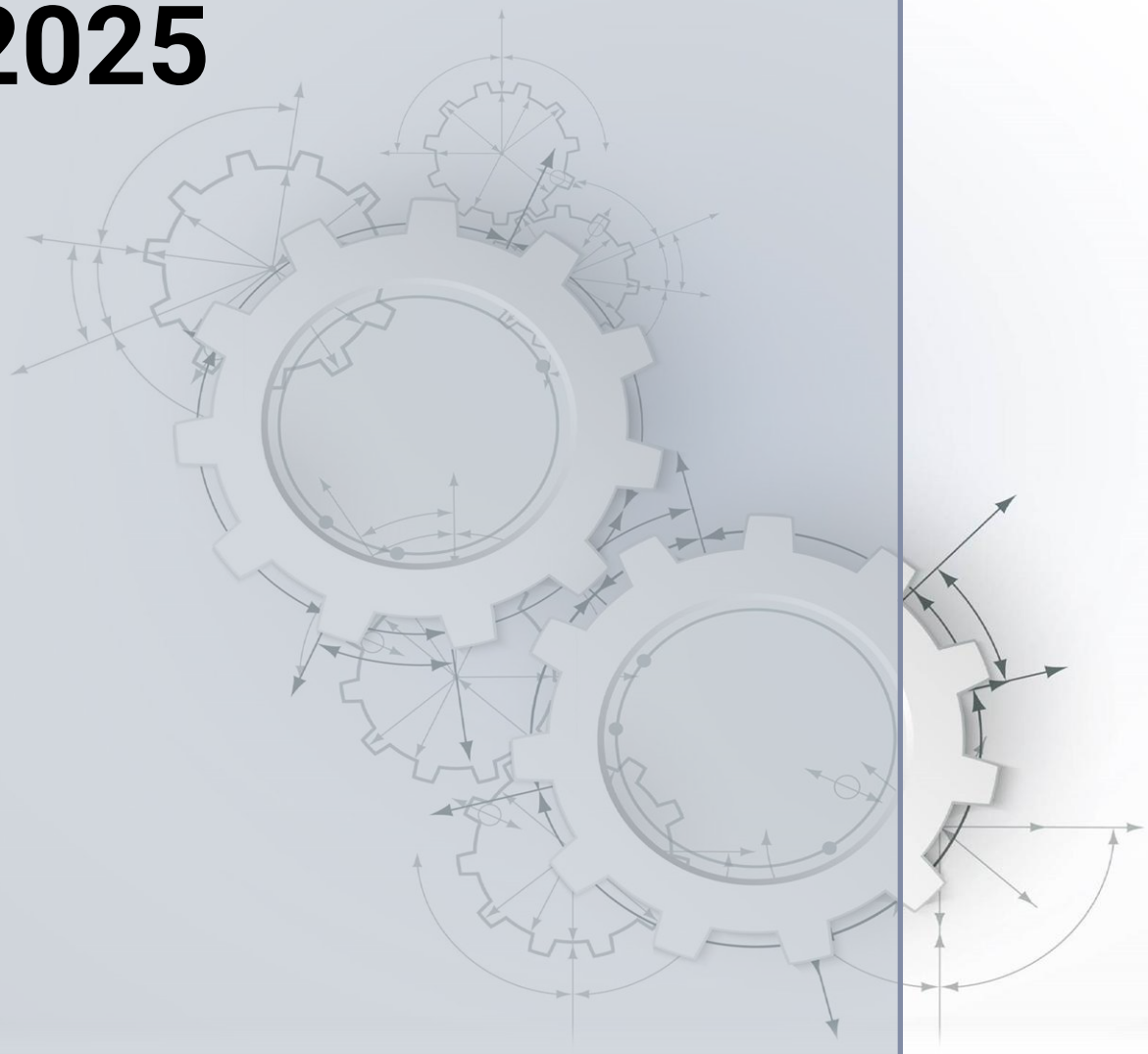


TABLE OF CONTENTS

LIST OF ABBREVIATIONS 3
SUMMARY 4
1. ECONOMIC AND REAL CONTEXT 6
1.1. Macroeconomic developments and risks 6
1.2. Real estate sector 19
1.3. Private sector indebtedness 23
1.4. Sectoral balance sheets and financial accounts 35
1.5. Financial system structure 41
2. BANKING SECTOR RISKS 43
2.1. Banking sector 43
2.2. Credit risk 47
2.3. Liquidity risk 54
2.4. Market risk 60
2.5. Risk of contagion 67
2.6. Climate risk 70
2.7. Risk related to information and communication technology 75
3. RISKS OF THE NON-BANKING SECTOR 77
3.1. Non-bank lending sector 77
3.2. Insurance sector 82
3.3. Non-bank payment service providers 85
4. MACROPRUDENTIAL INSTRUMENTS AND MEASURES 87
4.1. The macroprudential instruments of the NBM 87
4.2. The activity of the National Committee on Financial Stability 90
5. RECENT DEVELOPMENTS AND PERSPECTIVES 92
5.1. Regulations to strengthen the financial stability framework 92
5.2. Deposit guarantee and resolution fund in the banking sector 98

LIST OF ABBREVIATIONS

ASF	Available stable funding
c.p.y.	compared to the previous year
CCyB	Countercyclical capital buffer
CHB	Credit history bureaus
CPI	Consumer Price Index
DEB	Decision of the Executive Board
DGFBS	Deposit Guarantee Fund in the Banking System
DSTI	Debt service-to-income ratio
EU	European Union
EUR	Euro
GB	Government bonds
GDP	Gross domestic product
HHI	Herfindahl-Hirschman Index
ICT	Information and Communication Technologies
IFRS	International Financial Reporting Standard
IMF	International Monetary Fund
LCR	Liquidity coverage ratio
LGR	Loan to guarantee ratio
MDED	Ministry of Economic Development and Digitalization
MDL	Moldovan Leu
MF	Ministry of Finance
NBC	National Bank of Moldova Certificates
NBCO	Non-bank credit organisation
NBFI	Non-bank financial institutions
NBM	National Bank of Moldova
NBS	National Bureau of Statistics of the Republic of Moldova
NCFM	National Commission for Financial Market
NCFS	National Committee on Financial Stability
NPL	Non-performing loans
NRB	Non-residential buildings
NSFR	Net stable funding ratio
OPEC	Organization of the Petroleum Exporting Countries
O-SII	Systemically important institution
p.p.	percentage points
PNR	Positive neutral rate
PSP	Payment service providers
r.s.	right scale
RM	Republic of Moldova
ROA	Return on assets
ROE	Return on equity
RPPI	Residential property price index
RRE	Residential real estate
RSF	Required stable funding
SDR	Special Drawing Rights
SLA	Savings and Loan Association
SMEs	Small and medium-sized enterprises
sqm	square meters
SS	State securities
TB	Treasury bills
USA	United States of America
USD	US Dollar

SUMMARY

The year 2025 was dominated by a moderate economic recovery, though this was still insufficient to fully offset the shocks of previous years. The Moldovan economy grew by 2.4 percent, amid continued external uncertainties, geopolitical pressures and vulnerability to weather conditions. Average annual inflation stood at 7.8 percent and remained above the upper limit of the NBM target corridor, driven by energy tariffs and food prices. At the same time, the external sector and the structure of public debt remained significant sources of vulnerability, including through the widening of the current account deficit, the rise in government debt and the continued high proportion of short-term debt instruments.

Despite these conditions, the national financial system retained its ability to support the economy and continued to expand. The financial system's assets reached 218.2 billion MDL, equivalent to 61.7 percent of GDP, with the banking sector remaining the dominant component, accounting for 87.1 percent of total assets. The banking sector demonstrated an adequate level of resilience, maintaining prudential indicators above regulatory requirements and delivering solid financial performance. Bank assets grew by 11.6 percent, and the aggregate profit of banks increased by 23.6 percent, driven primarily by interest income from lending and investments in government securities. Profitability ratios returned to an upward trend, and the banking sector's overall vulnerability index remained below the vulnerability threshold.

Lending was one of the key developments of 2025. The bank lending portfolio grew by 26.7 percent, with this expansion driven by both corporate lending and household lending. The retail segment experienced particularly rapid growth, with the outstanding balance of loans to this category rising by 35.0 percent. This trend supported financial intermediation but also led to a shift in credit risk. At an aggregate level, the credit risk remained manageable, but pressures shifted more noticeably towards the retail segment, particularly in relation to real estate lending. At the same time, lending non-financial companies intensified, and the quality of their loan portfolios improved.

The banking sector's liquidity position remained comfortable. The liquidity coverage ratio stood at 296.2 percent, and the net stable funding ratio significantly exceeded the regulatory minimum. Stress tests did not identify any liquidity issues in the baseline scenarios, although in the severe scenarios sensitivities are more prominent on foreign currency components. Market risk was influenced by rising interest rates, the attractiveness of state securities and moderate exchange rate pressures. The change in the reference currency for the official MDL exchange rate from the USD to the EUR reflected the growing role of the EUR in the RM's economic relations.

The risks in the non-bank financial sector have, overall, remained limited in terms of financial stability, but certain vulnerabilities require attention. The non-bank lending sector has continued to grow and strengthen, but remains characterised by a high degree of concentration, lower portfolio quality compared with the banking sector, and significant dependence on foreign currency funding from non-residents. The insurance sector has increased its assets and business volume, but profitability has fallen sharply against the backdrop of market liberalisation and the faster growth of claims compared with premiums written. Non-bank payment service providers have strengthened their role in payment processing, but the market remains highly concentrated.

Emerging risks have become increasingly significant. Climate risks are of growing importance to the economy and the financial system, both through physical risks – in particular drought and extreme weather events – and through transition risks. Financial institutions show a high level of awareness, but the effective integration of climate risks into governance, reporting and risk management remains at an early stage. Meanwhile, the accelerated digitalisation of banking services has increased exposure to ICT-related risks, including cyber-attacks, reliance on third-party suppliers and the need to strengthen business continuity plans.

At the macroprudential level, the NBM maintained the instruments aimed at strengthening the resilience of the banking sector and limiting excessive households' indebtedness. The requirements for the capital conservation buffer and the systemic risk buffer were maintained, while lending trends led to the setting and gradual increase of the countercyclical capital buffer for 2026.

The responsible lending framework was revised to harmonise the requirements applied to banks and non-bank credit organisations. At the same time, work continued on strengthening the regulatory framework, harmonising it with European standards and reinforcing protection mechanisms, including by doubling the level of deposit coverage to 200,000 MDL.

Looking ahead, the RM's financial stability remains supported by the banking sector's capitalisation, liquidity and profitability, as well as by the prudent application of macroprudential instruments. However, maintaining resilience requires close monitoring of credit growth, risks in the property and retail sectors, vulnerabilities in the non-banking sector, external pressures, as well as climate and cyber risks. The NBM will continue to monitor economic and financial developments and, where necessary, adjust the available instruments to prevent the build-up of systemic risks and to maintain financial stability.

Note: Since this report was drawn up, some banking data for 2025 has been, or is due to be, modified as a result of the external audit. The data for previous years represents the final figures following the external audit.

1. ECONOMIC AND REAL CONTEXT

1.1. Macroeconomic developments and risks

In 2025, despite escalating trade tensions and worsening geopolitical situation, the global economy grew by 3.3 percent, a result similar to that of the previous year.

In the EU, economic dynamics strengthened. After GDP grew by 1.2 percent in 2024, growth reached 1.5 percent in 2025. This performance was driven by increased investment and a sharp rise in exports, due to expectations of higher customs tariffs. All EU member states recorded GDP growth, with Ireland leading the way at 12.3 percent. In the USA, economic growth slowed. GDP increased by 2.8 percent in 2024 and by 2.1 percent in 2025. The increase in consumption was the main factor supporting economic expansion.

Global growth was driven by a 4.4 percent increase in emerging and developing economies. In China, increased exports offset moderate domestic demand and, as a result, the economy grew by 5 percent. Although Ukraine's public finances deteriorated in the context of the war in Ukraine, the country's economy still managed to expand by 2.0 percent. Even against the backdrop of chronic constraints caused by high inflation, Turkey's economy recorded steady growth, reaching 3.3 percent in 2024 and 3.5 percent in 2025.

Due to the conflict in the Middle East, the level of uncertainty regarding the future trajectory of the global economy is very high.

In this context, the current forecast should be treated as a baseline scenario. According to it, global GDP could grow by 3.1 percent in 2026.

The growth of 1.5 percent is estimated for the EU[1]. The fastest growth, at 3.8 percent, is expected in Malta, while the most modest increase, of only 0.2 percent, could be recorded in Ireland. This modest growth in Ireland's economy would represent a correction in the trajectory following the significant growth in 2025. In the USA, forecasts point to a slight acceleration to 2.4 percent compared with the 2025 outcome.

Table 1.1.1. Change in GDP of the main economic partners of the RM

	2024	2025	2026 e.	2027 e.
Global	3.3%	3.2%	3.1%	3.2%
EU	1.2%	1.5%	1.5%	1.6%
Czech Republic	1.2%	2.3%	2.0%	2.0%
Germany	-0.5%	0.2%	0.9%	1.5%
France	1.1%	0.7%	0.9%	1.2%
Italy	0.7%	0.5%	0.8%	0.6%
Poland	2.9%	3.2%	3.1%	2.9%
Romania	0.8%	1.0%	1.4%	2.7%
China	5.0%	5.0%	4.5%	4.0%
Turkey	3.3%	3.5%	3.7%	3.7%
Ukraine	2.9%	2.0%	4.5%	4.8%
USA	2.8%	2.1%	2.4%	2.0%

Note: e. - estimated
Source: IMF

For emerging and developing economies, the growth of 4.2 percent is projected for 2026. In China, a slowdown is estimated, with economic growth estimated at 4.5 percent. At the same time, GDP growth in Ukraine is expected to accelerate to 4.5 percent, and economic performance in Turkey is expected to strengthen, with growth potentially reaching 3.7 percent (Table 1.1.1.).

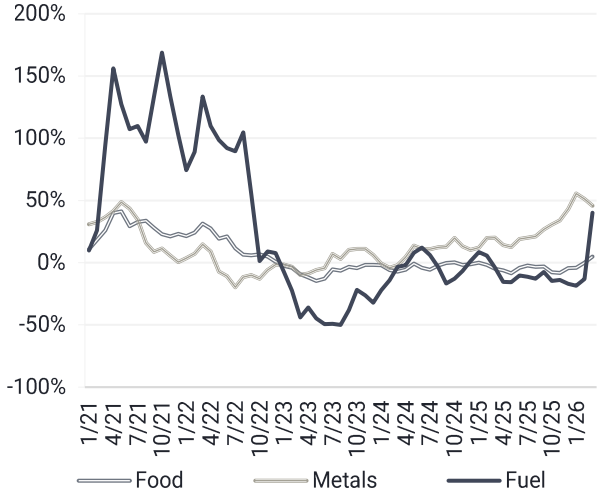
Globally, 2025 was marked by a continued desinflatory trend. Following the inflationary surge in 2022, when prices rose by 8.7 percent, global inflation declined for three consecutive years, reaching 5.7 percent in 2025.

The easing of inflation was driven by a 9.3 percent fall in energy prices and a 4.6 percent fall in food prices. In 2025, the fall in energy prices was due to a 15.9 percent

[1] FMI - World economic outlook update: Global economy: Steady amid divergent forces (2026, January)

drop in oil prices and an 18.9 percent fall in coal prices (Figure 1.1.1.).

Figure 1.1.1. International prices of primary goods, change compared to the same period of the previous year



Source: IMF, NBM calculations

The decline in oil prices occurred as the increase in production by OPEC member states outweighed the reduction in supply caused by the expansion of sanctions on Russia's fuel exports and the intensification of Ukrainian attacks on Russian oil infrastructure. Furthermore, the decrease in global demand for coal, driven by China's shift towards renewable energy and the continued reduction in coal use across the EU, has led to a fall in the price of this fuel. At the same time, the price of gas rose by 16.2 percent. This trend was largely driven by developments in the first half of 2025, amid escalating tensions in the Middle East. Furthermore, metal prices rose by 51.3 percent, driven by rising global demand, combined with operational disruptions in the production of certain metals, such as copper.

In the EU, the inflation rate declined from 2.6 percent in 2024 to 2.4 percent in 2025. However, disparities among member states persisted. The highest rise in prices, at 7.3 percent, was recorded in Romania, where, against the backdrop of an austere budgetary-fiscal policy, inflation was also fuelled by tax increases. At the other end of the scale was France, where inflation stood at 1.1 percent. In the USA, the increase in customs tariffs had a limited impact on domestic prices, and as a result, the inflation rate decreased from 3 percent in 2024 to 2.7 percent in 2025.

In emerging and developing economies, inflationary trends followed divergent paths. In China, amid weak domestic demand, consumer prices stagnated in 2025. In Ukraine, inflation accelerated rapidly, rising from 6.5 percent in 2024 to 12.6 percent in 2025. In Turkey, inflation remained at a high level, although some improvement was observed, with the rate of price growth slowed from 58.5 percent in 2024 to 34.9 percent in 2025.

Similar to the outlook for global economic growth, forecasting the path of inflation remains difficult given the high level of uncertainty generated by the conflict in the Middle East.

An escalation of the conflict could have more severe negative consequences than those already reflected into international fuel prices and could lead to further price increases. Further disruptions to the flow of goods from the Persian Gulf could have negative effects not only on fuel, but also on a broader range of products integrated into international trade chains. For example, a reduction in the supply of fertilisers could lead to higher global food prices, which could amplify inflationary expectations.

In the baseline scenario, inflation is expected to be at 2.2 percent in advanced economies. In the EU, price increases are expected to reach 2.2 percent.

However, national developments will be uneven (Table 1.1.2.). Germany and France are expected price increases of less than 2 percent, while Romania is projected to have inflation below 7 percent, reflecting the effects of the 2025 tax increases. In the USA, the inflation rate is estimated to reach 2.4 percent.

Table 1.1.2. Inflation rate in the main trading partners of the RM

	2024	2025	2026 e.	2027 e.
Global	6.7%	5.7%	4.2%	3.7%
EU	2.6%	2.4%	2.2%	2.2%
Czech Republic	2.4%	2.5%	2.3%	2.3%
Germany	2.5%	2.1%	1.8%	2.0%
France	2.3%	1.1%	1.5%	1.9%
Italy	1.1%	1.7%	2.0%	2.0%
Poland	3.7%	3.8%	2.8%	2.7%
Romania	5.6%	7.3%	6.7%	4.3%
China	0.2%	0.0%	0.7%	1.4%
Turkey	58.5%	34.9%	24.7%	19.5%
Ukraine	6.5%	12.6%	7.6%	5.3%
USA	3.0%	2.7%	2.4%	2.2%

Note: e. - estimated
Source: IMF

In emerging and developing economies, forecasts point to an inflation rate of 4.7 percent in 2026. In China, inflation is expected to rise from 0 percent in 2025 to 0.7 percent in 2026, as rising energy prices are gradually passed on through the economy. In Ukraine and Turkey, inflationary pressures are likely to ease. Thus, in 2026, compared with 2025, inflation could decline from 12.6 percent to 7.6 percent in Ukraine and from 34.9 percent to 24.7 percent in Turkey.

Despite GDP growth of 2.4 percent in 2025, the RM's economy has not managed to fully offset the decline recorded in 2022. Consequently, following a contraction of 4.6 percent in 2022, cumulative growth over the last three years stood at 3.9 percent.

Amid an unfavourable international context, characterised by persistent external shocks and vulnerability to adverse weather conditions, the dynamics of the national economy remains affected. Consequently, the RM has continued to experience a phase of slow economic growth: 1.2 percent in 2023, 0.3 percent in 2024 and 2.4 percent in 2025.

Information and communications, agriculture and construction were the sectors that made the greatest contribution to economic growth; however, declines were recorded in key sectors such as trade, real estate transactions and transportation and storage.

In 2025, gross value added increased by 2.5 percent. At a disaggregated level, gross value-added rose by 12.5 percent in information and communications, by 10.7 percent in agriculture and by 6.6 percent in construction (Table 1.1.3.). Sectors that contributed negatively to economic developments recorded reductions in value added: transportation/storage and real estate transactions declined by 7.2 percent each, and trade contracted by 2.0 percent.

Table 1.1.3. Gross value added by economic activities, change

	2023	2024	2025
Total	2.4%	0.1%	2.5%
Agriculture, forestry and fishing	26.7%	-18.3%	10,7%
Manufacturing industry	-10.8%	-4.0%	3.0%
Constructions	-8.4%	3.4%	6.6%
Wholesale and retail trade; maintenance and repair of motor vehicles and motorcycles	-5.8%	0.9%	-2.0%
Transportation and storage	-4.8%	3.3%	-7.2%
Information and communications	10.5%	11.2%	12.5%
Financial and insurance activities	9.6%	6.1%	2,8%
Real estate transactions	2.9%	-2.7%	-7.2%
Professional, scientific and technical activities	-4.2%	1.3%	7.2%
Public administration and defence; compulsory social insurance	9.1%	1.2%	5.8%
Education	8.2%	-3.9%	8.8%
Health and social assistance	11.7%	3.5%	1.8%

Source: NBS, NBM calculations

In terms of usage, the largest contribution to GDP growth came from gross fixed capital formation and imports of goods and services.

Gross fixed capital formation rose by 16.9 percent. The expansion in investment activity was driven both by a 17.9 percent increase in funding from private sources and a 16.2 percent rise in funding from budgetary sources and public funds. Household consumption rose by 4 percent, driven by higher wage earnings. Exports of goods and services increased by 4.4 percent (Table 1.1.4.).

Table 1.1.4. GDP by expenditure components, change

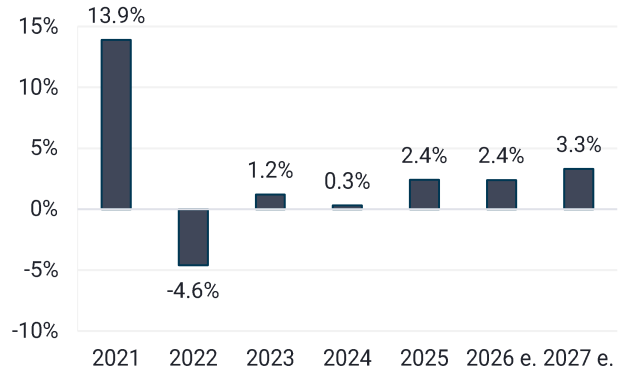
	2021	2022	2023	2024	2025
Final household consumption	17.3%	-4.7%	-1.6%	2.37%	4.0%
Gross fixed capital formation	1.8%	-10.5%	-0.0%	7.96%	16.9%
Export of goods and services	17.5%	29.6%	4.8%	-4.3%	4.4%
Import of goods and services	21.2%	18.2%	-5.1%	5.7%	12.6%

Source: NBS, NBM calculations

The growth in exports was driven by the expansion of service exports, which rose by 10.6 percent. At the same time, exports of goods fell by 1.3 percent. Furthermore, imports of goods and services rose by 12.6 percent, outpacing the growth rate of exports. In case of imports, both services and goods imports recorded similar growth rates.

The RM's economy is projected to record GDP growth of 2.4 percent in 2026 (Figure 1.1.2.).

Figure 1.1.2. Change in GDP



Note: e. - estimated
Source: NBS, MDED

However, uncertainties in the international and regional context could affect the projected evolution.

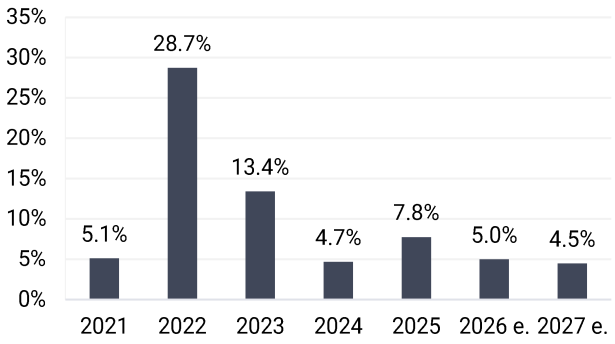
The most important factor underpinning economic growth will be the 18.8 percent increase in gross fixed capital formation.

The expansion in capital formation will be supported by an increase in public investment, which, according to the 2026 budget plan, is set to rise by 50.8 percent in nominal terms. Exports of goods and services could accelerate in 2026 compared with 2025 and are expected to increase by 7.6 percent. Although real wages are expected to rise by 6.9 percent, the increase in household consumption will amount to 2.2 percent.

The year 2025 began with high inflation, with the rate of price growth exceeding 9 percent in January. Although inflationary pressures eased over the course of the year, the inflation rate remained above the upper limit of 6.5 percent of the NBM's target corridor.

Due to the rapid increase in prices at the beginning of the year, the average annual inflation rate in 2025 stood at 7.8 percent (Figure 1.1.3.).

Figure 1.1.3. Average annual inflation



Note: e. - estimated
Source: NBS, NBM calculations

The rise in inflation was driven by increases in gas, heating and electricity tariffs. Furthermore, the more pronounced rise in the prices of vegetables (by 20.3 percent) and fresh fruit (by 26.7 percent) led to a faster rise in food prices. Looking at the components of the CPI, the following annual price increases were recorded: foodstuffs – 8.1 percent, non-food products – 2.7 percent and services – 14.7 percent.

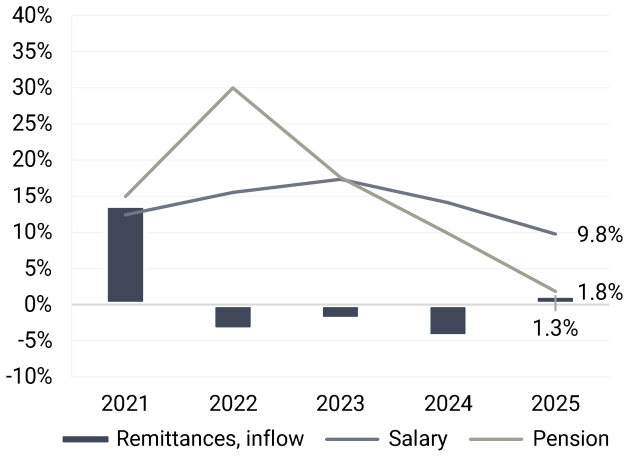
According to the forecast scenario from early 2026, inflation in 2026 is expected to stand at 5.0 percent. However, risks associated with external developments generate heightened uncertainty regarding the inflation trajectory.

According to the forecast, price growth rates are not expected to fluctuate significantly and should remain close to 5.0 percent. The main reason for this moderation is expected to be the high base for comparison recorded in 2025, when inflation rose at a faster pace.

In 2025, household incomes rose in nominal terms, but changes in real terms indicate only marginal growth.

The average salary increased by 9.8 percent in current prices and by 1.9 percent in real terms (Figure 1.1.4.). The average pension rose by 1.8 percent in nominal terms but fell by 5.5 percent in real terms.

Figure 1.1.4. Remittance inflow, average annual salary, average annual pension, nominal change



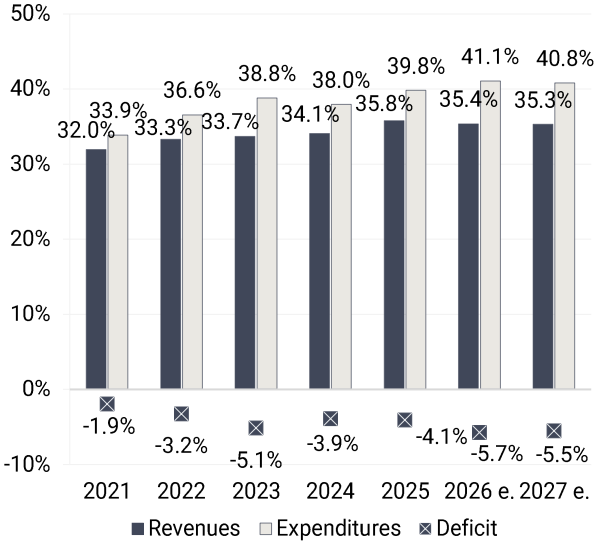
Note: calculations regarding the change in remittance inflow were made based on data taken from the balance of payments expressed in USD
Source: NBS (Earnings and labour costs; Social protection of the population), NBM

Remittances inflow recorded a slight increase of 1.3 percent, thereby interrupting the downward trend observed over the last three years.

Public finances continue to show relatively high deficits, exceeding 2.5 percent of GDP.

In 2025, national public budget revenue amounted to approximately MDL 125.6 billion, representing 35.8 percent of GDP. Expenditure and non-financial assets totalled MDL 139.86 billion, or 39.8 percent of GDP. Consequently, the budget deficit stood at MDL 14.3 billion, equivalent to 4.1 percent of GDP. The 2025 figure is close to the 2024 budget deficit, which stood at 3.9 percent of GDP (12.62 billion MDL). Thus, in 2025, the budget deficit as a percentage of GDP increased by just 0.16 percentage points. However, since 2022, the budget deficit has remained above the 2.5 percent of GDP threshold set out in Law No 181/2014 on public finance and budgetary and fiscal responsibility (Figure 1.1.5.). The budget projections for 2026 estimate that, against a backdrop of expenditure growing at a faster rate than revenue, the budget deficit could rise to 5.7 percent of GDP (21.5 billion MDL).

Figure 1.1.5. Revenues, expenditures and deficit of the national public budget in relation to GDP



Note: e. - estimated
Source: MF, MDED, NBM calculations

State debt

At the end of 2025, minor deviations from the annual limits established for some state debt risk indicators were registered.

As of 31.12.2025, the values of the state debt risk and sustainability indicators were within the established limits, except for two indicators, which recorded insignificant deviations from the value established according to the Program "Medium-term state debt management (2025-2027)" (Table 1.1.5.).

Table 1.1.5. Risk and sustainability parameters related to the state debt

	Values set for 2025	**Value registered as of 31.12.2025**
Risk parameters		
Currency risk		
Share of domestic state debt (% of total)	min. 35%	39.2%
Share of state debt in a specific currency (% of total)	max. 50%	41.3%
Refinancing risk		
Share of state debt falling due within 1 year (% of total)	max. 35%	31.8%

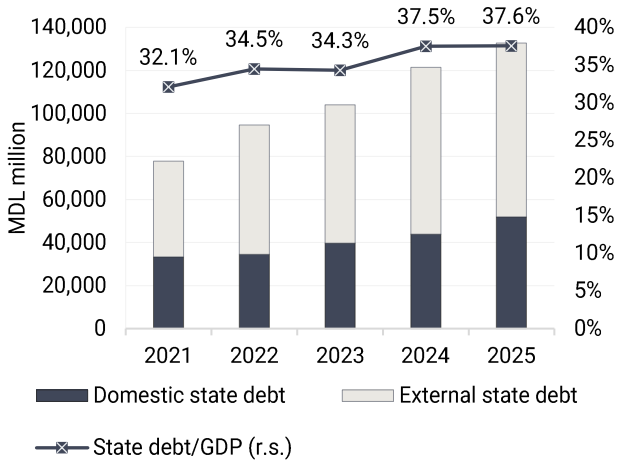
	Values set for 2025	Value registered as of 31.12.2025
Average maturity period for total government debt (years)	min. 6	6.8
State securities issued on the primary market maturing within 1 year (% of total)	max. 90%	**94.9%**
Interest rate risk		
Share of floating rate state debt (% of total)	max. 50%	**58.3%**
Sustainability parameters		
State debt service in relation to state budget revenue excluding grants (%)	max. 10%	5.9%
Share of state debt in GDP (%)	max. 45%	37.6%

Source: MF

In 2025, the share of state debt in GDP increased slightly compared to the previous year, mainly due to the more pronounced increase in domestic debt.

As of 31.12.2025, according to preliminary GDP data for 2025, the share of state debt in the nominal value of GDP amounted to 37.6 percent, 0.1 percentage points more than in 2024 (Figure 1.1.6.).

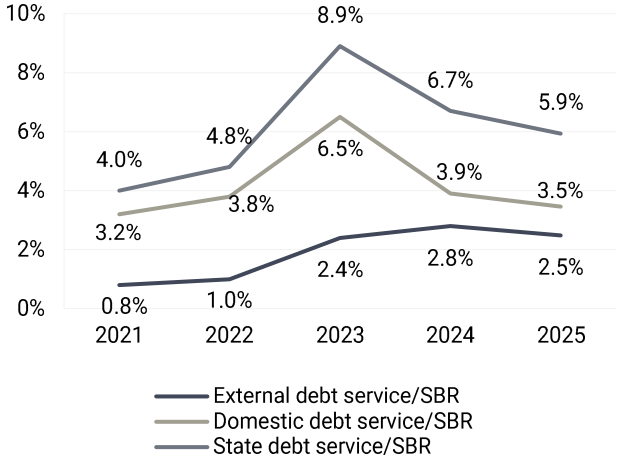
Figure 1.1.6. State debt



Source: MF, NBM calculations

At the same time, the share of state debt service in state budget revenues decreased by 0.8 percentage points compared to the end of 2024, registering a value of 6.7 percent (Figure 1.1.7.).

Figure 1.1.7. State debt service in relation to total state budget revenues



Source: MF, NBM calculations

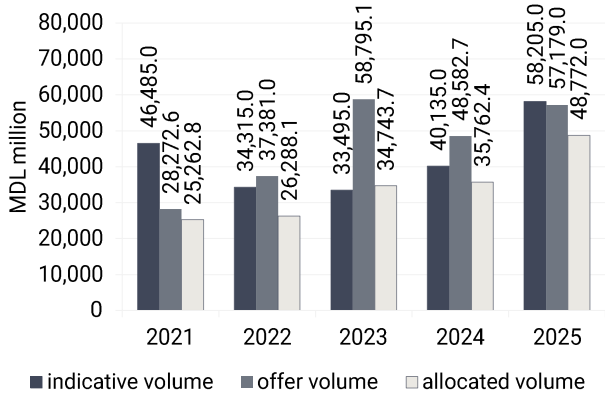
The balance of state debt as at 31.12.2025 stood at MDL 132,777.0 million, an increase of MDL 11,383.0 million, or 9.4 percent, compared with the end of the previous year. This increase was mainly driven by a rise in domestic state debt by MDL 8,036.6 million at face value and in external state debt by MDL 3,349.4 million, driven by positive net financing.

SS issuances

In 2025, the MF kept both the usual maturities of securities offered for sale and the number of auctions held unchanged but gradually increased the volumes of SS offered for sale throughout the year.

The volume requested by investors relative to the indicative volume was predominantly above par during the first half of the year, after which it fell well below par and remained on this trend until the end of the year, an effect attributable in part to the gradual reduction in excess liquidity in the banking sector during this period. A similar trend was observed in the ratio of the indicative volume to the allocated volume (Figure 1.1.8.). The total volume of SS issued in 2025 reached a new historical high of MDL 48,771.8 million.

Figure 1.1.8. Volume of SS issued through auctions



Source: NBM

As regards the structure of SS by maturity traded on the secondary market, the most actively traded remain those with a maturity of up to one year.

Reflecting their risk aversion, investors have opted for SS with a maturity of up to one year, which accounted for the largest share of total SS issued (Table 1.1.6.).

Table 1.1.6. SS structure by maturity

SS	2024	2025
TB-91	2.43%	1.61%
TB-182	41.07%	48.17%
TB-364	54.80%	48.86%
GB – 2 years	0.55%	0.26%
GB – 3 years	0.35%	0.18%
GB – 5 years	0.35%	0.05%
GB – 7 years	0.10%	0.45%
GB – 10 years	0.35%	0.42%

Source: MF

The already modest share of GB in total SS continued to decrease in 2025, and in the TB structure, the share of 182-day securities increased due to the decrease in 91-day and 364-day securities. Thus, the average maturity of the securities issued decreased from 306 days in 2024 to 298 days in 2025.

The volume of SS purchased by non-bank financial institutions reached its highest levels in recent years, but banks remain the main investors in SS.

The relatively high attractiveness of investments in SS strengthened the non-bank investors' interest, as reflected in the renewed surge, at the highest values in recent years, of the volumes purchased by them during 2025: MDL 14,678.8 million (almost double compared for 2024 – MDL 7,790.8 million) or 30.1 percent of SS placed (21.8 percent in 2024).

The total volume of transactions on the secondary market during 2025 doubled compared to the previous year.

This totalled MDL 1,080.6 million (2024: 539.8 million MDL), with the highest monthly figure (MDL 195.9 million) recorded in January. In the structure of SS by maturity traded on the secondary market, the most attractive remain securities with a maturity of up to one year, with the largest share being within the 92 to 182-day range (57.1 percent), followed by those with maturities of 183 to 364 days (24.4 percent).

Furthermore, a slow but steady increase in trading in the GB segment was observed, with its total share reaching 9.4 percent in 2025 (2024: 8.4 percent).

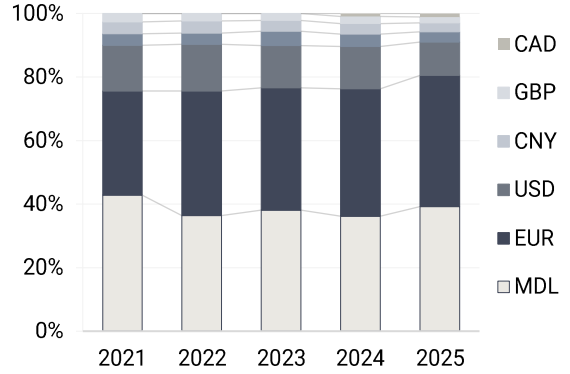
Risks related to state debt

Currency risk is one of the main risks associated with the state debt portfolio, affecting both its cost and volume.

At the end of the reporting year, 60.8 percent of the state debt portfolio consisted of external state debt, which is entirely exposed to currency risk (Figure 1.1.9.).

The structure of state debt by currency, showing the breakdown of the SDR currency basket, highlights the vulnerability of the state debt portfolio to the EUR and USD, which implies the need for continuous monitoring of the exchange rates of these currencies.

Figure 1.1.9. Evolution of state debt broken down by currency



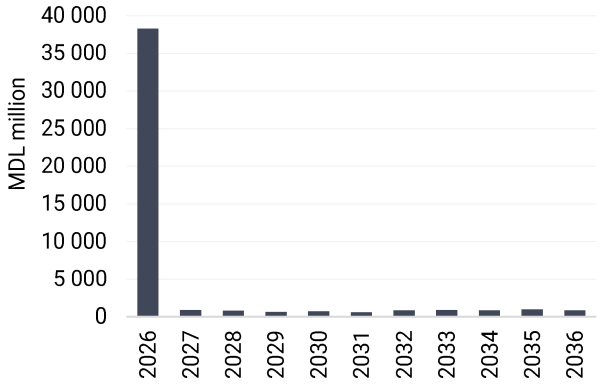
Source: MF, NBM calculations

The share of state debt denominated in EUR and USD accounts for approximately 51.8 percent of the state debt portfolio.

The forecast for the repayment of domestic state debt indicates that repayments will peak in 2026, with the debt consisting predominantly of instruments with short maturities.

According to MF data, the short-term domestic state debt segment, which is to be refinanced each year through new issues of SS, represents a significant risk to the state budget in the context of possible increases in interest rates on the domestic market (Figure 1.1.10.).

Figure 1.1.10. Domestic state debt repayment forecast

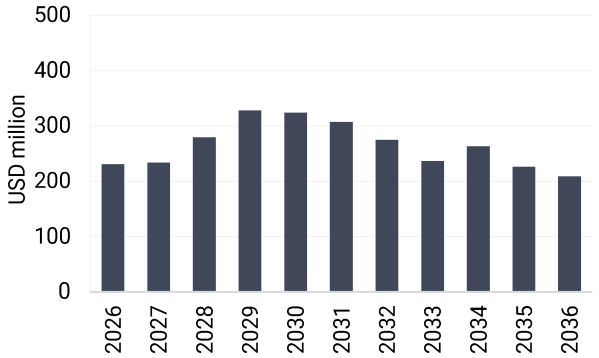


Source: MF

External state debt, characterised by long-term instruments, remained within safe limits, helping to reduce the refinancing risk, and the total state debt due to mature within one year presents a moderate refinancing risk.

The analysis of the repayment profile of external state debt showed a relatively homogeneous distribution of payments, indicating a low refinancing risk. This situation has been facilitated by the repayment structure of external loans, characterized by grace periods and long maturities. However, 2029 will see a peak in payments related to principal repayments (Figure 1.1.11.).

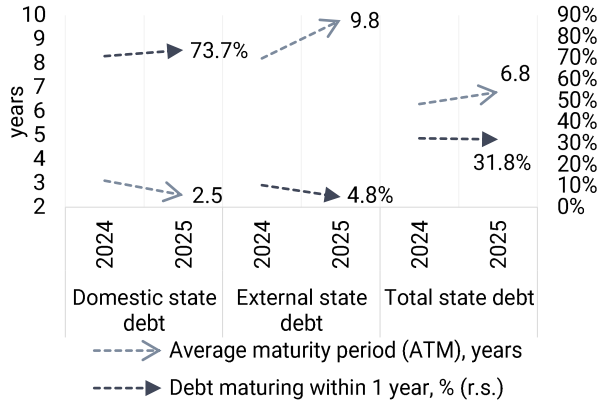
Figure 1.1.11. External state debt repayment forecast



Source: MF, NBM calculations

The domestic state debt maturing within one year increased in 2025 by 2.8 percentage points, compared to the previous year, as a result of the increase in the volume of short-term SS issued. At the end of the reporting year, 73.7 percent of the domestic state debt is due to mature within one year (Figure 1.1.12.).

Figure 1.1.12. Average maturity of state debt and debt maturing in one year



Source: MF, NBM calculations

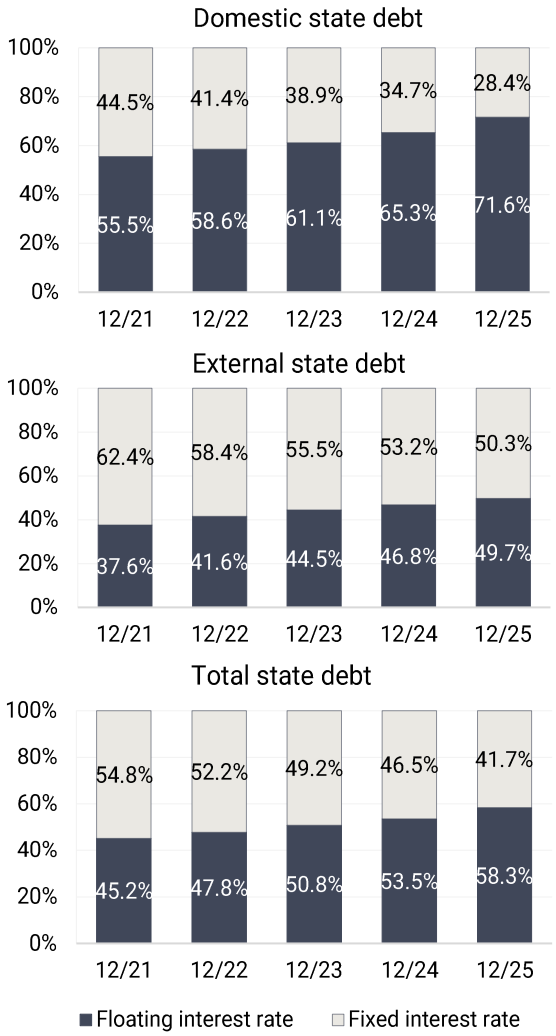
External state debt, due to long-term instruments, remains within the limits set out in the "Medium-Term State Debt Management Program (2025–2027)", and only 4.8 percent of it is due to mature within one year.

Just over half of the total volume of state debt is exposed to interest rate fluctuations.

At the end of 2025, domestic state debt with a floating interest rate showed an upward trend, reaching 71.6 percent of total domestic state debt, an increase of 6.3 percentage points compared with the end of 2024 (Figure 1.1.13.).

The evolution is driven by the majority share of TB in circulation, which, although issued at a fixed interest rate, present a significant exposure to interest rate fluctuations due to the short maturity at which they are issued.

Figure 1.1.13. State debt structure by types of interest rate



Source: MF, NBM calculations

There has also been an increase in the proportion of debt with a floating interest rate in the case of external state debt. Thus, as at 31.12.2025, external state debt with a floating interest rate accounted for 49.7 percent of total external state debt, an increase of 2.9 percentage points compared with the end of 2024. As regards total state debt, the share of debt with a floating interest rate stands at 58.3 percent, reflecting an increase of 4.8 percentage points compared with the end of 2024.

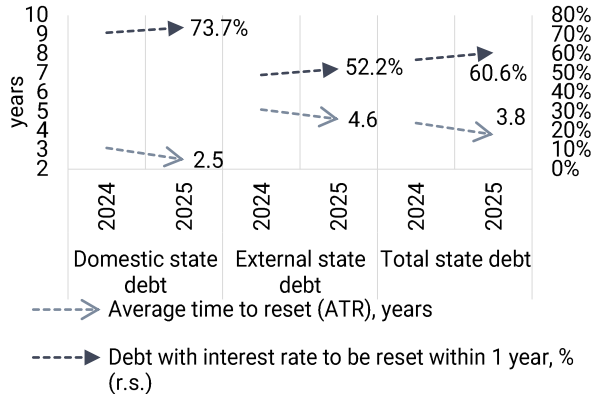
Domestic state debt is more exposed to the risk of rising interest rates, as 73.7 percent of domestic state debt is due to be rescheduled at new interest rates within one year.

During 2025, the proportion of domestic state debt with interest rates due to be reset within one year increased by 2.8 percentage points compared to the value recorded at the end of 2024. Under these circumstances, a rise in interest rates on the domestic market will directly affect the costs associated with domestic state debt. Interest rates on domestic state debt are reset, on average, within 2.5 years.

At the same time, 52.2 percent of external state debt is due to be rescheduled within one year, and interest rates on external state debt are rescheduled, on average, within 4.6 years – 0.5 years less than at the end of 2024.

As regards total state debt, the roll-over period for the entire portfolio stood at 3.8 years (down by 0.6 years compared with 2024), and 60.6 percent of this is due to be refinanced at new interest rates within 1 year, highlighting the state debt's exposure to interest rate risk (Figure 1.1.14).

Figure 1.1.14. The average period of reset of the state debt and the debt to be reset within 1 year



Source: MF, NBM calculations

The evolution of the external sector[2]

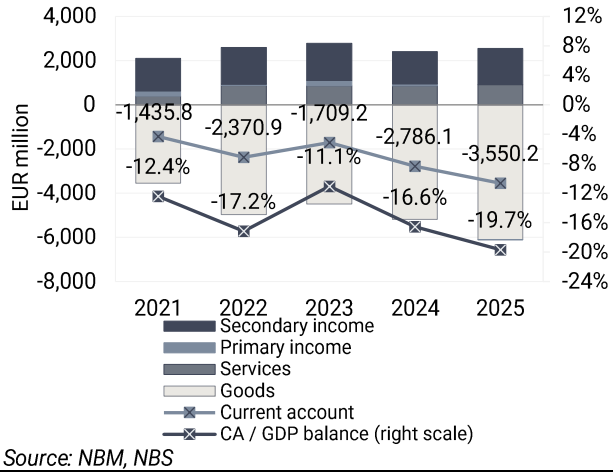
According to preliminary data, in 2025, the current account deficit of the RM's balance of payments widened as a result of the increase in the goods trade deficit and the shift of the primary income account from a surplus to a

[2] The full analytical commentary on the evolution of international accounts can be accessed at: https://bnm.md/ro/search?partitions[0]=677&post_types[677][0]=2237

deficit, while the surpluses in the secondary income and services balance increased.

In 2025, the current account deficit of the RM's balance of payments increased by 27.4 percent compared with 2024 and stood at EUR 3,550.2 million. As a percentage of GDP, the current account stood at -19.7 percent (2024: -16.6 percent) *(Figure 1.1.15.)*.

Figure 1.1.15. Current account - main components



Source: NBM, NBS

The foreign trade deficit in goods[3] recorded in the balance of payments stood at 6,101.1 million EUR and increased by 17.5 percent, as the growth in imports (EUR +970.2 million) exceeded the increase in exports of goods (EUR +62.1 million).

In 2025, foreign trade in goods was shaped by the geopolitical developments in the region.

Goods exports recorded in the balance of payments totalled EUR 2,848.9 million (+2.2 percent compared with 2024), with agri-food products (57.0 percent) being the main category of exported goods, amounting to a total of EUR 1,625.2 million, of which 65.2 percent were plant products, 25.6 percent were food industry products, 7.0 percent were fats and oils of animal or vegetable origin, and the remaining 2.2 percent were live animals and animal products. Other categories of exported goods included: machinery and equipment (13.7 percent of the total), mineral products (6.9 percent), base metals and articles thereof (4.2 percent), articles of stone, ceramics and glass (3.7 percent), etc. Of total exports, 62.6 percent were directed to the EU, 30.4 percent to other countries and 7.0 percent to the CIS[4].

Good imports recorded in the balance of payments amounted to EUR 8,950.0 million (+12.2 percent compared with 2024), of which 19.2 percent was accounted for by mineral products, 16.4 percent to machinery, appliances and equipment, 16.1 percent to agri-food products, 14.1 percent to vehicles and transport equipment, 9.4 percent to chemical industry products, 5.6 percent to base metals and articles thereof, etc. Of the total volume of imports, 63.6 percent came from the EU, 33.6 percent from other countries and 2.8 percent from the CIS.

The surplus in the balance of services was driven by IT services, the processing of raw materials owned by third parties, technical, commercial and other business services, as well as travel services.

The surplus on the balance of trade in services totalled EUR 918.1 million, up 6.3 percent on the previous year, driven by an increase in exports (EUR +310.6 million), which outstripped the rise in imports (EUR +256.5 million). The ratio of the balance of services to GDP stood at 5.1 percent, remaining at the previous year's level.

Exports of services totalled EUR 2,835.2 million, up 12.3 percent on the previous year, driven by increases in the main categories of exported services, particularly IT services, which rose by 20.7 percent to EUR 742.7 million (26.2 percent of total service exports), travel services – up by 10.9 percent to EUR 844.7 million (29.8 percent of the total), technical, commercial and other business services – up by 74.2 percent to

[3] Foreign trade in goods data compiled according to the balance of payments methodology (BPM6) contain several adjustments compared to the data on Foreign Trade in Goods Statistics, compiled by the NBS, for more details on the adjustments we recommend consulting the methodology: https://bnm.md/ro/content/conturile-internationale-metodologia-de-compilare-si-baza-informationala.

[4] Economic transactions with Ukraine are reflected in other countries.

EUR 178.4 million and transport services – by 7.6 percent, to EUR 543.4 million.

Imports of services totalled EUR 1,917.1 million, rising by 15.4 percent due to the 33.7 percent increase in travel services, to EUR 753.9 million (39.3 percent of total service imports), of which personal travel accounted for 84.7 percent and business travel for 15.3 percent. At the same time, transport services rose by 5.6 percent to EUR 667.5 million (34.8 percent of the total), of which road transport accounted for 39.4 percent, air transport for 38.1 percent and maritime transport for 15.4 percent.

In 2025, primary income recorded a deficit, while secondary income resulted in a surplus.

The primary income balance recorded a deficit of EUR 4.4 million, compared with a surplus of EUR 85.9 million in 2024. This trend resulted from the decline in primary income inflows (EUR –112.3 million) exceeding the reduction in primary income outflows (EUR –21.9 million). Primary income inflows were driven by a 7.3 percent decrease in inflows from employees' remuneration, down to EUR 760.7 million, alongside a 27.3 percent decrease in revenue inflows from reserve assets, down to EUR 143.1 million. Primary income outflows were influenced by a 9.2 percent decrease in outflows from compensation of employees to 96.5 percent and a 1.4 percent decrease in outflows from direct investment to EUR 694.1 million.

The secondary income balance increased by 12.4 percent and recorded a surplus of EUR 1,637.3 million, or 9.1 percent of GDP. This development was driven by an 8.3 percent increase, to EUR 2,085.7 million, in secondary income receipts, alongside a 4.5 percent decrease, to EUR 448.4 million, in secondary income payments.

Total inflows from technical assistance, humanitarian aid and grants provided under international cooperation amounted to EUR 517.8 million, while outflows totalled EUR 14.1 million. Transfers received by the public administration totalled EUR 346.8 million (+42.7 percent), while those received by the private sector amounted to EUR 1,738.9 million (+3.3 percent). Personal transfers received by residents from non-residents decrease by 2.0 percent to EUR 933.1 million, while outflows fell by 5.0 percent to EUR 348.7 million.

Personal remittances[5] received by the RM residents in 2025 totalled EUR 1,665.5 million (-3.0 percent compared with 2024), representing 9.2 percent of GDP. The trend in remittance inflows was driven by an increase in inflows from the EU and other countries (+3.0 percent and +2.9 percent respectively), alongside a 4.1-fold decrease in inflows from the CIS (EUR 99.1 million). Remittances received from the EU accounted for 63.4 percent of total inflows, those from other countries for 34.7 percent, and those from the CIS for 1.9 percent. Remittances to non-residents (outflow) amounted to EUR 503.6 million (+2.6 percent).

The capital account maintained a surplus, and the net external financing requirement stood at 19.4 percent of GDP.

In 2025, the capital account recorded a surplus of EUR 49.0 million, down by 33.7 percent compared with 2024, as a result of a 2.5-fold increase in capital outflows, which totalled EUR 70.8 million, and a 17.0 percent rise in capital inflows, which totalled EUR 119.8 million. Capital inflows recorded in the private sector totalled EUR 83.8 million, while outflows amounted to EUR 68.5 million. Technical assistance received from abroad by the public administration to finance investment projects amounted to EUR 36.0 million.

As a result of the current and capital transactions of residents of the RM with non-residents, the net external financing

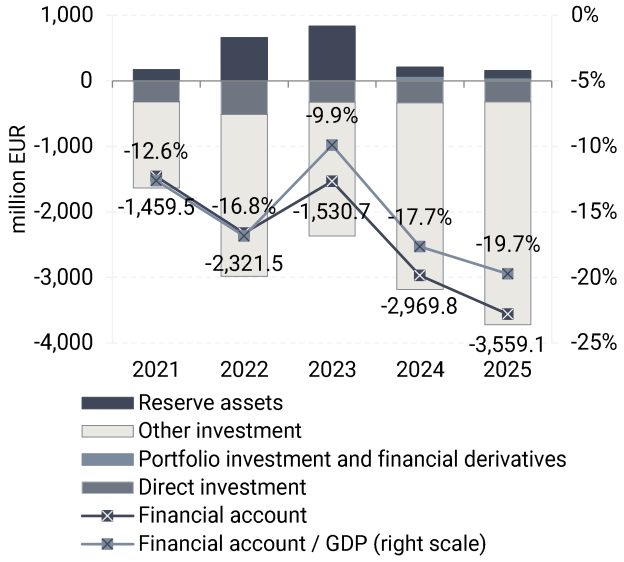
[5] Personal remittances are a supplementary item in the balance of payments and reflect the sum of net compensation of employees (excluding compensation of employees incurred in the host country and some taxes paid by residents abroad), personal and capital transfers between households.

requirement in 2025 amounted to EUR 3,501.2 million (+29.1 percent), which represents 19.4 percent in relation to GDP.

The financial account resulted in significant net inflows.

In 2025, the financial account resulted in net inflows of financial means in the amount of EUR 3,559.1 million (Figure 1.1.16.), as a result of net transactions reducing residents' external financial assets by EUR 2,529.6 million and net accumulation of residents' liabilities towards non-residents by EUR 1,029.5 million.

Figure 1.1.16. Evolution of financial account, by functional categories, net flows



Source: NBM
Note: (+) net outflows, (-) net inflows of financial means

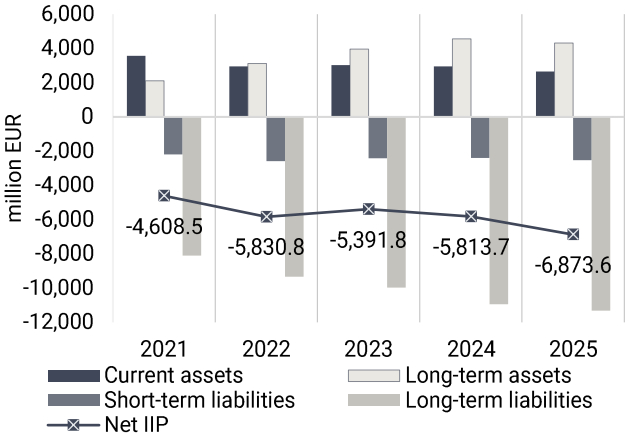
During 2025, transactions involving external financial assets generated net inflows of financial resources, as a result of a net decrease in assets in the form of cash and deposits – of EUR 2,447.4 million – and in those in the form of trade credits and advances – of EUR 308.9 million – and assets in the form of loans – EUR 16.1 million, while reserve assets recorded net outflows (increases) of EUR 112.8 million, as did those in the form of direct investment – EUR 87.7 million – and portfolio investment – EUR 37.9 million.

Under external liabilities, net inflows were recorded resulting from transactions increasing liabilities in the form of direct investment amounting to EUR 408.9 million, those in the form of loans[6] - EUR 403.7 million, and trade credits and advances – EUR 196.4 million and cash and deposits – EUR 30.5 million. At the same time, net transactions reducing liabilities in the form of portfolio investment amounting to EUR 9.2 million were recorded.

The net debit balance of RM's international investment position increased in 2025.

The RM's international investment position, as at 31.12.2025, stood at EUR -6,873.6 million, or -38.1 percent of GDP, an increase of 3.5 percentage points (Figure 1.1.17.).

Figure 1.1.17. International investment position, at the end of the period



Source: NBM

The stock of external financial assets totalled EUR 6,967.0 million, down by 7.4 percent compared with the end of 2024, while that of external liabilities amounted to EUR 13,840.7 million, up by 3.8 percent. The ratio of external assets to external liabilities stood at 50.3 percent (down 6.1 percentage points compared with 31.12.2024).

As at 31.12.2025, reserve assets accounted for 73.3 percent of total external financial assets, other investments for 17.5 percent, direct investment for 7.6 percent, and portfolio investment for 1.7 percent.

[6] The flows related to external loans (liabilities), including intragroup ones, for the year 2025 are evaluated including the accrued interest.

The official reserve assets stood at EUR 5,104.3 million as at 31.12.2025, which meets all adequacy criteria:

- covering at least three months' worth of imports of goods and services (covered 5.6 months);
- full covering of short-term external debt by reserves, based on residual maturity (covered 153.1 percent);
- covering 20.0 percent of the M2 money supply (covered 69.7 percent);
- covering 100–150 percent of the sum: 30 percent of short-term external debt based on residual maturity + 15.0 percent of other external liabilities + 5.0 percent of M2 + 5.0 percent of exports of goods and services (covered 197.0 percent).

External liabilities in the form of other investments account for 61.1 percent of the country's external liabilities. Other investments comprised: loans – 70.0 percent, trade credits and advances – 23.2 percent, special drawing rights – 3.9 percent, cash and deposits – 2.4 percent, and other liabilities – 0.5 percent.

Liabilities in the form of direct investment amounted to MDL 5,373.3 million, representing 38.8 percent of the country's external liabilities or 29.8 percent of GDP. Direct investment consisted of 69.2 percent equity, totalling EUR 3,720.8 million, an increase of 8.1 percent compared with 31.12.2024, and 30.8 percent in debt instruments, which totalled EUR 1,652.5 million (-7.9 percent compared with 31.12.2024).

In terms of geographical distribution, direct investment in the form of accumulated equity holdings and shares, including reinvested earnings/losses, from EU countries increased by 6.3 percent compared with the end of 2024 and totalled EUR 3,143.6 million, those from other countries rose by 16.6 percent to EUR 590.8 million, while those from the CIS recorded a negative value of EUR 13.6 million, down from the EUR -24.5 million recorded at the end of 2024.

The main economic sectors attracting foreign direct investment in the form of equity are financial and insurance activities (33.0 percent), wholesale and retail trade (27.0 percent) and manufacturing (17.7 percent).

The RM's gross external debt accounted for 56.0 percent of GDP, with the largest share being private debt.

The RM's gross external debt[7] increased by 2.4 percent during 2025, totalling EUR 10,110.6 million as at 31.12.2025, which represents 56.0 percent of GDP (-2.7 percentage points compared with 31.12.2024).

Long-term external debt accounted for the largest share of total gross external debt, amounting to 75.0 percent or EUR 7,578.8 million. Short-term external debt (based on original maturity) rose to EUR 2,531.8 million, accounting for 25.0 percent of total gross external debt as at 31.12.2025.

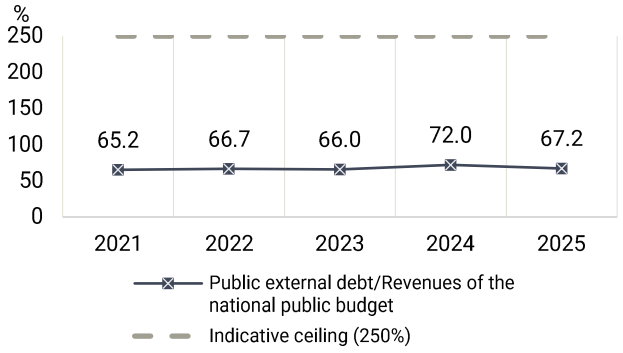
Public external debt accounted for 42.6 percent of total external debt, amounting to EUR 4,310.9 million (+4.4 percent since the start of the year). Private external debt stood at EUR 5,799.7 million, up 0.9 percent compared with 31.12.2024.

The public external debt is sustainable, with all indicators of the degree of external indebtedness being within the limits of the ceilings set by the World Bank and the IMF[8]: the public external debt compared to the national public budget revenues was 67.2 percent (Figure 1.1.18.) and compared to GDP – 23.9 percent (Figure 1.1.19.).

[7] External borrowing positions, including intra-group ones, for 2025 are assessed including accrued interest.

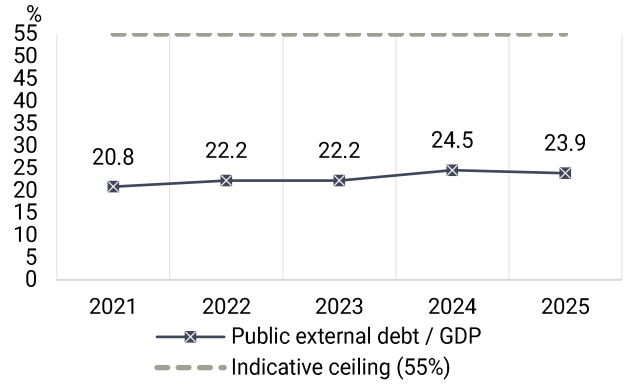
[8] Indicative ceilings based on the CPIA (Country Policy and Institutional Assessment) score developed by the World Bank. In 2019, the IDA resource allocation index of the RM was 3.7, thus the ceilings were set at: 55 percent for the ratio of public external debt to GDP, 250 percent for the ratio of public external debt to national public budget revenues.

Figure 1.1.18. Ratio between the public external debt and national public budget revenues (31.12.2025)



Source: NBM

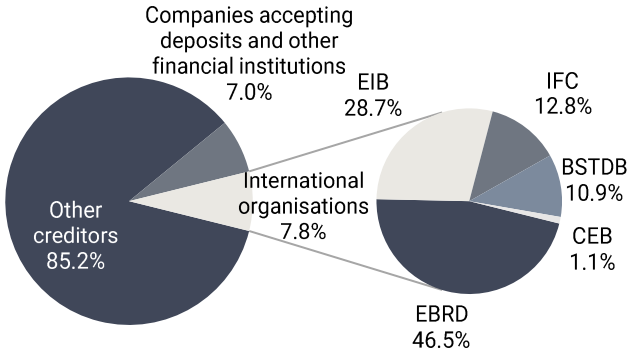
Figure 1.1.19. Ratio between the public external debt and GDP (31.12.2025)



Source: NBM

The breakdown of the private sector's main creditors is shown in Figure 1.1.20.

Figure 1.1.20. Private debt creditor structure, as of 31.12.2025



Source: NBM

As at 31.12.2025, the European Bank for Reconstruction and Development stood out among international organisations (7.8 percent of the total) – EUR 101.5 million, followed by the European Investment Bank – EUR 62.7 million, the International Finance Corporation – EUR 27.8 million and the Black Sea Trade and Development Bank – EUR 23.8 million. An analysis of the key external debt indicators shows the consistent quality of favourable external financing, as indirectly reflected by the average annual implicit interest rate on external debt in the form of loans and SDR allocations, estimated at 2.1 percent (-0.4 percentage points compared with 2024).

The implied average maturity[9] of long-term external debt in the form of loans was 6.4 years in 2025, similar to that of the previous year. This indicator is linked to the trend in the refinancing rate, which fell to 119.5 percent in 2025[10] (146.8 percent in 2023), as a result of the slowdown in the process of attracting external financing in the form of loans.

1.2. Real estate sector

In 2025, activity in the real estate market remained relatively subdued across both the residential and commercial property segments.

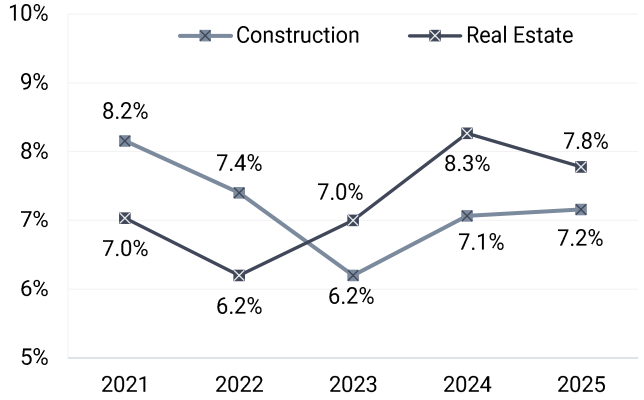
The construction sector made a positive contribution of 0.5 percent to GDP growth, while the "Real Estate Transactions" sector made a negative contribution of 0.6 percent. At the same time, compared with 2024, the share of the "Real Estate Transactions" sector in GDP declined by 0.5 percentage points in 2025, while the share of the "Construction" sector increased by 0.1 percentage points (Figure 1.2.1).

Real estate transaction activity followed a pronounced downward trend in 2025, affecting both the residential and non-residential segments.

[9] In how many years will the debt be paid off, if current repayments are maintained and there are no new withdrawals?

[10] Ratio of new withdrawals to repayments on long-term loans

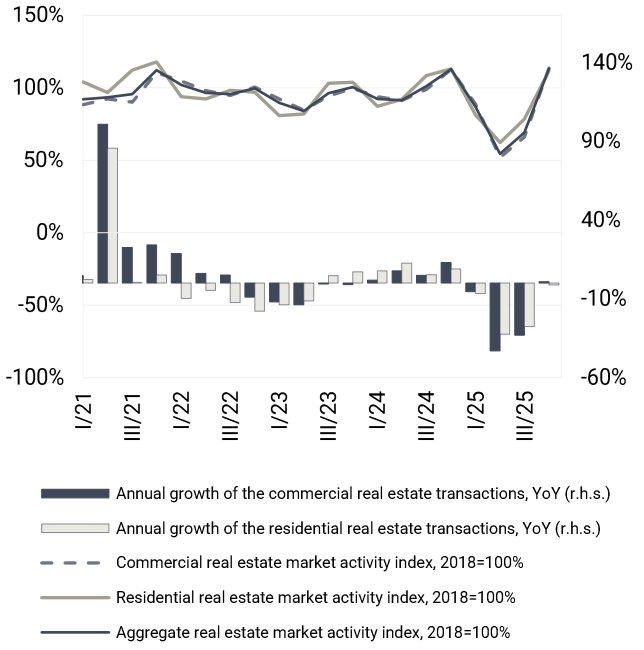
Figure 1.2.1. Evolution of the share of „Construction" and „Real Estate Transactions" sectors in GDP



Source: NBS, NBM calculations

The decline was most pronounced in the first half of 2025, with the aggregate real estate market activity index falling to 54.4 percent by the end of the second quarter, before recording a modest recovery in the second half of the year[11] (Figure 1.2.2.).

Figure 1.2.2. Dynamics of trading activity in the real estate market



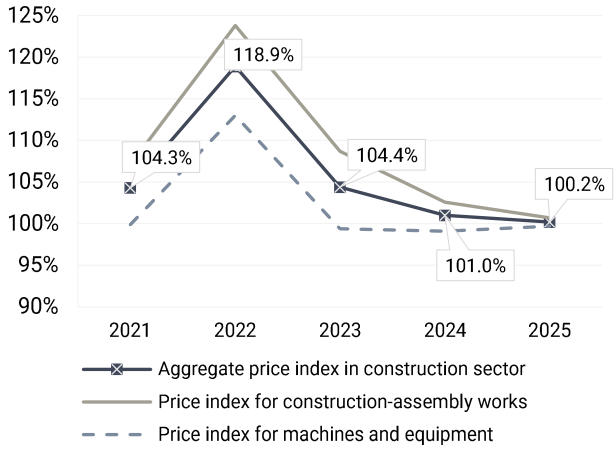
Source: Public Institution Real Estate Cadastre, NBM calculations

According to data from the Public Institution Real Estate Cadastre, 276.7 thousand real estate transactions were registered in 2025, down by 18.6 percent compared with the previous year. This decline reflected a 19.2 percent decrease in the number of transactions in the non-residential segment and a 16.8 percent decrease in the residential segment. In both segments, the sharpest declines were recorded in the second quarter of 2025.

Construction costs remained broadly stable, as a slight increase in the cost of construction materials, and construction and installation works, was offset by a decline in the price index for machinery and equipment.

Following the rapid upward trend recorded between 2020 and 2022, the construction price index remained relatively stable throughout 2025 (Figure 1.2.3.).

Figure 1.2.3. Evolution of construction cost index (2024 = 100%)



Source: NBS, NBM calculations

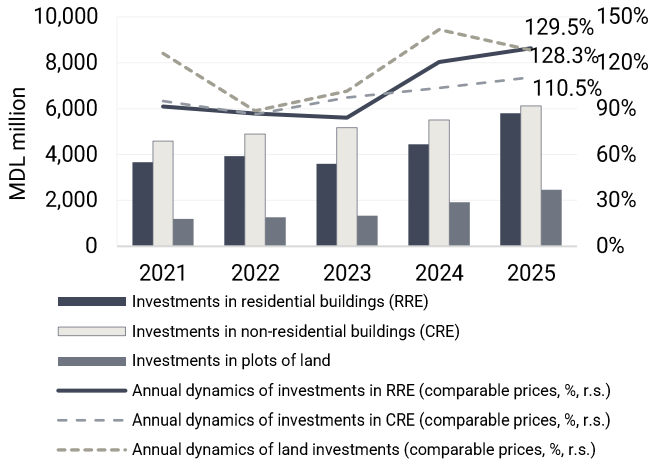
In 2025, investment in fixed assets increased in real terms, potentially supporting an expansion in the supply of newly constructed properties. At the same time, the number of building permits declined.

According to NBS data, investment in real estate has increased year-on-year.

Thus, investment in residential buildings stood at MDL 5,801.2 million, up by 29.5 percent compared with 2024, while investment in non-residential buildings rose by 10.5 percent to MDL 6,123.4 million. Investment in land also increased markedly, by 28.3 percent, reaching MDL 2,463.4 million (Figure 1.2.4.).

[11] The real estate market activity index is a chain index, calculated based on quarterly data on the number of real estate transactions recorded by the Cadastre Department of the Public Services Agency.

Figure 1.2.4. Investments in types of fixed assets

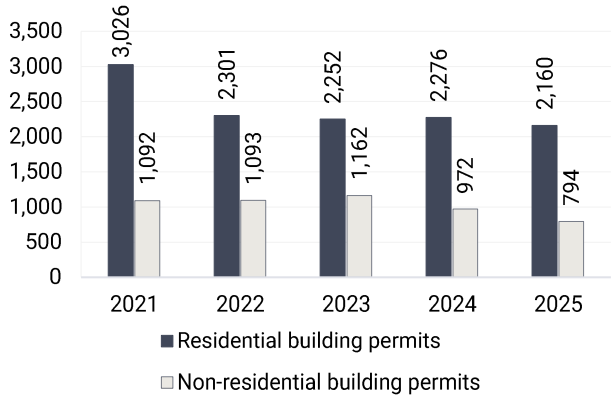


Source: NBS, NBM calculations

The number of building permits issued during 2025 declined compared to 2024, due to a decline in both the non-residential and residential sectors.

Thus, in 2025, 2,160 building permits were issued for residential buildings (down 5.1 percent in annual terms) and 794 building permits for non-residential buildings, down 18.4 percent compared with the previous year (Figure 1.2.5.).

Figure 1.2.5. Number of issued residential and non-residential building permits



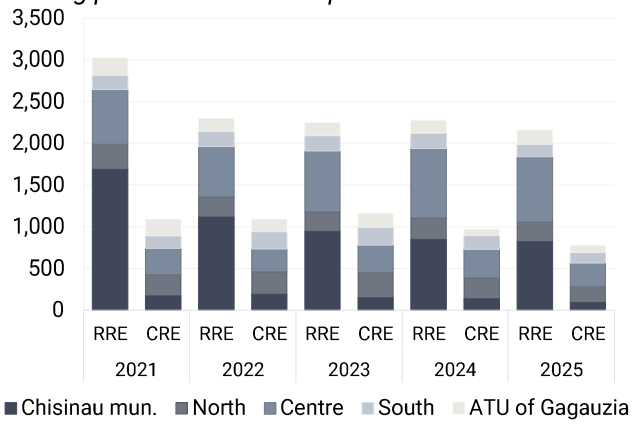
Source: NBS, NBM calculations

From a geographical perspective, the distribution of building permits indicates that future construction activity is likely to be concentrated in the municipality of Chisinau and the central region of the RM.

By the end of 2025, approximately 38.1 percent of building permits for residential properties had been issued in the municipality of Chisinau, an increase of 0.7 percentage points compared with the previous year. Against this backdrop, the share of building permits for residential properties in other regions did not undergo any significant changes (ranging from 1.1 percent to -1.2 percent depending on the region).

At the same time, at the end of the reporting year, the highest proportion of building permits for non-residential properties (35.5 percent) was recorded in the Central region, an increase of 0.5 percent compared with the previous year (Figure 1.2.6.).

Figure 1.2.6. Number of residential and non-residential building permits in territorial profile

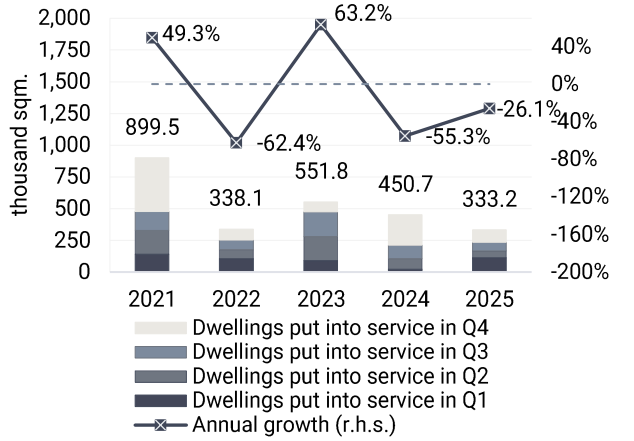


Source: NBS, NBM calculations

In 2025, both the number and total floor area of newly completed dwellings declined, with new housing construction remaining concentrated primarily in the municipality of Chișinău.

During the reporting year, 3.3 thousand housing units were put into service, down by 37.0 percent compared to the previous year.

Figure 1.2.7. Dwellings put into service

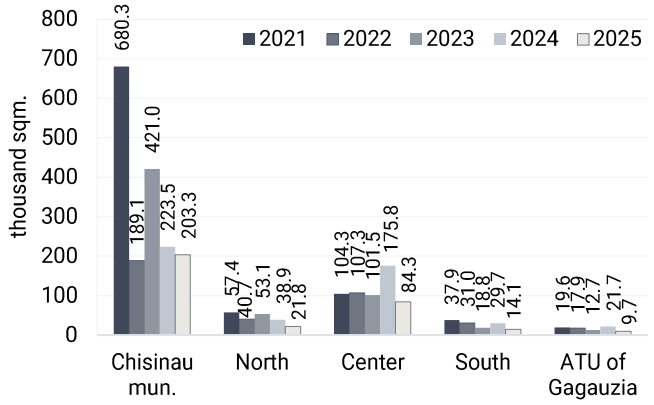


Source: NBS, NBM calculations

The total floor area of newly completed dwellings amounted to 333.2 thousand square metres, down by 26.1 percent compared with 2024 (Figure 1.2.7). Both the number of residential buildings completed, and their total floor area declined in 2025, reaching their lowest levels in the past five years.

At the end of 2025, newly completed dwellings remained concentrated in the municipality of Chișinău, which accounted for 61.0 percent of all dwellings completed during the year (Figure 1.2.8).

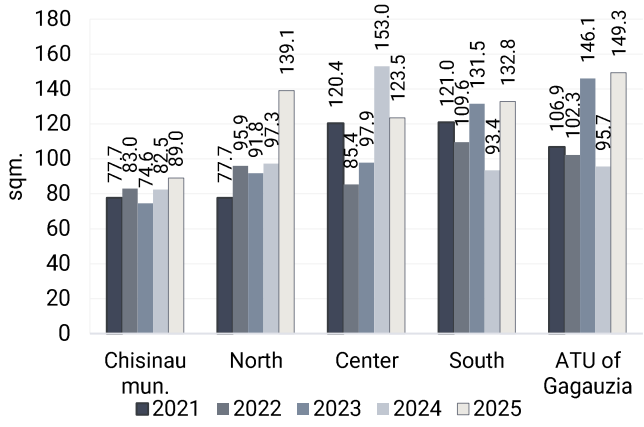
Figure 1.2.8. Dwellings put into operation in territorial profile



Source: NBS, NBM calculations

It is worth noting that in 2025 there was a strong increase in the average area of dwellings put into service in the North region and the ATU of Gagauzia. In the case of Chisinau municipality, the average area of a new home increased in annual terms by 7.3 percent, up to 89.0 sqm (Figure 1.2.9.).

Figure 1.2.9. Average surface area of a dwelling put into service by territorial profile

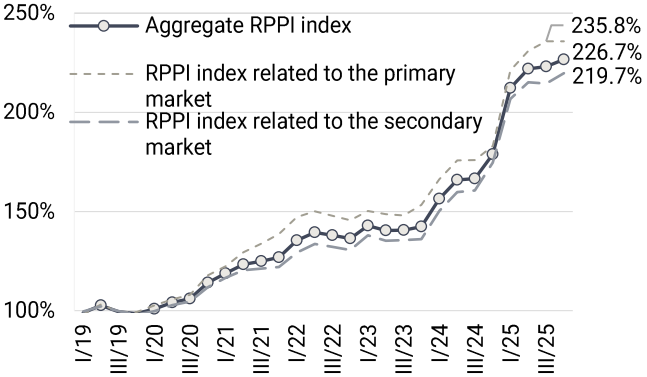


Source: NBS, NBM calculations

Amid stagnant demand for housing, the increase in offer prices slowed down, especially in the second half of 2025.

Asking prices for residential property throughout 2025 saw their upward trend slowing, particularly in the third and fourth quarters. During the reporting year, the RPPI index rose by 26.8 percent, standing at 226.7 percent at the end of the year, which was also the highest level recorded since observations began (Figure 1.2.10.). However, the highest quarterly growth rates were recorded in the first quarter (+18.8 percent), while in the subsequent quarters, moderate increases were recorded: +4.6 percent in the second quarter, +0.5 percent in the third quarter, and +1.6 percent in the fourth quarter.

Figure 1.2.10. RPPI index for Chisinau mun. (2019 = 100%)



Source: NBM

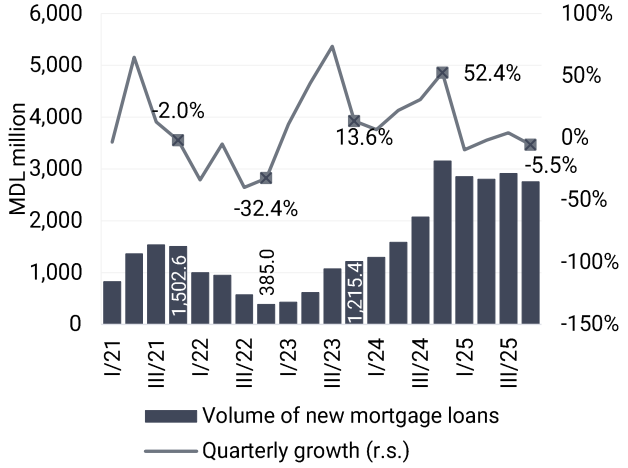
This trend was observed both in the primary market, where the RPPI rose by around 28.8 percent, and in the secondary market, with a 25.8 percent increase in the RPPI compared with the end of 2024. In both cases, the largest increases were recorded in the first quarter.

The main factor driving demand in the residential property market remains the availability of mortgage lending, although this is not sufficient to offset the slowdown in mortgage lending activity.

In 2025, new mortgage lending totalled MDL 11,320.5 million, up by 39.7 percent compared with 2024. The largest quarterly volume of new mortgage loans was

recorded in the third quarter of 2025 (Figure 1.2.11). Almost one-third of the annual total—MDL 3,705.7 million, or 32.7 percent—was granted under the "Prima Casă PLUS" programme. At the same time, quarter-on-quarter growth in new mortgage lending was negative in the first, second and fourth quarters, pointing to a moderation in mortgage lending activity.

Figure 1.2.11. Volume of new mortgage loans granted



Source: NBM

Developments in the real estate market point to a slight contraction in supply in the short term, alongside prospects for an expansion over the medium to long term. At the same time, asking prices shown signs of stabilisation amid declining transaction activity and a moderation in new mortgage lending.

In the medium term, an increase in investment volumes, as well as the stabilisation of construction costs, could encourage the supply of property on the primary market.

At the same time, high prices in the property market, the decline in the number of sales transactions accompanied by a fall in the volume of new mortgage loans, as well as rising costs caused by inflation against a backdrop of geopolitical uncertainty, could have a negative impact on demand in the property market compared with previous years.

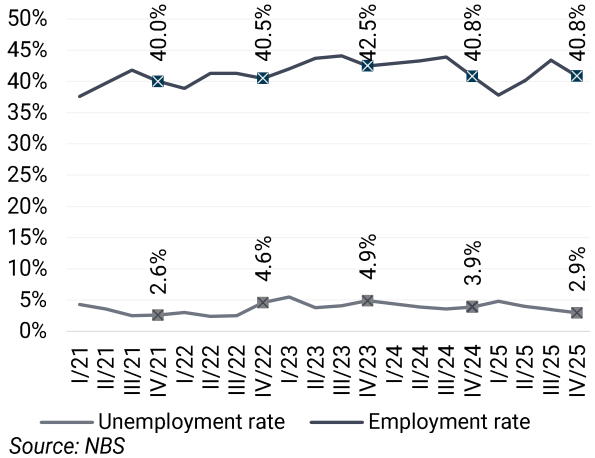
1.3. Private sector indebtedness

Households' indebtedness

Labour market indicators show a reduction in the share of the unemployed while maintaining the employment rate in the RM by the end of the reporting year.

According to NBS data, in the fourth quarter of 2025, the employment rate[12] stood at 40.8 percent, while the unemployment rate[13] registered a value of 2.9 percent, down by 0.4 percentage points compared to the end of the previous year (Figure 1.3.1.).

Figure 1.3.1. Employment indicators in the RM



Source: NBS

The convergent trend in labour market indicators, as evidenced by the fall in the unemployment rate to 2.9 percent and the rise in the employment rate towards the 40.8 percent mark in the third quarter of 2025, reflects a strengthening of households' financial resilience and a reduction in structural socio-economic vulnerabilities.

This improvement in labour market fundamentals has a favourable impact on the stability of the financial system via the credit risk transmission mechanism, reducing the probability of default within the portfolio of loans granted to households.

Salary remained the population's main source of income, according to more than half of the respondents to the Survey on the financial

[12] Ratio of employed persons aged 15 and over to total population

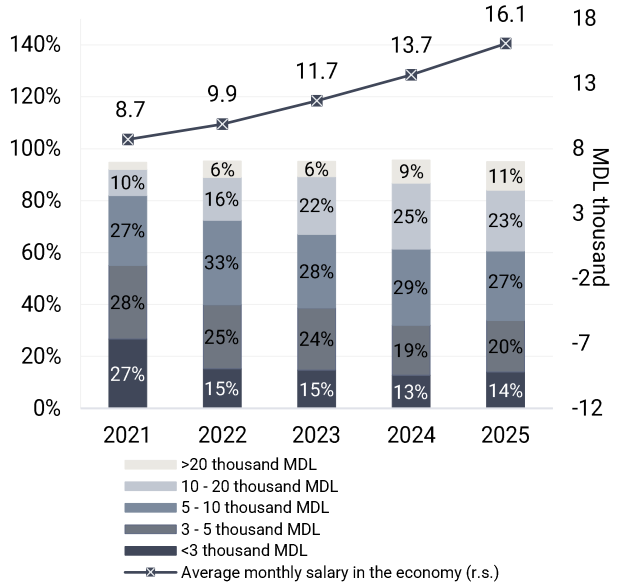
[13] Share of unemployed according to the criteria used by the NBS

behaviour of the households[14], at the same time, the average monthly income remained roughly at the same level as in the previous round of the survey.

As in the previous survey, the main sources of a household's income were salary (55.8 percent of respondents) and pensions (38.4 percent). Other sources mentioned by respondents included social benefits (7.9 percent), income from self-employment (7.5 percent) and remittances from abroad (6.6 percent).

The distribution of average monthly income within the sample of respondents was as follows: 14.0 percent received monthly income of less than MDL 3,000, 19.8 percent of respondents had an average monthly income of between MDL 3,000 and 5,000, and 26.8 percent had an income between MDL 5,000 and 10,000. 23.5 percent of respondents had an income between MDL 10,000 and 20,000, while 10.9 percent earned more than MDL 20,000 (Figure 1.3.2.).

Figure 1.3.2. Distribution of the number of respondents by average monthly income (in nominal terms)



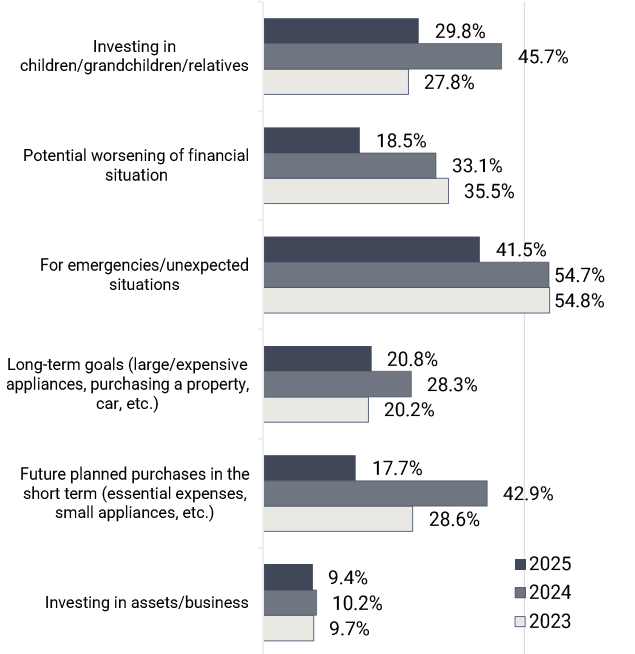
Source: Survey on the financial behaviour of the household population, NBM

The level of savings among respondents was very low, only slightly over 1/4 of respondents managed to save, the average amount saved for slightly over ½ of them being up to 3 thousand MDL/month.

72.8 percent of respondents stated that they had not managed to make saving in the last 6 months.

Persons who were able to save indicated the purposes of their savings as: for emergencies/unexpected situations (41.5 percent) and investing in children, grandchildren, relatives (29.8 percent). Other purposes mentioned by respondents were long-term savings goals (20.8 percent), potential worsening of the financial situation (18.5 percent), future planned purchases in the short term (17.7 percent), investing in profitable assets (9.4 percent) (Figure 1.3.3.).

Figure 1.3.3. Respondents' savings purpose



Source: Survey on the financial behaviour of the household population, NBM

Cash remains the main means of holding savings for more than ½ of respondents, although just over half of respondents

[14] The sixth edition of the annual survey on the financial behaviour of the households of the RM, conducted on a sample of 1,005 persons, representing various age groups, living environments, genders and income levels, and the 45 questions included in the questionnaire targeted 4 dimensions - general aspects about the respondent, income and its source, access and sources of financing, housing

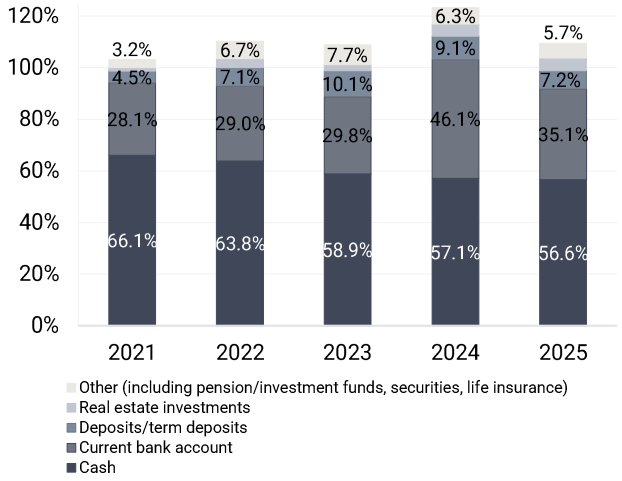
consider it safe to keep savings in domestic banks.

As with the results of the previous survey, the majority of respondents who managed to save kept their savings in cash (56.6 percent) or in a current account at a bank (35.1 percent). Other forms of keeping savings included: term deposits (7.2 percent), property investments (4.9 percent), securities (1.9 percent) and life insurance (1.5 percent) (Figure 1.3.4.).

24.7 percent of respondents considered keeping savings in the RM banks to be partly safe, 28.0 percent – safe or very safe, and 24.1 percent – unsafe or very unsafe.

27.8 percent of respondents stated that they had moderate confidence in the financial system in the RM, 28.5 percent had little or very little confidence, 11.1 percent expressed high or very high confidence, and 25.9 percent had no confidence at all.

Figure 1.3.4. Ways to save money (multiple answers)



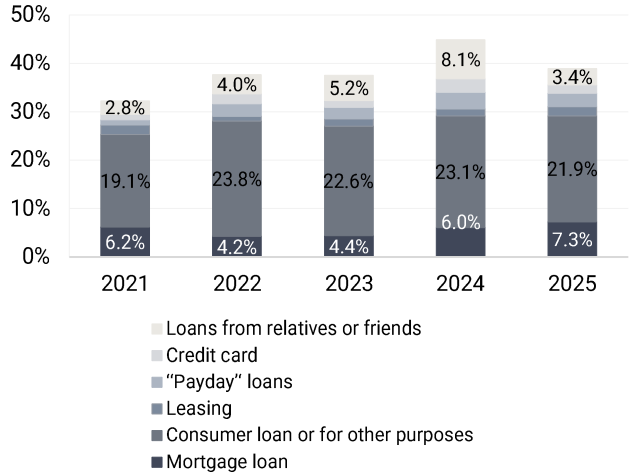
Source: Survey on the financial behaviour of the household population, NBM

The number of persons who used credits or loans remained low, and ¾ of persons who had credits/loans did not perceive them as an excessive burden.

At the time of the survey, only 34.1 percent of respondents said they had used sources of financing from credit institutions (Figure 1.3.5.). In the following period, only 8.5 percent of respondents said they were interested in using a credit institution for financing.

In the lending process, the most important aspects that respondents considered were favourable lending conditions (30.3 percent), speed of lending decision-making (18.3 percent), low fees and commissions (18.3 percent) and personal relationships with the institution (17.1 percent).

Figure 1.3.5. Type of credits/loans held by households (multiple answers)



Source: Survey on the financial behaviour of the household population, NBM

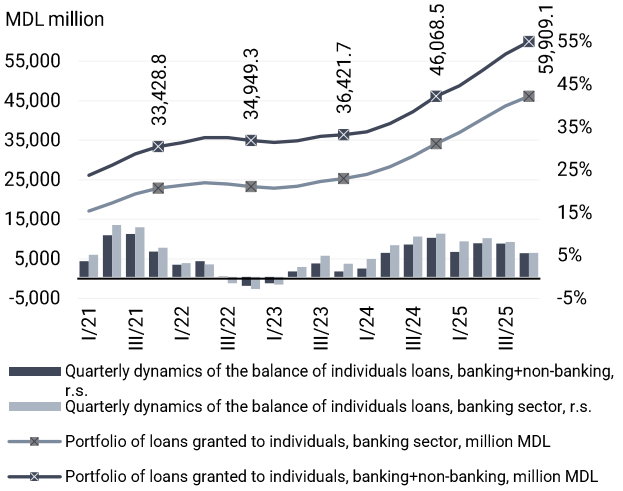
For more than half of the respondents (55.1 percent), the loans they had taken out represented a manageable burden, while 20.6 percent stated that the loans were not a burden. At the same time, 24.9 percent of respondents had found themselves unable to make their loan repayments on time, the main reasons being an increase in living costs (27.6 percent), job loss (24.1 percent), a reduction in or delay to their salary (26.4 percent) and other factors.

Lending to households continued to grow throughout the year, reflecting favourable financial conditions and robust demand for finance.

At the end of 2025, the outstanding balance of loans granted to individuals by the financial system stood at MDL 59,909.1 million (+30.0 percent compared with 2024), of which approximately 77.0 percent were granted by the banking sector (Figure 1.3.6.). Thus, the outstanding balance of loans granted by banks totalled MDL 46,103.6 million.

The rise in lending to households from 2025 onwards was largely driven[15], by an increase in aggregate demand from households. In detail, according to the banks' assessment, demand for loans from households during the reporting year was driven by rising consumer confidence, the outlook for the housing market – including anticipated price trends – and the general level of interest rates.

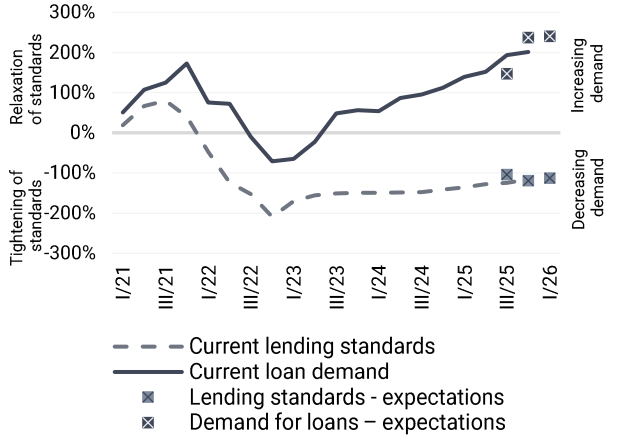
Figure 1.3.6. Evolution of the balance of loans granted to individuals



Source: NBM, NCFM

At the same time, a trend of relaxation of lending standards applied by banks was observed (Figure 1.3.7.), determined by the banks' perception of risk reduction, reduction of financing costs and competitive pressure.

Figure 1.3.7. Quarterly cumulative evolution of bank lending standards and household population credit demand (T.IV/2020 = 0%)

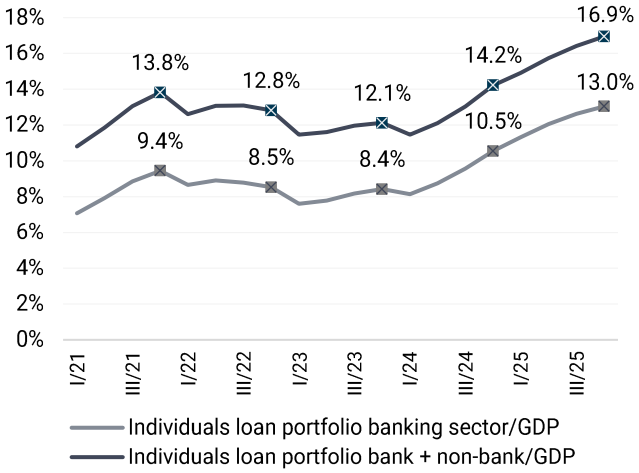


Source: Bank lending survey, NBM

Although the ratio of total household debt to GDP remains lower in the RM than in most countries in the region, 2025 saw the highest level on record for this indicator.

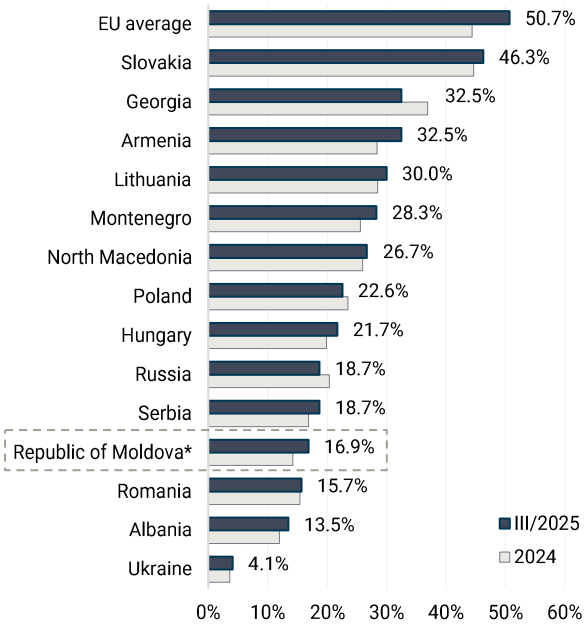
At the level of the financial system, the ratio of loans to individuals to GDP stood at 16.9 percent at the end of the fourth quarter of 2025, while bank lending to individuals as a proportion of GDP rose by 2.5 percentage points compared with the end of 2024, reaching 13.0 percent (Figure 1.3.8.).

Figure 1.3.8. Share of loans granted to individuals in GDP



Source: NBM, NCFM

Figure 1.3.9. Share of total debt[16] of households in GDP by country and EU



*Note: *data for IV/2025*
Source: NBM, NBS, www.ceicdata.com

[15] According to the results of the bank lending survey

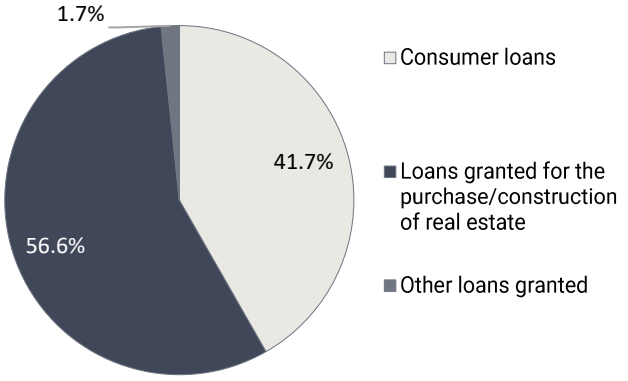
[16] It includes the total balance of loans granted to the population by banks and NCO

Compared to other countries in the region, as well as the European average, lending to individuals in the RM continues to register lower values (Figure 1.3.9.).

In recent years, there has been a structural change in the profile of the population's portfolio, driven by the expansion of mortgage lending.

More than half (56.6 percent) of the total balance of bank loans granted to individuals was intended for the purchase and construction of real estate, 41.7 percent for consumption and 1.7 percent for other purposes (Figure 1.3.10).

Figure 1.3.10. Structure of the portfolio of bank loans granted to households by purpose of loan (31.12.2025)

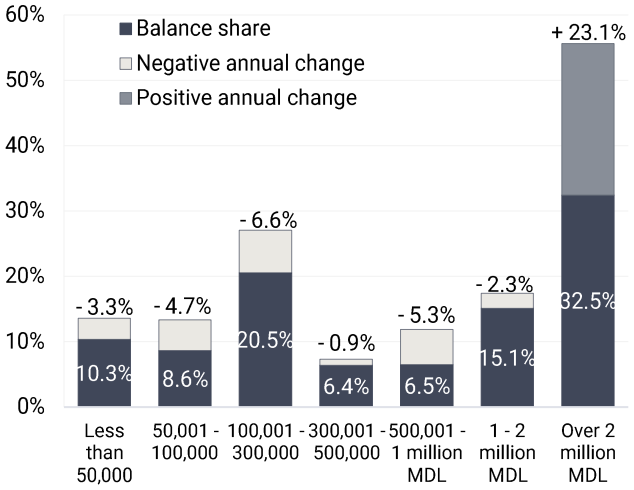


Source: NBM

At the same time, the share of new loans granted during the year, with a balance of over 2 million MDL, increased by 23.1 percentage points compared to the previous year, while the rest of the intervals recorded a decrease (Figure 1.3.11.).

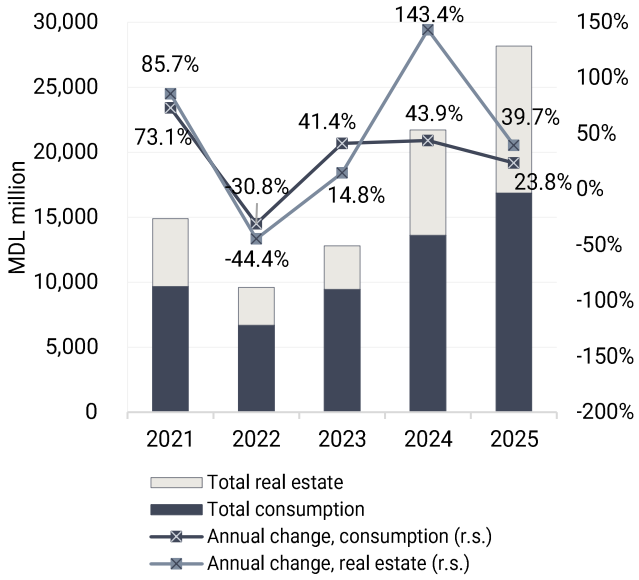
The remarked dynamics reveal not only a consolidation of the share of the mortgage segment, but also a migration of the distribution of the loan stock towards higher value tranches, a phenomenon that highlights an increase in average individual exposures (Figure 1.3.12.).

Figure 1.3.11. Distribution by balance of new loans granted to the households by banks



Source: NBM

Figure 1.3.12. Annual volume of new loans granted to households by banks



Source: NBM

Consequently, the 39.7 percent annual increase in the volume of housing loans, compared with the 23.8 percent rise in the volume of consumer loans, led to a more concentrated distribution of the total volume of new loans granted to individuals, thereby influencing their structure in terms of outstanding balances.

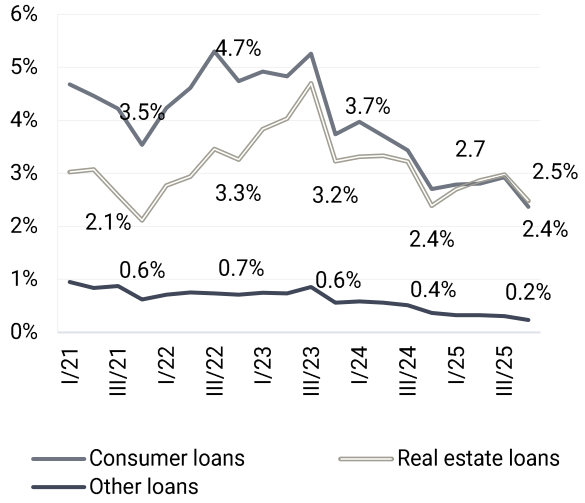
As regards payment discipline, a slight downward trend in the proportion of loans more than one day past due was observed throughout the year across all categories of bank loans granted to households.

The highest rate of loans in arrears for more than one day was recorded for loans

intended for the purchase or construction of real estate (2.5 percent), while for consumer loans the rate stood at 2.4 percent. The lowest rate of arrears was observed in the "other loans" category, where the value stood at just 0.2 percent (Figure 1.3.13.).

Regulation No 101/2022 on responsible consumer lending by banks sets limits on the debt-to-income ratio (DTI)[17] and the loan-to-collateral ratio (LTC)[18].

Figure 1.3.13. Evolution of overdue households loans (>= 1 day), banking lending

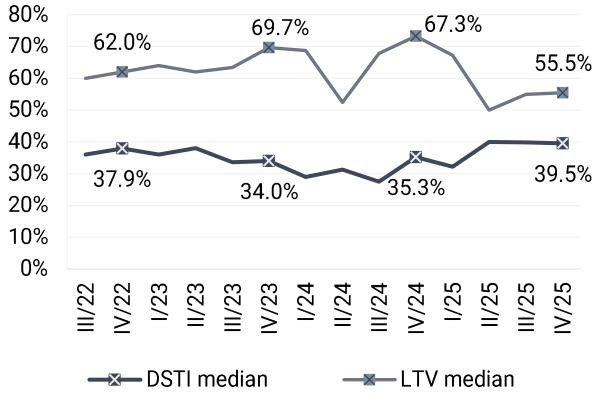


Source: NBM

Since the approval of Regulation No 101/2022 in the second quarter of 2022, the median DSTI has fluctuated moderately in the range of 27-40 percent. At the end of 2025, this indicator reached a value of 39.5 percent. This evolution is due to the increase in the volume of mortgage loans, which contributed to the increase in the median DSTI.

In the case of LTV, an upward trend is observed in the period 2022-2024, with a subsequent decrease in the median LTV to the value of 55.5 percent, and the "Prima Casă" program, which provides a state guarantee for loans granted, contributed to the decrease in the median LTV compared to the end of the previous year (Figure 1.3.14.).

Figure 1.3.14. Median of new loans granted for the purchase/construction of real estate, bank lending to households



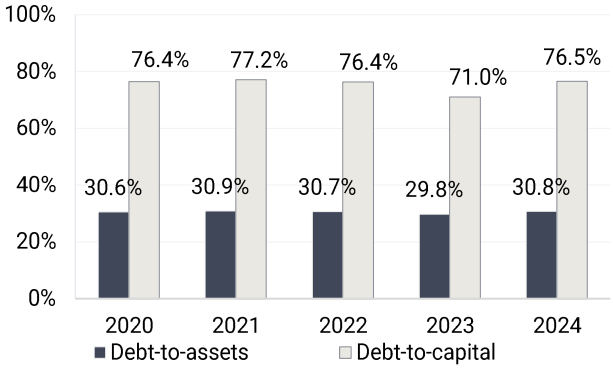
Source: NBM

Indebtedness of non-financial corporations

The level of indebtedness of non-financial corporations, measured as the debt-to-assets ratio at an aggregate level, has recorded a similar evolution to that recorded in recent years.

Evolution of the level of indebtedness (the debt-to-assets ratio) according to the financial statements of non-financial corporations between 2020 and 2024 indicated a maintenance of the average value close to 30.0 percent, at the same time total debts reported to capital were at the average level of 75.0 percent (Figure 1.3.15.).

Figure 1.3.15. Evolution of the indebtedness of non-financial companies



Source: NBS, NBM calculations

For most non-financial companies, in 2024 the debt-to-capital ratio was 76.5 percent, up

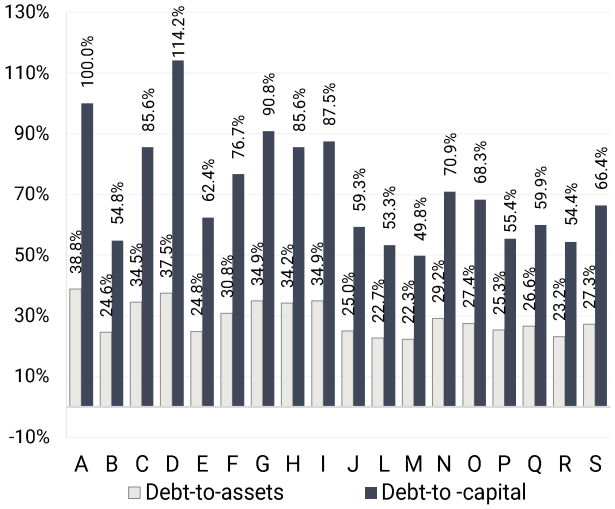
[17] The DTI limit is 40 percent for loans granted in MDL and 30 percent for borrowers who are granted loans in foreign currency, having incomes in MDL. At the same time, for borrowers whose incomes exceed twice the average income in the economy, this limit can be increased by 15 percentage points. Loans granted through the government program "Prima Casă" can have an DTI value of up to 70 percent, established by Law 293/2017.

[18] The LTC limit is 80 percent for real estate investment loans granted to consumers.

7.7 percentage points from the previous year, returning to an average level for 2020-2022.

When broken down by branches of activity, the most indebted sectors are found in agriculture (A) with an average debt-to-asset ratio of 38.8 percent, production and supply of electricity and heat, gas, hot water and air conditioning (D) of 37.5 percent, in trade (G) of 34.9 percent and accommodation and food service activities (I) of 34.9 percent (Figure 1.3.16.).

Figure 1.3.16. Indebtedness of non-financial corporations, by branches

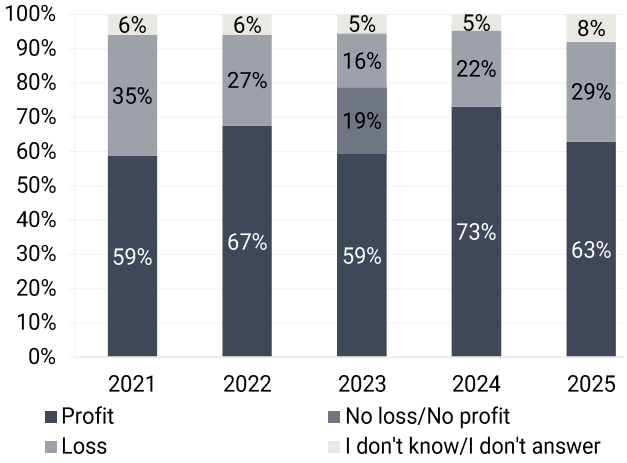


Note: Classification of economic activities according to CAEM-2: A – agriculture, forestry and fishing; B – mining and quarrying; C – manufacturing; D – production and supply of electricity and heat, gas, hot water and air conditioning; E – water supply; sanitation, waste management and decontamination activities; F – construction; G – wholesale and retail trade; maintenance and repair of motor vehicles and motorcycles; H – transport and storage; I – accommodation and food service activities; J – information and communications; L – real estate activities; M – professional, scientific and technical activities; N – administrative and support service activities; O – public administration and defence; compulsory social security; P – education; Q – health and social care; R – arts, recreation and leisure; S – other service activities; T – activities of private households as employers of domestic staff; activities of private households producing goods and services for own consumption; U – activities of extraterritorial organisations and bodies
Source: NBS, NBM calculations

According to the results of the survey on the financial behaviour of non-financial companies[19], the financial performance of companies declined compared with previous rounds of the survey.

In the 2025 survey, 62.9 percent of respondent companies reported making a profit in the previous financial year, compared with 73.1 percent in the 2024 survey. However, the level of profitability remains higher than that reported in the 2021 and 2023 surveys. As regards losses, the proportion of companies that recorded them in the previous financial period rose to 29.1 percent, compared with 22.2 percent in 2024 (Figure 1.3.17.).

Figure 1.3.17. The result recorded in the previous financial year



Source: Survey on the financial behaviour of non-financial corporations, NBM

Sales revenues decreased against the backdrop of increasing production costs and reduced demand for products/services.

From the perspective of company-specific indicators, according to respondents' responses, sales revenues decreased in the last six months for 40.3 percent of companies, did not change for 32.9 percent, and 20.9 percent recorded an increase.

Regarding trends in domestic demand over the last six months, 45.1 percent of respondents reported a decline, 33.1 percent of the responding companies stated that it had remained unchanged, and 16.6 percent reported an increase in demand.

Production or service provision costs have risen over the last six months, according to 62.9 percent of respondents; 28.6 percent indicated that they had remained

[19] The sixth edition of the annual survey on the financial behaviour of non-financial companies, conducted on a sample of 350 non-financial companies, with representation by size criteria, types of activities, number of employees. The questionnaire included 36 questions from 3 dimensions: general aspects about the respondent, the company's financial results, access to and sources of financing.

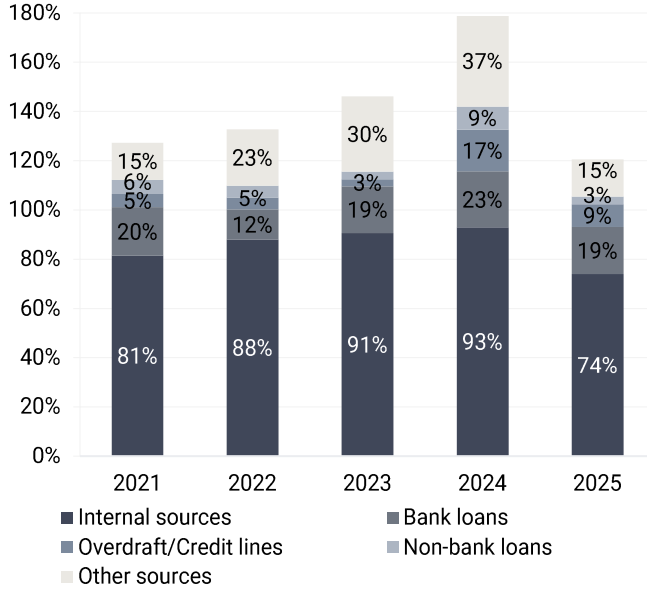
unchanged, while 6.3 percent stated that they had fallen.

Regarding company employees' salaries, according to the responses of 56.3 percent of respondents, these had not changed over the past six months; 37.1 percent stated that they had increased, while 4.0 percent reported a decrease in employees' salaries.

Companies continued to rely predominantly on internal sources of funding; fewer than 40.0 percent of respondents indicated that they had used borrowed funds, either exclusively or in conjunction with their own resources.

Regarding the sources of funding used by companies over the past six months, respondents were able to select multiple options, so the percentages are not mutually exclusive (Figure 1.3.18.). Most companies (74.0 percent) used internal sources, 19.1 percent also took out bank loans, and 9.1 percent also made use of overdrafts and/or credit lines. Furthermore, 3.1 percent used non-bank loans, while 2.6 percent each used finance leases and trade credit.

Figure 1.3.18. Structure of funding sources (multiple answer)



Source: NBM

Other sources mentioned included crowdfunding (2.0 percent), funds from abroad (1.7 percent), and non-repayable funding in the form of subsidies or grants (1.4 percent), while 4.3 percent of respondents declined to disclose the sources of funding used.

As in previous rounds of the survey, the preference for using internal sources of funding was influenced by: the sufficiency of internal resources and/or the lack of a need to borrow (23.7 percent), owners' reluctance to take on additional debt (20.0 percent), mistrust of credit institutions (10.3 percent), the high cost of external funding (9.1 percent), the credit institution's refusal to provide funding (4.6 percent), as well as other reasons.

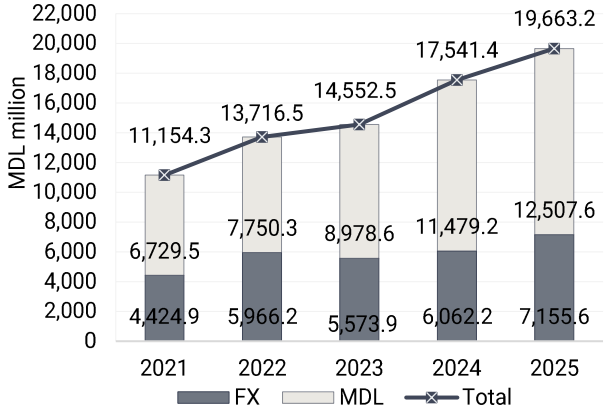
Looking ahead, 66.9 percent of the responding companies stated that they do not intend to approach a credit institution to obtain financing in the next 6 months, while 24.3 percent of respondents expressed their intention to approach a credit institution for financing, a level on a par with that of the previous survey. Loans would predominantly be sought in MDL (82.4 percent) and EUR (16.5 percent). According to the respondents, the purpose for which they intend to seek financing is, in 51.8 percent of cases, to finance an investment project, and in 47.1 percent of cases, to finance current needs (working capital).

Lending activity to non-financial corporations during 2025 increased significantly compared to the previous year.

In 2025, the volume of new loans granted by the banking sector to legal entities increased by 12.1 percent compared to 2024, totalling MDL 19,663.2 million (Figure 1.3.19.).

An upward trend in the pace of lending was recorded both for loans in the national currency – up 9.0 percent on the previous year to MDL 12,507.6 million – and for loans in foreign currency – up 18.0 percent on the previous year to MDL 7,155.6 million. At the end of 2025, the financial sector held loans granted to non-financial companies in the amount of MDL 62,326.1 million (or +24.0 percent compared with the previous year).

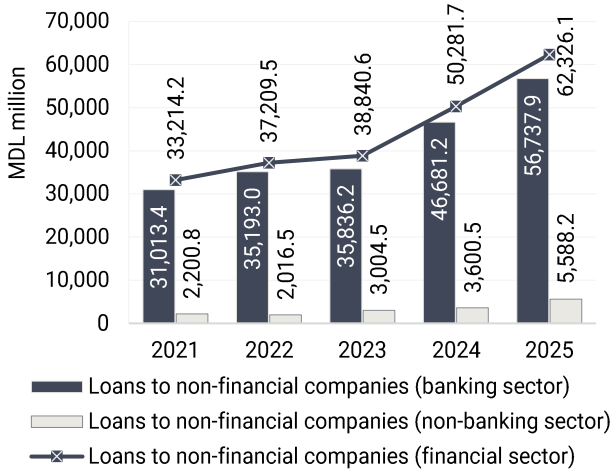
Figure 1.3.19. Evolution of new loans granted by banks to non-financial companies



Source: NBM

The banking sector remained the main creditor to banks, with the outstanding balance of loans standing at MDL 56,737.9 million (an increase of 21.5 percent compared with 2024), while the outstanding balance of loans granted by the non-banking financial sector amounted to MDL 5,588.2 million, an increase of 55.2 percent compared with the previous year (Figure 1.3.20.).

Figure 1.3.20. Evolution of lending to non-financial companies

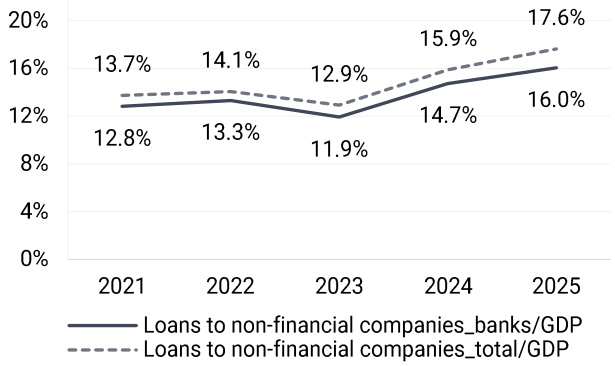


Source: NBM

The banking sector is characterized by a higher exposure to non-financial corporations, which represent 55.2 percent of the total loan portfolio, by type of debtor.

The share of total loans granted to non-financial companies by the banking and non-banking sectors in GDP reached 17.6 percent, up 1.7 percentage points compared to the end of 2024 (Figure 1.3.21.).

Figure 1.3.21. Share of loans granted to non-financial companies by the banking and non-banking sectors in GDP



Source: NBM, NBS

It is worth mentioning that the share of loans granted by banks stands at 16.0 percent, up by 1.3 percentage points compared with the previous year.

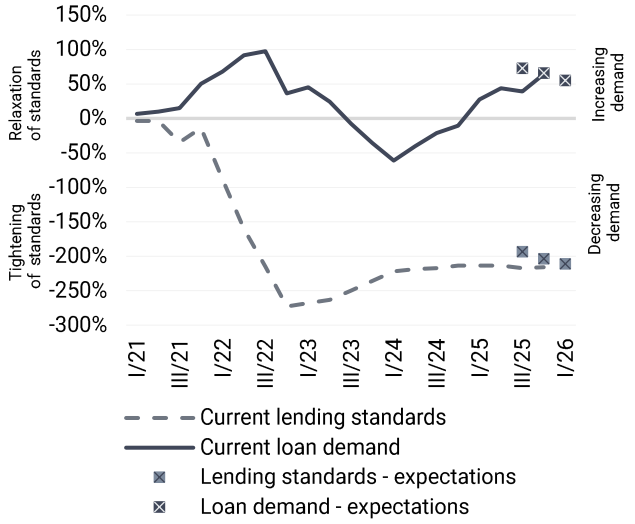
During the period under review, lending standards[20] applied to non-financial companies evolved steadily towards the end of the year, standing at approximately the same level as in 2024, while demand for loans from non-financial companies increased.

According to data from the bank lending survey (Figure 1.3.22.), during 2025, bank lending standards for companies remained roughly at the same level, with a slight easing in the third quarter.

At the same time, in the first half of the year, banks expected lending standards to tighten, with expectations reversing towards the end of the year amid monetary policy easing and inflationary pressures. The main factors highlighted by respondents in relation to the easing of lending standards were competitive pressure and balance sheet constraints, tempered by existing risk management practices. For the first quarter of 2026, respondents anticipated a continuation of the trend towards the easing of credit standards, expecting the pace of easing to accelerate in the subsequent period.

[20] Banks' internal rules that provide for loan approval criteria and their application

Figure 1.3.22. Quarterly cumulative evolution of bank lending standards and credit demand from non-financial companies (T.IV/2020 = 0%)



Source: Bank lending survey, NBM

Regarding the trend in demand for loans from non-financial companies, respondents indicated a significant upturn throughout 2025, with a decline in the third quarter. The results largely coincided with respondents' expectations, pointing to economic recovery and an acceleration in lending to non-financial companies.

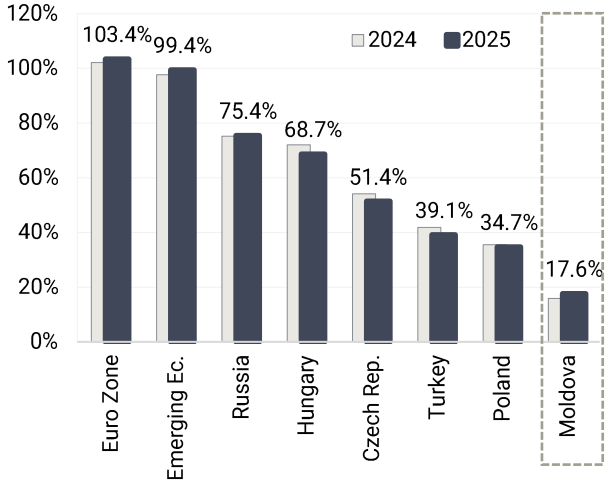
Demand for loans from non-financial companies increased amid increased interest in fixed capital investment. Furthermore, the need for investment in working capital, as well as the general level of interest rates, accelerated this growth in demand for bank loans. For the first quarter of 2026, respondents expected a decline.

A higher proportion of funding requests were made by companies in the trade sector, and these were predominantly denominated in foreign currency.

Despite the reduction in financing costs, the level of financial intermediation in the corporate sector in the RM remains lower than in European countries.

Although the share of loans granted to non-financial companies in GDP rose during 2025, the non-financial sector's indebtedness relative to GDP remained at a low level compared with other emerging economies (Figure 1.3.23.).

Figure 1.3.23. Balance of financial sector loans to non-financial companies relative to GDP by country



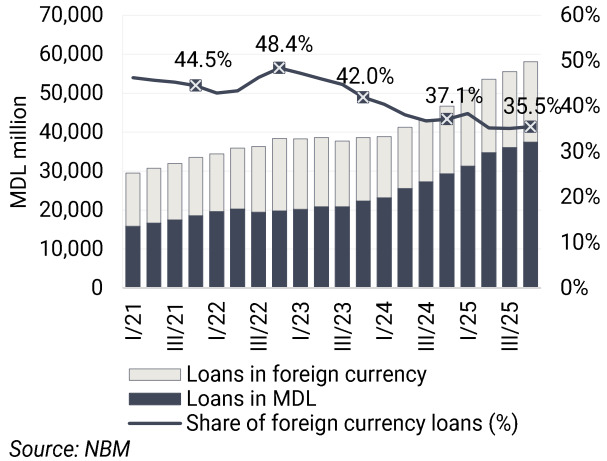
Source: Bank for International Settlements, NBM calculations

Financial intermediation related to non-financial companies in the RM was 85.8 percentage points lower than in the euro zone.

In 2025, the value of loans granted to non-financial companies showed an upward trend, driven mostly by the increase in loans granted in the national currency.

Within the structure of banks' loan portfolios, the share of loans granted to non-financial companies in foreign currency stood at 35.5 percent (down by 1.6 percentage points compared with the previous year), while the share of loans in the national currency stood at 64.5 percent, an increase of 1.7 percentage points compared with the previous year (Figure 1.3.24.).

Figure 1.3.24. Quarterly evolution of the portfolio of bank loans granted to legal entities, by currency

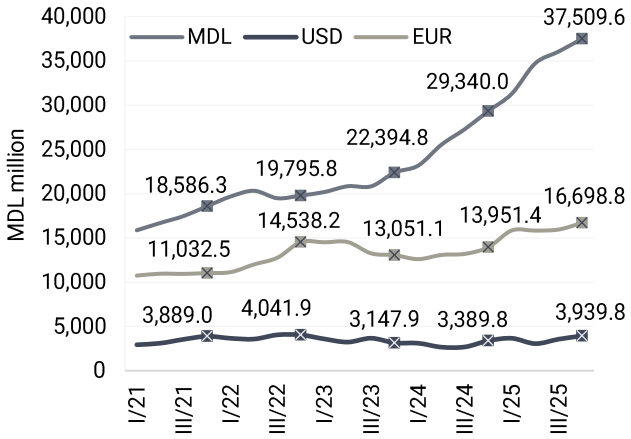


Source: NBM

Thus, the balance of loans granted in foreign currency to non-financial companies totalled MDL 20,638.6 million, and the balance of loans in MDL amounted to MDL 37,509.6 million.

In quarterly division, the component in the national currency grew more rapidly in the fourth quarter of 2025, to the value of MDL 37,509.6 million, by +27.8 percent compared to the similar situation of the previous year (Figure 1.3.25.).

Figure 1.3.25. Quarterly evolution of the portfolio of bank loans granted to legal entities, by subcomponents

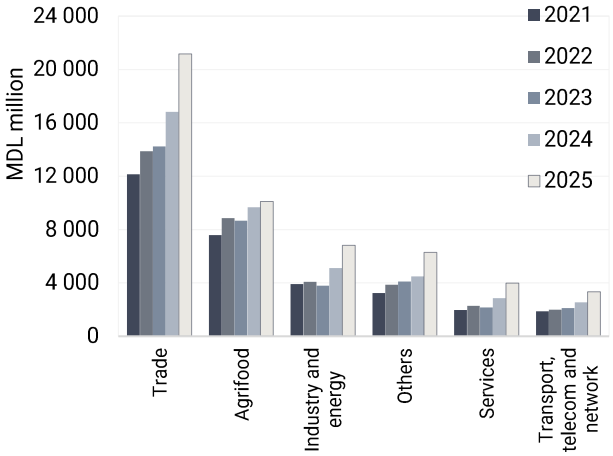


Source: NBM

The annual trend for the foreign currency component showed a more modest increase. Thus, loans granted in USD increased by MDL 549 million (or +16.2 percent compared with the previous year), while loans granted in EUR increased by MDL 2,747.4 million (or +19.7 percent compared with 2024).

In 2025, within the structure of the banks' portfolio, the share of loans granted to non-financial companies in the trade sector stood at 50.3 percent, amounting MDL 21,156.2 million (Figure 1.3.26.). In dynamics, loans granted to the trade sector recorded an annual growth rate of +25.7 percent compared to the previous year.

Figure 1.3.26. Evolution of the balance of the bank loan portfolio granted to legal entities, by branches



Source: NBM

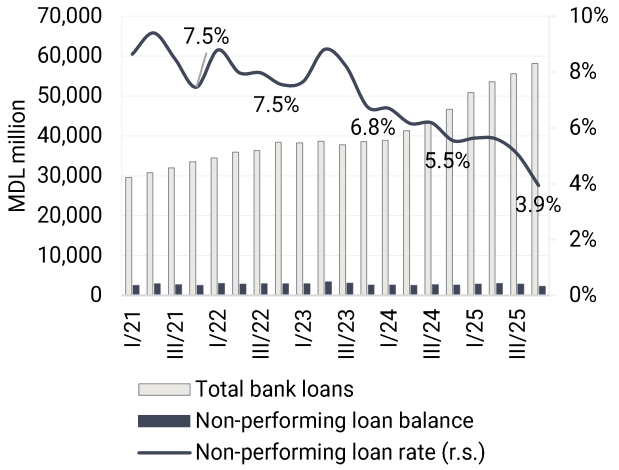
Loans totalling MDL 3,279.4 million were granted to the construction sector, representing a 5.6 percent increase in the fourth quarter of 2025 compared with the previous period. At the same time, the total outstanding loans for the manufacturing sector amounted to MDL 3,538.9 million (an increase of +6.1 percentage points compared with the previous year), while for the services sector the total outstanding loans totalled MDL 3,974.3 million (or +6.8 percent compared with the previous year).

Throughout 2025, there was a steady improvement in the bank's loan portfolio granted to non-financial companies, for both loans in MDL and those granted in foreign currency.

The quality of the loan portfolio granted to non-financial companies improved, with the non-performing loan ratio falling to 3.9 percent, down by 1.6 percentage points in annual terms (Figure 1.3.27.).

The total balance of non-performing loans granted to non-financial companies in the fourth quarter of 2025 stood at MDL 2,289.1 million, down by 11.5 percentage points in annual terms.

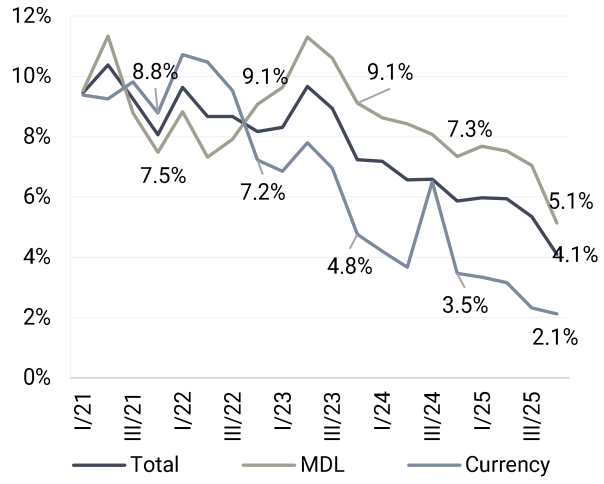
Figure 1.3.27. Evolution of the loan portfolio granted to non-financial companies and the rate of non-performing loans



Source: NBM

In the division by components, loans granted to non-financial companies in the national currency recorded a downward trend in the NPL rate of 2.2 percentage points, to the level of 5.1 percent, in the fourth quarter of 2025 compared to the previous quarter (Figure 1.3.28.).

Figure 1.3.28. Non-performing loan rate, granted to non-financial companies, by currency



Source: NBM

At the same time, the foreign exchange component recorded a fall of 1.3 percentage points compared with the previous quarter, with an NPL ratio of 2.1 percent.

Respondents to the Survey on the financial behaviour of non-financial companies identified difficulties in attracting qualified staff, production costs, competition and high taxation as the main challenges faced by non-financial companies over the past six months.

These challenges were anticipated by respondents in the previous round of the survey. In this context, the shortage of qualified staff (38.6 percent) was anticipated by 40.7 percent of respondents in the 2024 round; a decline in the number of customers (36.9 percent) was anticipated by 30.3 percent of respondents, while rising production costs (35.1 percent) were anticipated by 38.9 percent of respondents.

At the same time, respondents also expressed their views on the main challenges anticipated for the next six months, such as: a shortage of skilled staff (32.6 percent); rising production costs (25.4 percent); a decline in purchasing power (22.6 percent); increased competition (21.7 percent); and political instability (17.4 percent).

Among the factors exerting moderate pressure on the activities of the respondent companies, the following were mentioned: high taxation (36.0 percent), a lack of demand for the company's products or services (34.6 percent), unforeseen changes to the tax code (34.3 percent), and the legal and tax regulations governing the company's operations (33.1 percent).

At the same time, some factors were considered by respondents to be less pressing, namely: the ability to make debt repayments on time (56.0 percent), access to finance (52.6 percent), legislative requirements regarding insolvency (50.3 percent), the external environment (48.9 percent) and climate change (46.3 percent).

More than 2/3 of the companies surveyed have confidence in the financial system in the RM.

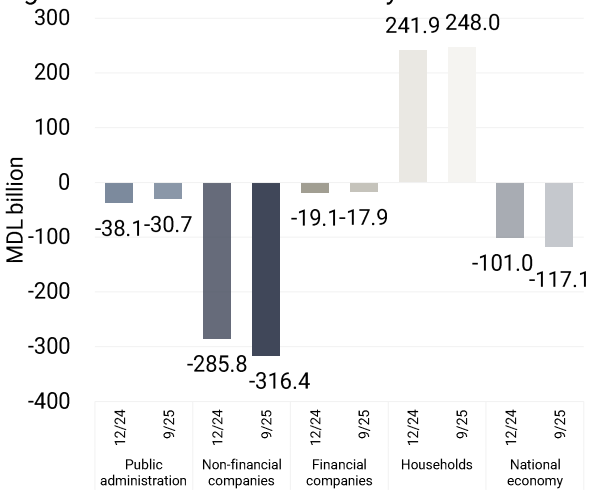
However, the level of trust varies 45.7 percent of respondents said they had moderate trust, 22.9 percent said they had a lot or a great deal of trust, 17.1 percent said they had little or very little trust, and 11.4 percent said they had no trust at all.

1.4. Sectoral balance sheets and financial accounts

The national economy remained a net debtor, primarily due to the decline in the net financial worth of the non-financial corporate sector, while the household sector[21] is the main net creditor of the national economy.

The net financial position[22] of the national economy as at 30.09.2025 stood at -117.1 billion MDL, down by 15.9 percent compared with 31.12.2024 (Figure 1.4.1.).

Figure 1.4.1. Net financial value by sector



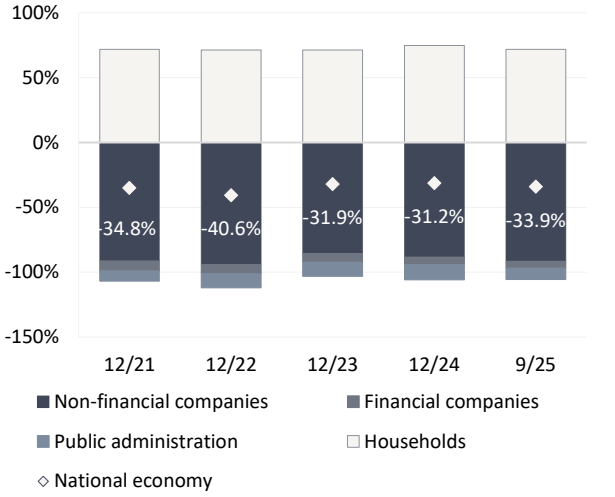
Source: NBM

This development was largely driven by a decline in the net financial worth of the non-financial corporate sector to MDL 316.4 billion (down 10.7 percent). At the same time, the net financial worth of the household sector, the financial corporations' sector and the public administration sector increased by 2.5 percent, 5.9 percent and 19.3 percent, respectively.

The economy's continued net debtor position reflects the ongoing need to finance economic activity, particularly against the backdrop of the deterioration in the net financial position of the non-financial corporate sector. At the same time, the net creditor position of households indicates the existence of domestic savings, which can constitute an important source for financing investment and supporting financial stability, provided that financial intermediation is efficient.

The ratio of the national economy's net financial worth to GDP reflects the economy's aggregate financial position and reveals the degree of dependence on net financing. As at 30.09.2025, this indicator stood at 33.9 percent (2024: 31.2 percent) (Figure 1.4.2.).

Figure 1.4.2. Evolution of the ratio between net financial value and GDP



Source: NBM

The total financial assets and liabilities of the national economy recorded an upward trend throughout the analysed period and at the end of the third quarter of 2025 amounted to MDL 891.7 billion and, respectively, MDL 1,008.8 billion (Figure 1.4.3.).

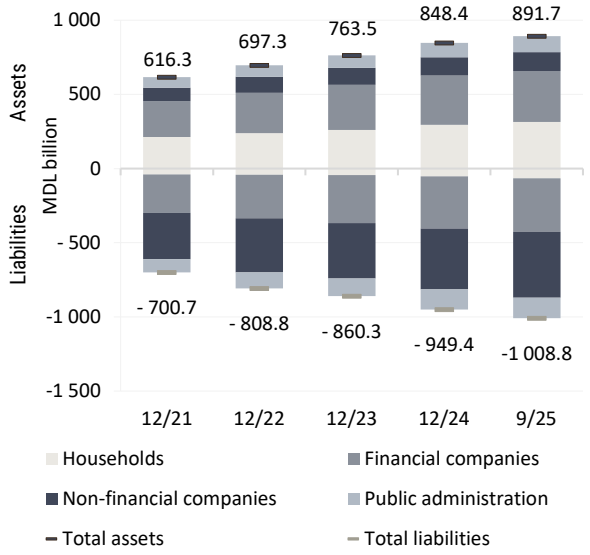
Meanwhile, the growth rate of the financial assets of the national economy compared to the end of 2024 (+5.1 percent) was lower than that of liabilities (+6.3 percent).

The structure of financial assets and commitments of the sectors of the national economy, by types of instruments, differs depending on the type of main activities specific to the respective sector and its available resources.

[21] The household sector also includes non-profit institutions serving them.

[22] Net financial value represents the difference between total financial assets and total liabilities, recorded by a certain sector of the national economy

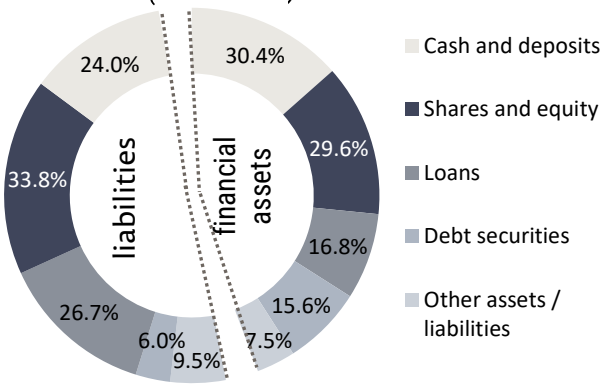
Figure 1.4.3. Financial assets and liabilities of national economy sectors



Source: NBM

Within the structure of the national economy's financial assets, the largest share is accounted for by cash and deposits (30.4 percent) and shares and equity interests in legal entities (29.6 percent), while the structure of liabilities is predominantly made up of shares and equity interests in legal entities registered in the RM (33.8 percent), loans taken out (26.7 percent) and cash and deposits (24.0 percent) (Figure 1.4.4.).

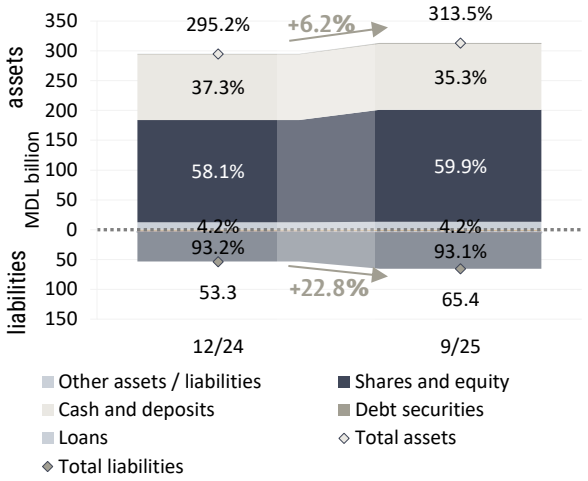
Figure 1.4.4. Structure of financial assets and liabilities of sectors of the national economy by instruments (30.09.2025)



Source: NBM

As at 30.09.2025, the household sector held financial assets totalling MDL 313.5 billion (+6.2 percent compared with the end of the previous year). The increase in assets was due to a rise in the balance of shares and other forms of equity (+9.6 percent), which contributed +5.6 percentage points to the total change in the sector's financial assets, accounting for 59.9 percent of the total. At the same time, the balance of cash and deposits rose by 0.5 percent, accounting for 35.3 percent of the sector's financial assets (Figure 1.4.5.).

Figure 1.4.5. Structure of financial assets and liabilities of the household sector



Source: NBM

Commitments of the household sector totalled MDL 65.4 billion (+22.8 percent), consisting predominantly of loans taken out (93.1 percent of the total).

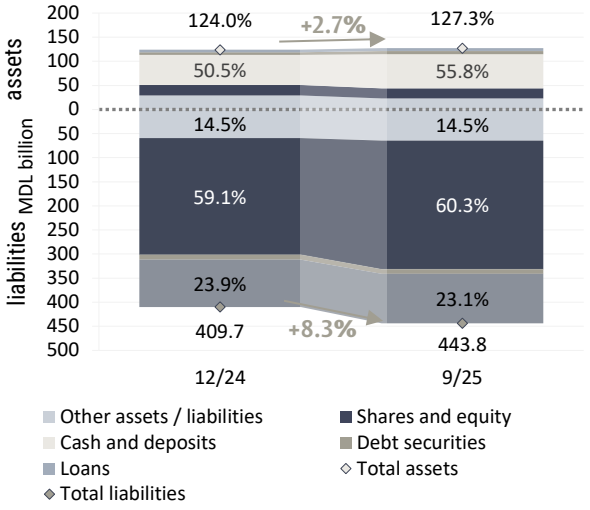
The non-financial corporate sector is the largest sector of the national economy in terms of commitments.

At the end of the third quarter of 2025, the non-financial corporate sector held financial assets worth MDL 127.3 billion, 2.7 percent more than at the end of the fourth quarter of 2024 (Figure 1.4.6.). Within the structure of financial assets, the largest share was accounted for by cash and deposits (55.8 percent of the total).

At the same time, the sector's bonds amounted to MDL 443.8 billion (+8.3 percent compared to the end of the fourth quarter of 2024).

These were largely formed by equity (60.3 percent of the total liabilities of the given sector) and contracted loans (23.1 percent).

Figure 1.4.6. Financial assets and liabilities of non-financial companies



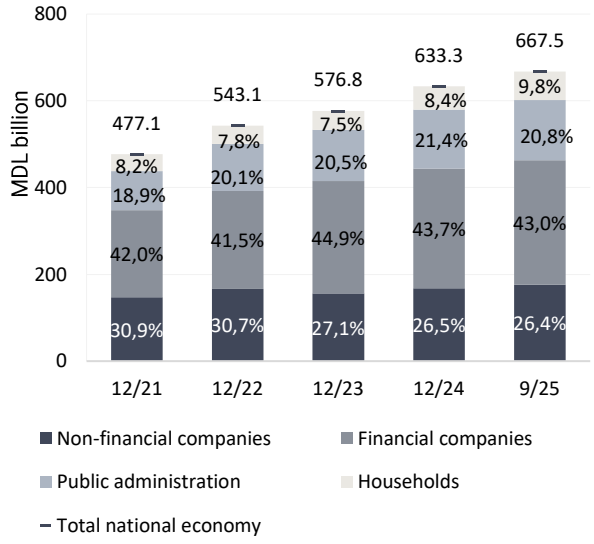
Source: NBM

Total debt[23]

The total debt of the national economy continued to increase during 2025, a characteristic evolution for developing economies.

The value of the total debt of the national economy at the end of the third quarter of 2025 amounted to MDL 667.5 billion (Figure 1.4.7.), or 193.1 percent of GDP.

Figure 1.4.7. Evolution of total debt by sectors

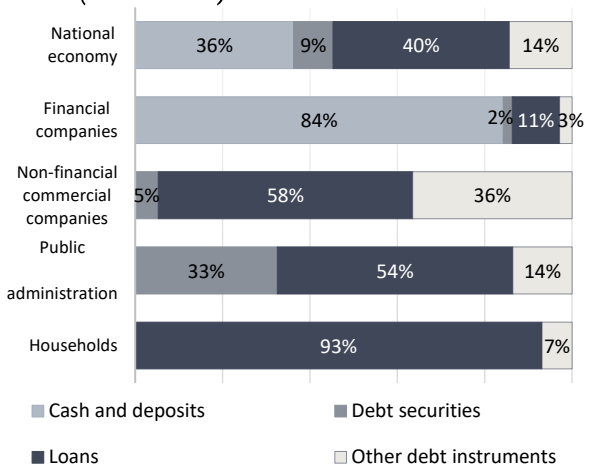


Source: NBM

At the end of the third quarter of 2025, this indicator recorded an increase of 5.4 percent compared to the end of the fourth quarter of 2024.

Contracted loans and cash and deposits are the major components of total debt, with a share of 40.4 and 36.3 percent, respectively (*Figure 1.4.8.*).

Figure 1.4.8. Total debt structure by instruments and sectors (30.09.2025)



Source: NBM

The highest level of total debt, as at 30.10.2025, was recorded in the financial companies' sector, owing to the nature of its activities as a financial intermediary.

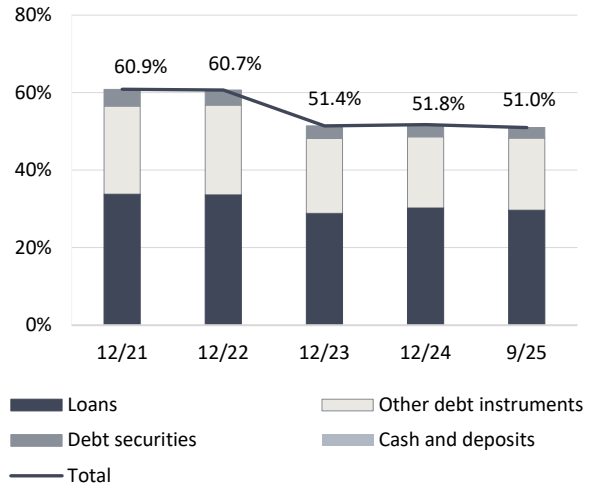
This sector recorded debt of MDL 287.1 billion, representing 43.0 percent of the national economy's total debt. In terms of instruments, cash and deposits accounted for the largest share of the sector's total debt (84.3 percent).

The total debt of the non-financial corporate sector at the end of the third quarter of 2025 stood at MDL 176.2 billion, representing 26.4 percent of the national economy's total debt. The value of this indicator relative to GDP fell by 0.8 percentage points compared to the value at the end of the previous year, to 51.0 percent (Figure 1.4.9.).

Within the structure of this sector's total debt, the largest share (58.3 percent) is accounted for by loans taken out.

[23] The total debt of a sector is defined as the sum of all liabilities of a sector owed to other sectors of the national economy and the "Rest of the World" sector, excluding shares and participations in investment funds and derivative financial instruments.

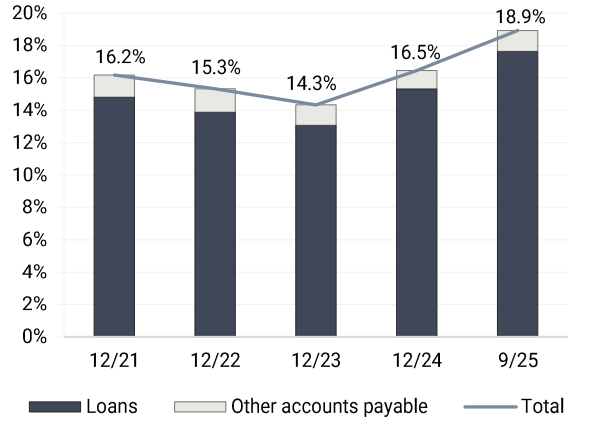
Figure 1.4.9. Total debt of the non-financial companies' sector to GDP



Source: NBM

The lowest level of total debt is recorded in the household sector, which accounts for 9.8 percent (MDL 65.4 billion) of the national economy's total debt. The household sector's total debt as a percentage of GDP stands at 18.9 percent, an increase of 2.4 percentage points compared with the previous year (Figure 1.4.10.).

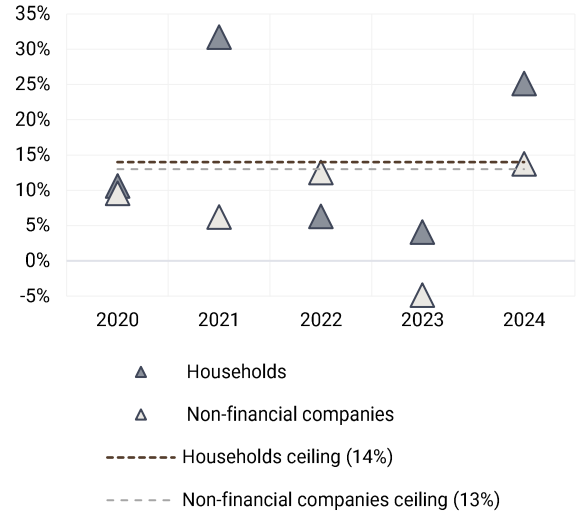
Figure 1.4.10. Total household sector debt to GDP



Source: NBM

The debt ratio[24] of the non-financial companies sector in the period 2020 - 2023 remained within the[25] 13 percent ceiling (Figure 1.4.11.).

Figure 1.4.11. Degree of indebtedness



Source: NBM

In 2024, this indicator stood at 13.8 percent. The stock of debt securities issued by this sector increased by 6.0 percent, while borrowing rose by 11.9 percent compared with the previous year.

For the household sector, this indicator rose from 4.1 percent in 2023 to 25.1 percent in 2024, mainly as a result of a faster rate of growth in loans taken out compared with that recorded in 2023.

Financial accounts of the RM (experimental data)

The national economy consumes or invests more than it saves and must attract additional financing in the amount of 1/6 of GDP.

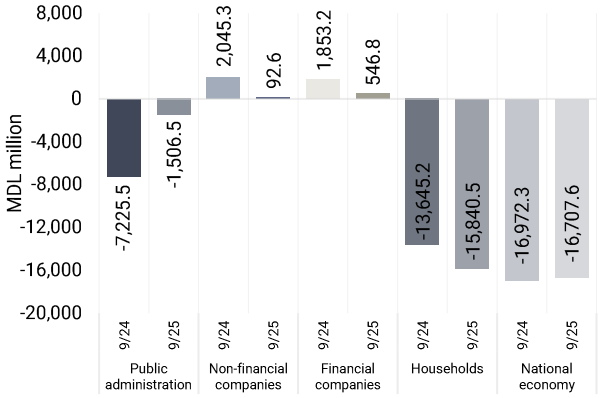
The net financing need of the national economy[26], in the third quarter of 2025, amounted to MDL -16,707.6 million, MDL 264.7 million less than in the third quarter of 2024 (Figure 1.4.12.).

[24] It is calculated as the net flow related to issued debt securities and contracted loans generated by a sector during the analysed period and reported to the stock of the respective financial instruments at the end of the previous period. For the non-financial companies' sector, the amounts contracted as foreign direct investments are excluded from the calculation of this indicator

[25] According to "The Macroeconomic Imbalance Procedure (MIP) introduced - Statistics Explained"

[26] Net financing capacity / net financing need is an indicator that reflects the state of an economy because of net transactions with financial assets and liabilities. Thus, net capacity represents the positive difference between the net value of transactions with financial assets and liabilities, and the net financing need represents the opposite situation.

Figure 1.4.12. Net capacity (+)/net need (-) of financing by sectors (MDL million)

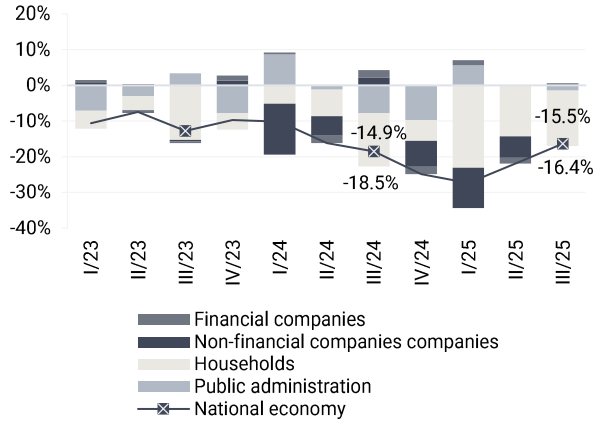


Source: NBM

The net financing requirement of the national economy as a percentage of GDP amounted to 16.4 percent, down 2.1 percentage points from the same period of the previous year.

The household sector recorded an increase in this indicator from 14.9 percent in the third quarter of 2024 to 15.5 percent in the reporting period (Figure 1.4.13.).

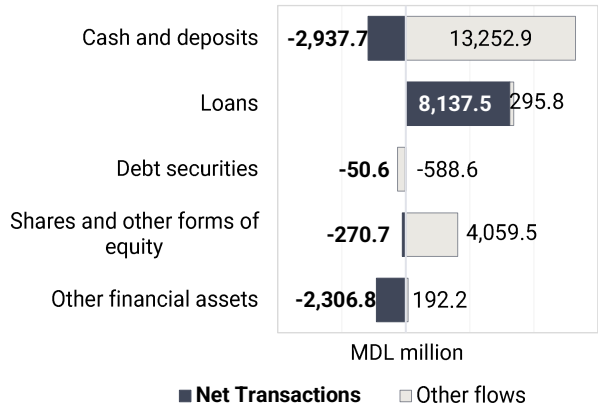
Figure 1.4.13. Net capacity (+) / net need (-) for financing the sectors of the national economy compared to GDP



Source: NBM

During the third quarter of 2025, in the national economy, net transactions[27] related to financial assets amounted to MDL 2,571.8 million, while other flows amounted to MDL 17,211.8 million. The largest volume of net transactions was recorded with contracted loans, which amounted to MDL 8,137.5 million (Figure 1.4.14.).

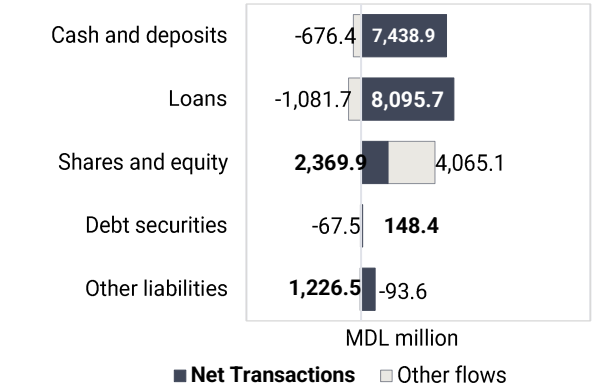
Figure 1.4.14. Structure of flows related to total financial assets on the national economy in the third quarter of 2025



Source: NBM

Net transactions related to bonds, within the national economy, during the third quarter of 2025 amounted to MDL 19,279.4 million, and the volume of other flows amounted to MDL 2,145.9 million (Figure 1.4.15.).

Figure 1.4.15. Structure of flows related to total liabilities on the national economy in the third quarter of 2025



Source: NBM

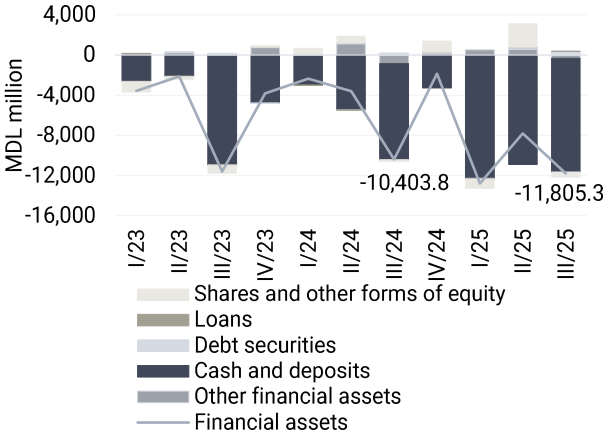
Household sector

The largest volume of net transactions related to assets was recorded for cash and deposits.

The volume of net transactions related to the financial assets of the household sector in the third quarter of 2025 totalled MDL 11,805.3 million (Figure 1.4.16).

[27] Financial flows represent changes in balances related to financial instruments over a period and include net financial transactions and other flows. Net transactions represent net purchases (purchases minus sales) of financial assets and net contracting (contracting minus repayment) of liabilities. Other flows represent changes in assets and liabilities that are not due to net financial transactions (revaluations, reclassifications, other flow elements).

Figure 1.4.16. Net transactions in financial assets of the household sector



Source: NBM

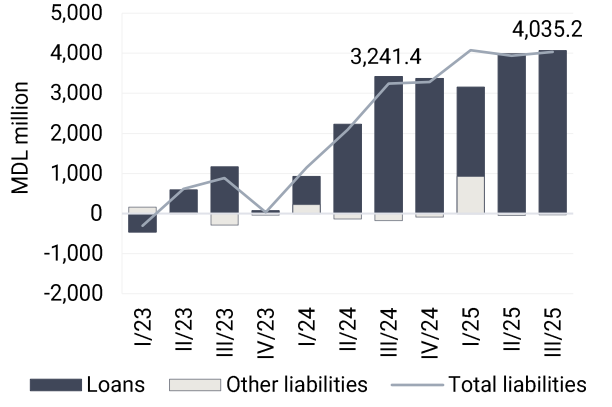
Of this amount, MDL -11,330.8 million took the form of cash and deposits. This figure was determined, predominantly, by transactions involving foreign currency cash, which recorded a net value of MDL -13,653.4 million.

At the same time, net transactions related to cash and deposits between the financial sector and households totalled MDL +2,322.6 million. Net transactions related to shares and other forms of equity amounted to MDL -533.5 million.

At the same time, net transactions for the purchase of corporate bonds by banks contributed to the formation of the net volume of debt securities worth MDL 358.3 million.

On the bond side, the household sector recorded net financial transactions worth MDL 4,035.2 million (Figure 1.4.17.).

Figure 1.4.17. Net transactions in household sector liabilities

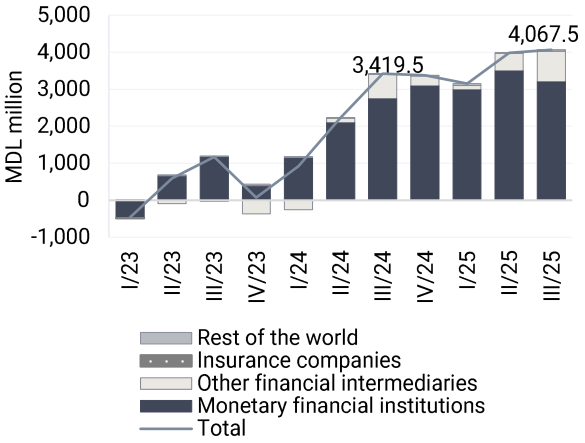


Source: NBM

Net loan contracting transactions totalled MDL 4,067.5 million.

Of the total volume of net loan contracting, 78.9 percent was accounted for by transactions with monetary financial institutions (resident licensed banks and "B"-licensed savings and loan associations), while 20.2 percent was accounted for by other financial intermediaries – non-bank credit organisations and savings and loan associations holding an "A" licence (Figure 1.4.18.).

Figure 1.4.18. Dynamics of household sector loans and their counterparts



Source: NBM

Non-financial commercial companies' sector

Non-financial commercial companies carried out, to approximately the same extent, net transactions with cash and deposits, but also in the form of purchases of shares and bonds.

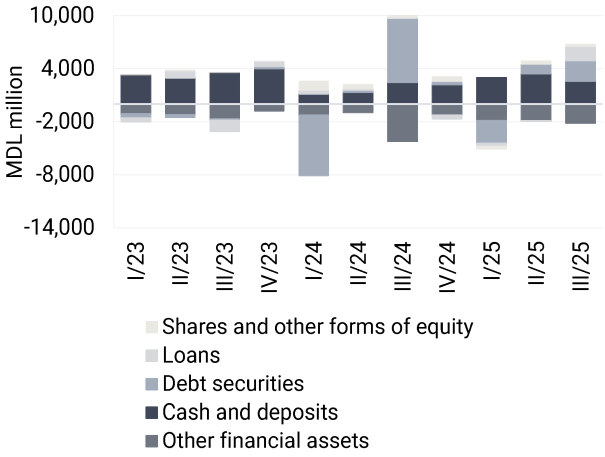
In the third quarter of 2025, the non-financial commercial companies' sector recorded a volume of net transactions with financial assets of MDL 4,574.0 million (Figure 1.4.19.).

Net transactions related to cash and deposits in the third quarter of 2025 totalled MDL 2,585.6 million as a result, including, of net replenishments of current accounts (MDL 1,023.7 million) and net placements of other deposits with banks (MDL 475.2 million).

Net purchases of financial assets in the form of debt securities amounted to MDL

2,297.5 million. Most of their volume was accounted for by SS.

Figure 1.4.19. Net transactions related to the financial assets of the non-financial commercial companies' sector



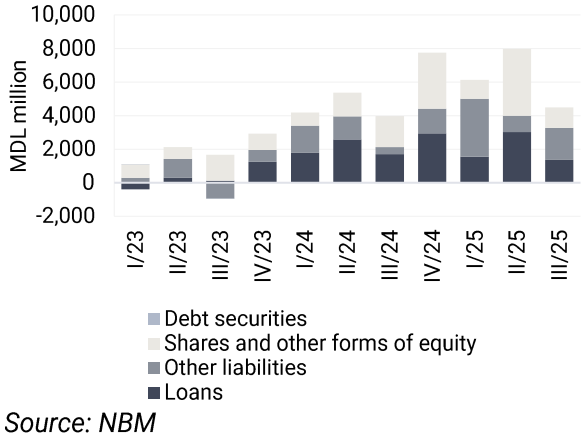
Source: NBM

During the third quarter of 2025, non-financial commercial companies recorded net transactions related to their bonds amounting to MDL 4,481.3 million (Figure 1.4.20.).

The volume of net transactions related to loans taken out amounted to MDL 1,360.6 million and was driven primarily by net borrowing from the financial sector amounting to MDL 1,557.9 million, as well as net repayments to the external sector amounting to MDL 141.9 million.

At the same time, net transactions in shares and other forms of equity amounted to MDL 1,218.0 million, the majority of which was reinvested income from the external sector's direct investments.

Figure 1.4.20. Net transactions in non-financial commercial companies' sector liabilities



Source: NBM

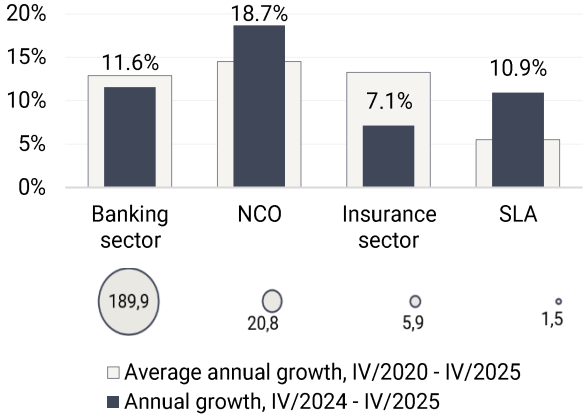
1.5. Financial system structure

The RM's financial system, which is dominated by the banking sector, has continued to expand both in terms of the volume of financial transactions and the share of assets held by entities within the system.

At the end of 2025, the total value of assets held by entities within the financial system (banks, NCOs, insurance companies, SLAs) stood at MDL 218.2 billion (61.7 percent of GDP), an increase of 12.2 percent compared with 2024.

The banking sector, accounting for 87.1 percent of the financial system's total assets, recorded growth of 11.6 percent over the same period; however, the growth rate slowed by 1.3 percentage points compared with the average annual growth rate over the previous five years (Figure *1.5.1.*).

Figure 1.5.1. *Growth rates of financial system segments*



Note: The sizes of the circles represent the value of the segments' assets as of 31.12.2025, in MDL billion.
Source: NBM

The insurance sector recorded growth of 7.1 percent during the reporting period, 6.1 percentage points below the average growth rate of assets held by insurance companies over the last five years.

In 2025, the growth rate of assets held by NCO accelerated to 18.7 percent, 4.2 percentage points above the annual average for the last five years.

At the same time, SLAs also outperformed the average growth rate of the past five years, recording a 10.9 percent increase in assets during the period under review, which was 5.4 percentage points higher than the average annual growth rate over the past five years.

According to data from the national registers, as at 31.12.2025, there were 323 licensed entities operating within the national financial system (19 fewer than in 2024), of which: 10 commercial banks, 112 active NCOs, 188 SLAs and 9 insurance companies (Table 1.5.1.).

Table 1.5.1. Number of entities within the financial system of the RM

Active licensed entities	**31.12.2023**	**31.12.2024**	**31.12.2025**
Banks	11	11	10
NCO	128	116	112
SLA	216	206	188
Insurance companies	9	9	9
TOTAL	**364**	**342**	**323**

Source: NBM

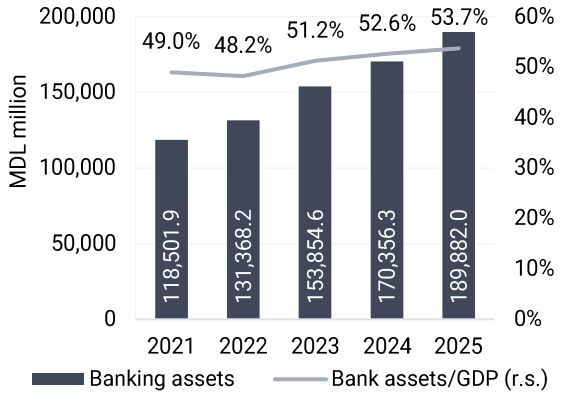
2. BANKING SECTOR RISKS

2.1. Banking sector

Throughout 2025, the banking sector in the RM continued to show adequate resilience and robust financial performance, maintaining strong positions in terms of capitalisation, profitability and liquidity.

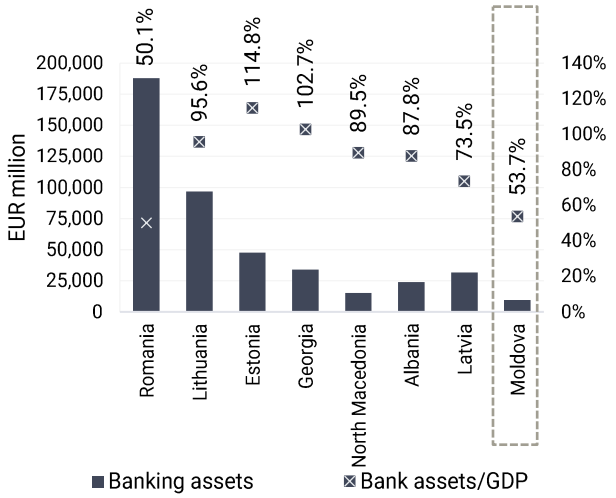
At the end of 2025, the total assets of the banking sector stood at MDL 189.9 billion, an increase of 11.6 percent compared with the end of 2024. As a percentage of GDP, banking assets stood at 53.7 percent, up by 1.2 percentage points (2024: 52.6 percent), but below the level recorded in other countries in the region (Figure 2.1.1., Figure 2.1.2.).

Figure 2.1.1. Ratio between bank assets and GDP



Source: NBM, NBS

Figure 2.1.2. Ratio between bank assets and GDP in comparison with other states in the region

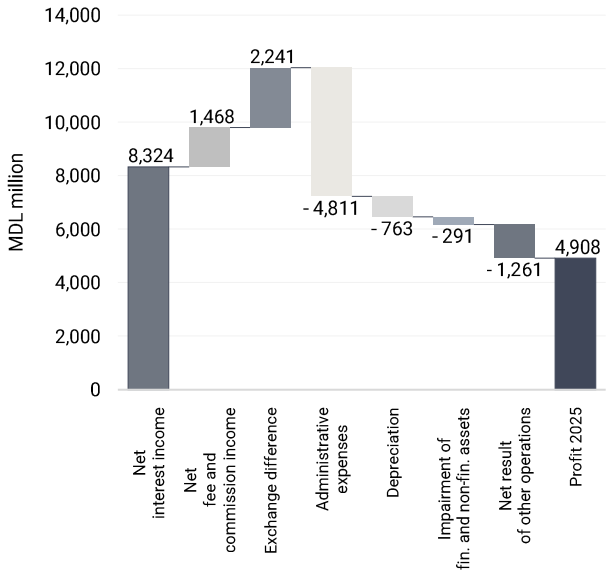


Source: NBM, NBS, Eurostat, official websites of central banks

The increase in banking profits in 2025 was largely driven by the increase in net interest income as a result of the expansion of lending activity.

In this context, the banking sector closed 2025 with an aggregate net profit of MDL 4,908.1 million, up 23.1 percent compared to the previous year (Figure 2.1.3.). The increase in profit was driven primarily by the favourable trend in interest income, particularly that related to the loan portfolio, which increased by MDL 1,621.3 million (24.3 percent) to MDL 8,284.8 million, representing 74.2 percent of total interest income.

Figure 2.1.3. Profitability of the banking sector



Source: NBM

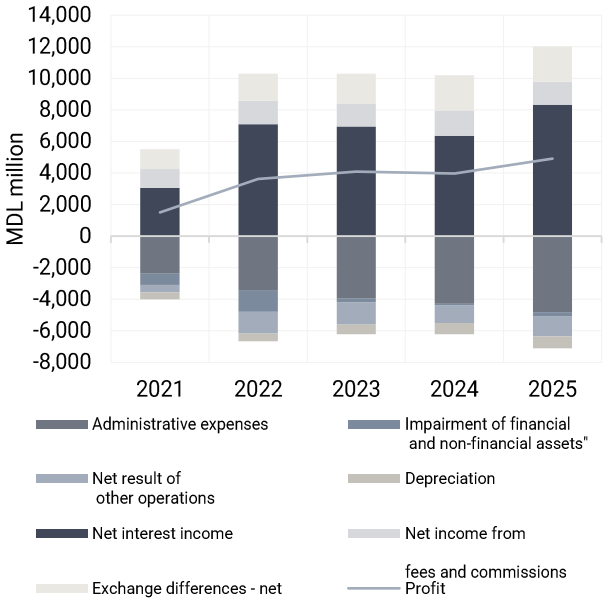
The structure of interest income indicates that the banks' business strategies have focused primarily on lending, but also on investment activities that provide both liquidity and a sufficient degree of protection against adverse shocks.

The increase in interest income was driven by the favourable performance of the main interest-generating components, namely loans and SS. The main contribution came from the expansion of the loan portfolio, particularly in the household segment, which significantly supported the growth of interest income generated by lending activity.

At the same time, in relative terms, interest income from SS recorded the strongest relative increase (+46.7 percent) compared with the other components of the interest income structure, accounting for 15.8 percent of the total.

Thus, the banking sector's interest income amounted to MDL 11,160.4 million, up 25.2 percent (MDL 2,248.6 million) compared to 2024. The main components of interest income were interest income from loans granted to individuals (35.9 percent), followed by those from non-financial companies (31.9 percent).

Figure 2.1.4. Bank profit structure

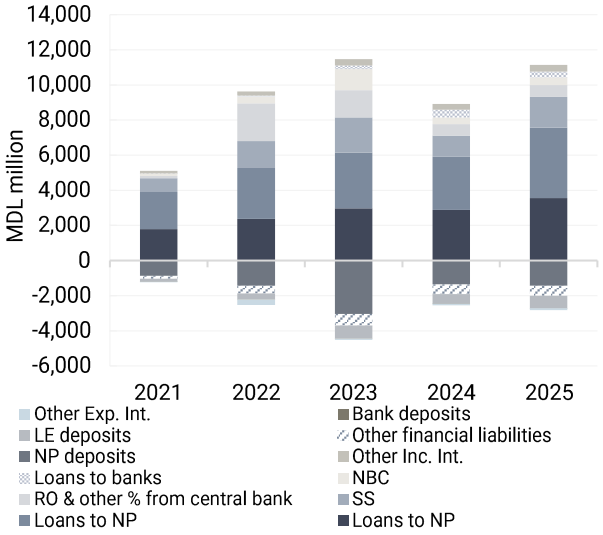


Source: NBM

Income from loans granted to individuals increased by 32.6 percent (MDL 983.1 million), while that from loans granted to legal entities increased by 23.2 percent (MDL 669.8 million), contributing significantly to the increase in interest income. This trend indicates an intensification of financial intermediation and a significant contribution of lending to the banking sector's financial performance.

At the same time, the increase in interest expenses on deposits of legal entities, amounting to MDL 168.3 million, suggests a rise in the cost of funding. Nevertheless, the faster growth rate of interest income compared with that of related expenses led to an improvement in the net interest margin, thereby contributing to the strengthening of the banking sector's profitability (Figure 2.1.5.).

Figure 2.1.5. Structure of income and expenses within the banking sector

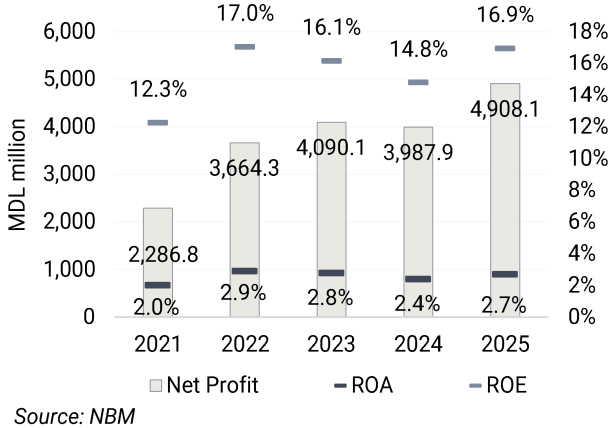


Source: NBM

Profitability indicators for the banking sector in the RM were at levels comparable to, or slightly higher than, those recorded in most economies in the region and the EU.

The increase in the banking sector's profitability led to an improvement in profitability indicators for both assets and capital, which returned to an upward trajectory after two consecutive years of decline. Return on equity, at the aggregate level of the banking sector, approached in 2025 the historical high recorded over the past 15 years, reflecting the strengthening of financial performance and a more efficient use of capital (Figure 2.1.6.).

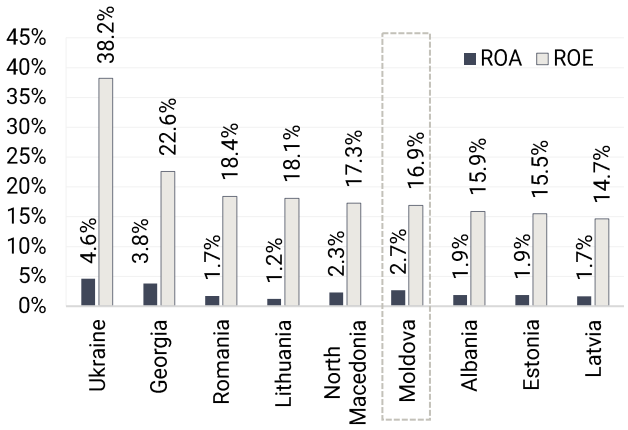
Figure 2.1.6. Return on capital and assets



Source: NBM

The profitability indicators for the banking sector in the RM were at levels comparable to, or slightly higher than, those recorded in most economies in the region, reflecting robust performance and a favourable position within the regional context (Figure 2.1.7.).

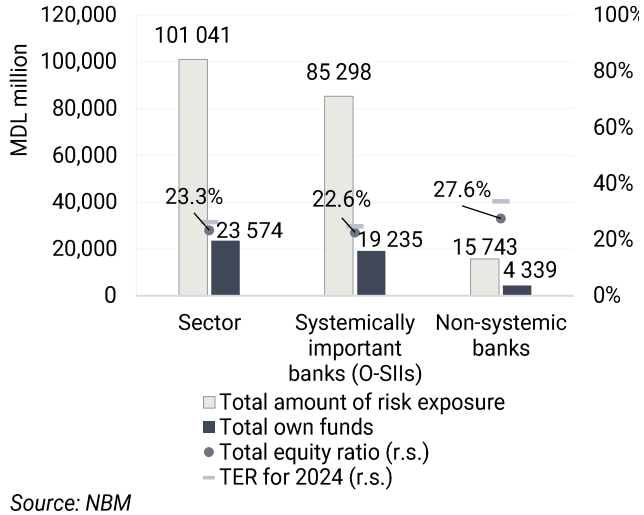
Figure 2.1.7. Return on equity and assets compared to other countries in the region



Source: Financial Soundness Indicators, IMF

The total equity ratio in the banking sector at the end of the reference year was 23.3 percent, recording a decrease compared to 2024 (-3.0 percentage points), against the background of a more pronounced increase in the total amount of risk exposure in relation to equity (Figure 2.1.8.).

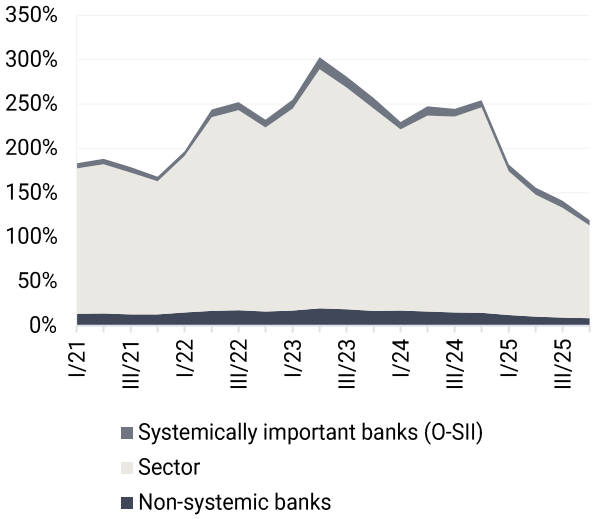
Figure 2.1.8. Banking sector capitalization indicator, by sector and bank groups



Source: NBM

At the sector level, over the last five years, the volatility of the voluntary reserve[28], can be observed, ranging from 104.6 to 269.9 percent, indicating significant variations in the capital surplus above prudential requirements (Figure 2.1.9.).

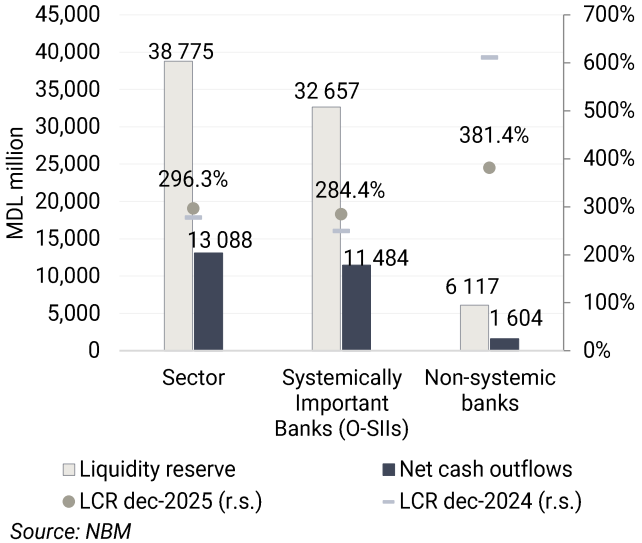
Figure 2.1.9. Dynamic distribution of voluntary reserves by sector and bank groups



Source: NBM

The individual values of the liquidity indicator ranged between 192.2 percent and 937.2 percent, highlighting a high degree of heterogeneity between banks (Figure 2.1.10.).

Figure 2.1.10. LCR indicator, by sector and bank groups



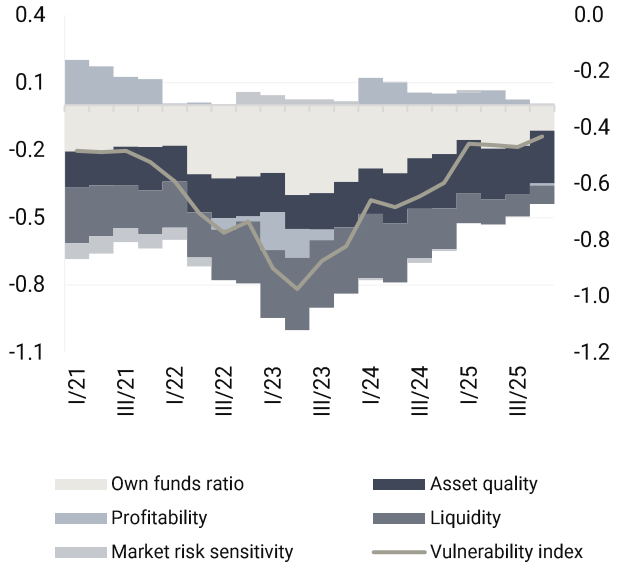
Source: NBM

[28] The voluntary reserve represents the excess of own funds maintained by banks over the prudential requirements in force, compared to the total amount of risk exposure.

The overall level of vulnerability in the banking sector, based on trends in the banks' key financial indicators, remained below the vulnerability threshold[29].

During 2025, the banking sector vulnerability index[30] recorded negative values, indicating the absence of systemic vulnerabilities in the banking sector (Figure 2.1.11.).

Figure 2.1.11. Dynamics of the overall vulnerability index



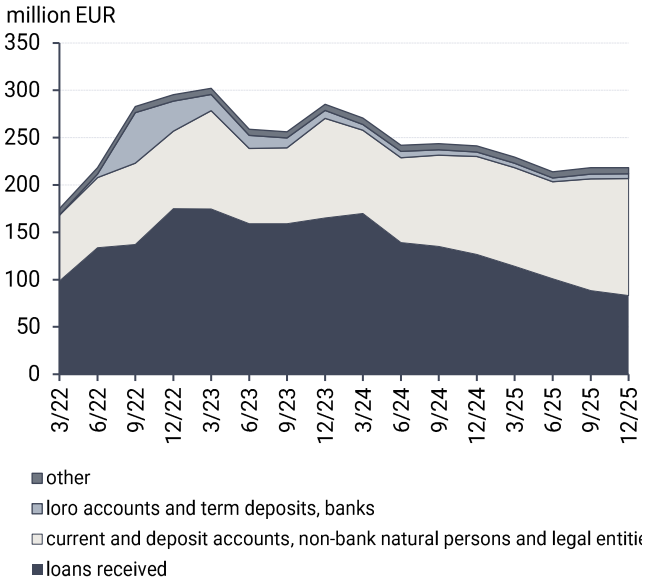
Source: NBM

However, during the mentioned period, there was a slight deterioration in the general index, reflecting a negative dynamic of the sub-indices concerning the capital adequacy ratio, market risk sensitivity and liquidity. The unfavourable dynamics were counterbalanced by the improvement of the sub-index concerning profitability. At the individual level, the general vulnerability index remained below the vulnerability threshold for all banks.

<u>Vulnerabilities of the banking sector to non-residents</u>

In 2025, the banks' foreign currency liabilities to non-residents decreased[31] in terms of outstanding balance, largely as a result of the decrease in external loans received by the banking sector. Consequently, banks' drawdowns on external loans fell by 24.9 percent compared with 2024, while banks' payments towards servicing external debt increased slightly by 3.4 percent. Consequently, the balance of loans received by banks fell by 33.7 percent[32] to EUR 83.2 million (Figure 2.1.12.).

Figure 2.1.12. Foreign exchange assets attracted from non-residents by item breakdown

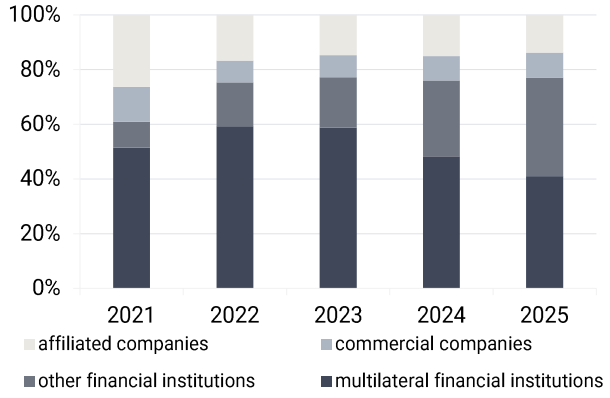


Source: NBM

Regarding developments by type of creditor, a moderate increase in loan withdrawals from multilateral financial institutions and a contraction in lending from investment funds were observed. Higher repayments than withdrawals led to a decrease in the outstanding balance of loans from multilateral financial institutions, but they continued to hold the largest share in total external loans (Figure 2.1.13.).

[29] The value of the general vulnerability index equals 0, so negative values show a low level of financial vulnerability, while a positive value of the index denotes a higher financial vulnerability.
[30] Aggregate indicator, calculated as the weighted sum based on the scores of financial soundness indicators.
[31] By 6.6 percent by excluding the influence of the exchange rate. At the effective exchange rate, the outstanding balance of foreign currency debts of banks in relation to non-residents, being mainly denominated in EUR, decreased by 9.5 percent.
[32] By excluding the influence of the exchange rate. At the effective exchange rate, the outstanding balance of foreign loans received decreased by 34.3 percent.

Figure 2.1.13. Structure of loans received by banks, by type of creditor



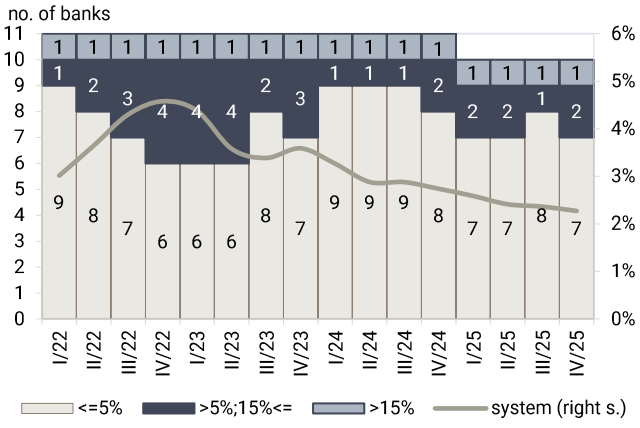
Source: DMFAS

At the same time, interbank funding received by local banks increased only marginally (mainly intra-group funding in the form of deposits). Thus, at the end of 2025, the balance of interbank funding stood at 5.0 million EUR, compared with EUR 4.7 million at the end of 2024.

The balance of current and deposit accounts in foreign currency held by non-resident non-bank customers rose by 27.1 percent[33] to EUR 123.5 million, driven by an increase in those held by individuals.

Other types of liabilities to non-residents remained negligible in terms of both level and trend. Against this backdrop, the exposure of local banks through foreign currency funds raised from non-residents remained relatively stable (Figure 2.1.14.).

Figure 2.1.14. Exposure to non-residents through foreign exchange in relation to total capital and liabilities, by groups of banks



Source: NBM

[33] Excluding the influence of the exchange rate. At the effective exchange rate, the balance of current and deposit accounts of non-resident non-bank customers increased by 19.3 percent.

At the end of the reference year, this exposure stood at 2.3 percent of total capital and liabilities (compared with 2.7 percent in 2024).

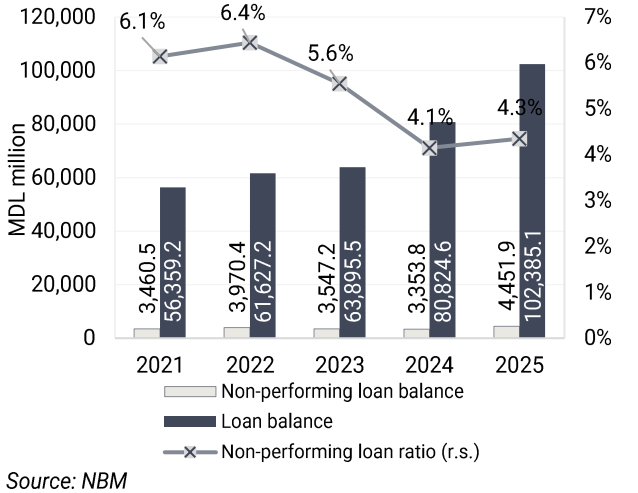
According to the situation at the end of the reporting year, 9 banks continue to be exposed through foreign currency funds attracted from non-residents in total capital and liabilities in small proportions of up to 15 percent (minimum – 0.1 percent, maximum – 6.7 percent). Only one bank founded by foreign investors is classified in the category of over 15 percent.

2.2. Credit risk

In 2025, credit risk within the banking sector in the RM showed a slight deterioration, reflected in a rise in the aggregate NPL ratio against a backdrop of robust credit growth. However, financial stability was marked by a shift in areas of pressure, characterised by increased vulnerabilities in certain lending segments.

The growth rate of the banking sector's loan portfolio accelerated in 2025. During the year, banks increased their loan portfolios by MDL 21,560.6 million (+26.7 percent in annual terms), with the total balance standing at MDL 102,385.1 million at the end of the period (Figure 2.2.1.).

Figure 2.2.1. Evolution of credit balance and non-performing credits ratio in total credits



Source: NBM

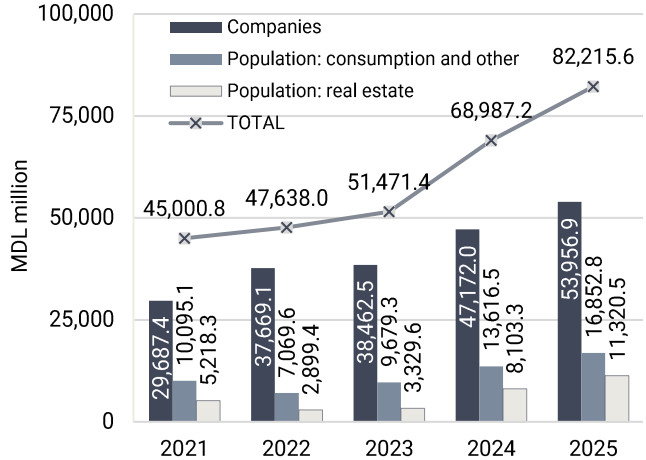
At the same time, the quality of bank loans marked a slight increase in the rate of non-performing loans according to prudential standards[34].

The balance of non-performing loans increased by 26.4 percent compared to the end of 2024, which determined the increase in the non-performing loan rate by 0.2 percentage points to the level of 4.3 percent aggregated in the banking sector.

The context of monetary policy easing during 2025 established the increase in lending in the banking sector.

The evolution of the flow of new loans granted by the banking sector during the analysed period maintained an upward trajectory, although a moderation in the expansion rate is observed compared to the previous year. Thus, the value of new credit contracts registered an increase of 19.2 percent compared to 2024, a more moderate dynamics compared to the 34.0 percent advance recorded in the period 2024/2023 (Figure 2.2.2.).

Figure 2.2.2. Evolution of the total flow of new loans granted by banks



Source: NBM

The main driver of this positive trend was the segment of loans granted to companies. Their volume increased by 14.4 percent (a nominal increase of MDL 6,784.9 million compared to 2024), generating more than half of the total growth in new lending, with a contribution of 51.3 percent.

At the same time, demand for financing from the public remained robust, supported in a balanced manner by the two main components: consumer spending and mortgages. New consumer loans accounted for 24.5 percent of total growth, marking an increase of MDL 3,236.3 million (+23.8 percent compared with 2024). Significant growth was observed in the new mortgage loans segment, which, although it made a similar contribution to the total growth (24.3 percent), recorded the highest annual growth rate of all categories, namely 39.7 percent (MDL +3,217.2 million compared with the previous year).

When breaking down new loan flows by currency, there was a clear preference for financing in the national currency, which remained the main driver of lending growth. New lending in MDL recorded an annual increase of 18.9 percent (equivalent to an increase of MDL 9,779.9 million compared with 2024), contributing 73.9 percent to the growth rate of total lending.

The foreign-currency component also showed growth, albeit at a more moderate pace, with an annual growth rate of 11.9 percent (an increase of MDL 2,547.4 million compared with the previous year). This contributed 19.3 percent to the growth in total lending. At the same time, foreign currency-denominated loans recorded a 10.7 percent increase (MDL +901.1 million compared with 2024), contributing 6.81 percent to the overall growth rate.

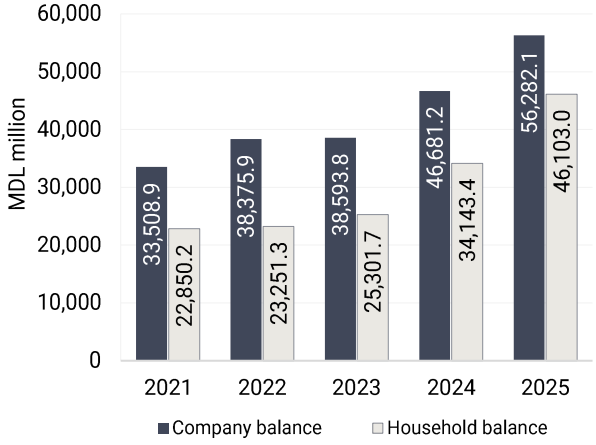
The upward trend in the outstanding loan balance was driven by both categories of borrowers, with mention of the retail segment.

The more prominent contribution of lending to the retail segment to the growth in the total bank loan balance (a 54.3 percent contribution to growth) was driven by a faster expansion of this sub-portfolio, with

[34] Classification of loans in accordance with Regulation No 231/2011 on the classification of assets and contingent liabilities, the provisions of which are considered to have a more conservative approach compared to the practices of other states.

the total balance of loans granted to this category increasing by 35.0 percent, to reach MDL 46,103.0 million. As a result of this growth rate, the share of loans granted to individuals in the structure of the total bank loan portfolio increased, reaching 44.8 percent (compared with 42.2 percent in December 2024), a trend illustrated in Figure 2.2.3.

Figure 2.2.3. Evolution of the balance of loans granted to companies and households



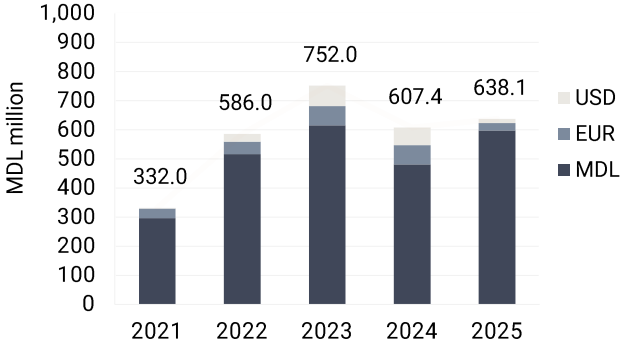
Source: NBM

At the same time, the balance of loans granted to companies reached MDL 56,737.1 million, which represents an annual increase of 21.5 percent.

The portfolio of expired but non-residual loans[35], remained at a low level in relation to the total loan portfolio, indicating a relatively stable evolution of asset quality.

During the period under review, overdue loans registered a slight increase compared to the situation at the end of the previous year. Thus, the balance of loans with payment delays between 30 and 90 days was 5.1 percent higher compared to the end of 2024, which constituted 0.6 percent of the banking portfolio. In currency breakdown, the predominant share belongs to overdue loans granted in the national currency, being at the level of 93.7 percent of the total balance of overdue loans (Figure 2.2.4.).

Figure 2.2.4. Evolution of the balance of expired loans, by currency



Source: NBM

At the aggregate level, the quality of the bank loan portfolio deteriorated slightly, due to certain sectoral deficiencies.

The non-performing loan (NPL) ratio at the banking system level increased by 0.18 percentage points during 2025, reaching 4.33 percent (Table 2.2.1.).

Table 2.2.1. Non-performing loan rate by loan types and industry sectors

Branch name	Balance 2025, MDL million	NPL rate	NPL rate	Compared to 2024
		2025	2024	
Agriculture	5,334.63	10.58%	19.20%	-8.62
Food industry	4,772.07	4.22%	5.50%	-1.28
Construction sector	3,279.36	1.80%	3.51%	-1.71
Consumer loans	19,241.74	3.83%	3.03%	0.80
Energy industry	2,685.19	6.62%	0.41%	6.21
ATU/ATU subordinate institutions	890.85	0.18%	0.95%	-0.77
Productive industry	3,538.94	5.11%	8.70%	-3.59
Trade sector	21,156.28	2.50%	2.46%	0.04
Non-banking financial environment	3,797.25	0.04%	0.06%	-0.01
Acquisition of real estate	26,092.60	5.01%	1.36%	3.65
Individuals practicing activity	2,073.64	10.16%	14.42%	-4.26
Transport, telecommunications and network development	3,326.14	3.17%	2.90%	0.28
Service provision sector	3,974.29	5.97%	5.08%	0.88
Other loans granted	2,222.15	6.20%	7.01%	-1.85
Total	**102,385.15**	**4.35%**	**4.15%**	**0.18**

Source: NBM

Despite this upward trend, there has been a significant recovery in the agricultural sector, where the NPL ratio fell from 19.20

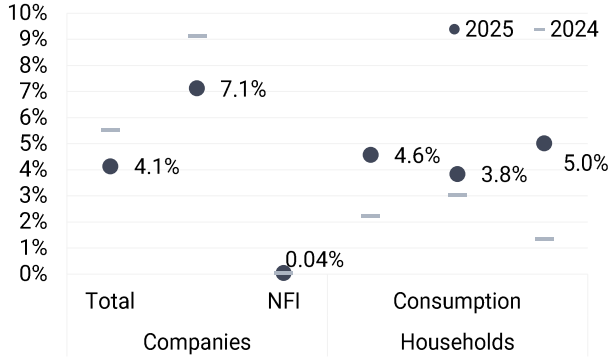
[35] Loans with payment delays between 30 and 90 days.

percent in 2024 to 10.58 percent in 2025. However, the trend in the quality indicator remains mixed across sectors. While the manufacturing sector and self-employed individuals reported declines in the NPL ratio, the property purchase segment – which accounts for the largest share of the total outstanding balance (MDL 26,092.60 million) – saw a deterioration, with the NPL ratio rising from 1.36 percent to 5.01 percent.

A more pronounced risk dynamic was also observed in the energy industry, where the non-performing loan rate increased considerably, reaching 6.62 percent (+6.21 percentage points compared to 2024).

The analysis of portfolio quality by type of debtor (Figure 2.2.5.) highlights divergent trajectories between the corporate and retail sectors during 2025.

Figure 2.2.5. Non-performing bank loan rate by type of debtor



Source: NBM

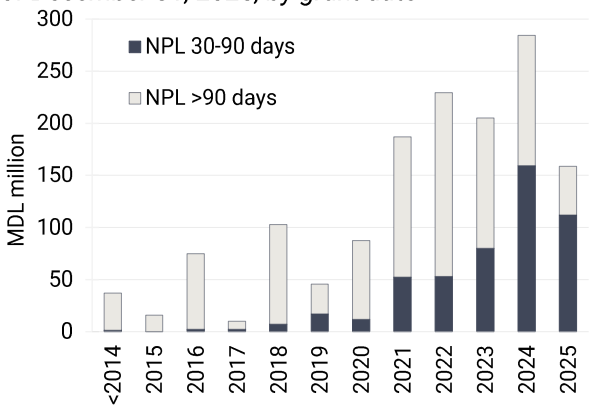
In the case of companies, there was evidence of an improvement in repayment capacity, with the NPL ratio falling from 5.5 percent in 2024 to 3.9 percent. This trend was driven by the SME segment, where the NPL ratio fell from around 9.1 percent to 7.1 percent, a development indicating a recovery in economic activity amongst small and medium-sized enterprises.

In the case of the retail loan portfolio, the non-performing loan ratio rose from 2.3 percent to 4.3 percent. The increase was driven mainly by the mortgage segment, where the NPL ratio rose from 1.4 percent in 2024 to 5.0 percent in 2025. At the same time, in the consumer loans segment, the non-performing loan ratio rose from 3.1 percent to 3.8 percent. Against this backdrop, the rise in the non-performing loan ratio within the retail portfolio was primarily influenced by developments in mortgage loans.

Non-performing exposures dating from the period of economic imbalances and the banking crisis of 2014–2015 have fallen significantly relative to the portfolio as at the end of 2025.

Of the total balance of non-performing loans, 22.4 percent are loans granted in 2025. The classification of exposures into non-performing categories is significantly influenced by the application of qualitative credit risk assessment criteria, in addition to quantitative criteria. At the same time, almost two-thirds of the total balance of non-performing loans stems from loans granted between 2021 and 2024 (Figure 2.2.6.).

Figure 2.2.6. Breakdown of non-performing loans as of December 31, 2025, by grant date



Source: NBM

In contrast to the historical stock of non-performing loans (prior to 2020), where arrears of over 90 days predominate, recent loans show a significant proportion in the 30–90-day NPL category, with the peak being recorded for contracts concluded in 2024.

This pattern indicates that banks are maintaining a prudent and forward-looking approach, in line with the trend observed in the previous year. The early identification (30–90 days) of non-performing loans

suggests that banks are using qualitative risk assessment criteria[36] in addition to the number of days past due, in accordance with national prudential rules.

An analysis of the borrower migration matrix for the period December 2024 to December 2025 points to persistent pressures on portfolio quality, particularly for debtors who were already experiencing payment difficulties.

The default entry rate for borrowers in the lowest-risk category (A) remained at very low levels, at 0.26 percent for corporate borrowers and 0.25 percent for retail borrowers, confirming the stability of the performing segment of the portfolio (Table 2.2.2.).

Table 2.2.2. Debtor migration matrix[37] by the number of days of payment arrears[38] (Dec 2024–Dec 2025)

Companies	A	B	C	D	E
A	98.44%	0.57%	0.58%	0.16%	0.26%
B	61.32%	15.78%	6.24%	2.76%	13.90%
C	45.32%	2.12%	12.54%	7.07%	32.95%
D	32.63%	1.69%	5.49%	5.06%	55.13%
E	4.98%	0.28%	0.18%	0.21%	94.34%

Population	A	B	C	D	E
A	98.26%	0.67%	0.55%	0.27%	0.25%
B	44.59%	21.57%	4.11%	1.32%	28.41%
C	27.63%	3.96%	17.81%	5.77%	44.83%
D	28.24%	1.58%	3.86%	6.72%	59.60%
E	9.48%	4.09%	0.47%	0.29%	85.67%

Source: NBM

A significantly more unfavourable dynamic was observed in the case of loans with payment arrears of between 30 and 90 days (categories C and D). Thus, the migration rate to category E stood at 32.95 percent for category C and 55.13 percent for category D in the case of companies, figures significantly higher than the average of 18.8 percent reported in 2024. For the general population, this deterioration was even more pronounced, with the probability of default reaching 44.83 percent for category C and 59.60 percent for category D, reflecting the population's reduced likelihood of restoring their ability to pay once significant arrears have arisen.

As regards the "recovery" rate of debtors (migration from category E to categories A and B), the results are mixed. For companies, this indicator fell to 5.26 percent (compared with 7.8 percent in 2024), suggesting a slower recovery in the corporate sector.

Instead, the population showed a positive trend, with the recovery rate rising to 13.57 percent (compared with 10.6 percent in the previous year), indicating a high capacity for debt service recovery among individuals who had previously taken remedial measures.

During the year, the trend towards the concentration of credit risk at early stages strengthened, with the "substandard" category becoming the dominant component in the structure of non-performing assets by sector.

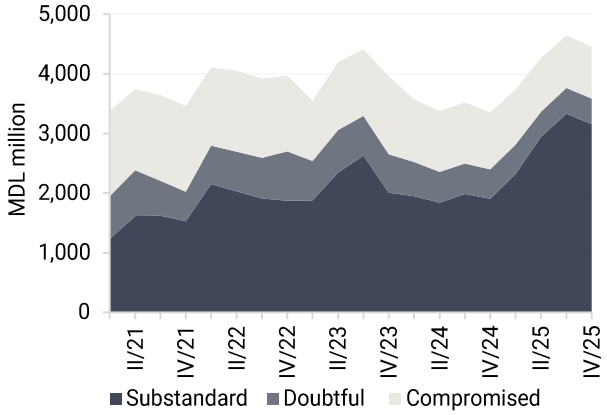
[36] The provisions of Regulation No 231/2011 stipulate that, when assessing assets and contingent liabilities, the bank shall consider, at a minimum, the following:
a) the counterparty's current financial position, assessed in terms of its ability to meet its obligations;
b) compliance with the contractual terms;
c) the counterparty's ability to pay, based on historical financial performance and future cash flow projections;
d) the current market value of the collateral and its degree of liquidity on the RM's market;
e) the counterparty's business environment, the state of the economic sector in which it operates and its position within that sector;
f) the counterparty's credit history regarding compliance with obligations assumed under credit agreements;
g) compliance with the business plan or technical and economic justification (including any subsequent amendments and additions);
h) the financial position and ability to pay of the person providing a personal guarantee (surety) or of the insurer;
i) other factors that may affect the counterparty's compliance with the contractual terms.

[37] Interpretation: The areas to the right of the diagonal axis represent the migration of debtors to less favourable categories (more days in arrears); the percentage on the diagonal axis reflects the proportion of loans remaining in the same category; and the areas to the left represent migration to more favourable categories.

[38] The average quarterly migration rate of individual debtors between the categories: A – arrears of up to and including 15 days, B – arrears of between 16 and 30 days inclusive, C – arrears of between 31 and 60 days inclusive, D – arrears of between 61 and 90 days inclusive, E – arrears of more than 90 days.

An analysis of the structure of non-performing loans by risk category (Figure 2.2.7.) shows an increase in the total balance during 2025, a trend driven primarily by the expansion of the "substandard" risk category. In contrast to the previous year's trend, the inflow of non-performing loans followed an upward trend in the first three quarters of 2025, peaking in the third quarter before a slight correction towards the end of the year.

Figure 2.2.7. Structure of non-performing loans by risk category in dynamics



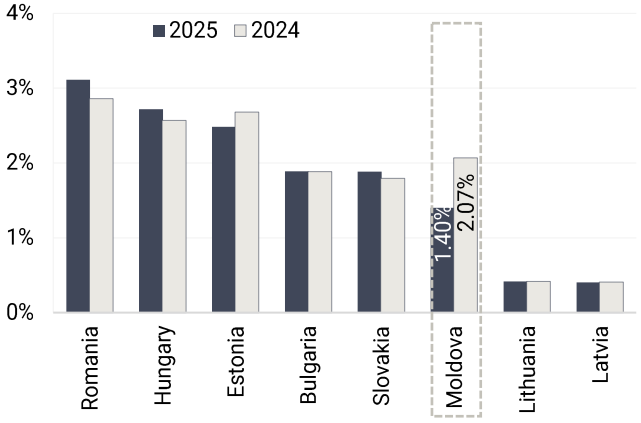
Source: NBM

Maintaining this configuration confirms the consistent application of the prudent and conservative approach by banks, in accordance with the classification norms of the NBM.

The international perspective of the non-performing loan rate according to IFRS standards places the RM in a favourable position compared to the economies in the region (Figure 2.2.8.). During 2025, the NPL rate (IFRS) recorded a significant decrease, falling from 2.07 percent at the end of 2024 to 1.40 percent.

This downward trend highlights an improvement in the quality of banking assets, albeit at a lower level compared with Romania (3.1 percent), Hungary (2.7 percent) or Estonia (2.5 percent), countries which recorded slight increases or stagnation in their NPL ratios over the same period.

Figure 2.2.8. Non-performing loan rate (IFRS) in the RM compared to rates in countries in the region



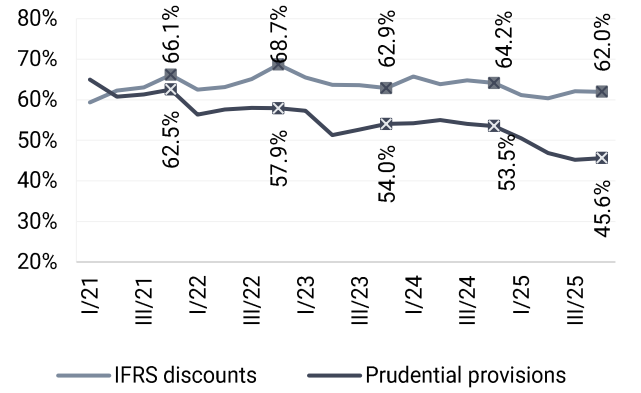
Source: NBM, EBA

The trend in the non-performing loan coverage ratio throughout 2025 was characterised by a decline in both indicators (prudential and IFRS), against the backdrop of the expansion of the banking portfolio.

The prudential provision coverage ratio recorded a more pronounced decline, from 53.5 percent at the end of 2024 to 45.6 percent on 31 December 2025 (-7.9 percentage points). This trend mirrors the restructuring of the non-performing loan portfolio, driven primarily by an increase in the proportion of loans classified as "substandard" at the expense of those in the severe risk categories, which require higher provisioning rates.

At the same time, the coverage ratio for impaired assets with IFRS write-downs (Stage 3) recorded a more moderate decline, reaching 62.0 percent (compared with 64.2 percent at the end of the previous year) (Figure 2.2.9.).

Figure 2.2.9. Evolution of the coverage ratio of non-performing loans



Source: NBM

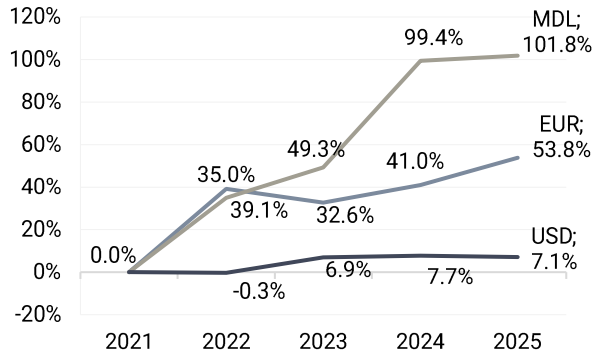
Lending in foreign currency

Lending in foreign currency increased in 2025, but its growth rate remained lower than that of lending in MDL, a trend driven mainly by loans granted to households.

The outstanding balance of loans in EUR increased by 15.6 percent compared with the same period in 2024, totalling EUR 845.7 million across the banking sector, or 16.0 percent of the total loan portfolio.

At the same time, the share of loans in USD granted to businesses and households was significantly lower than that of loans in EUR, accounting for 4.2 percent (2024: 5.0 percent) (Figure 2.2.10.).

Figure 2.2.10. Cumulative growth rate of credit balance on currency (2021 = 0%)

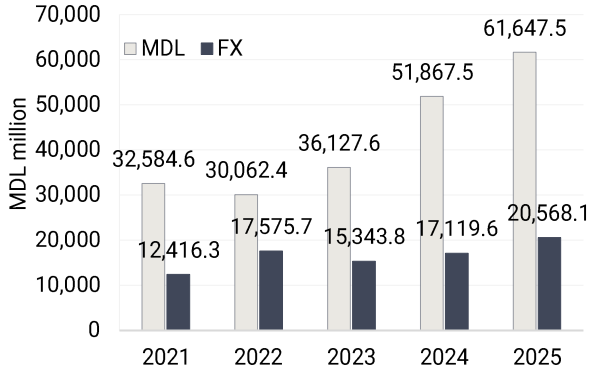


Source: NBM

In 2025, the downward trend in the share of foreign currency loans within the total bank loan portfolio continued.

In 2025, the volume of new foreign currency loans linked to the exchange rate accounted for 25.0 percent of the total value of new contracts concluded by banks, or MDL 20,568.1 million (+20.4 percent compared with the previous year, in MDL terms) (Figure 2.2.11.). This trend was driven, amongst other factors, by the increase in overall demand for loans from companies.

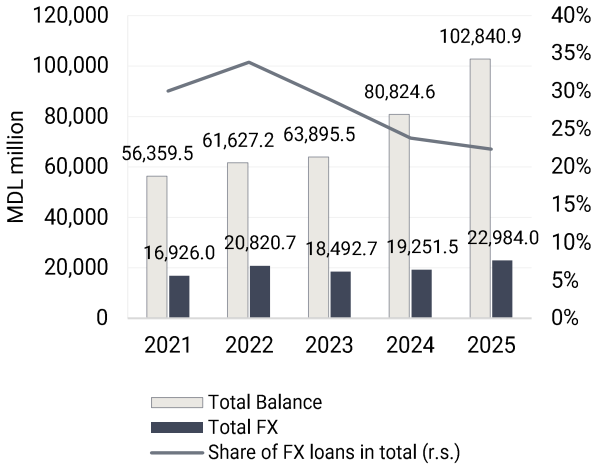
Figure 2.2.11. Dynamics of the flow of new loans in MDL and foreign currency



Source: NBM

At the end of 2025, the share of foreign-currency-denominated loans in the total loan portfolio recorded a slight decrease, standing at 22.3 percent at the end of the year under review (2024: 23.8 percent). Meanwhile, the outstanding balance of foreign currency loans showed an upward trend over the period under review, increasing by 19.4 percent compared with the previous year (Figure 2.2.12.).

Figure 2.2.12. Trends in bank lending and the proportion of foreign-currency loans



Source: NBM

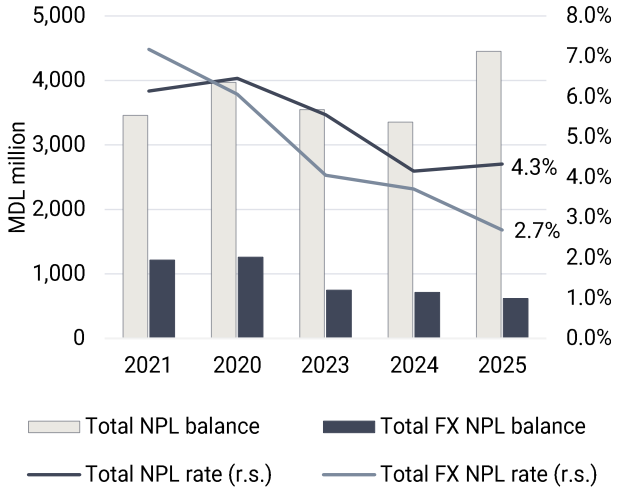
Loans in MDL pegged to the exchange rate accounted for 3.6 percent of the gross loan portfolio (MDL 3,739.6 million).

The risk profile of foreign currency lending remained low, against the backdrop of a reduction in the balance of non-performing loans within the foreign currency portfolio.

The non-performing loan ratio, as defined by prudential rules, for the foreign currency loan portfolio continued its downward trend,

standing at 2.7 percent, down by 1.0 percentage points compared with the corresponding period of the previous year. At the same time, the outstanding balance of non-performing foreign currency loans recorded a year-on-year decrease of 13.5 percent (Figure 2.2.13.).

Figure 2.2.13. Non-performing loan rate



Source: NBM

In accordance with prudential requirements, the rate of non-performing loans denominated in foreign currency continued its favourable trend and decreased in 2025 to 2.7 percent, of which the rate of loans in EUR constituted 2.4 percent and that of loans in USD – 2.1 percent (Table 2.2.3.).

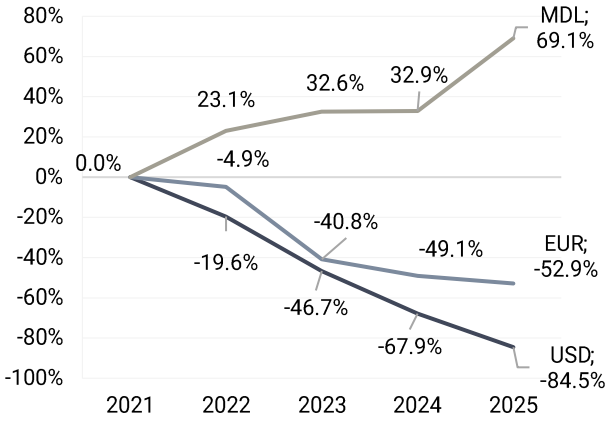
Table 2.2.3. Non-performance ratio by type of debtors and currencies

Debtor/currency	Companies		Population		TOTAL
	NPL rate	Balance MDL million	NPL rate	Balance MDL million	
MDL	5.2%	34,465.7	4.5%	45,391.2	4.8%
EUR	2.4%	16,212.1	18.3%	11.6	2.4%
USD	2.1%	3,016.2	20.8%	4.6	2.1%
Attached	3.4%	3,043.9	8.0%	695.7	4.2%
TOTAL	**4.1%**	**56,737.9**	**4.6%**	**46,103.0**	**4.3%**

Source: NBM

This favourable trend was due to the reduction in the balance of non-performing loans in both EUR and USD (Figure 2.2.14.).

Figure 2.2.14. Cumulative rate of change in NPL balance by currency (2021 = 0%)



Source: NBM

2.3. Liquidity risk

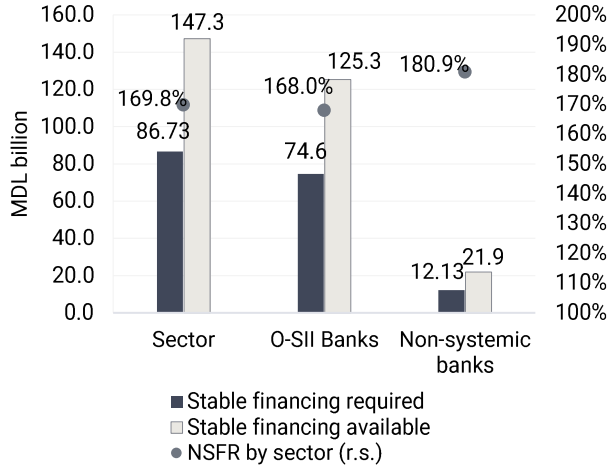
Throughout 2025, banks maintained a favourable liquidity position, showing a preference for investing available funds in traditional, low-risk financial instruments, such as accounts and debt securities issued by the central bank, as well as in GB.

The NSFR is the long-term liquidity indicator that measures the ratio of ASF to RSF, with a minimum threshold of 100 percent, and in the RM, it has been reported since September 2025.

Banks had an adequate level of stable funding to cover their medium- and long-term funding requirements, standing at a comfortable level at the end of the reporting year, above the regulatory minimum thresholds.

The banking sector's funding sources demonstrated a solid liquidity position, with the volume of stable funding available significantly exceeding the requirement for stable funding (Figure 2.3.1.).

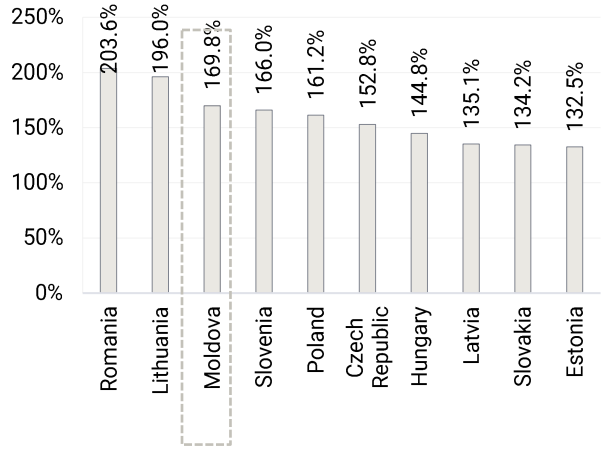
Figure 2.3.1. NSFR by sector and bank groups (31.12.2025)



Source: NBM

The NSFR indicator at the banking sector level recorded a value of 169.8 percent, consolidating its position at the top of the ranking in relation to EU countries (Figure 2.3.2.).

Figure 2.3.2. NSFR indicator in relation to EU countries in the region (31.12.2025)

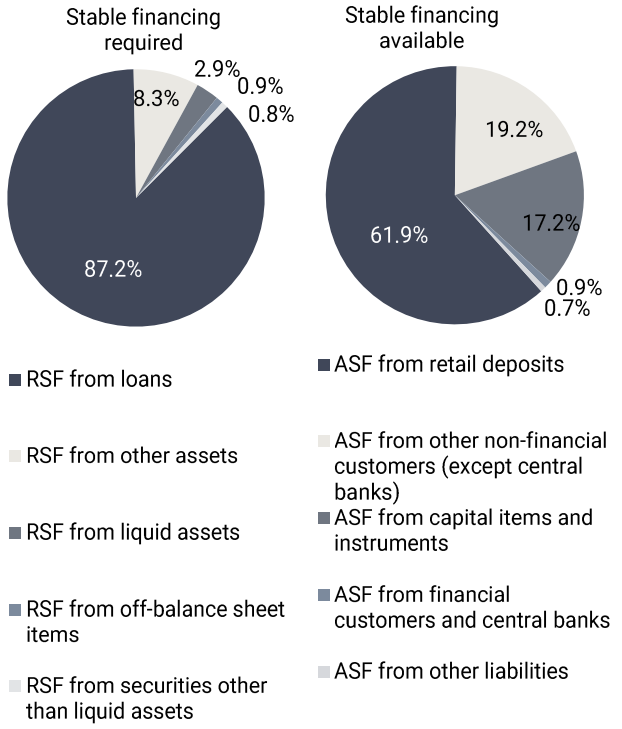


Source: NBM

Banks had sufficient long-term funding to support their assets and operations over a horizon of at least one year.

On the RSF side, loans are the dominant component, accounting for more than three-quarters of the total (87.2 percent), followed by funding from other assets (8.3 percent) and funding from liquid assets (2.9 percent). Retail deposits account for around 61.9 percent of total ASF, not only because of their significant role in the structure of banks' liabilities, but also because they are considered a stable source of funding under the NSFR methodology. The second-largest component is liabilities to non-financial customers, accounting for 19.2 percent of total ASF. These are followed by capital (17.2 percent), funding from financial customers and central banks (1.0 percent) (Figure 2.3.3.).

Figure 2.3.3. Components of the NSFR indicator (31.12.2025)



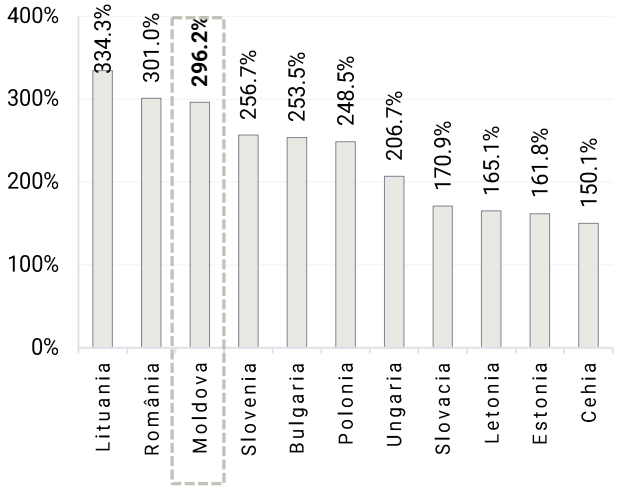
Source: NBM

Banks recorded a substantial volume of reserves and liquidity inflows relative to liquidity outflows.

The aggregate LCR coverage ratio for the domestic banking sector stood at 296.2 percent at the end of 2025 (+18.2 percentage points compared with the previous year). All banks maintain a ratio above the regulatory minimum.

Compared with other countries in the region, the aggregate LCR for the domestic banking sector is above the average for EU states in the region (Figure 2.3.4.).

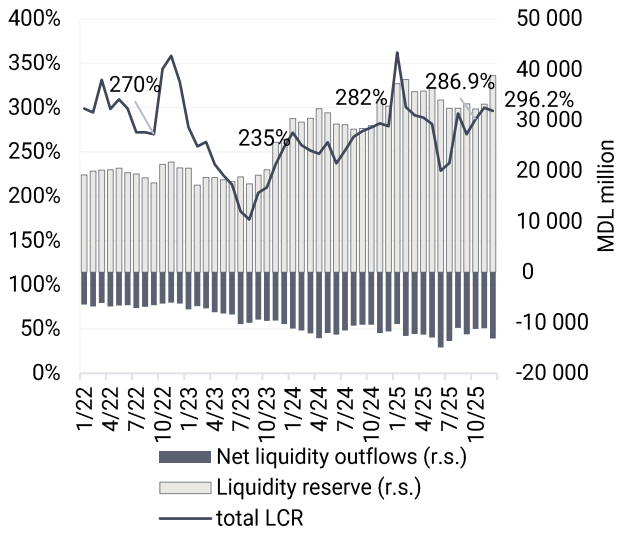
Figure 2.3.4. LCR indicator in relation to EU countries (31.12.2025)



Source: NBM

The 18.2 percentage point increase in the LCR indicator was due to a 5.5 percent decrease in net liquidity outflows. Meanwhile, the liquidity reserve increased by 0.7 percent (Figure 2.3.5.).

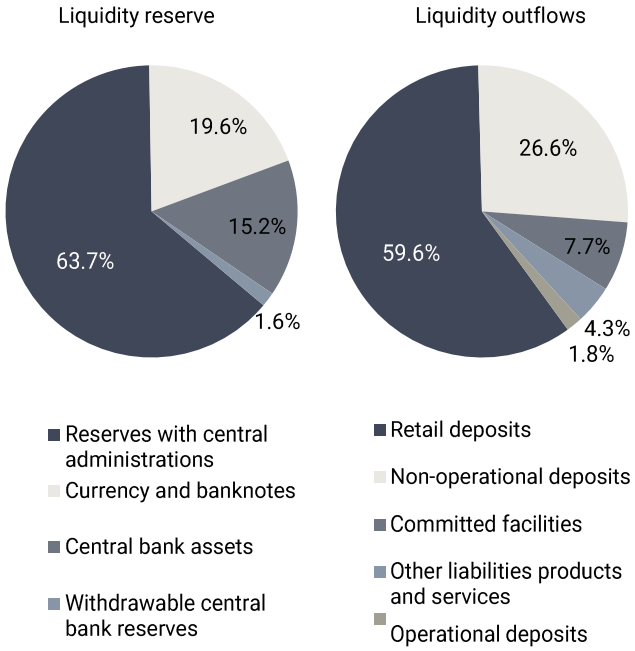
Figure 2.3.5. Evolution of the LCR indicator



Source: NBM

A significant proportion of the total liquidity reserve under the LCR was accounted for by assets held by central administrations (63.7 percent), followed by coins and banknotes (19.6 percent) and assets held by central banks (15.2 percent), while liquidity outflows were driven by retail deposits (59.6 percent) and non-operating deposits (26.7 percent) (Figure 2.3.6.).

Figure 2.3.6. Structure of the reserve and liquidity outflows within the LCR indicator (31.12.2025)



Source: NBM

Maturity structure of assets and liabilities

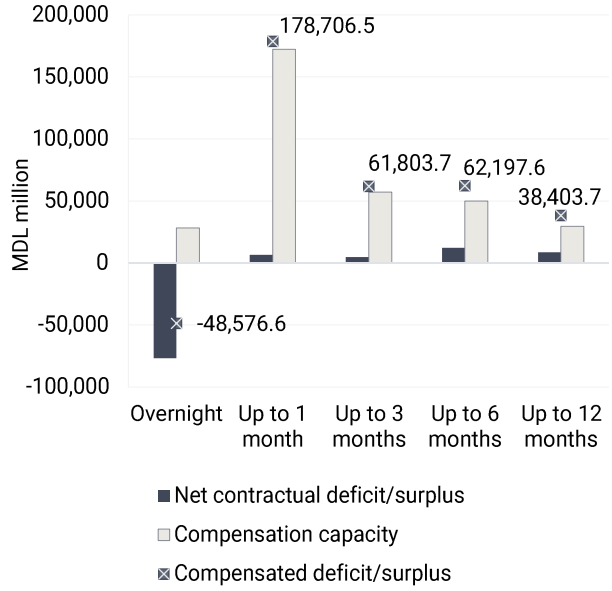
An analysis of the maturity band structure, based on COREP reports, highlights a solid liquidity position within the banking sector. Although a liquidity shortfall is visible in the overnight segment, this is fully offset by surpluses recorded in the other maturity bands, indicating an adequate capacity to manage liquidity flows at an aggregate level.

The net contractual liquidity shortfall across maturity bands remained positive across most segments.

A significant shortfall was observed in the overnight segment, which was not fully covered by the available offsetting capacity, resulting in a negative net shortfall.

In the subsequent segments, the liquidity position improved, with significant surpluses recorded, supported by a high level of offsetting capacity (Figure 2.3.7.).

Figure 2.3.7. Structure of the liquidity position by maturity bands (31.12.2025)



Source: NBM

Deposits remained the main source of funding for the banking sector in the RM.

The balance of deposits increased compared with the previous year, standing at MDL 144,422.8 million (+11.9 percent). At the same time, the share of deposits in total assets stood at 76.0 percent, an increase of 0.3 percentage points compared with the previous year.

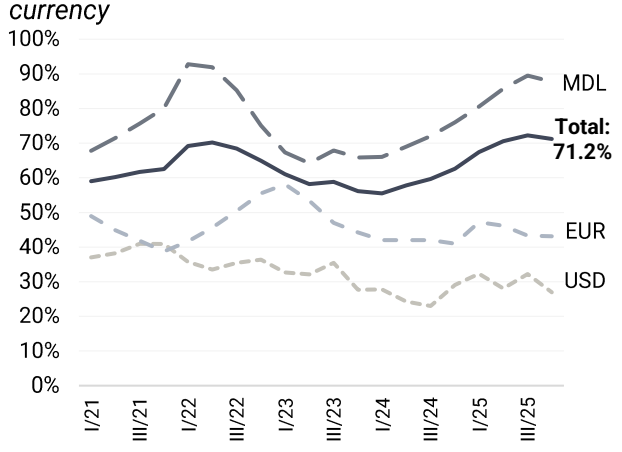
In terms of the currency in which they are held, deposits in MDL accounted for 65.9 percent of total deposits, up by 1.8 percentage points compared with the previous year, while foreign currency deposits accounted for 34.1 percent. At the same time, at the end of 2025, demand deposits accounted for 60.7 percent of total deposits, while term deposits accounted for 39.3 percent. It is worth noting that the volume of demand deposits (+8.9 percent) increased compared with 2024, while the volume of term deposits (+16.8 percent) also rose.

The trend in the loan-to-deposit ratio reflects a moderate intensification of financial intermediation, while an adequate level of liquidity is maintained in the banking sector.

The "loans-to-deposits" ratio rose by 8.6 percentage points compared with the previous year, but remains below 100 percent (71.2 percent), indicating an intensification of financial intermediation against a backdrop of increased lending. However, the level of the ratio remains relatively low, reflecting the fact that the volume of deposits continues to exceed that of loans, which indicates that the banking sector's capacity to transform attracted funds into financing for the economy remains limited.

Broken down by the main currencies on banks' balance sheets, the largest increase in the "loans-to-deposits" ratio was recorded for the MDL (+11.3 percentage points compared with the previous year), against a backdrop of faster growth in MDL-denominated loans and slower growth in MDL-denominated deposits. The ratio of loans to deposits in USD fell by 2.1 percentage points compared with the end of 2024, while the ratio in EUR rose by 1.9 percentage points, driven by the more pronounced growth in EUR-denominated lending compared with the growth rate of the loan balance (Figure 2.3.8.).

Figure 2.3.8. Evolution of the loan/deposit ratio by currency



Source: NBM

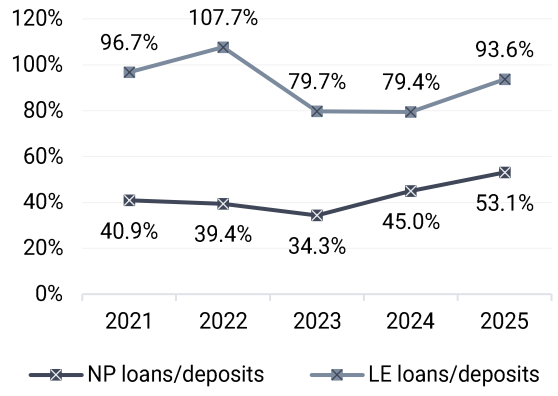
Both individuals and the non-financial companies sector continued to maintain their position as net creditors to the banking sector throughout 2025.

By customer category, the "loans-to-deposits" ratio for the household segment

rose from 45.0 percent to 53.1 percent during 2025, reflecting the intensification of financial intermediation activity in the retail segment, even though there remained a surplus of funds raised relative to the volume of loans granted to households.

In the non-financial companies' sector, the "loans-to-deposits" ratio rose from 79.4 percent to 93.6 percent, indicating an increase in lending to the corporate sector (Figure 2.3.9.).

Figure 2.3.9. Evolution of the loan/deposit ratio by customer category



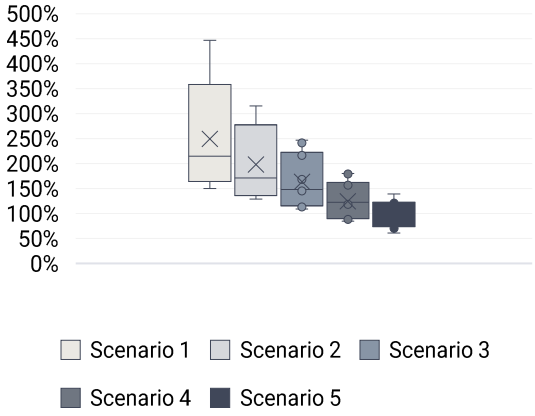
Source: NBM

The liquidity stress tests did not identify any liquidity concerns in the banks, which have solid reserves of liquid assets to cope with crisis situations. Potential liquidity shortfalls are observed only in the most severe scenarios, which are less likely to materialise.

To identify risks and mitigate the negative impact of a potential crisis in the banking sector, a liquidity stress test was carried out based on the banks' LCR coverage ratio. Five stress scenarios were simulated as part of the LCR stress test[39] (Figure 2.3.10.).

The results obtained following the application of the first three total liquidity stress scenarios showed that no bank faced liquidity-related concerns.

Figure 2.3.10. Distribution of the stressed LCR coverage ratio



Source: NBM

A liquidity shortfall became apparent from scenario 4 onwards. Most banks were vulnerable under the most severe scenario.

Although foreign currency exposures exhibit a higher degree of sensitivity, they are covered by adequate reserves in MDL, which can be converted as required.

The breakdown by currency shows that the banking sector had sufficient reserves of liquid assets in MDL, while reserves and net inflows in foreign currency (EUR and USD) would not cover potential liquidity risks under the most severe scenarios (scenario 4 and scenario 5).

Overnight loans/deposits

Throughout 2025, the NBM's monetary policy followed a mixed trajectory. In contrast to the steady downward trend of the previous year, the first part of 2025 was characterised by tightening measures.

In the first two months of the year, interest rates on standing facilities were raised significantly. The rate on overnight loans rose from 5.60 to 8.50 percent, and that on overnight deposits from 1.60 to 4.50 percent.

The maximum levels of 8.50 percent (for loans) and 4.50 percent (for deposits) were maintained for six months (February–July).

[39] For each scenario, individual stress parameters were used, related to haircuts, 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 fifth scenario (the most severe). In scenario 5, the stress parameters and cash outflows were calibrated based on historical data for the period 2014–2024.

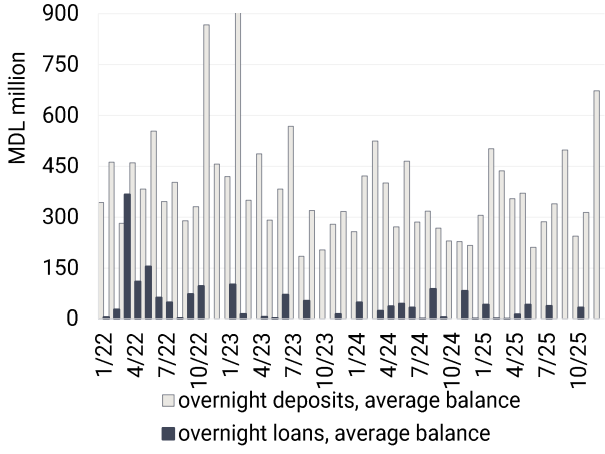
Subsequently, in the latter part of the year, the NBM resumed the downward trend, implementing three successive cuts, while maintaining a symmetrical corridor of ±2 percentage points around the base rate. Consequently, by the end of the reporting year, the rates had fallen to 7.00 percent and 3.00 percent respectively for overnight loans and overnight deposits.

Banks made more active use of the overnight deposit facility offered by the NBM, traditionally utilising overnight deposits towards the end of the reserve requirement periods as they met their reserve maintenance obligations.

During the reference period, the total volume of overnight deposits amounted to MDL 93,541.8 million (2024: MDL 83,909.5 million), with the average daily stock of 377.2 million MDL exceeding the level of 322.9 million MDL recorded in the previous year.

The average monthly balance of banks' overnight placements fluctuated throughout the year, with the highest figure (MDL 672.3 million) reached in December and the lowest in June (MDL 210.8 million) (Figure 2.3.11).

Figure 2.3.11. Evolution of the average monthly balance of overnight deposits/loans



Source: NBM

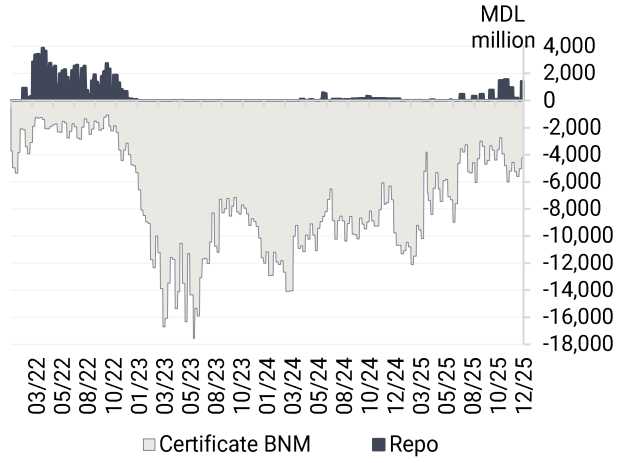
Concerning the overnight credit facility, in 2025, banks borrowed less from the NBM through overnight credits than last year.

The total amount of overnight loans granted by the NBM during the reporting year stood at MDL 4,471.0 million, down by approximately 39 percent compared with the previous year (MDL 7,332.0 million). The monthly peak in overnight loans granted in 2025 was recorded in January and May, with a balance of MDL 42.3 million.

Money market operations of the NBM

Throughout 2025, the NBM continued to conduct repo operations, providing additional support to banks for liquidity management.

Figure 2.3.12. Evolution of the daily balance of money market operations (million MDL)



Source: NBM

The emergence of a substantial liquidity surplus in the money market during the first quarter of the year led to a reversal in the trend of the NBC's daily balance, which halted its decline and began to rise.

Having reached its annual peak of MDL 12,100.9 million in mid-February, the NBC's daily balance entered a downward trend, with part of the liquidity migrating to the SS market (investor demand for SS reached higher levels between March and June, further amplified by the NBM's interventions as a seller in the foreign exchange market). As a result of this development, the NBC's daily balance reached a low of MDL 2,755.3 million in the second half of October, partly due to the impact of the NBM's selling interventions in the foreign exchange market during the third quarter. This change led to a significant increase in banks' demand for liquidity in the last two months of the year, and consequently to a rise in the number of participants and the volume of bids

submitted in the repo auctions organised by the NBM (during this period, 2/3 of the annual volume of liquidity provided through repo operations was delivered).

The NBM conducted weekly auctions for the placement of NBCs with a 14-day maturity and with the maximum interest rate (the NBM's base rate) announced in advance. The gradual reduction in the daily balance of NBC was also reflected in the quantitative parameters (the volume of liquidity drained through the certificates issued and the annual average stock of NBC placements), which fell by over 30 percent compared with the previous year. The NBC's average annual balance stood at MDL 6,481.4 million, compared with MDL 9,657.1 million in 2024.

Repo operations were conducted weekly via open-ended auctions, with a 14-day maturity and at a fixed rate (the repo rate). The reduction in excess liquidity in the money market led to an increase in banks' recourse to liquidity-providing operations. Consequently, the volume of liquidity provided (MDL 8,431.0 million) was significantly higher than in the previous year (MDL 3,106.0 million).

2.4. Market risk

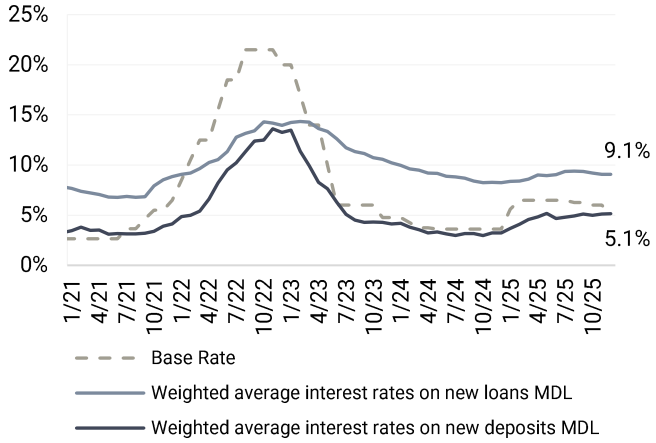
Evolution of the base rate and interest rates applied by banks

In 2025, against a backdrop of inflationary pressures, the National Bank raised the base rate for its main monetary policy operations in the first half of the year. Subsequently, in the second half of the year, the rate was reduced slightly but remained at a higher level than that recorded at the end of 2024.

During 2025, the NBM made five adjustments to the base rate. As a result, the rate stood at 5.0 percent at the end of the year, 1.4 percentage points above the level at the end of the previous year.

Interest rates on new bank loans and deposits responded accordingly, and their rate of increase was comparable to the base rate. The monthly weighted average interest rates on new deposits and new loans rose gradually throughout 2025, with the increase being more pronounced for deposits. By the end of the year, in line with the adjustment in the monetary policy stance, interest rates on new loans reversed their upward trend slightly, showing a downward trend (Figure 2.4.1.).

Figure 2.4.1. Evolution of base rate and weighted average interest rates of new loans and deposits in MDL (total by banking sector, total by terms)



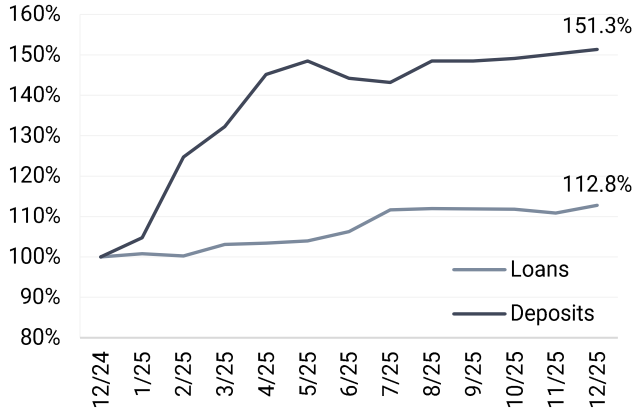
Source: NBM

The weighted average interest rate applied throughout 2025 to new loans granted in the national currency across the banking sector stood at 9.6 percent for loans to individuals and 8.4 percent for loans to legal entities. At the same time, the weighted average interest rate applied to new deposits attracted in MDL across the banking sector stood at 5.0 percent for deposits from individuals and 4.0 percent for deposits from legal entities.

During 2025, there was a narrowing of the interest rate spread in MDL for individuals against the backdrop of stabilising market rates.

The interest rate on new loans granted in MDL to individuals at the end of 2025 was 1.1 percentage points, or 12.8 percent, higher than at the end of the previous year. The most pronounced increase occurred in July, when the weighted average rate on new loans granted rose by 5.2 percent compared with the previous month (Figure 2.4.2.).

Figure 2.4.2. Evolution of average rates on new loans and deposits granted to individuals, in national currency (31.12.2024 = 100%)

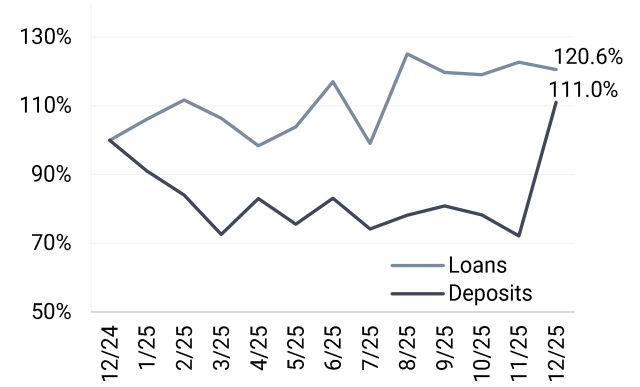


Source: NBM

Throughout 2025, average interest rates on new foreign-currency loans granted to individuals followed an upward trend, albeit one marked by significant volatility. By the end of December 2025, the cost of borrowing had risen by 20.6 percent compared with the benchmark level in December 2024.

At the same time, interest rates on new foreign currency deposits showed a mixed trend; following a downward trend in the first half of the year, a recovery was observed in the final month, ending the period with an 11.0 percent increase compared with the base figure (Figure 2.4.3.).

Figure 2.4.3. Evolution of average rates on new loans and deposits granted to individuals, in foreign currency (31.12.2024 = 100%)

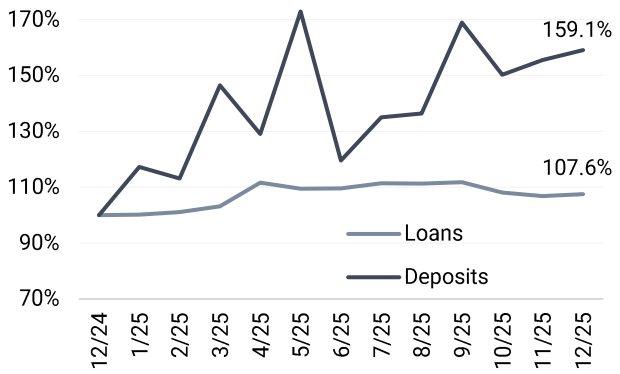


Source: NBM

Over the course of the year, financing conditions in the national currency for legal entities tightened, reflecting the generalised increase in rates applied to new financial instruments.

The weighted average rate on new loans granted in the national currency to legal entities registered a moderate but constant increase during the year, reaching a level of 107.6 percent in December 2025 compared to the reference base in December 2024. This evolution shows an increase in the cost of financing for companies by 7.6 percent during the year (Figure 2.4.4.).

Figure 2.4.4. Evolution of average rates on new loans and deposits granted to legal entities, in national currency (31.12.2024 = 100%)

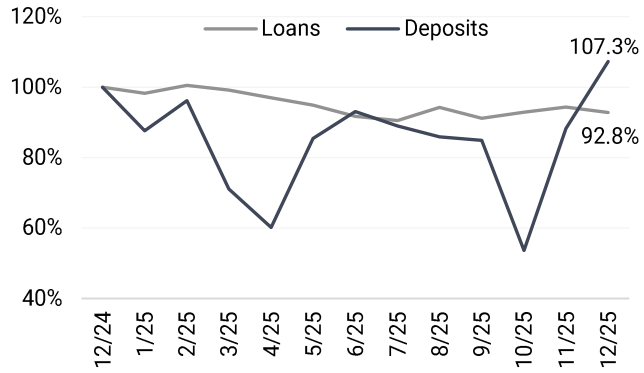


Source: NBM

A more volatile trend was observed in new deposits attracted in the national currency from legal entities. The weighted average rate rose, standing at 159.1 percent at the end of the year compared with December 2024. The sharpest increases were recorded in May and September.

The weighted average rate on new loans granted in foreign currency to legal entities fell compared with the end of 2024, while the rate on deposits ended the year on an upward trend. In the case of new foreign currency loans granted to legal entities during 2025, the weighted average interest rate showed a relatively steady downward trend, falling by 7.2 percent compared with the reference level, while for deposits an increase of 7.3 percent was observed (Figure 2.4.5.).

Figure 2.4.5. Evolution of average rates on new loans and deposits granted to legal entities, in foreign currency (31.12.2024 = 100%)



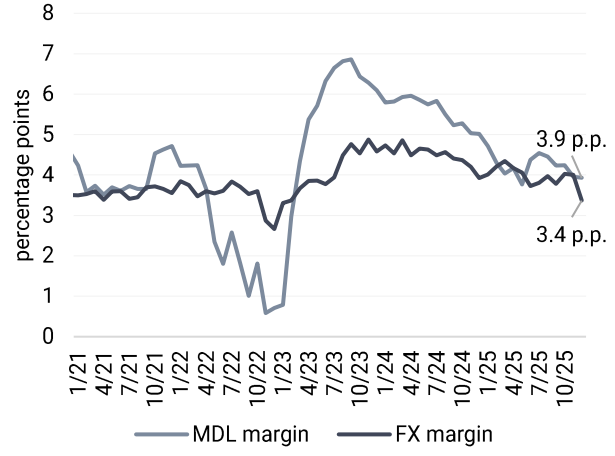
Source: NBM

Changes in interest rates have directly affected the profitability of lending by squeezing the margin, reflecting a faster adjustment in the cost of loans compared with the returns offered on deposits.

Consequently, the interest margin on domestic currency operations followed a downward trend throughout 2025, falling from around 5.0 percentage points at the start of the year to 4.0 percentage points in December.

Similarly, the interest margin on foreign currency operations narrowed, reaching 3.4 percentage points by the end of 2025. Although greater stability was seen in the first half of the year, the foreign currency margin fell sharply in the final months of the year, against a backdrop of rising rates on new deposits (Figure 2.4.6.).

Figure 2.4.6. Evolution of the interest margin on operations in national currency and foreign currency

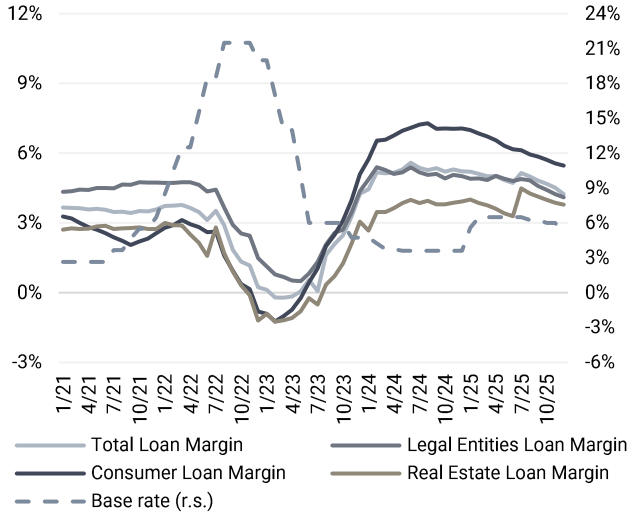


Source: NBM

Also, during 2025, a gradual decrease trend in the total loan margin was observed. By loan type, the highest margin value was still recorded for consumer loans, although it followed a downward trajectory, standing at approximately 5.5 percentage points at the end of the year.

The margin for loans granted to legal entities showed a similar dynamic, falling to a level of 4.0 percentage points, and the margin for real estate loans amounted to approximately 3.9 percentage points at the end of the year (Figure 2.4.7.).

Figure 2.4.7. Evolution of the interest margin for different types of loans



Source: NBM

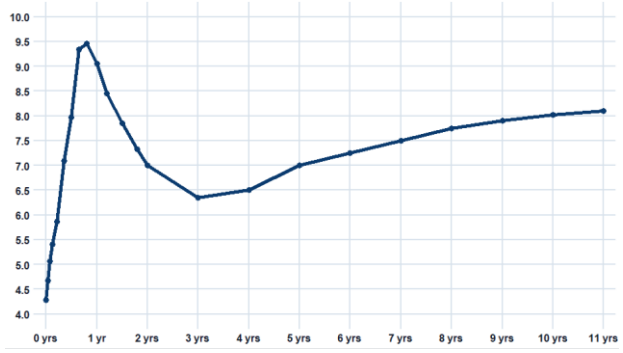
SS issues: interest rates

The trajectory of interest rates on the primary government securities market reflected the combined influences exerted during 2025 by the persistence of excess liquidity in the banking sector and, implicitly, by the interest shown by investors for this type of investments and by the changes made to the NBM monetary policy rate.

The analysis of the term structure of interest rates highlights an inversion of the yield

curve[40]. The zero-coupon yield curve shows short-term rates that exceed long-term equilibrium levels (Figure 2.4.8.).

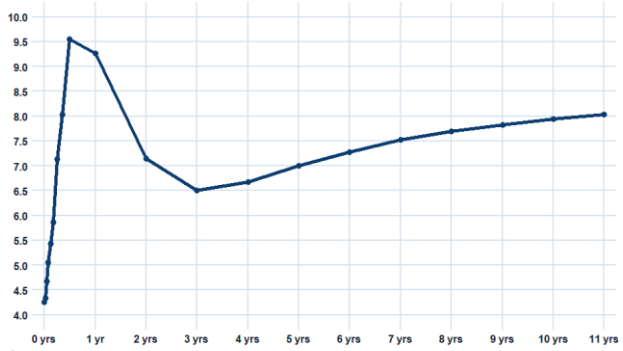
Figure 2.4.8. Zero-coupon yield curve (%, continuous compounding)



Source: NBM

This dynamic is also confirmed by the parity yield curve, which follows a similar trajectory, although it shows marginally higher values on short maturities (Figure 2.4.9.).

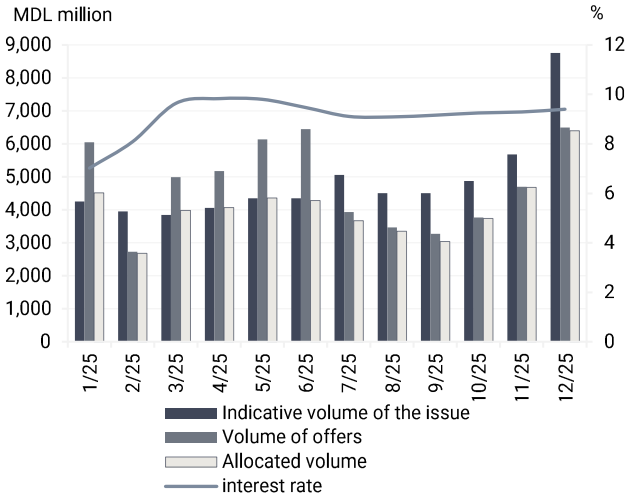
Figure 2.4.9. Par curve (%, semi-annual coupon / simple interest)



Source: NBM

Against this background, interest rates on the primary market of SS, after having increased significantly under the influence of the NBM rate increases in the period January-April and having settled at the new levels, had a quasi-linear path until the end of the year, reacting inertly to the NBM decisions to resume the monetary policy easing measures initiated in August (Figure 2.4.10.).

Figure 2.4.10. Monthly dynamics of primary market indicators of SS

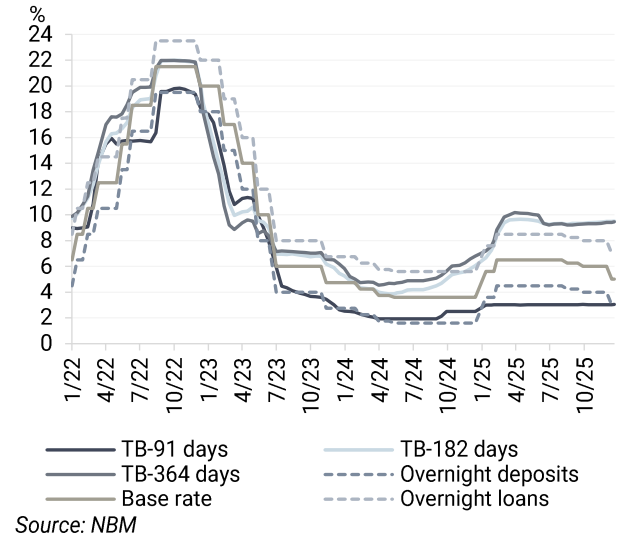


Source: NBM

These developments were also driven by a divergence in the interest rates on 182-day and 364-day securities, which exceeded the upper limit of the interest rate corridor as early as the first quarter of the year, compared with those maturing in 91 days, which fell below the interest rate on the deposit facility.

This is explained by the MF's increase in both the volume offered and the volume allocated for issues of treasury bills with longer maturities (Figure 2.4.11.).

Figure 2.4.11. Dynamics of nominal interest rates on state securities with a maturity of up to one year



Source: NBM

[40] Financial analysis tool launched by the NBM at the end of 2025, built on the basis of SS transactions carried out on the primary and secondary markets, the quotes published for SS on the single trading platform, as well as transactions on the money market of both the NBM and interbank ones.

The annual average also recorded a notable increase: from 4.93 percent, the value recorded in 2024, to 9.12 percent in 2025. However, the extent of the declines varied depending on the maturity of the securities, being more pronounced for the 182- and 364-day maturities (over 4.0 percentage points).

The annual weighted average nominal interest rates on SS traded over the last two years at primary market auctions, broken down by maturity, are presented in Table 2.4.1.

Table 2.4.1. Annual weighted average nominal interest rates on SS, by maturities (%)

	TB 91 days	TB 182 days	TB 364 days	SS with maturity up to one year	GB 2 years	GB 3 years	GB 5 years	GB 7 years	GB 10 years
Year 2025	3.03	9.04	9.41	9.12	7.38	7.29	8.20	8.52	8.02
Year 2024	2.21	4.60	5.26	4.93	5.14	5.24	5.94	5.60	7.61

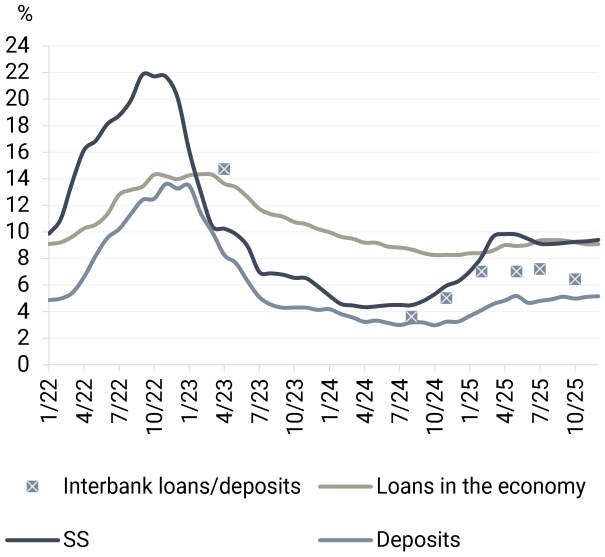
Note: for GB, effective interest rates are presented.
Source: NBM

The evolution of interest rates on SS in 2025 changed the hierarchy of returns offered by the financial market conceived in previous years: investments in SS were placed at the top of them, being rewarded with a higher return than that offered by new loans granted.

Thus, at the beginning of the year they outpaced the interests related to new loans and alternated with them successively throughout the year. At the same time, there was a significant decrease in the margin between the interest rates related to loans granted and deposits attracted, due to the increase in the latter (Figure 2.4.12.).

The yields of government bonds with a maturity of up to one year traded on the secondary market followed the trend of the primary market of SS, reflecting the changes made to the monetary policy rates of the NBM.

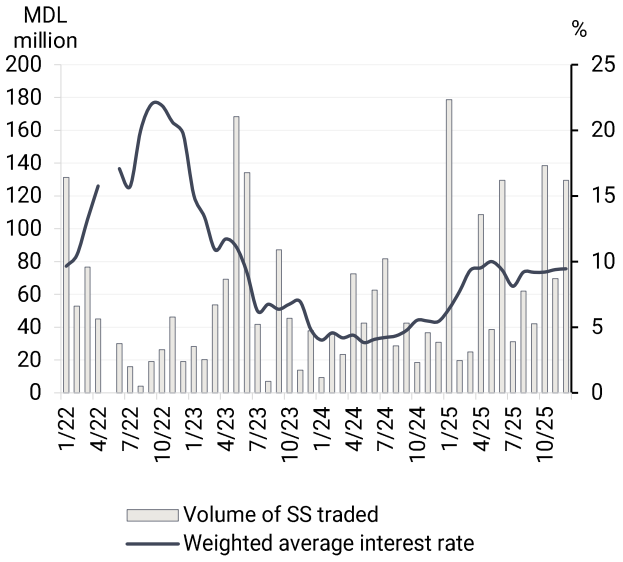
Figure 2.4.12. Evolution of interest rates on the financial market (%)



Source: NBM

Thus, the maximum level of the average monthly interest rate, of 10.0 percent, was recorded in May, and the minimum of 6.4 percent in January (Figure 2.4.13.).

Figure 2.4.13. Dynamics of SS indicators traded on the secondary market



Source: NBM

Currency risk: evolution in the MDL exchange rate

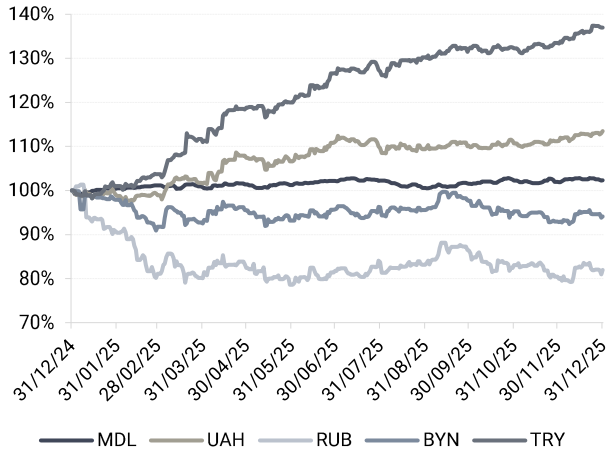
From January 2, 2025, the euro became the reference currency for setting the official exchange rate of the MDL, replacing the USD. The need to change the reference currency was driven by the growing role of the EUR in both trade relations and direct investment, as well as in remittances made

by individuals. This change had a noticeable impact on the foreign exchange market, resulting in a reduction in the daily volatility of the MDL exchange rate against the EUR, which brought benefits to many businesses and individuals.

In 2025, the MDL depreciated by an average of 1.8 percent against the EUR but appreciated by 2.4 percent against the USD. According to the year-end exchange rate, the MDL depreciated by 2.3 percent against the EUR, while it appreciated by 9.1 percent against the USD.

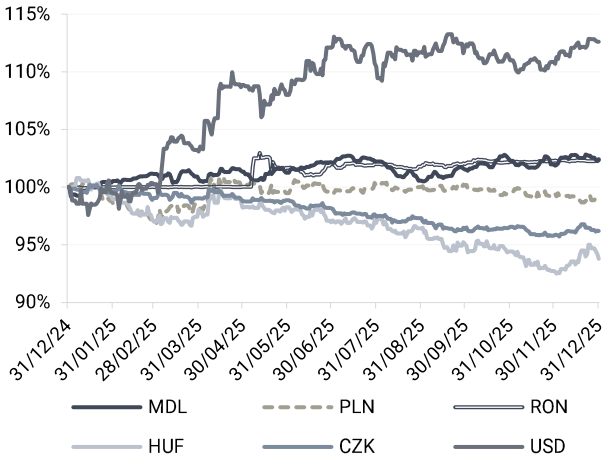
During the reference period, some of the currencies of the RM's trading partners depreciated against the EUR, particularly the TRY (Turkish lira), the UAH (Ukrainian hryvnia) and the USD. At the same time, some currencies of key trading partners, such as the RUB (Russian rouble), HUF (Hungarian forint) and BYN (Belarusian rouble), appreciated against the EUR (Figure 2.4.14. and Figure 2.4.15.).

Figure 2.4.14. Evolution of the currencies of the main partners in the CIS, Ukraine and Turkey against the EUR, 31.12.24=100% ((+) depreciation; (-) appreciation)



Source: NBM

Figure 2.4.15. Evolution of currencies of some main EU trading partners against EUR, 31.12.24=100% ((+) depreciation; (-) appreciation)



Source: NBM

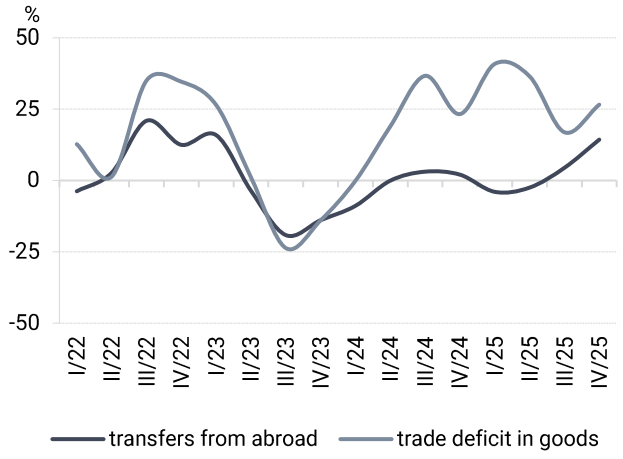
Under these conditions, the effective exchange rate of the MDL strengthened on average by 0.9 percent in nominal terms and by 0.3 percent in real terms, against the basket of currencies of the main trading partners, weighted by their shares in the foreign trade of the RM.

Overall, the MDL followed a depreciation trend throughout 2025, except for some temporary seasonal fluctuations.

This development was mainly driven by an increase in net demand for foreign currency in the domestic market, against a backdrop of a faster rate of growth in imports of goods compared with that of exports. As a result, the goods trade deficit widened by 29.6 percent, exerting further depreciation pressure on the exchange rate.

In 2025, the net supply of foreign currency from individuals rose by 12.9 percent compared with the previous year, reaching EUR 3,169.7 million with net cash purchases from individuals accounting for the largest share. At the same time, one of the main sources of supply – net transfers to individuals – rose slightly, by 3.1 percent, following two consecutive years of decline (Figure 2.4.16.).

Figure 2.4.16. Dynamics of net transfers from abroad in favour of individuals and the deficit of the trade balance of goods of the RM, y-o-y

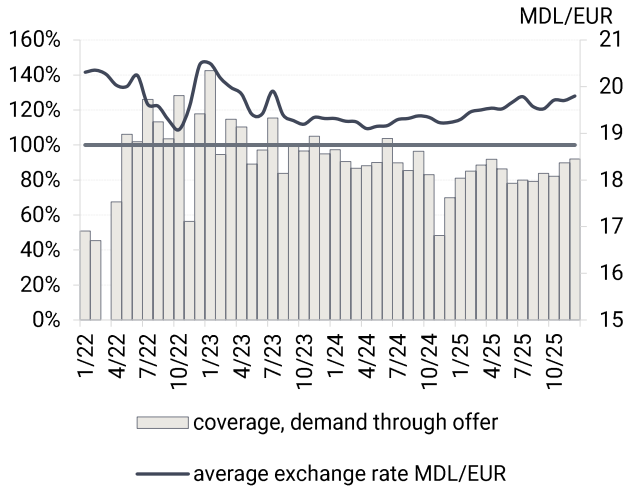


Source: NBM

Net demand for foreign exchange from economic agents increased by 13.0 percent compared to the previous year, to EUR 3,748.2 million. On the demand side, foreign exchange demand from energy resource importers and some consumer goods importers increased, while on the supply side, demand from some manufacturing enterprises decreased.

Consequently, the year 2025 was characterized by a foreign exchange deficit on the market, the degree of coverage of net demand by net foreign exchange supply being 84.6 percent, a level like that recorded in the previous year (Figure 2.4.17.).

Figure 2.4.17. Degree of coverage of net demand for foreign exchange from economic agents by net supply of foreign exchange from households and evolution of the MDL exchange rate



Source: NBM

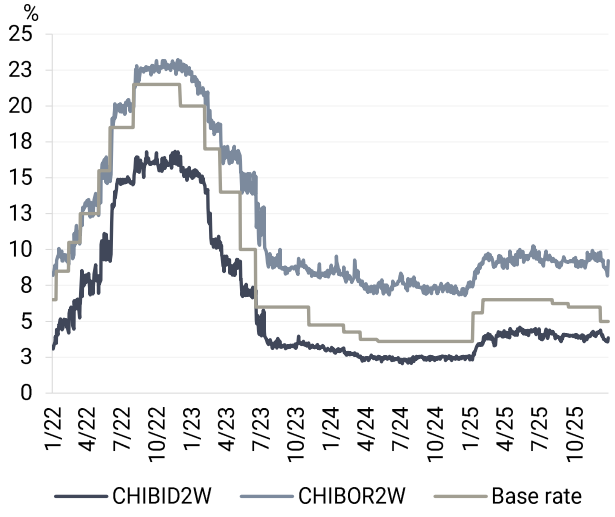
In this context, to mitigate the imbalance between offer and demand and prevent excessive pressures on the exchange rate, the NBM intervened in the foreign exchange market through net sales of foreign exchange in the amount of EUR 154.5 million. The sales interventions took place in each of the four quarters of the year, highlighting the constant nature of the foreign exchange shortage.

Evolution of interbank market indicators in MDL

The CHIBOR/CHIBID reference rate curve (calculated based on indicative interest rate quotations for placing/attracting funds in the national currency on the interbank market) was on an upward trend at the beginning of the year, promptly reacting to the increases in the NBM base rate. Subsequently, until almost the end of the year, it remained quasi-stable, registering only slight changes in both directions, but with a more pronounced downward trend towards the end of the year.

As a result of these developments, the values recorded by CHIBOR 2W quotations at the end of 2025 were higher (+1.80 percentage points) than those recorded in the same period of the previous year and amounted to 9.23 percent at the end of the period (Figure 2.4.18.).

Figure 2.4.18. Evolution of reference rates on the interbank market and the NBM base rate



Source: NBM

Interbank loan/deposit market in MDL

Over the course of 2025, transactions were recorded on the interbank loan/deposit market by a limited number of participants on a very short term (overnight).

The total volume of transactions amounted to MDL 274.0 million. The annual weighted average value of the yield on interbank loans/deposits was 6.77 percent.

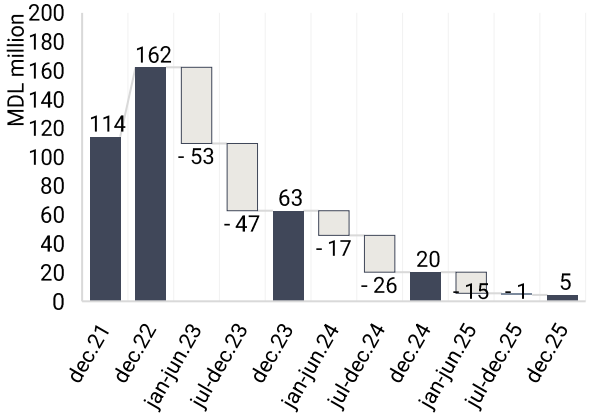
2.5. Risk of contagion

Interbank contagion

Throughout 2025, the domestic banking sector was characterised by a continued low level of risk of contagion related to interbank placements and exposures to the non-bank financial sector.

Net interbank placements[41] by the RM banks within the domestic banking sector at the end of 2025 totalled MDL 11.0 million (Figure 2.5.1.). The stress test results did not identify any cases of direct contagion between banks, owing to the low level of net interbank placements by banks.

Figure 2.5.1. Evolution of the balance of net placements of local banks in the domestic banking sector

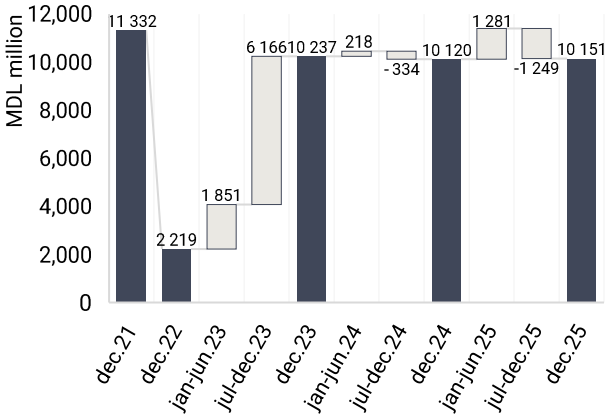


Source: NBM

Domestic banks continued to have significant exposure to foreign banking institutions; however, their placements were predominantly directed towards banks with high credit ratings, which helped to limit counterparty risk.

The volume of net placements by domestic banks in foreign banks fell by 0.31 percent compared with the end of the previous year, to MDL 10,151.2 million (Figure 2.5.2.). The decline in net placements was largely driven by systemically important banks.

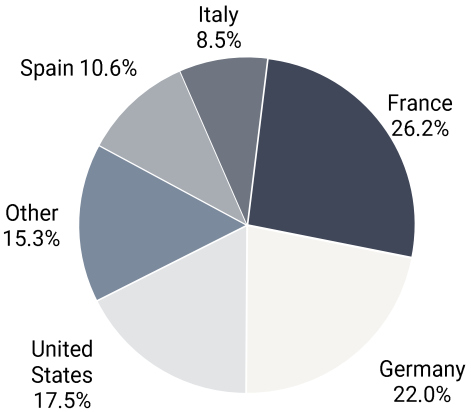
Figure 2.5.2. Evolution of the balance of net placements of local banks in banks abroad



Source: NBM

Gross interbank placements of domestic banks are concentrated in banks in France, Germany, the USA, Spain and Italy with a total share of 84.7 percent (Figure 2.5.3.).

Figure 2.5.3. Distribution of gross placements of domestic banks, by country



Source: NBM

However, banks in the RM remain in a net creditor position with respect to their foreign counterparties, which exposes them to greater risks of external contagion

[41] Net interbank placements are the sum of funds placed by banks, at an individual level, the funds placed by a bank being offset against the funds attracted by the bank from the same counterparty.

compared with their ability to influence counterparties in other countries.

Net placements within the domestic banking sector are concentrated in two systemically important banks.

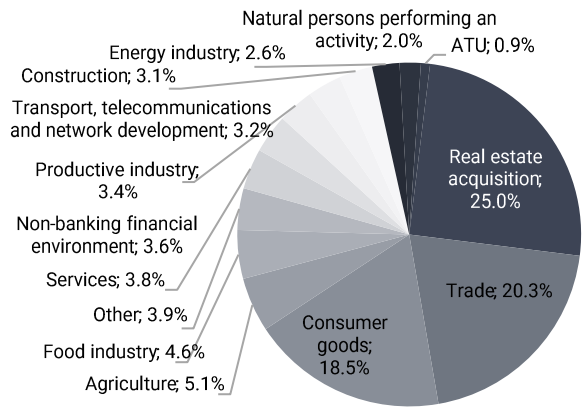
As regards banks' placements abroad, the number of foreign counterparties at the end of 2025 had risen to 53 correspondent banks across 21 countries worldwide. It should be noted that the foreign banks holding a large proportion of domestic banks' placements have a high investment-grade rating awarded by international authorities, which reduces the potential for contagion risk via these placements.

Concentration of sectoral exposures

In 2025, the banking sector's exposures remain concentrated on loans granted for real estate, trade and consumer loans.

The largest volume of loans in the banks' portfolios was granted to companies operating in the trade sector (20.3 percent), followed by loans granted to individuals for the purchase and/or construction of real estate (25.0 percent) and consumer loans (18.6 percent). Exposures to other branches are significantly lower and do not exceed a share of 8.0 percent of the banks' loan portfolio (Figure 2.5.4.).

Figure 2.5.4. Distribution of bank loan portfolio by branches of debtors' activity, 31.12.2025



Source: NBM

The share of loans granted to individuals increased in banks' portfolios due to the acceleration of lending to this segment of debtors as a result of the decrease in interest rates.

During 2025, most economic sectors recorded a decrease in loans granted (Table 2.5.1.), the most pronounced being the decrease in the share of loans granted in the field of trade (-0.5 percentage points). At the same time, there was an increase in loans granted for the purchase/construction of real estate (+2.0 percentage points) and loans granted to the energy industry (+0.5 percentage points), as a share in the total bank loan portfolio.

Table 2.5.1. Dynamics of the share of loans granted by banks by branches, compared to the previous year

Branch name	31.12.2025	2021-2025
Agriculture	▼	
Food-industry	▼	
Construction	▲	
Consumer loans	▲	
Energy industry	▲	
Administrative-territorial units/ institutions subordinated to the ATU	▼	
Productive industry	▼	
Trade	▼	
Non-banking financial sector	▼	
Real estate loans	▲	
Individuals practicing activity	▼	
Transport, telecommunications and network development	▲	
Services	▲	
Other granted	▲	

Source: NBM

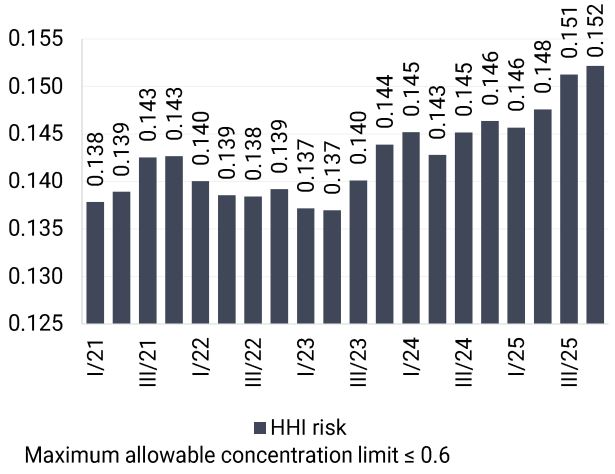
The banks' portfolios are characterised by a relatively high degree of sectoral diversification.

From the perspective of common exposures to economic sectors, the level of sectoral concentration in the banks' portfolios was assessed, considering the risks associated with each sector by applying the risk multiplier[42] specific to each sector. The risk-adjusted concentration indicator (Figure 2.5.5.) shows low values. At the individual

[42] The risk amplifier does not assess the volatility of each sector in relation to the country's economy, but considers the existence of a risk considering the sectoral structure of the banks' portfolios.

level, higher levels[43] of concentration were identified; however, even the most concentrated portfolio remains well below the estimated maximum permissible concentration limit[44].

Figure 2.5.5. Evolution of the risk-adjusted concentration indicator in relation to the maximum allowable concentration limit



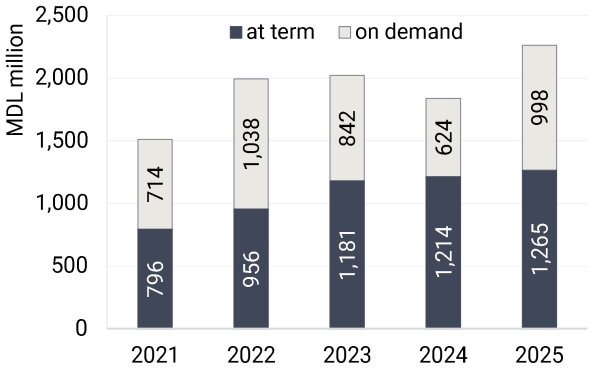
Source: NBM

Intersectoral contagion

The banking sector's interactions with the non-banking financial sector, although increasing, present a low risk of contagion.

The banking sector's direct exposure to the non-banking financial sector increased compared to the previous year. According to the information reported by banks, the balance of NBFI deposits in banks at the end of 2025 amounted to MDL 2,262.3 million or 1.6 percent of the balance of deposits attracted by banks. Their distribution by maturity is not proportionally equal, with 44.1 percent of deposits being placed on demand, with a higher degree of volatility, and 55.9 percent – at term (Figure 2.5.6.). In the currency structure, 42.9 percent of NBFI deposits are denominated in MDL and 57.1 percent – in foreign currency.

Figure 2.5.6. Evolution of the balance of deposits attracted from NBFIs in the structure by maturity



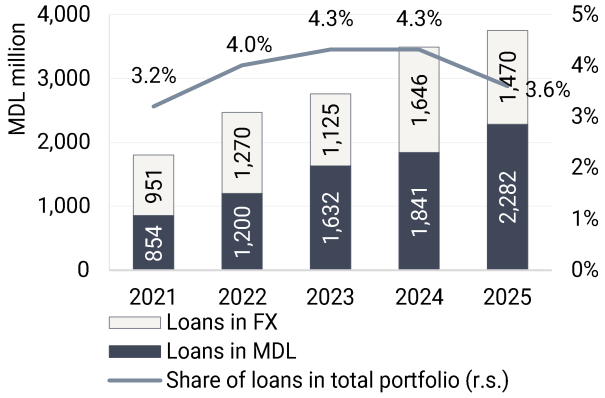
Source: NBM

On the assets side, banks' direct exposures to NBFIs are low and do not pose significant risks to financial stability through the direct contagion channel.

The maximum share of individual banks' holdings in non-bank financial institutions' capital does not exceed 3.0 percent of the bank's own funds and therefore does not constitute a source of contagion for the banking sector.

Loans granted by banks to the non-bank financial sector at the end of 2025 accounted for 3.6 percent of the loan portfolio (Figure 2.5.7.), and their quality (a non-performing loan ratio of 0.04 percent) is significantly more favourable compared with the aggregate non-performing loan ratio for the total banking portfolio (4.3 percent).

Figure 2.5.7. Share of loans granted by banks to NBFI



Source: NBM

[43] The level of concentration was determined by amplifying the variable, which represents the level of concentration (Herfindahl Hirschman index) in a sector, with the level of non-performing loans corresponding to this sector.

[44] he maximum allowable concentration limit represents the maximum value of the bank's concentration level that did not result in recovery or resolution procedures.

2.6. Climate risk

The challenges posed by climate change and the energy transition represent a significant source of risk and structural adjustment for the RM.

Against the backdrop of escalating climate risks, the role of central banks in strengthening the resilience of financial systems is becoming increasingly important. In this regard, the NBM has aligned itself with international practices, committing, as part of its programme with the IMF, to developing a sustainable finance framework.

In its work, the NBM is guided by the Roadmap for Sustainable Finance in the RM 2024–2028, which sets out the strategic directions and priority actions for the development of this area. The document serves as a benchmark for the next years and is structured around four main pillars: strengthening institutional capacity, mobilising capital flows, integrating ESG criteria, and ensuring transparency and market discipline

Overall, these measures set out contribute to strengthening the framework needed to identify, assess, monitor and manage climate risks appropriately, as well as to inform the decisions of financial sector stakeholders in relation to these risks.

Climate risks are divided into two main categories: physical risks and transition risks.

Physical risks refer to the direct impact of extreme weather events and long-term climate change on the economy – such as frequent droughts, floods or late frosts.

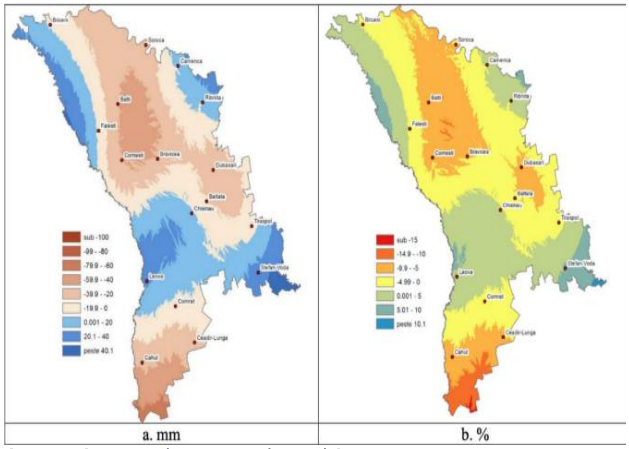
The main physical risks relevant to the RM relate to floods, drought and high temperatures.

The RM experiences droughts once every 3–10 years, with their frequency varying considerably across regions. On average, 1–2 drought episodes per decade occur in the north, compared with 2–3 in the central region and 5–6 in the south. From an economic perspective, agriculture is the sector most exposed to drought risk. Agricultural land accounts for 59.0 percent of the country's total land area, of which approximately 70.0–72.0 percent is arable land.

The RM experiences droughts once every 3–10 years, depending on geographical location. The frequency of droughts is 1–2 episodes over the course of a decade in the north, 2–3 episodes in the centre and 5–6 episodes in the south. From an economic perspective, the sector most affected by drought is agriculture, which currently accounts for 59.0 percent of the country's land area, of which 70.0–72.0 percent is arable land.

According to data from the Food and Agriculture Organisation of the United Nations, the southern regions of the country are the most vulnerable to drought, where drought episodes – affecting over 30.0 percent of the regional harvest – were the most frequent during the analysis period 1984–2023. These observations are confirmed and supplemented by data from the State Hydrometeorological Service, which show a significant decrease in the annual average rainfall between 1991 and 2020 compared with the period 1961–1990, by approximately 10 mm or –2.0 percent (Figure 2.6.1.).

Figure 2.6.1. Difference in average annual precipitation (a – mm, b - %), 1991-2020 compared to 1961-1990



Source: State Hydrometeorological Service

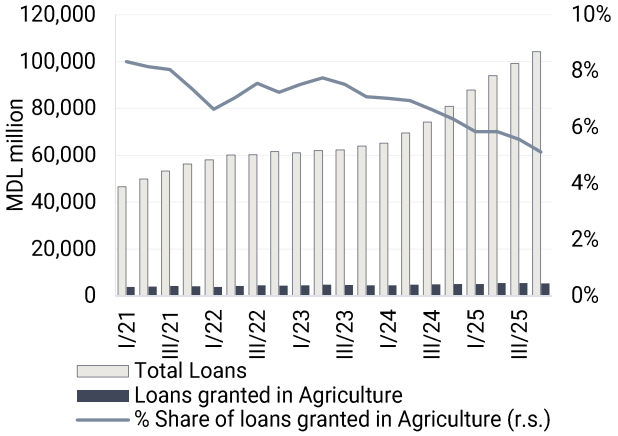
It is worth mentioning that the Southern and Central regions account for around 50.0 percent of the total volume of cereals and wheat harvested in the RM.

This trend poses a significant threat to the RM's economy, given the potential damage to the agricultural sector. According to World Bank estimates, total losses caused by droughts over the last 25 years amounted to 1,898.5 million USD.

In this context, the decline in the average annual actual discharge of small rivers in RM is a cause for concern. According to data from the State Hydrometeorological Service, this averaged 1.56 km³ of water between 1961 and 1990, falling to 1.02 km³ between 1991 and 2020. Thus, the actual water resources of small rivers have decreased by 0.54 km³ of water, or 34.8 percent. This reduction in actual discharge is not limited to small rivers but also affects transboundary rivers (the Dniester and Prut), even though their discharge volume originates in other geographical areas. Thus, the average annual flows of the Dniester and Prut rivers during the period 1961–1990 were 327 m³/s at the Tighina hydrological station (average annual flow volume – 10.3 km³) and 88.6 m³/s at the Ungheni hydrological station (2.8 km³) respectively. Between 1991 and 2020, these figures stood at 278 m³/s (8.8 km³) and 82.2 m³/s (2.6 km³).

From the perspective of bank lending, the percentage of loans granted to the agricultural sector, which is also the most exposed to the risk of drought, fluctuated between 8.6 and 7.1 percent from 2020 to 2023, recording a decrease to 5.1 percent by the end of 2025, but being in constant growth as a balance (Figure 2.6.2.).

Figure 2.6.2. Evolution of the balance and share of loans granted to the agricultural sector

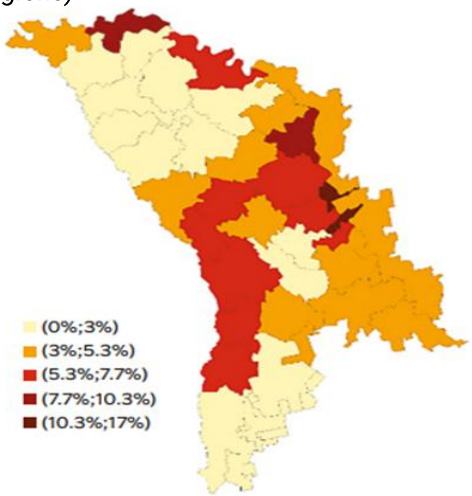


Source: NBM

Regarding the risk of floods, the entire territory of the RM is exposed, with varying degrees of intensity, with the Central and Southern regions being most affected.

According to World Bank estimates, the annual economic impact of floods in the RM, in terms of destructive effect on infrastructure (roads, buildings and agricultural land) is about 0.8 percent of GDP, which at the administrative unit level can increase to 10.0 percent (Figure 2.6.3.).

Figure 2.6.3. Distribution of estimated annual flood losses on roads, buildings and agricultural land (% of GDP of regions)



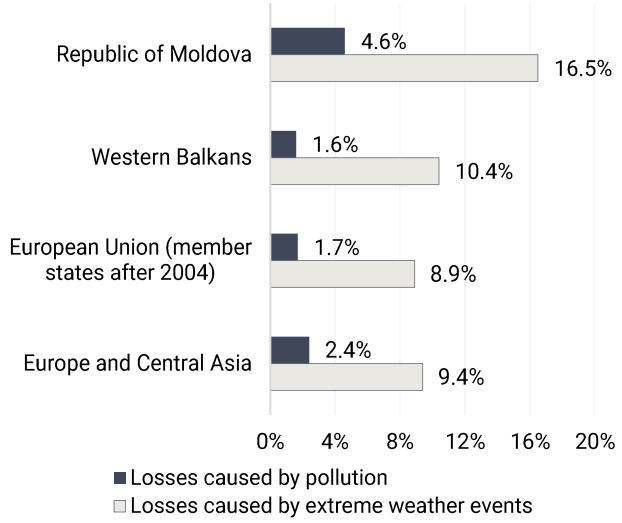
Source: World Bank

Despite projections pointing to a drier climate over the coming decade, the RM remains exposed to a heightened risk of intense precipitation events. According to the State Hydrometeorological Service study, "Assessment of Climatic Resources of Atmospheric Precipitation in the RM

through the Lens of Climate Change", the overall number of days with precipitation of at least 0.1 mm declined by 9.7 days, or 8.0 percent, while the frequency of heavy precipitation events increased significantly. The strongest increase was recorded for days with extremely heavy precipitation of at least 50 mm. Compared with the 1961–1990 reference period, the annual number of days with precipitation declined by around 10 days, while the number of days with precipitation of at least 1.0 mm fell by around four days. By contrast, the number of days with precipitation exceeding 50 mm increased by 0.1 days per year, equivalent to 2.4 hours, representing a 132 percent increase compared with the 1961–1990 reference period. This indicates a marked shift towards less frequent but more intense precipitation events, with the frequency of extremely heavy rainfall more than doubling compared with the reference period and potentially increasing the risk of severe flooding and related economic losses.

According to the same source, the average intensity of precipitation over a five-minute interval at the Chișinău meteorological station increased by 13.0 percent in 1991–2020 compared with the 1961–1990 reference period. Over the same period, precipitation intensity declined by 4.0 percent in Briceni, while increasing by 6.0 percent in Cahul. The authors suggest that the stronger increase observed in Chișinău may partly reflect the higher concentration of condensation nuclei in the atmosphere, such as dust and exhaust emissions, combined with stronger convective activity within the urban area. Vulnerability to physical climate risks is also supported by a World Bank survey, in which approximately 16.5 percent of companies in the RM reported having incurred losses as a result of extreme weather events, while 4.6 percent reported losses related to pollution (Figure 2.6.4). Both shares were higher than those reported in the other regions covered by the survey.

Figure 2.6.4. Percentage of companies reporting losses caused by climate change or environmental factors



Source: World Bank

Transition risk is a key component of climate-related risk and refers to the economic and financial impacts associated with the transition towards a low-carbon economy. It may arise from changes in climate-related policies and regulation, technological developments, shifts in consumer preferences and market behaviour, as well as from the costs associated with adapting business models and practices to a more sustainable economy.

In the case of the RM, the areas most subject to transition risk are:

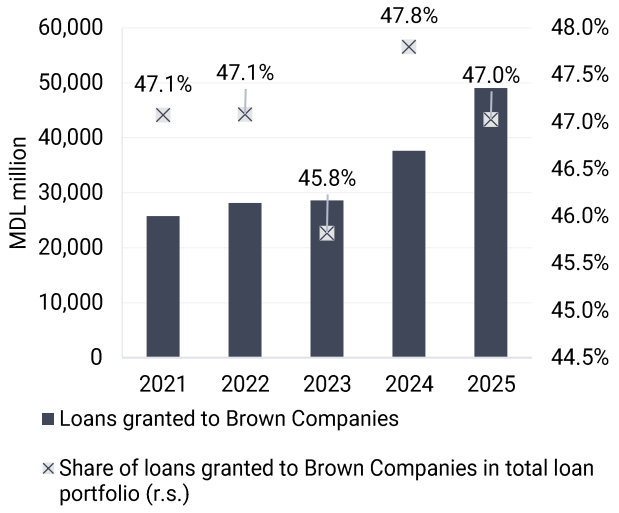
- agriculture, forestry, and fisheries;
- food industry;
- productive industry;
- constructions;
- real estate transactions;
- transportation and storage;
- health and social assistance;
- energy industry;
- public administration and defence.

Companies operating in these sectors (hereinafter referred to as Brown Companies[45]) accounted for almost half of all bank loans granted between 2018 and

[45] Brown companies were identified according to the Methodology for identifying climate-relevant economic sectors, used by the NBR in the 2019 Financial Stability Report and based on the level of CO2 emissions.

2025, and their outstanding balance showed a steady increase over the period analysed (Figure 2.6.5.). The share of loans granted to this type of company stood at 47 percent throughout 2025, following a period of relative stagnation between 2020 and 2024 and a slight increase recorded in 2023.

Figure 2.6.5. Banking exposure to brown companies

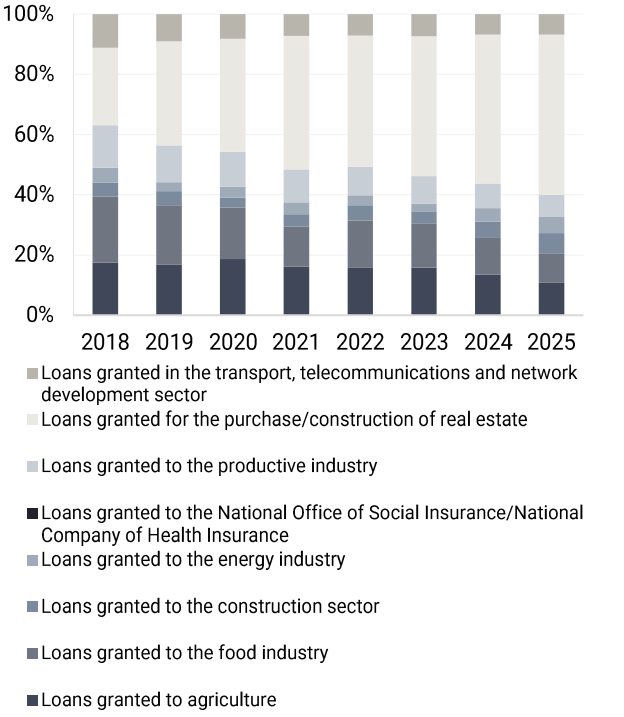


Source: NBM calculations

The analysis of the structure of brown loans indicates a predominant concentration in the real estate sector, with a share of loans granted for the purchase/construction of real estate that increased from 25.7 percent in 2018 to 53.2 percent in 2025. On second place are loans granted to agriculture, but which recorded a negative dynamic, from 17.5 percent in 2018 to 10.9 percent in 2025. On third place in importance are loans granted to the food industry, which at the end of 2025 held a share of 9.7 percent of the banks' brown loan portfolio (Figure 2.6.6.).

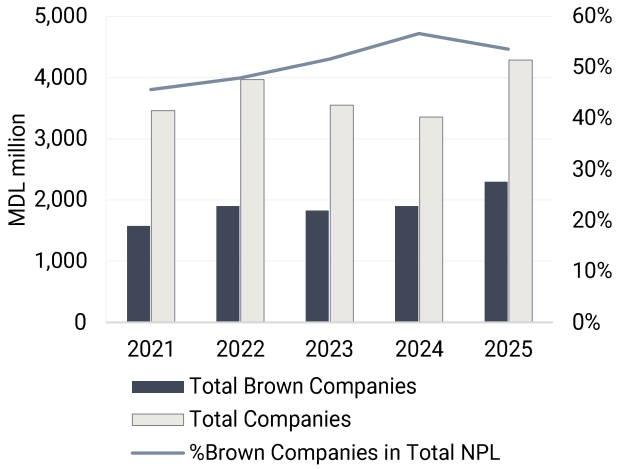
At the same time, the share of non-performing loans granted to brown companies in total non-performing loans increased from 40.2 percent in 2018 to 53.6 percent at the end of 2025 (Figure 2.6.7.). In absolute terms, this type of loans shows a similar trend, but the dynamics are not as pronounced.

Figure 2.6.6. Share of brown economy sectors of the total portfolio of brown loans



Source: NBM

Figure 2.6.7. Evolution of non-performing loans granted to Brown Companies



Source: NBM calculations

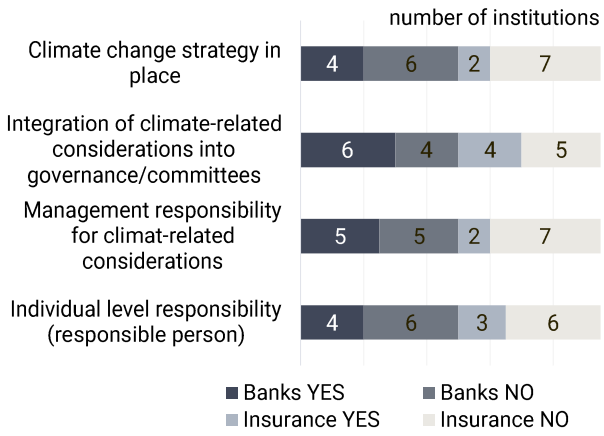
Climate-related Considerations Survey

Financial institutions, particularly banks and insurance companies, are exposed both directly and indirectly to climate-related risks, as well as to the opportunities created by the transition to a green economy.

Climate change is becoming increasingly relevant to the financial sector, affecting business models, governance processes, and risk and capital management. A survey was conducted in 2025 to assess the extent

to which climate-related considerations have been integrated into the operations of financial institutions, as well as the differences between sectors and the main challenges involved[46]. The analysis focused on the existence of climate strategies, accountability at both management and individual levels, the integration of climate risks into internal processes, impact assessment, reporting practices, as well as the development of products and targets for green finance.

Figure 2.6.8. Strategy and governance



Source: Climate Risk Survey, NBM

Strategy and governance

For most institutions, climate-related issues are addressed broadly and have not yet been fully integrated into the risk management framework. More significant progress, particularly in the banking sector, is largely driven by the influence of foreign parent banks.

The survey results show that the level of formalisation of climate strategies remains low. In the banking sector, 40.0 percent of institutions have a climate strategy, compared with only 22.2 percent in the insurance sector.

At the same time, the integration of climate-related considerations into governance mechanisms is more common, being present in 60.0 percent of banks and 44.4 percent of insurers. Nevertheless, executive-level accountability is limited: only 50.0 percent of banks and 22.2 percent of insurance companies have established clear responsibilities in this regard. Furthermore, individual accountability, measured by the appointment of responsible person, is observed in 40.0 percent of banks and 33.3 percent of insurers (Figure 2.6.8.).

Climate risk management

There is a significant gap between the level of awareness and the actual implementation of climate risk management practices across all the institutions analysed.

Awareness is generally high, with institutions recognizing the impact of climate-related risks on their business lines and portfolios, particularly in vulnerable sectors such as agriculture. Approximately 90.0 percent of banks and 66.7 percent of insurers anticipate that climate risks will affect their business models over the short, medium and long term. However, their integration into formal risk management framework remains limited (50.0 percent of banks and 44.4 percent of insurers).

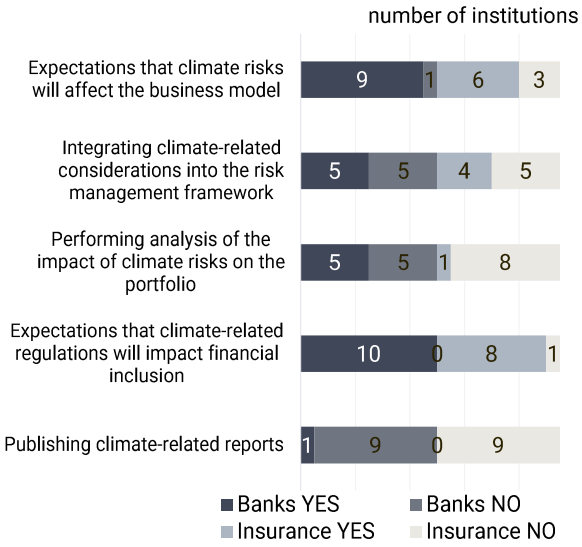
Although some institutions have begun strengthening their analytical capabilities through climate stress testing and portfolio assessments, these practices have not been yet systematically integrated into operational processes. Such analyses are carried out by 50.0 percent of banks, compared with just 11.1 percent of insurers.

In terms of transparency, the level of disclosure is very low: no insurers and only 10.0 percent of banks publicly disclose information related to climate matters. At the same time, most institutions (100.0 percent of banks and 88.9 percent of insurers) believe that climate-related

[46] The survey was conducted with the participation of 10 banks and 9 insurance companies.

financial regulations could have an impact on financial inclusion by discouraging financing of certain sectors, communities or regions (Figure 2.6.9.).

Figure 2.6.9. Climate risk management



Source: Climate Risk Survey, NBM

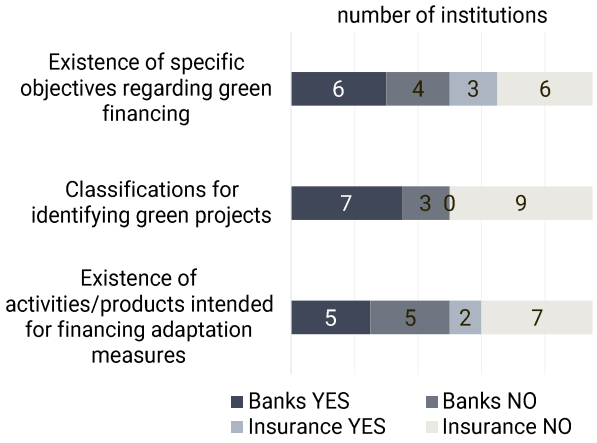
Green financing opportunities

Financial institutions identify green financing opportunities in sectors such as agriculture, renewable energy and energy-efficienct buildings. The challenges to green financing encountered by respondents include low market demand and limited market awareness, limited in-house technical expertise, high upfront costs and the absence of a clear legislative framework.

The banking sector demonstrates a more active engagement in capitalising opportunities associated with the green transition, both at the strategic and operational levels. Thus, 60.0 percent of banks have established green finance targets, compared with 33.3 percent of insurance companies.

Regarding the use of green project classification tools: 70.0 percent of banks apply such methodologies, whereas none of the insurers use them. Furthermore, products specifically designed to finance adaptation measures are offered by 50.0 percent of banks, compared with just 22.2 percent of insurers (Figure 2.6.10.).

Figure 2.6.10. Green financing opportunities



Source: Climate Risk Survey, NBM

The financial sector is at an early stage of integrating climate-related considerations, characterised by a high level of awareness but also by limited implementation and the absence of well-established mechanisms. Banks are generally more advanced than insurance companies; however, both sectors require further efforts to develop strategic framework, enhance governance, integrate climate risks into their operations and capitalize on the opportunities arising from the transition to a green economy.

2.7. Risk related to information and communication technology

The year 2025 brought new ICT-related challenges for the banking sector. As banks increasingly expanded their digital services — from mobile applications and internet banking to instant payments and online onboarding — their exposure to cyber risks has also directly increased. This growing reliance on technology has meant that any vulnerability in information systems can have rapid and substantial consequences for customers as well as for the overall stability of the institution.

According to the ENISA Threat Landscape 2025 report[47], the financial sector remained

[47] ENISA Threat Landscape 2025, European Union Agency for Cybersecurity, published in October 2025 https://www.enisa.europa.eu/sites/default/files/2026-01/ENISA%20Threat%20Landscape%202025_v1.2.pdf

one of the main targets of cybercriminals, who have increasingly used artificial intelligence-based tools to launch attacks that are faster, more precise and harder to detect. The most common threats included phishing campaigns, through which employees or customers are deceived into disclosing sensitive data, and DDoS attacks, aimed at blocking access to online banking services. Geopolitical tensions in the region have further contributed to the rise in the cyberattacks, with hacktivist groups increasingly targeting European financial institutions as a means of exerting pressure or conveying political messages[48].

Another growing risk stemmed from banks' increasing dependence on external technology service providers. Many financial institutions outsource key functions — such as data storage and payment processing — to specialized companies. While this practice brings efficiency and cost savings, it also creates vulnerabilities: when a provider is affected by a cyber attack, the consequences can quickly spread to all the banks using its services. European supervisory authorities have paid increasing attention to this phenomenon, assessing the risks arising from the excessive concentration of the financial sector around a limited number of large technology providers[49].

The NBM took action to strengthen the regulatory framework in this area (see sub-section 5.1 for details, *Regulations to strengthen the financial stability framework*). However, the assessments and inspections carried out by the NBM have revealed that some institutions faced serious vulnerabilities: the use of outdated IT systems that no longer received security updates from their vendors; an insufficient number of cyber security specialists, which limited their ability to detect and manage complex incidents, as well as incomplete or inadequately tested business continuity plans that did not ensure the rapid resumption of services in the event of a major incident.

Banks have continuously invested in upgrading their technological infrastructure, in training and specialising their staff, and in strengthening their ability to respond quickly and effectively when an incident occurred. At the same time, it has become essential for cybersecurity to extend beyond the boundaries of the IT department and become a responsibility embraced across the entire organisation — from senior management to every employee who interacts with sensitive systems or data. In a continuously evolving digital environment, technological resilience is not a one-off objective, but an ongoing process of adaptation and improvement.

[48] ENISA Threat Landscape: Finance Sector (2024), European Union Agency for Cybersecurity, published in February 2025, https://www.enisa.europa.eu/sites/default/files/2025-02/Finance%20TL%202024_Final.pdf

[49] European Banking Authority — Guidelines on ICT and Security Risk Management (EBA/GL/2019/04), https://www.eba.europa.eu/regulation-and-policy/internal-governance/guidelines-on-ict-and-security-risk-management

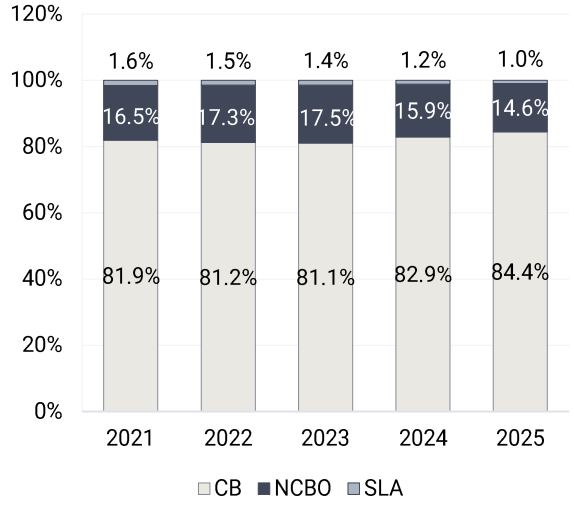
3. RISKS OF THE NON-BANKING SECTOR

3.1. Non-bank lending sector[50]

During 2025, the non-bank lending sector continued the trend of increasing its asset portfolio, but at a slower pace compared to the banking sector.

By the value of loans granted, the non-bank lending sector maintains a share of approximately 15.6 percent in total loans granted in the banking and non-banking financial sector, with a decrease of 1.5 percentage points compared to 2024 (Figure 3.1.1.).

Figure 3.1.1. Share of loan portfolios and credits granted by banks, NBCO and SLA[51]



Source: NBM

During the period 2021-2025, the non-bank lending sector consolidated its position within the financial sector, recording a 64.1 percent increase in assets from MDL 13,557.1 million in 2021 to MDL 22,247.5 million in 2025, simultaneously with the decrease of the number of non-bank financial entities with the right to operate.

As of 31.12.2025, an increase in assets by 16.2 percent was recorded compared to the end of 2024.

Savings and loan associations

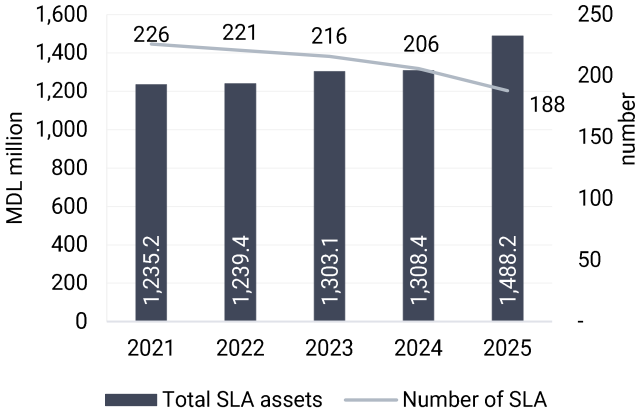
The SLA sector remains relatively small in terms of assets and the number of beneficiaries; at the same time, it is the most fragmented compared with the other components of the financial system.

According to the situation at the end of the reporting year, 188 associations hold licences to carry out their activities. Over the last five years, the number of SLA has fallen by 41.

In 2025, the SLA sector continued to consolidate, with a smaller number of associations holding a larger volume of assets. The market share of the 10 largest SLA stood at 59.1 percent, while the market share held by the largest SLA accounted for 23.9 percent.

As at 31.12.2025, the total value of SLA assets stood at MDL 1,488.2 million, representing an increase of 11.6 percent compared with the end of 2024 (Figure 3.1.2.). In the structure of SLA assets, 89.1 percent is accounted for by loans granted.

Figure 3.1.2. Evolution of the number of SLAs and their assets



Source: NBM

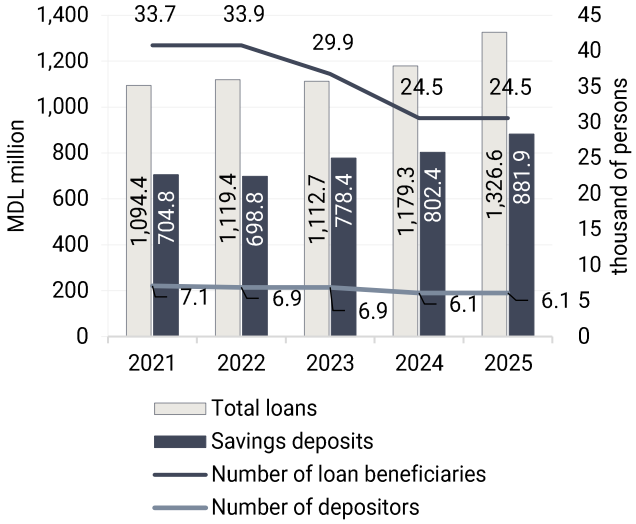
During 2025, the number of loan beneficiaries (24,483) registered a decrease of 4.6 percent, and the number of depositors

[50] Non-bank lending activity is carried out through NBCO and SLA.

[51] Share in total credits and loans granted by banks, SLA and NBCO.

(6,162) decreased by 0.8 percent compared to the end of 2024 (Figure 3.1.3.).

Figure 3.1.3. Evolution of loans granted/deposits received versus number of service beneficiaries

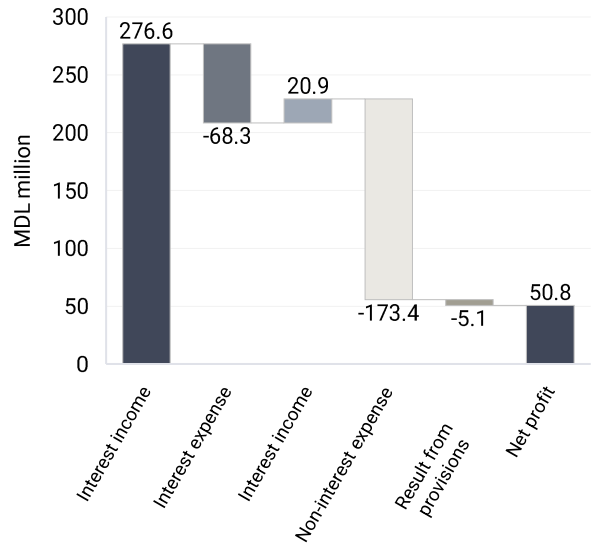


Source: NBM

The total value of loans granted to members amounted to MDL 1,326.6 million, up 12.5 percent compared to the previous year.

The SLA sector reported a net profit of MDL 50.8 million in 2025 (Figure 3.1.4.).

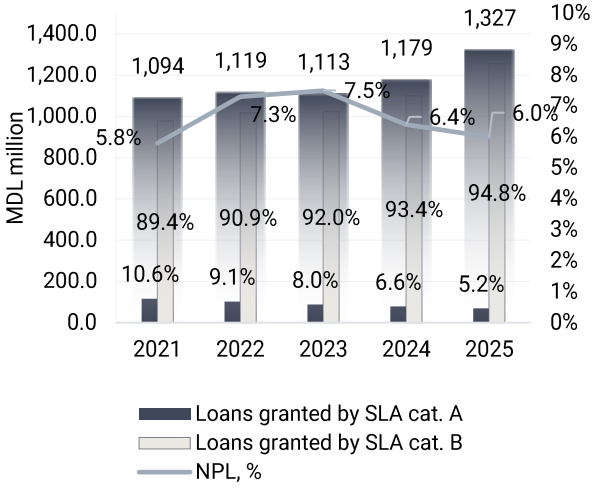
Figure 3.1.4. Profitability of the SLA sector



Source: NBM

The non-performing loan rate at the end of the reporting period was 6.0 percent, down 0.4 percentage points from the previous year (Figure 3.1.5.).

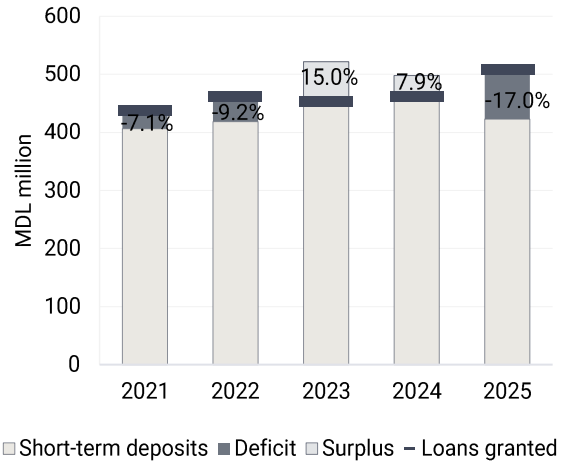
Figure 3.1.5. Loans granted by SLA versus total non-performing loans



Source: NBM

Short-term savings deposits represent less than half of the deposits attracted, and their potentially volatile nature creates risks in liquidity management (Figure 3.1.6.).

Figure 3.1.6. The ability to repay short-term savings deposits versus short-term loans

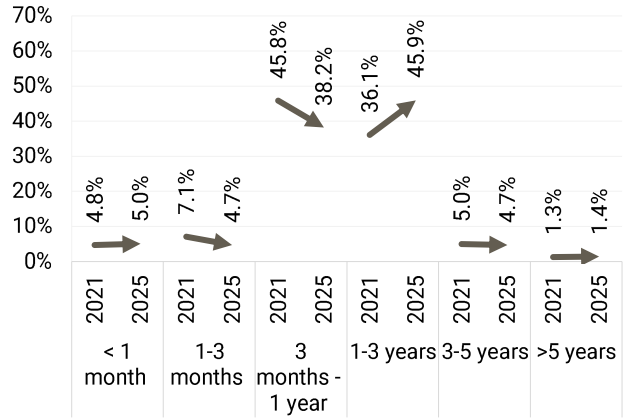


Source: NBM

As of 31.12.2025, deposits up to one year constituted 47.9 percent of the total savings deposits attracted (Figure 3.1.7.), down 15.1 percent from the previous year.

In 2025, the NBM performed six inspections to verify the activity of savings and loan associations and issued five decisions on the results of the inspections, including those initiated in 2024.

Figure 3.1.7. Evolution of the share of savings deposits by maturity



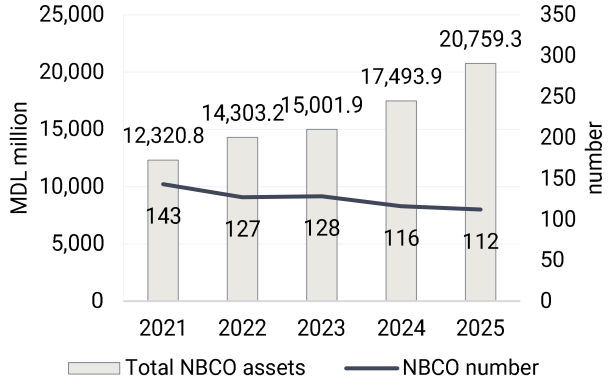
Source: NBM

Non-bank credit organizations

At the end of 2025, 127 NBCOs were registered in the Register of authorized non-banking credit organisations (Figure 3.1.8.), of which 15 organisations with suspended activity.

The high degree of concentration of the NBCO market persists, the 10 largest NBCOs have consolidated their position on the market, their share constituting 79.3 percent of the total NBCO sector, increasing by 3.0 percentage points compared to the previous year.

Figure 3.1.8. Evolution of assets and number of NBCO

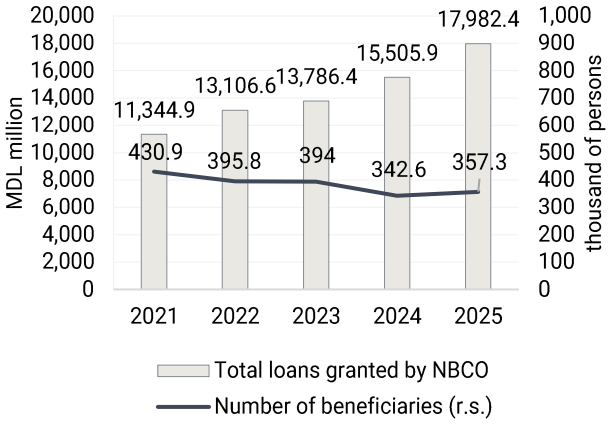


Source: NBM

The pace of asset growth continues to maintain its upward trajectory in 2025, registering an increase of 16.5 percent compared to 2024.

During 2025, the loan portfolio granted by NBCO registered an increase of 16.0 percent compared to 2024 (Figure 3.1.9.).

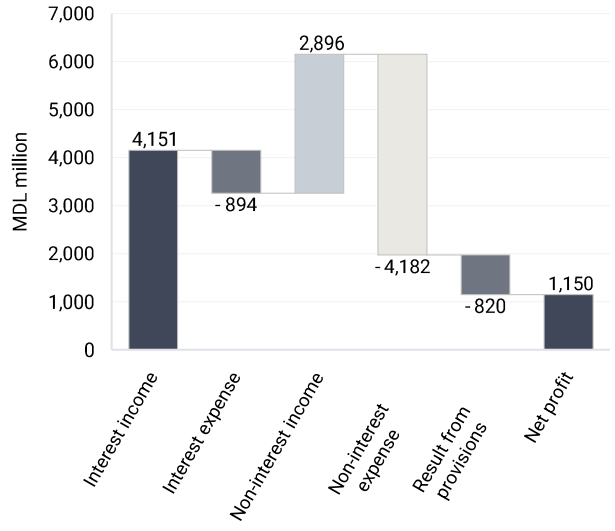
Figure 3.1.9. Evolution of the loan portfolio granted by NBCO



Source: NBM

The NBCO sector reported a net profit of MDL 1,150.1 million in 2025 (Figure 3.1.10.).

Figure 3.1.10. Profitability of the NBCO sector

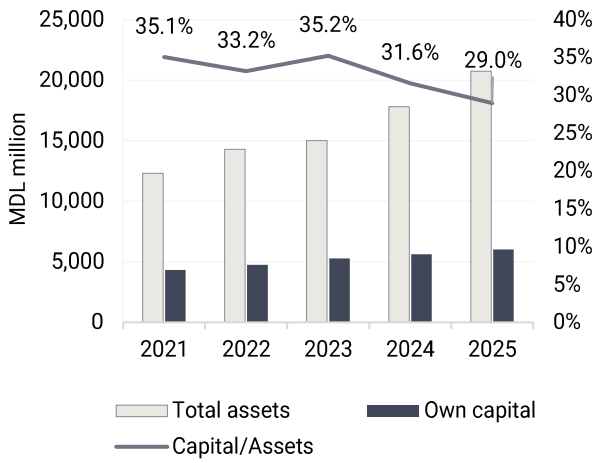


Source: NBM

During 2025, return on assets declined, while return on equity remained stable. ROA stood at 5.5 percent and ROE at 19.1 percent.

At the end of the fourth quarter of the reference year, the "Capital/Assets" ratio stood at 29.0 percent, down by 2.6 percentage points compared with the same period of the previous year (Figure 3.1.11.).

Figure 3.1.11. Evolution of the aggregate capital/asset ratio of NBCO

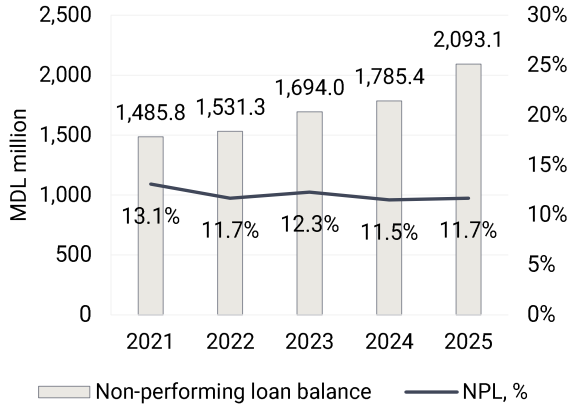


Source: NBM

Credit risk represents an essential component in NBCO's activity, with lending activity still predominantly focused on individuals.

The share of non-performing loans in 2025 remains approximately at the level recorded in 2024, constituting about 11.7 percent of the total portfolio (Figure 3.1.12.).

Figure 3.1.12. Dynamics of non-performing loans NBCO

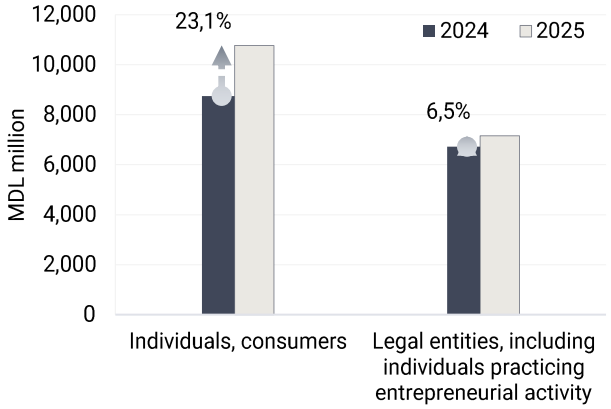


Source: NBM

At the end of 2025, there was an increase in lending to individuals (consumers) by 23.3 percent compared to the end of 2024, and lending to legal entities, including individuals practicing entrepreneurial activity, increased by 6.5 percent (Figure 3.1.13.).

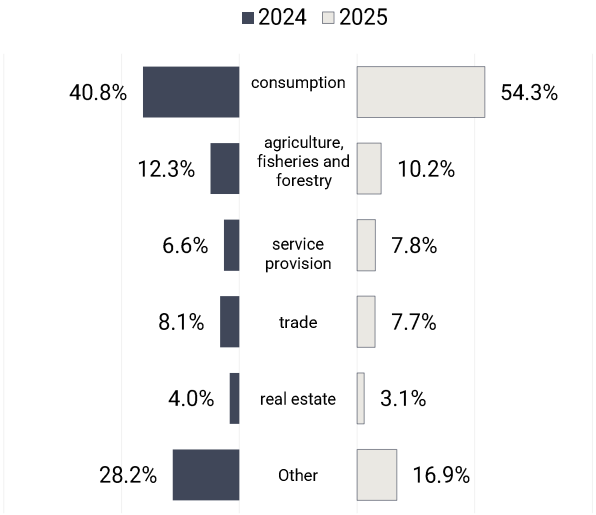
The main directions of credit use maintain their positions in 2025, with a 13.6 percent increase in consumer loans compared to 2024 (Figure 3.1.14.).

Figure 3.1.13. Dynamics of loans granted by NBCO by type of debtor



Source: NBM

Figure 3.1.14. Evolution of the loan portfolio by industry

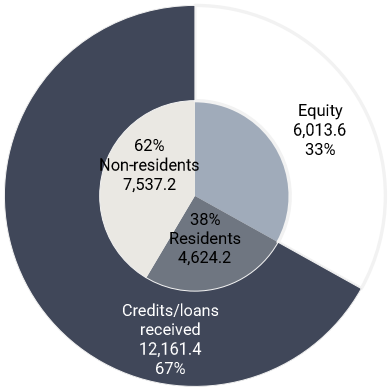


Source: NBM

The structure of NBCO's sources of financing did not undergo any significant changes during the year under review, consisting predominantly of bank credits and loans from non-residents.

NBCO is financed 33.0 percent from equity, while 67.0 percent of its funding comes from credits and loans (Figure 3.1.15.), Furthermore, the share of funding raised from non-residents accounted for 62.0 percent of total credits and loans raised, or MDL 7,537.2 million.

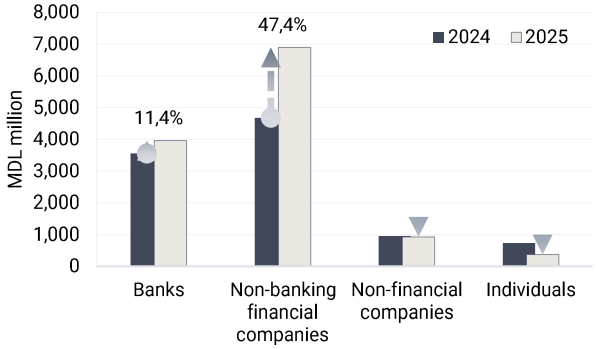
Figure 3.1.15. Financing sources of the NBCO



Source: NBM

At the end of 2025, about 97.0 percent of NBCO creditors were legal entities, the share of financing attracted from non-bank financial companies registering an increase of 47.4 percent during 2025, compared to 2024 (Figure 3.1.16.).

Figure 3.1.16. Structure of credits/loans received by NBCO

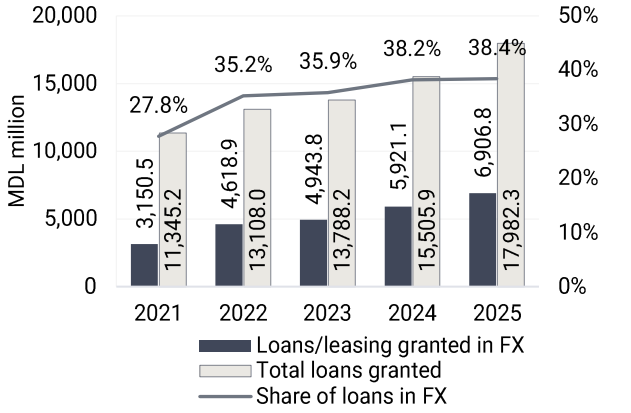


Source: NBM

At the end of 2025, NBCO loans linked to the exchange rate totalled MDL 6,906.8 million, representing a 16.6 percent increase compared with the same period of the previous year and accounting for 38.4 percent of total loans granted (Figure 3.1.17.).

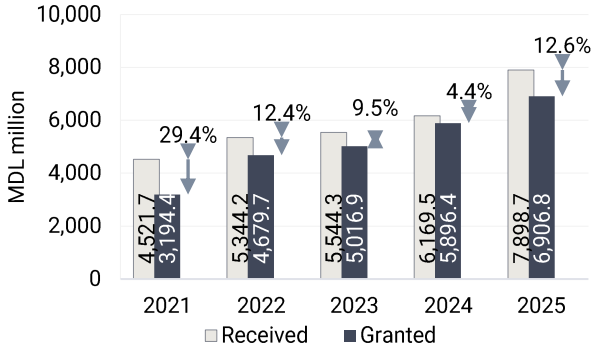
Foreign currency loans accounted for 64.9 percent of the NBCO's funding sources. Foreign currency borrowings amounted to MDL 7,898.7 million; an increase of 28.0 percent compared with the end of 2024 (Figure 3.1.18.).

Figure 3.1.17. Loans granted linked to the exchange rate



Source: NBM

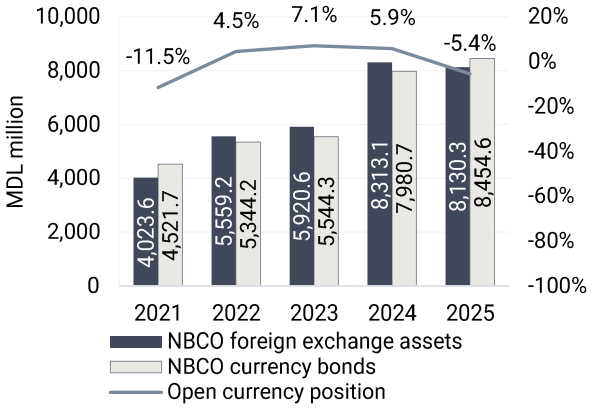
Figure 3.1.18. Loans in foreign currency and linked to the exchange rate: received vs. granted



Source: NBM

The excess of foreign currency bonds over foreign currency or currency-linked assets forms the open short foreign exchange position (Figure 3.1.19.).

Figure 3.1.19. Evolution of the aggregate foreign exchange position



Source: NBM

In 2025, the NBM carried out six inspections to verify the activity of NBCO and issued three decisions regarding the results of the inspections, including those initiated in 2024.

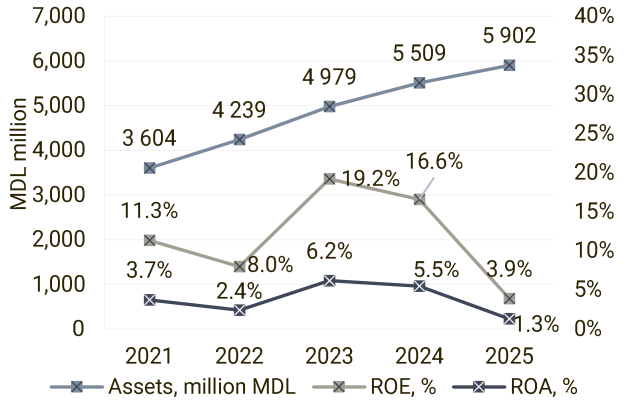
3.2. Insurance sector

According to the submitted reports, insurance companies recorded an increase in total assets in 2025, while profits declined sharply amid the partial liberalisation of the motor third-party liability insurance market.

At the end of 2025, there were nine insurance companies operating in the insurance market (of which eight were general insurance companies and one was a composite insurer offering both general and life insurance).

The insurance market remained moderately concentrated, with the asset-based Herfindahl-Hirschman Index (HHI) standing at 1,655.3 at end-2025. The five largest insurance companies by assets accounted for 76.0 percent of total sector assets, while the five largest companies by number of claims settled accounted for 73.9 percent of all claims settled. At the same time, the five largest companies by gross premiums written accounted for 70.0 percent of total gross premiums written. Insurance companies' total assets increased by MDL 392.6 million in 2025, reaching MDL 5,902.0 million, up by 7.1 percent compared with 2024 (Figure 3.2.1).

Figure 3.2.1. Evolution of insurance companies' assets



Source: NBM

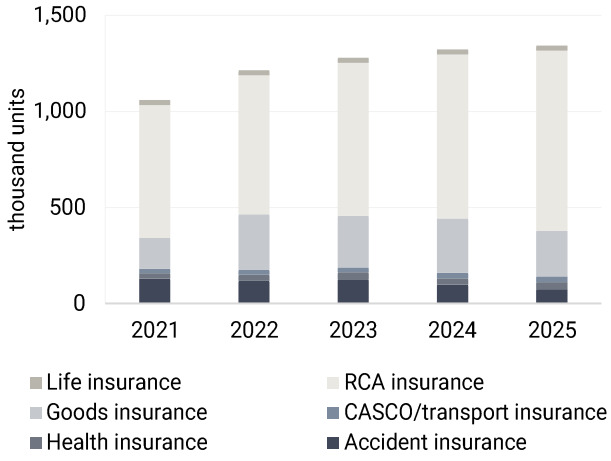
The considerable decrease in profit, as well as in return on capital and assets indicators, was strongly influenced by the reduction in motor third party liability insurance premiums in the context of their liberalization.

In 2025, insurers reported a net profit of MDL 73.5 million, which was MDL 220.3 million, or 75.0 percent, less than in 2024. ROE indicators ranged from -5.3 percent to 14.5 percent, while sector-wide ROE stood at 3.9 percent, 12.7 percentage points lower than in 2024. At the same time, ROA figures ranged from -1.7 percent to 5.7 percent, and the sector-wide ROA stood at 1.3 percent, 4.2 percentage points lower than in 2024.

In 2025, insurance companies recorded growth across the main business volume indicators.

During 2025, insurance companies reported 2,135,742 insurance contracts, an increase of 6.5 percent compared with the previous year. Of these, 1,355,197 policies remained in force at the end of the reporting period. The structural composition of the types of policies issued did not undergo any significant changes during 2025, with most policies (69.3 percent) at the end of the reporting year being motor third-party liability insurance contracts (Figure 3.2.2.).

Figure 3.2.2. Distribution of the number of policies by insurance types in dynamics



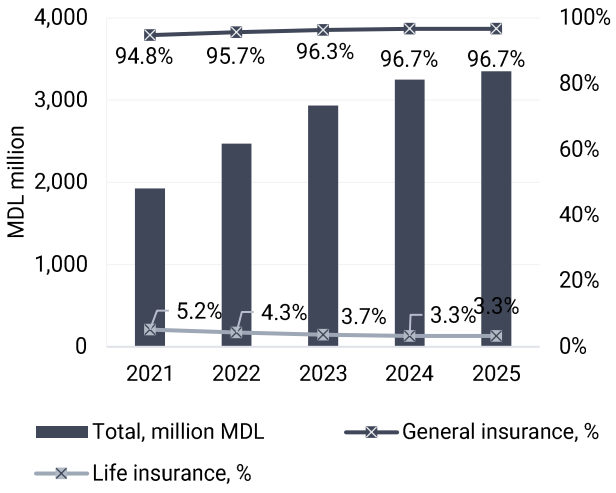
Source: NBM

As in previous years, the insurance market in the RM remained dominated by general insurance in 2025.

The volume of gross insurance premiums written (including those received in reinsurance) increased by 3.1 percent compared to the previous year, reaching the level of MDL 3,351.2 million (Figure 3.2.3.).

General insurance held a share of 96.7 percent of the total gross premiums written by insurance companies (MDL 3,240.6 million), while the value of gross written premiums for life insurance was MDL 110.6 million, equivalent to 3.3 percent of the total volume of gross written premiums.

Figure 3.2.3. Evolution of gross premium volumes written by insurance companies



Source: NBM

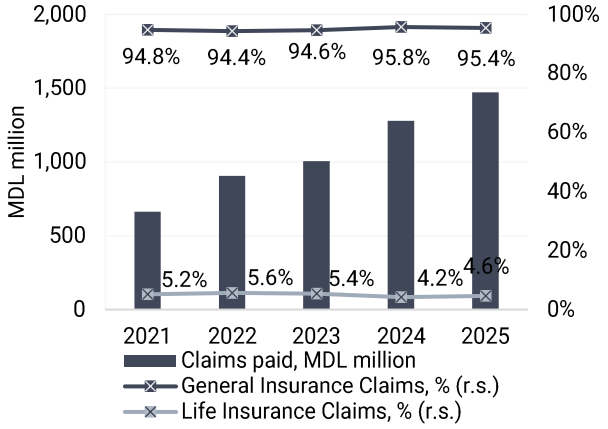
The most significant increases were recorded in land vehicle insurance (MDL +89.1 million or 14.2 percent), other property insurance (MDL +46.3 million or 35.5 percent) and insurance against fire and other natural disasters (MDL +34.2 million or 13.6 percent).

During the period under review, claims paid grew at a faster pace than gross written premiums.

Compared with the volume of gross premiums written, the volume of gross claims paid by insurance companies during the period under review increased more significantly on an annual basis, by 15.2 percent compared with the volume recorded at the end of 2024 (Figure 3.2.4.).

Compensations related to general insurance contracts amounted to MDL 1,405.2 million or 95.4 percent of the total compensation paid, registering an increase of MDL 181.1 million or 14.8 percent compared to the previous year. The amounts paid for life insurance indemnities (including annuities and payments for contracts that have reached maturity) amounted to MDL 67.8 million or 4.6 percent of the total, registering an increase of MDL 13.4 million or 24.7 percent compared to 2024.

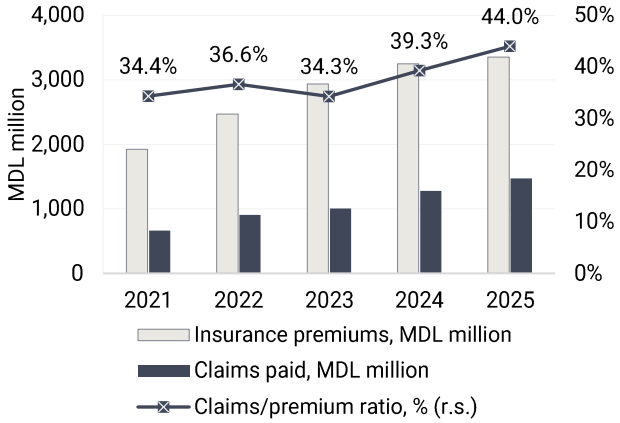
Figure 3.2.4. Evolution of the volumes of claims paid by insurance companies



Source: NBM

The ratio between the annual volume of claims and gross written premiums by insurance companies amounted to 44.0 percent, up 4.7 percentage points compared to the end of 2024 (Figure 3.2.5.).

Figure 3.2.5. Evolution of the ratio between claims paid and written premiums by insurance companies



Source: NBM

The insurance sector is becoming increasingly integrated into the economy.

In 2025, insurance density[52] in the RM stood at MDL 1,407.3 per capita, an increase of

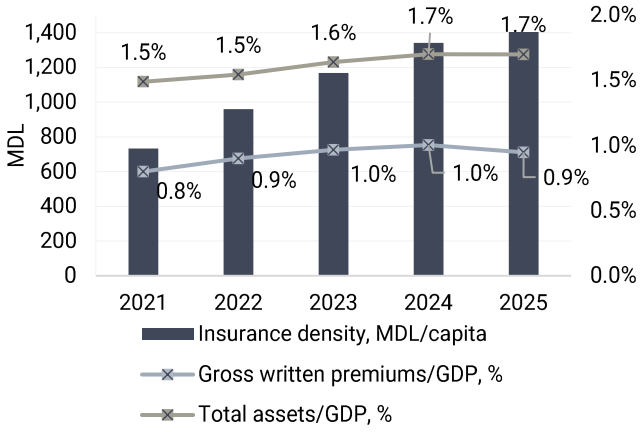
[52] Insurance density, calculated as the ratio between the value of gross premiums written on the territory of the RM and the number of its inhabitants, is an indicator that shows how much the average resident of a country spends on insurance products.

approximately MDL 65.5 per capita, or 4.9 percent, compared with the previous year.

The insurance penetration rate as a percentage of GDP – an indicator calculated as the ratio of gross premiums written by insurance companies in the RM to GDP – stood at 0.9 percent in 2025, down by 0.1 percentage points compared with the previous year.

The total assets held by insurance companies accounted for approximately 1.7 percent of GDP at the end of 2025, the same level as in the previous year (Figure 3.2.6.).

Figure 3.2.6. The degree of penetration of the insurance sector in the economy

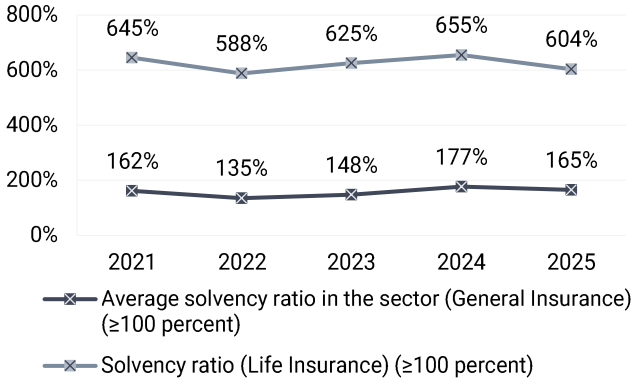


Source: NBM

The solvency ratios[53] of insurance companies indicate a generally sound financial position across the sector, while liquidity ratios remain above 100 percent.

All licensed insurance companies recorded solvency ratios of more than 100.0 percent. The average solvency ratio for general insurance business at the end of 2025 was down by 12.5 percentage points compared with the end of the previous year and stood at 164.5 percent, with insurance companies reporting solvency ratios ranging from 122.7 percent to 196.7 percent. For life insurance business, a solvency ratio of 603.8 percent was recorded, a significant decrease (-51.2 percentage points) compared with the situation at the end of 2024 (Figure 3.2.7.).

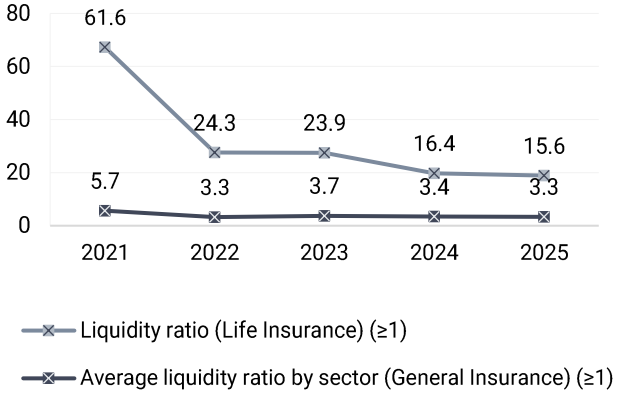
Figure 3.2.7. Evolution of the average solvency ratio in the insurance sector during 2021-2025



Source: NBM

As at 31.12.2025, all insurance companies recorded a liquidity ratio[54] of more than 1 for each category of insurance, ranging from 1.5 to 4.4 for general insurance business. Taking into account changes to the regulatory framework, on average across the insurance sector, the liquidity ratio for general insurance business fell by 0.1 points compared with the end of the previous year (from 3.4 to 3.3), while for life insurance, a decrease of 0.8 points was recorded (from 16.4 to 15.6) (Figure 3.2.8.).

Figure 3.2.8. Evolution of the average liquidity ratio in the insurance sector between 2021 and 2025



Source: NBM

[53] With the approval of DEB of the NBM No 328/2024, changes were made to the formula for calculating the solvency ratio, which is determined as the ratio between the value of own funds eligible for solvency and the higher of the minimum capital requirement and the minimum solvency margin.

[54] By DEB of the NBM No 328/2024, changes were made to the formula of the liquidity ratio, which represents the ratio between the liquid assets and short-term liabilities of the insurance company.

The insurance and/or reinsurance intermediary market remained active throughout 2025.

As at 31.12.2025, there were 57 insurance and/or reinsurance brokers, 51 insurance agents and 34 bancassurance agents operating in the insurance market. During 2025, insurance intermediaries concluded 1,223.9 thousand insurance contracts (representing 57.3 percent of the number of policies issued by insurance companies); the intermediation rate for contracts increased by 3.9 percentage points compared with 2024. At the same time, the volume of premiums written through intermediaries amounted to MDL 2,073.0 million, an increase of MDL 186.6 million compared with the previous year, representing 61.9 percent of the total volume of total premiums written.

3.3. Non-bank payment service providers

The National Bank supervises the activities of non-bank PSPs by carrying out inspections and continuously monitoring their operations.

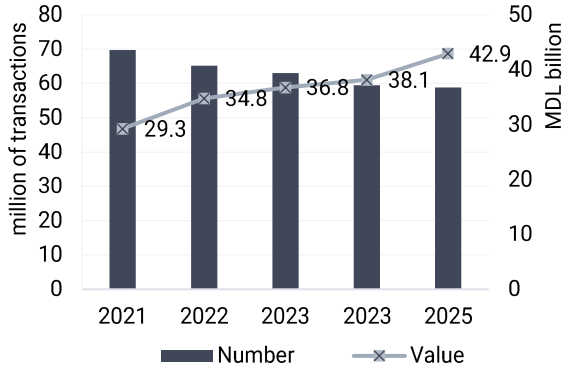
As at 31.12.2025, nine non-bank PSPs were operating in the RM, including two payment companies, one postal service provider and six electronic money issuers. During 2025, three inspections were carried out, during which the activities of licensed non-bank PSPs were reviewed.

In order to minimise financial risks, non-bank PSPs are required to maintain regulatory capital at a level commensurate with the licence held, as well as to safeguard, in special bank accounts and/or an account held with the NBM, the funds of payment service users and electronic money holders, received in exchange for the electronic money issued and for the execution of payment transactions.

The activities of non-bank PSPs were focused on strengthening their role in the provision of payment services, characterised by an increase in the value of payment transactions, alongside a decrease in their number.

Through non-bank PSPs, in 2025, 58.8 million payment transactions were carried out, down by 1.1 percent compared to 2024, in the total value of MDL 42,907.6 million, 12.5 percent more than in 2024 (Figure 3.3.1.). In the last five years (2021-2025) there has been a continuous increase in the average value of payment transactions performed, from MDL 420 in 2021 to MDL 740 in 2025.

Figure 3.3.1. Number and value of payments made through non-bank PSPs, 2021-2025



Source: NBM

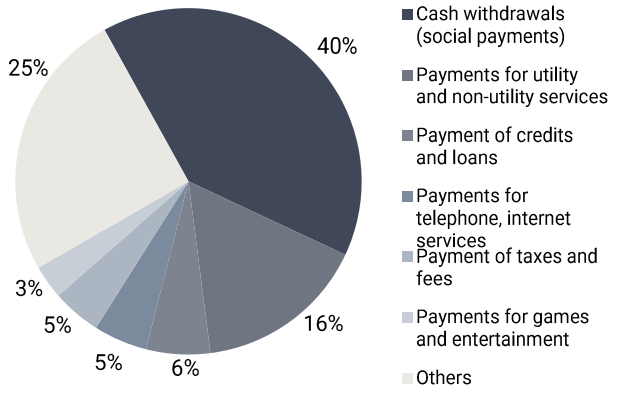
The value of transactions carried out via non-bank PSPs represented the equivalent of 12.1 percent of GDP in 2025.

The breakdown of transactions carried out by non-bank PSPs in 2025 continued to be dominated by cash disbursements related to social payments, with other transactions accounting for significantly smaller shares.

Cash disbursements in the form of social payments accounted for the largest share of the total value of transactions carried out in 2025 by non-bank PSPs (40.0 percent).

These were followed by payments for utility and non-utility services (16.0 percent) and for the repayment of loans and credits (6.0 percent). Other types of payment transactions accounted for shares of less than 6.0 percent (Figure 3.3.2.).

Figure 3.3.2. Share of the value of payment transactions made by non-bank PSPs in 2025



Source: NBM

The financial indicators of PSPs activity in 2025 recorded increases.

At the aggregate level, non-banking PSPs recorded a total profit of approximately MDL 185.3 million in 2025, an increase of 14.0 percent compared to 2024.

Also, in 2025, at the sector level, an increase in equity by 23.5 percent compared to 2024 and in assets held by non-banking PSPs by 6.5 percent was noted (Table 3.3.1.).

Table 3.3.1. Evolution of the main indicators of non-banking PSPs activity

Financial indicators	2025	2024	Annual dynamics
Number of transactions, million operations	58.8	59.4	-1.1%
Total value of transactions, MDL million	42,907.6	38,145.3	12.5%
Total assets, MDL million	2,707.5	2,541.6	6.5%
Equity, MDL million	1,030.7	834.3	23.5%
Net profit (loss), MDL million	185.3	162.6	14.0%

Source: NBM

4. MACROPRUDENTIAL INSTRUMENTS AND MEASURES

4.1. The macroprudential instruments of the NBM

Throughout 2025, the NBM's macroprudential instruments, as set out in the Macroprudential Policy Strategy, were applied with the aim of preventing, reducing or mitigating systemic risks, to achieve the objectives of macroprudential policy.

Currently, the macroprudential toolkit implemented by the NBM consists of capital buffers for banks and requirements to limit household indebtedness.

The requirements for banks concerning the levels of the capital conservation buffer and the systemic risk buffer remained at levels like those at the end of 2024.

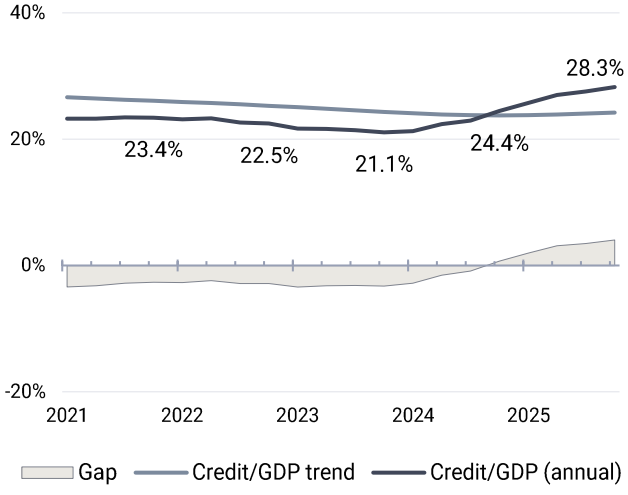
The capital conservation buffer ensures an adequate level of capital to absorb losses during difficult periods. The capital conservation buffer rate, applied to all banks, was maintained at 2.5 percent of the total risk exposure amount of the banks.

During the period under review, the banking sector was found to have an adequate level of resilience to risks. Accordingly, the systemic risk buffer rate for exposures located in the RM was maintained at 1.0 percent of banks' risk exposure amount. The systemic risk buffer aims to prevent and mitigate non-cyclical systemic risk over the long term.

During the reporting year, lending growth exceeded its long-term trend, and the countercyclical capital buffer (CCyB) rate was increased to 1.5 percent, to be phased in gradually through 2026.

The NBM assesses on a quarterly basis the intensity of cyclical systemic risk and the appropriateness of the CCyB rate for the RM. CCyB has been maintained at 0 percent of the total risk exposure of banks, taking into account the negative values of the deviation of the credit-to-GDP ratio from its long-term trend[55] (Figure 4.1.1.).

Figure 4.1.1. Evolution of the credit-to-GDP ratio compared to its long-term trend



Source: NBS, NBM calculations

Throughout 2025, credit growth accelerated, outpacing GDP growth and pushing the credit-to-GDP ratio above its long-term trend.

In response to these developments, and taking into account the specific characteristics of the domestic financial cycle, the CCyB rate was set at 0.5 percent for credit exposures located in the RM by the DEB of the NBM No. 168/2025 (effective from 30.01.2026) and subsequently increased to 1.5 percent by the DEB of the NBM No 250/2025 (effective from 13.05.2026). The CCyB is aimed at strengthening the resilience of the banking sector and containing the excessive build-up of risks in the financial system.

A similar upward trend in credit growth has also been observed across the EU, prompting several Member States to increase their CCyB rates.

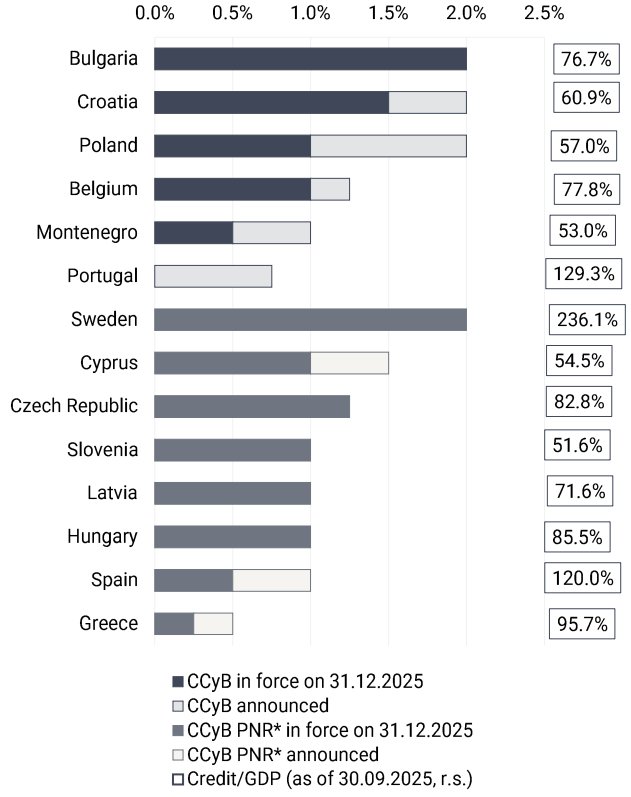
In several European countries, higher CCyB rates have already entered into force or are scheduled to take effect, against a backdrop of strong credit growth and continued uncertainty surrounding macroeconomic developments (Figure 4.1.2.). In particular,

[55] *Evolution of the series after removing fluctuations caused by transitory shocks, using a one-sided HP filter with the value of the smoothing parameter λ=400,000, according to the Basel Committee on Banking Supervision guidelines.*

Bulgaria, Croatia, Poland, Belgium, Montenegro and Portugal, have adopted decisions to increase the CCyB rates, with higher rates taking effect from 2025, and further gradual increases scheduled for 2026 or 2027.

At the same time, other European countries have adopted measures aimed at strengthening banking sector resilience under standard cyclical systemic risk conditions.

Figure 4.1.2. Countercyclical capital buffer rates set by European countries



*Note: * - CCyB PNR represents the positive neutral rate of the countercyclical capital buffer*
Source: BIS, official pages of national macroprudential authorities

During 2025, positive neutral CCyB rates became effective in Sweden, Cyprus, the Czech Republic, Slovenia, Latvia, Hungary, Spain and Greece. In Cyprus and Greece, the respective rates are phased in gradually, with further increases taking effect in 2026.

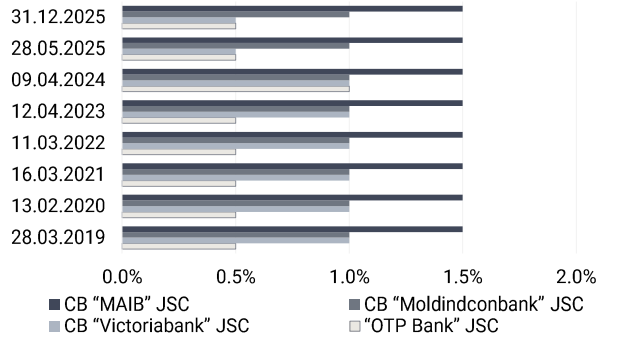
Throughout 2025, the capital buffer rates applicable to banks identified as other systemically important institutions (O-SIIs) ranged between 0.5 and 1.5 percent of the banks' total risk exposure amount, depending on the bank's aggregate score.

The O-SII buffer is a mandatory capital buffer applied to systemically important institutions, reflecting their importance, complexity and degree of interconnectedness within the financial system.

The domestic banking sector is dominated by four banks (CB "MAIB" JSC, CB "Moldindconbank" JSC, CB "Victoriabank" JSC and "OTP Bank" JSC), which exceeded the systemic importance threshold. At the end of 2025, these banks accounted for 85.2 percent of banking sector assets, 85.0 percent of total loans granted by banks and 86.7 percent of deposits attracted by the banking sector from non-financial residents.

The NBM has set O-SII buffer rates on an individual basis, depending on the aggregate score[56] of each bank (Figure 4.1.3.).

Figure 4.1.3. O-SII buffer rates



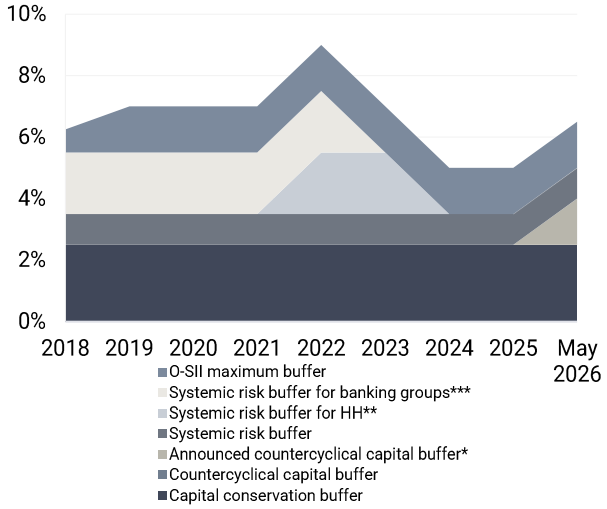
*Note: * - Until 12.05.2021 OTP Bank JSC operated under the name „Mobiasbanca - OTP Group" JSC*
Source: NBM

The list of banks designated as O-SIIs in the RM and the size of the respective O-SII buffer rates are reviewed at least annually.

During 2025, banks did not need additional capital to comply with the macroprudential measures concerning additional capital requirements. The capitalization level of banks was above the level of capital requirements (Figure 4.1.4.).

[56] It is calculated in accordance with the Methodology for the identification of O-SII in the Republic of Moldova, approved by the DEB of the NBM No 71/2023.

Figure 4.1.4. Combined buffer requirement



Note:
** - 0.5 percent effective from 30.01.2026 and 1.5 percent effective from 13.05.2026;*
*** - Regarding banks' exposures to credit risk related to resident households (HH), except for HH practicing entrepreneurial activity;*
**** - In the case of banks in which more than 50.0 percent of the capital, on an aggregate basis, is held, directly and/or indirectly, by persons meeting any of the following criteria:*
1) are not financial sector entities;
2) are resident or have their headquarters in states where prudential supervision and regulatory requirements at least equivalent to those applied in the RM, are not applied, as determined by the NBM regulations;
3) are not subject to supervision by the relevant banking sector or capital market supervisory authorities in their respective countries. The above criteria did not apply to direct and/or indirect holdings in the capital of banks held by multilateral development banks, as determined by the NBM regulations
Source: NBM

Borrower-based macroprudential measures aimed at limiting household indebtedness continued to be applied in 2025, within the limits established under the responsible lending framework applicable to banks and the NBCOs.

The key measures include the loan-to-value ratio (up to 80 percent of the value of the pledged residential property), the debt-service-to-income ratio (up to 40 percent of the consumer's confirmed income), and maximum maturity limit for consumer loans and mortgages (5 years and 30 years, accordingly). Certain exceptions from these provisions are set out in the framework on responsible consumer lending (details in subchapter *5.1. Regulations to strengthen the financial stability framework*).

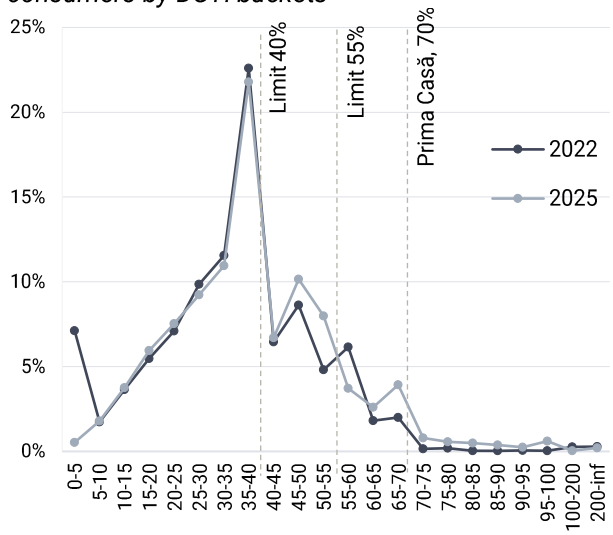
In accordance with the responsible lending requirements, banks and NBCOs assess the creditworthiness of the consumer when granting loans. The regulatory framework on responsible lending to consumers was revised to harmonise the requirements applicable to banks and NBCOs, with a view to effectively limit excessive indebtedness while ensuring continued access to finance.

DSTI indicator

The breakdown of the DSTI by tranches suggests greater lending activity in segments where borrowers have medium and high levels of indebtedness.

Compared with 2022, when the regulatory framework on responsible lending was implemented, the distribution of new loans granted to consumers by DSTI[57] ratio showed moderate changes in 2025 (Figure 4.1.5.). In particular, the share of loans in the 0–5 percent and 55–60 percent DSTI buckets declined slightly, while the shares in the 35–40 percent, 50–55 percent and 60–100 percent buckets increased.

Figure 4.1.5. Evolution of loan volume granted to consumers by DSTI buckets



Source: NBM

It is worth noting that 47.2 percent of these loans were granted for the purchase or construction of real estate.

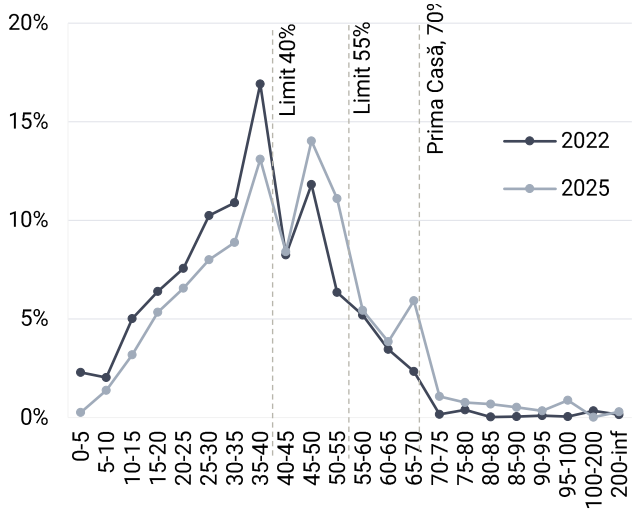
[57] Under the responsible lending framework: (i) the DSTI ratio must not exceed 40 percent under the general lending conditions; (ii) the DSTI ratios must not exceed 55 percent if the consumer's average monthly income is at least twice the economy-wide average monthly salary approved by the Government; (iii) under the government program "Prima Casă", the DSTI ratio must not exceed 70 percent.

During 2025, 68.6 percent of new loans granted to consumers had a DSTI ratio below 40 percent (down by 14.9 percentage points compared with 2024) and 89.3 percent had a DSTI ratio below the 55 percent threshold (down by 7.2 percentage points compared with 2024). Loans for the purchase or construction of real estate with a DSTI below 40 percent accounted for 22.0% of total new loans, while those with a DSTI ratio below 55% accounted for 37.8 percent

Compared with 2022, when the responsible lending framework was implemented, the distribution of new loans granted for the purchase or construction of real estate across DSTI buckets (Figure 4.1.6.) recorded a decreasing trend in the 0-40 percent bucket, corresponding to the general DSTI limit. At the same time, for the 40-100 percent buckets, an increasing trend was observed.

This was particularly evident for the 45-55 percent tranche, specific to the DSTI limit for consumers with an average monthly income double the average salary established in the economy.

Figure 4.1.6. Distribution of consumer loan volume for the purchase or construction of real estate by DSTI bucket



Source: NBM

A more pronounced increase was observed in the 65-70 percent DSTI bucket, corresponding to the DSTI limit established under the "Prima Casă" government program.

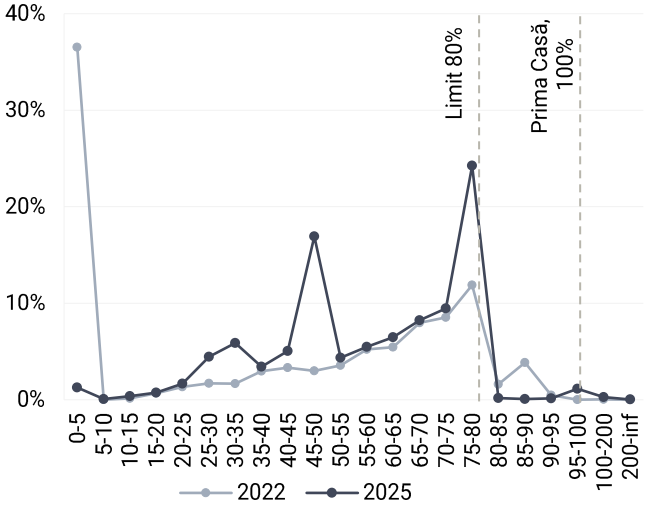
LTV indicator

The distribution of loans granted by banks across LTV buckets reflects a continued preference for loans with moderate to relatively high LTV ratios.

Compared with 2022, when the responsible lending framework was implemented, the distribution of new loans granted to consumers for the purchase or construction of real estate, secured by residential and commercial property and land, the LTV indicator showed an increase in the share of loans in most buckets between 5 and 80 percent during 2025. At the same time, loans remained more concentrated in the 45–50 percent and 75–80 percent buckets.

During the reporting year, 98.1 percent of new loans granted to consumers had an LTV below 80 percent.

Figure 4.1.7. Evolution of loan volumes granted to consumers by LTV bucket



Source: NBM

4.2. The activity of the National Committee on Financial Stability

The NCFS continues to monitor and assess systemic risks to determine the resilience of the financial system.

The NCFS is the designated national macroprudential authority, responsible for coordinating the implementation of

macroprudential policy and activities aimed at preventing and resolving systemic financial crises, in accordance with Law No 209/2018[58].

To fulfil its mandate, during 2025, NCFS met in four ordinary meetings, during which the developments and risks related to the financial system were examined, structured on the main segments – the banking sector, the non-bank lending sector, the insurance sector and the capital market. Meanwhile, the exchange of relevant information was ensured to maintain financial stability in the RM.

The risk level of the assessed segments of the financial system remained at predominantly low levels, with some occasional signals of moderate intensification.

The risk assessment was carried out in relation to the intermediate objectives set out in the Macroprudential Policy Strategy, and the results of the analyses reveal the maintenance of a low risk profile for most of the vulnerabilities analysed.

The risk related to accelerated credit growth remained the only vulnerability assessed at a medium level during the periods analysed. This development suggests the gradual accumulation of cyclical risks, which, although not currently affecting the stability of the system, require rigorous monitoring, having the potential to amplify imbalances in the event of deterioration in macroeconomic conditions.

The low risks related to the insurance sector reflected a stable position of the sector, without major pressures on the solvency or liquidity of insurers.

The capital market segment showed limited exposure to systemic shocks and relatively low interconnection with the rest of the financial system, with risks assessed as low.

Other topics examined during the NCFS meetings concerned the strengthening of the insurance sector, including the entry of a sound foreign investor into the market, and the prospects for development through the expansion of the pension system (Pillars II and III), which supports the economy by involving institutional investors in the capital market. Issues related to the reporting and management of technical reserves were also discussed, in the context of alignment with the international Solvency II and IFRS 17 standards. Furthermore, during the meetings, the strategic importance of developing the capital market and supporting the sector's growth was emphasised, with a review of progress in launching the International Stock Exchange of Moldova and the ongoing steps to ensure the technical and operational infrastructure.

[58] Law No 209 of 12-10-2018 on the National Committee on Financial Stability

5. RECENT DEVELOPMENTS AND PERSPECTIVES

5.1. Regulations to strengthen the financial stability framework

Prudential regulation of the financial system

During 2025, the NBM maintained the activities related to the development and updating of secondary normative acts to implement Law No 202/2017 on the activity of banks and the promotion of Basel III requirements.

The harmonization of prudential regulations aims to ensure compliance with European legislation and to improve national standards, ensuring the protection of depositors' rights and the promotion of sustainable economic development.

Among the key regulatory acts adopted in 2025 for this purpose are the following:

1. *Regulation No 110/2018 on capital buffers of banks* (amended by DEB of the NBM No 3/2025, in force from 16.02.2025), which updated the regulatory framework related to the own funds that banks must hold to establish capital buffers.

The amendments provide for an increase from 2 percent to 3 percent of the O-SII buffer cap, which may be set by the NBM. The amendments supplement the secondary framework with rules on the use of Common Equity Tier 1 capital to meet the combined buffer requirement in relation to the own funds requirements set for the risk associated with excessive leverage.

Furthermore, by DEB of the NBM No 58/2026 (in force from 19.03.2026), the Regulation was supplemented with the mechanism of the positive neutral rate of the countercyclical capital buffer. This instrument can be applied in a risk environment where no build-up of cyclical systemic risk is observed. This measure was introduced to strengthen the resilience of the banking sector, including under standard conditions of systemic risk build-up, to enable the release of capital in situations of financial stress or the materialisation of systemic risks, and to address the need to expand the range of macroprudential instruments.

2. *Regulation on the leverage* (approved by the DEB No 176/2025 in force from 01.01.2026) aims to:

- define the leverage, specifying the entities to which the provisions of the regulation apply – banks and branches in the RM of banks from other states, as well as the basis for its calculation – individual basis and consolidated basis;
- establish the mechanism for calculating the leverage ratio (bank's capital measure divided by that bank's total exposure measure);
- describe the methodology for calculating the exposure measure (assets, derivatives, off-balance sheet items);
- establish the requirement for reporting by banks to the NBM on the leverage ratio.

Accordingly, amendments to the following acts were approved:

- *Regulation No 109/2018 on own funds of banks and capital requirements* (DEB of the NBM No 220/2025) has been amended to set the leverage ratio at 3 percent.

- *Regulation No 158/2020 on the requirements for publication of information by banks* (DEB of the NBM No 220/2025), under which, from 01.01.2026, banks are required to disclose information on the leverage ratio and its components.

- *Instruction No 117/2018 on the submission by banks of COREP reports for supervisory purposes* (DEB of the NBM No 252/2025, in force from 01.01.2026), which establishes quarterly reporting of the leverage ratio based on reports concerning: the calculation of the leverage ratio; alternative treatment of the exposure measure; alternative

breakdown of the components of the exposure measure used to calculate the leverage ratio. In addition, O-SIIs will also report on the volatility of the leverage ratio.

3. *Regulation on the prudential treatment of securitisation* (DEB of the NBM No 221/2025, in force from 01.01.2028), which sets out provisions regarding the criteria applicable to securitisations eligible for differentiated capital treatment, the recognition of significant risk transfer, the calculation of risk-weighted exposure amounts, including methods for calculating such amounts, limits on securitisation positions, the treatment of securitisations of non-performing exposures, and the use of external credit assessments.

4. *Regulation No 109/2019 on large exposures* (amended by DEB of the NBM No 177/2025) – the regulation has been supplemented with specific provisions for determining indirect exposures to a client arising from derivative contracts, by transposing the regulatory technical standards, specifying how to determine indirect exposures to a client arising from derivative contracts and credit derivatives contracts, where the contracts are not concluded directly with that client, but the underlying debt or equity instrument was issued by that client.

5. *Regulation No 292/2018 on the requirements regarding the members of the governing body of the bank, the financial holding company or mixed holding, the heads of a branch of a bank from another state, the persons holding key positions and the liquidator of a bank in liquidation process* (amended by DEB of the NBM No 218/2025) - supplemented with provisions aimed at streamlining the assessment/reassessment process of members of the management bodies of banks, managers of branches of banks from another state and persons in key positions, and at optimising the process of monitoring such persons to ensure their compliance with the criteria set out in the regulatory framework. The amendments were intended to enhance corporate governance in the private sector by specifying, clarifying and improving certain aspects, namely by refining the mechanism for the assessment and reassessment of persons nominated for governing positions and those in key functions.

6. *Regulation No 322/2018 on banking activity management framework* (amended by DEB of the NBM No 219/2025, in force from 02.03.2026) has been supplemented with provisions aimed at updating, improving and strengthening corporate governance in banks. The main amendments include provisions related to the development of elements that need to be taken into account when assessing the allocation of sufficient time by members of the management body to fulfil their duties; respecting gender neutrality in the development and implementation of the remuneration policy; policies concerning conflicts of interest of employees resulting from previous relationships; supplementing the policy on the appointment of members of the management body and persons holding key positions with a succession plan, a policy for promoting diversity within the governing body and a policy for the initiation and training of members of the governing body and persons holding key positions, etc.

7. *Regulation on the treatment of counterparty credit risk for banks* (approved by DEB of the NBM No 220/2025, in force from 01.10.2026) aims to introduce a new approach to risk management regulation, specifically regarding the treatment of counterparty credit risk, in particular by introducing own funds requirements and new methods of determining the exposure value for bilateral derivative contracts, repurchase agreements, securities or commodities lending or borrowing transactions, long-term settlement transactions and margin lending transactions.

8. *Regulation on own funds requirements for operational risk* (DEB of the NBM No

311/2025, in force from 01.01.2027) sets out a single (standardised) approach for calculating own funds requirements for operational risk, which has replaced the existing multiple approaches (basic, standardised and advanced measurement approaches). The new approach to operational risk combines an indicator based on the scale of a bank's business with an indicator that considers the bank's loss history. A formula has been established for calculating the own funds requirement for operational risk, which is represented by the business indicator component and is based on an enhanced measure of gross income. Furthermore, it was also determined that the annual loss from operational risk must be calculated by applying thresholds associated to losses resulting from operational risk events.

Consequently, amendments to the following acts have been approved:

- *Regulation No 322/2018 on banking activity management framework* has been amended in accordance with the provisions of the new regulatory framework for own funds requirements for operational risk; furthermore, the definitions of „legal risk" and „model risk" (which are subcategories of operational risk) have been transposed and the definition of „operational risk" has been adapted.

- *Regulation No 158/2020 on the requirements for publication of information by banks* – the provisions regarding banks' obligation to disclose their approaches to assessing own funds requirements for operational risk and information on the amount of risk-weighted exposures have been removed, as there will no longer be multiple approaches, but only the standardised approach.

Furthermore, in February 2025, a new regulation was adopted on the minimum requirements for the management of ICT risks, information security and business continuity, which set out clear obligations for licensed banks and aligned local requirements with European standards.

In 2025, the NBM proposed a series of amendments to Law No 62/2008 on foreign exchange regulation, with a view to further liberalising foreign exchange capital transactions and improving the legal framework governing the foreign exchange sector.

Following the entry into force of *Law No 124/2025 amending Law No 62/2008 on foreign exchange regulation*, certain transactions involving the purchase by residents of foreign financial instruments (long-term instruments issued by issuers with a credit rating of at least AA/Aa), as well as transactions related to the import into or export from the RM of cash in the national currency carried out by banks. Furthermore, the threshold for the amount of cash subject to the obligation to declare to customs authorities has been adjusted, and certain aspects related to the display of exchange rates by foreign exchange entities have been clarified.

Given the amendments made to *Law No 62/2008*, the following regulatory acts were amended:

- Regulation No 14/2009 on the issuance by the NBM of authorizations to export funds from the RM;

- Regulation No 51/2009 on the authorization of certain foreign exchange operations by the NBM;

- Regulation No 216/2015 on residents' accounts abroad;

- Regulation No 304/2016 on the licensing of foreign exchange entities;

- Regulation No 335/2016 on the activity of foreign exchange entities.

The amendments in question relate to the exclusion of the requirement for licence applicants to submit identification documents to the NBM, supplementing the authorization conditions, specifying the

grounds for refusal of a licence in the context of the application of international restrictive measures within the territory of the RM (in relation to the opening of an account with a non-resident bank), specifying the rules regarding the cases of suspension/ resumption/cessation of foreign exchange activity in the context of unforeseen circumstances (such as technical malfunctions of the surveillance and video recording system for foreign exchange activity).

- Regulation No 165/2019 on certain aspects related to the export and import of cash and traveller's cheques by banks – the provisions concerning the issuance by the NBM of authorizations to banks for the export from or import into the RM of cash in the national currency have been repealed, the obligation to present the NBM authorization to the customs authorities, as well as other provisions related to the authorization procedure for the operations in question.

- *Instruction on reporting to the NBM by foreign exchange entities and hotels* (approved by DEB of the NBM No 254/2025, in force from 01.01.2026) has been optimised the regulatory framework for reporting daily exchange rates and monthly foreign exchange transactions carried out by foreign exchange entities and hotels to the NBM and has facilitated the application of these rules by such entities. In addition, the rules concerning the consistency of foreign exchange rates reported by foreign exchange entities and hotels have been adjusted, and certain aspects related to the reporting of exchange rates have been clarified, considering the frequency of their changes. Simultaneously with the approval of the new instruction, two regulatory acts related to the submission of reports to the NBM by foreign exchange entities and hotels were repealed.

Macroprudential regulation

Following the transfer of supervisory powers over NBCOs from the NCFM to the NBM, measures have been approved to harmonise the regulatory framework for responsible consumer lending by banks and NBCOs.

Thus, by DEB of the NBM No 60/2026 was approved the *Regulation on responsible lending to consumers* (in force since 19.06.2026). The unified regulatory framework on responsible lending aimed to eliminate the possibility for regulatory arbitrage by banks and NBCOs, verify the application of responsible lending principles in practice, regularly review macroprudential policy instruments, and ensure a balance between limiting excessive household indebtedness and ensuring access to finance.

The amendments focused on revising the types of loans exempt from responsible lending requirements, including the removal of loans granted without interest and without other costs from the list of exemptions. The Regulation was also supplemented with clarifications regarding the entrepreneurial, professional or independent activity of consumers, as well as other particularities regarding the assessment of the consumer's creditworthiness. The amendments aimed at establishing the maximum maturity of a financial leasing contract that cannot exceed 7 years, as well as introducing the requirement for NBCOs to report the values of the LTV and the DSTI indicators. At the same time, with the entry into force of the new Regulation, Regulation No 101/2022 on responsible lending to consumers by banks and Regulation No 20/5/2022 on responsible lending requirements applied to NBCO will be repealed.

Regulation of the non-bank financial sector

Throughout 2025, the NBM continued to strengthen the regulatory framework in line with international best practices and the standards applicable to the non-banking financial sector (professional participants in the RM insurance market, SLA, CHB and NBCO in the RM.

To this end, a series of regulatory acts have been developed and/or adjusted, forming an integral part of a continuous process of aligning national legislation and regulations with the European regulatory framework and implementing best practices in the field.

The main regulatory acts adopted in 2025 are as follows:

1. *Regulation on the approval, registration and notification of the activity of non-bank credit organisations, as well as the requirements regarding the transparency of their ownership structure* (approved by DEB of the NBM No 99/2025) strengthens the transparency requirements regarding ownership structure and introduces additional mechanisms for assessing directors, owners and beneficial owners, including extended requirements regarding professional reputation and the source of funds used for share capital.

At the same time, the provisions regarding the conditions and procedures for the approval of NBCOs, as well as their registration in the Register of Authorized NBCOs (RANBCO), have been improved. The act also explicitly establishes the notification process for changes in the activity of NBCOs, contributing to increasing the coherence, accountability and efficiency of the regulatory framework of the non-banking financial sector.

2. *Regulation on the preparation and publication of the Solvency and Financial Condition Report by insurance or reinsurance undertakings* (approved by DEB of the NBM No 124/2025) establishes the requirements regarding the structure, content, the procedures for the preparation, presentation and publication of information on the solvency and financial stability of insurance and reinsurance companies, as well as the deadlines and means of its publication and submission. The report on solvency and financial stability ensures transparency towards the public regarding the activities and financial position of insurance and reinsurance companies, including an analysis of the activities and results reflected in the audited annual financial statements, the governance system, the risk profile, as well as the policies and procedures related to risk management, internal control, internal audit, outsourcing and other policies relevant to the proper conduct of business. Furthermore, the Regulation No 124/2025 sets out the conditions under which additional information may be provided on a voluntary basis, the principles for applying the materiality threshold, the requirements regarding the consistency and comparability of the information presented, as well as the deadlines for publishing the Report, including in the case of an updated version, in the circumstances provided for by the regulatory framework.

3. *Regulation No 26/2/2023 on the requirements regarding the persons holding management position, the members of the audit committee, the persons holding key positions within the insurer or reinsurer, the heads of the branch of an insurer or reinsurer of a third state and the liquidator of the insurer or reinsurer in winding up process* (amended by DEB of the NBM No 175/2025) has been amended to consolidate the regulations regarding the approval of persons in management positions and key functions with reference to some aspects related to the criteria of reputation and knowledge, as well as the interviewing of persons within the procedure for making a decision on their approval by the NBM. Given the considerable responsibilities that management positions entail, it is essential that their assessment is not based only on documents and written information, but also on interviews, so that the approval decision is based on all available information, including their outcome.

Equivalences between holding a certain level of education and the required knowledge have also been eliminated, and the experience requirements for persons in management positions have been expanded

to include a wider range of positions across the entire financial sector.

In addition, clarifications have been introduced concerning the procedure for approving persons elected or appointed for a new term by establishing the documents to be submitted, thus ensuring a more efficient assessment of candidates.

4. *Regulation on the conduct of simultaneous activities by insurance undertakings* (approved by DEB of the NBM No 210/2025) stipulates that insurance undertakings carrying out both „life insurance" and „non-life (general) insurance" to manage these activities separately, ensuring a clear distinction between risks, capital, assets and financial results for each type of insurance. The Regulation provides for the separation of accounting records, technical provisions, own funds and eligible assets, as well as the separate calculation of liquidity and solvency ratios for each type of insurance. Requirements are also laid down for the separate management of risks, including in the event of the insurer's liquidation, and for the separate reporting of contracts, premiums, claims, incomes and investment-related expenses.

An essential element of the regulation is the settlement of the process of prior approval by the NBM of the distribution method and the transfer of assets and/or profit between the two categories of activities. Insurers must prove that they comply with prudential requirements and maintain a clear and consistent distribution method, thus ensuring transparency in accordance with the legislation in force.

<u>Regulation of payment systems and the activity of providing payment services and issuing electronic money</u>

The National Bank has continued to amend the regulatory framework governing payment systems, the provision of payment services and the issuance of electronic money.

To this end, in 2025, the NBM adopted and amended the following regulatory acts:

- Regulation on the supervision of non-bank payment service providers (approved by DEB of the NBM No 162/2025)";

- Regulation on the outsourcing of functions by non-bank payment service providers (approved by DEB of the NBM No 28/2025)";

- Regulation on credit transfers, direct debiting and the assignment of IBAN codes No 108/2023 (amended by DEB No 229/2025);

- Instruction on the reporting of data related to the use of payment instruments and services No 211/2014 (amended by DEB No 229/2025);

- Regulation on the audit of non-bank payment service providers No 267/2024 (amended by DEB No 229/2025);

- Regulation on the outsourcing of functions by non-bank payment service providers No 28/2025 (amended by DEB No 229/2025);

- Regulation on the supervision of the Single Central Securities Depository No 158/2018 (amended by DEB No 229/2025);

- Regulation on holdings in non-bank payment service providers No 9/2024 (amended by DEB No 270/2025);

- Regulation on the licensing and registration of payment institutions, electronic money issuers and postal service providers as payment service providers and/or electronic money issuers No 11/2024 (amended by DEB No 270/2025).

The approval of decisions No 28/2025 and No 270/2025 was driven by the amendments and supplements made to the *Law on payment services and electronic money No 114/2012* (by the Law on the amendment of certain normative acts No 209/2022, which transposes Directive (EU) 2015/2366 on payment services in the internal market (PSD2) and Law No 95/2024 on the amendment of certain normative acts).

Meanwhile, in order to ensure the continuity of the exercise of harmonizing legislation in the field of payment services provision and electronic money issuance, during 2025, the NBM made sustained and consistent efforts to initiate the alignment of the regulatory framework with the EU acquis, through actions resulting from the commitments assumed by the RM in the EU accession process.

Regulation of environmental risk

The National Bank has continued to act in line with the commitments made by the RM as part of the EU accession process, as well as within the framework of the implementation of the Roadmap for Sustainable Finance.

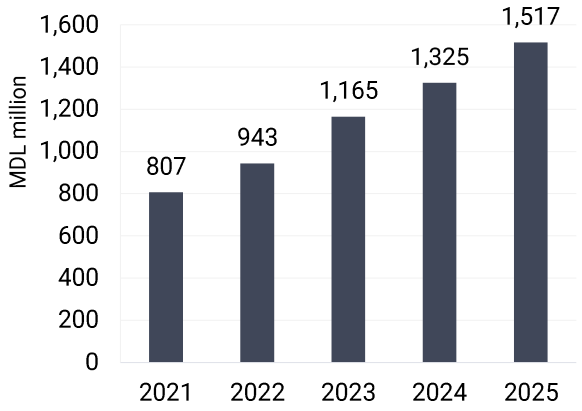
In this context, on April 8, 2026, the Government of the RM approved the *Taxonomy for Sustainable Finance* – a classification system that sets out clear criteria for identifying economic activities considered to be environmentally sustainable. The draft was drawn up by the NBM in collaboration with the MF. It represents a key tool for directing investment flows towards projects and economic activities that support the objectives of environmental protection, carbon emission reduction and the efficient use of resources.

5.2. Deposit guarantee and resolution fund in the banking sector

The coverage level for deposits held by resident and non-resident individuals and legal entities governed by private law doubled in 2025. With effect from January 1, 2025, the coverage level increased from MDL 100,000 to MDL 200,000. This change contributed to an increase, during the period under review, in the financial resources accumulated in the two funds managed by the DGFBS.

Since its establishment (01.01.2004), the bank deposits coverage fund (BDCF) has accumulated financial resources totalling MDL 1,516.7 million, of which MDL 882.2 million - initial and quarterly contributions from banks, and MDL 700.4 million– income generated from the DGFBS's investment activities (Figure 5.2.1.).

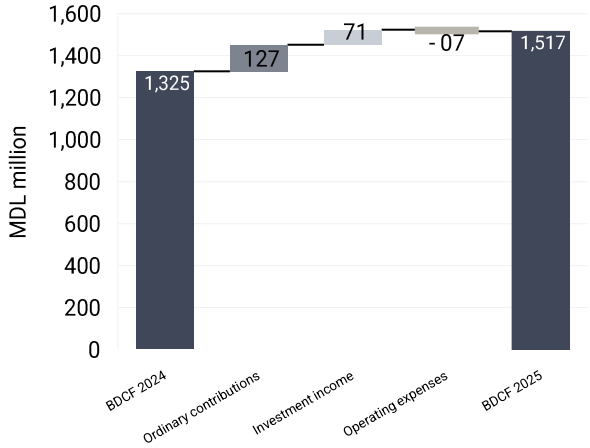
Figure 5.2.1. Evolution of the bank deposit coverage fund, MDL million



Source: DGFBS, NBM calculations

In 2025, the capitalization rate of DGFBS resources reached 3.04 percent. During the reporting year, the financial means intended for deposit guarantee increased by MDL 191.7 million or 14.5 percent, as of 31.12.2025, the available means of DGFBS being worth MDL 1,516.7 million or 3.04 percent of the total guaranteed deposits registered in the banking sector (Figure 5.2.2.).

Figure 5.2.2. Accumulation of financial means intended to guarantee bank deposits during 2025, MDL million



Source: DGFBS, NBM calculations

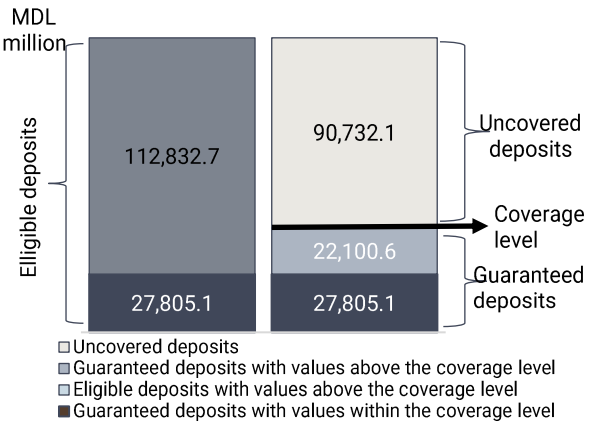
Given the coverage level of MDL 200,000, the fund's available financial resources could simultaneously cover the guaranteed deposits of the two smallest licensed banks or, specifically, the guaranteed deposits of the five smallest banks, with the exception

of systemically important banks for which, in accordance with the provisions of Law No 232/2016 on banks recovery and resolution, the resolution procedure applies.

The level of deposit coverage for eligible individuals and legal entities has reached 99.4 percent of the number of depositors and 35.5 percent of the total amount of eligible deposits.

During the period under review, the balance of guaranteed deposits increased by MDL 17.8 million, or 55.5 percent, to MDL 49,905.7 million compared with 2024 (Figure 5.2.3.).

Figure 5.2.3. Positioning of eligible deposits to coverage level, 31.12.2025



Source: DGFBS, Activity report for 2024

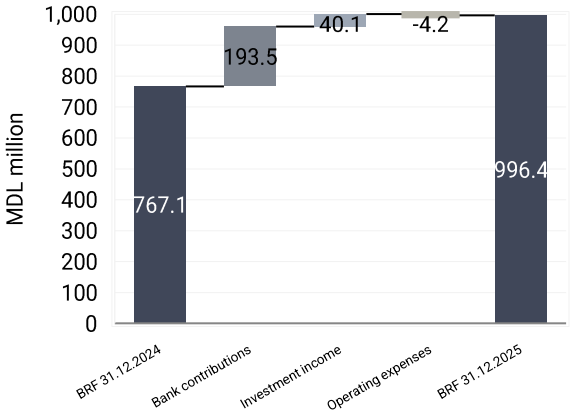
Broken down by type of depositor, guaranteed deposits held by private-law legal entities account for 11.4 percent of total guaranteed deposits, while guaranteed deposits held by individuals account for 88.6 percent of the total guaranteed deposits.

In its capacity as administrator of the bank resolution fund (BRF), the DGFBS continued to build up the financial resources of the bank resolution fund, which stood at 2.0 percent of the volume of guaranteed deposits at the end of the reporting year.

As of 31.12.2025, banks have fully paid the annual contributions calculated by the NBM. During the reporting year, annual contributions from banks in the total amount of MDL 193.5 million were collected in the BRF.

The DGFBS, as administrator of the bank resolution fund, invests the fund's available financial resources in low-risk assets, thus, as contributions are collected from banks, during 2025, the DGFBS ensured the investment process from the available resources of the bank resolution fund, recording at the end of 2025 income from investment activity in the amount of MDL 40.1 million (Figure 5.2.4.).

Figure 5.2.4. Accumulation of financial means for bank resolution during 2025,



Source: DGFBS, NBM calculations

Following the increase in the deposit coverage level in 2025, the new target level calculated for the annual contributions to be paid during 2026 amounted to MDL 1,402.0 million, representing a significant increase compared with the target level used to calculate the annual contributions for 2025.

At the end of 2025, the financial resources of the bank resolution fund stood at MDL 996.4 million, representing 2.0 percent of the total amount of guaranteed deposits.