



**National
Bank of Moldova**

**CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

For the year ended 31 December 2024

*(Unofficial translation) **

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Independent auditor’s report

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Independent Auditors' Report

(free translation¹)

To the Supervisory Board of the National Bank of Moldova

Opinion

1. We have audited the accompanying:
 - consolidated financial statements of National Bank of Moldova ("the Bank") and its subsidiary ("the Group"), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated statements of comprehensive result, cash flows and equity and reserves for the year then ended, and notes, comprising material accounting policies and other explanatory information.
 - separate financial statements of the Bank, which comprise the separate balance sheet as at 31 December 2024, the separate statements of comprehensive result, cash flows and equity and reserves for the year then ended, and notes, comprising material accounting policies and other explanatory information.
2. The consolidated and separate financial statements as at and for the year ended 31 December 2024 are identified as follows:

• Total consolidated capital and reserves:	MDL 9,462,252 thousand
• Consolidated net profit for the year:	MDL 6,006,652 thousand
• Total separate capital and reserves:	MDL 9,452,292 thousand
• Separate net profit for the year:	MDL 6,005,820 thousand
3. In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated financial position of the Group and the unconsolidated financial position of the Bank as at 31 December 2024, and of their respective consolidated and unconsolidated financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards ("IFRS").

1 TRANSLATOR'S EXPLANATORY NOTE: The above translation of the auditors' report is provided as a free translation from Romanian which is the official and binding version and it refers to the Romanian official version of the Financial Statements.



Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (“ISAs”) and Law no.271/2017 and related amendments (“the Law”). Our responsibilities under those standards and regulations are further described in the *Auditors’ Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Bank and Group in accordance with *International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”)* together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Republic of Moldova, including the Law and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information – Annual Report

5. Management of the Bank is responsible for the preparation and presentation of other information. The other information comprises the Annual Report but does not include the consolidated and separate financial statements and our auditors’ report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Annual Report, we read and report whether the Annual Report is prepared, in all material respects, in accordance with the requirements of the applicable legislation, namely Law no. 287/2017 on Accounting and Financial Reporting, article 23, paragraphs 2 – 4, and article 30, paragraphs 1 and 2a).

Based solely on the work required to be undertaken in the course of the audit of the consolidated and separate financial statements, in our opinion, in all material respects:

- a) The information given in the Annual Report for the financial year for which the consolidated and separate financial statements are prepared is consistent with the consolidated and separate financial statements;
- b) The Annual Report has been prepared in accordance with the requirements of Law no. 287/2017 on Accounting and Financial Reporting, article 23, paragraphs 2 – 4, and article 30, paragraphs 1 and 2a).

In addition, in light of the knowledge and understanding of the Bank, the Group and their environment obtained in the course of our audit we are required to report if we have identified material misstatements in the Annual Report. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

6. Management of the Bank is responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the consolidated and separate financial statements, management is responsible for assessing the Bank's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank and Group or to cease operations, or has no realistic alternative but to do so.
8. Those charged with governance are responsible for overseeing the Bank's and Group's financial reporting process.

Auditors' Responsibility for the Audit of the Consolidated and Separate Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated and separate financial statements.
10. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's and Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank and Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

27 June 2025

For and on behalf of ICS KPMG Moldova S.R.L.:

Nicoleta Rusu

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Romanian version

registered in the electronic public register
of financial auditors under No.0802064

Auditor for general audits
Certificate of audit qualification
Series AG, No.000064

Auditor of financial institutions
Certificate of audit qualification of financial institutions
Series AIF, No.0007

Administrator of ICS KPMG Moldova S.R.L.

Irina Rubeli

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Romanian version

Partner

ICS KPMG Moldova S.R.L.

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of audit firms under No.1903038

As at 31 December	Notes	CONSOLIDATED		BANK	
		2024	2023	2024	2023
		MDL'000	MDL'000	MDL'000	MDL'000
ASSETS					
Foreign currency assets					
Cash and short-term placements	5	18,862,647	19,831,327	18,862,647	19,831,322
Investments securities	6	84,360,018	74,798,336	84,360,018	74,798,336
IMF related assets	7	4,163,499	4,267,146	4,163,499	4,267,146
Monetary gold	8	115,639	85,533	115,639	85,533
Other assets	15	39	2,874	39	2,874
		107,501,842	98,985,216	107,501,842	98,985,211
National currency assets					
Cash and short-term placements	5	163	30	-	-
Securities issued by the Government of the Republic of Moldova	10	13,884,466	14,252,043	13,852,550	14,226,117
Loans to banks and others	11	188,193	21,987	188,193	21,987
Investments in subsidiaries	12	-	-	24,000	24,000
Property and equipment	14	80,515	75,949	80,044	75,065
Intangible assets	14	62,443	38,894	62,403	38,846
Deferred tax assets		13	15	-	-
Other assets	15	17,046	12,423	16,283	12,111
		14,232,839	14,401,341	14,223,473	14,398,126
TOTAL ASSETS		121,734,681	113,386,557	121,725,315	113,383,337
LIABILITIES					
Foreign currency liabilities					
Deposits from the Government of the Republic of Moldova	17	2,371,026	1,273,531	2,371,026	1,273,531
Deposits from banks	18	16,769,652	17,667,546	16,769,652	17,667,546
IMF related liabilities	7	4,974,304	5,063,104	4,974,304	5,063,104
Other liabilities	20	291,199	287,367	290,465	286,224
		24,406,181	24,291,548	24,405,447	24,290,405
National currency liabilities					
National currency in circulation	16	48,548,977	42,090,746	48,548,977	42,090,746
Deposits from the Government of the Republic of Moldova	17	12,007,416	9,496,028	12,007,416	9,496,028
Deposits from banks	18	17,275,090	22,571,500	17,275,090	22,571,500
Deposits from other clients	20	191,777	313,981	193,473	321,479
Certificates issued by the National Bank of Moldova	19	9,767,606	11,179,999	9,767,606	11,179,999
Due to other international financial institutions	7	44	1,821	44	1,821
Derivatives	9	192	-	192	-
Current tax liabilities		54	-	-	-
Other liabilities	20	75,092	65,386	74,778	64,939
		87,866,248	85,719,461	87,867,576	85,726,512
TOTAL LIABILITIES		112,272,429	110,011,009	112,273,023	110,016,917

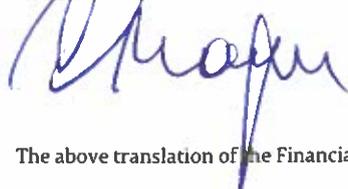
CONSOLIDATED AND SEPARATE BALANCE SHEET (CONTINUED)
National Bank of Moldova **For the year ended 31 December 2024**

As at 31 December	Notes	CONSOLIDATED		BANK	
		2024	2023	2024	2023
		MDL'000	MDL'000	MDL'000	MDL'000
EQUITY AND RESERVES					
Authorized capital	21	2,122,980	1,124,372	2,122,980	1,124,372
General reserve fund	21	4,245,959	2,022,626	4,245,959	2,022,626
Total statutory capital		6,368,939	3,146,998	6,368,939	3,146,998
Reserve of unrealized foreign exchange gains from foreign currency stocks' revaluation	21	2,753,773	-	2,753,773	-
Reserve of unrealized gains from revaluation of investment securities		178,427	178,427	178,427	178,427
Reserve of unrealized gains from revaluation of precious metals	21	70,076	39,970	70,076	39,970
Other reserves	21	89,662	9,610	81,077	1,025
Subsidiary's result attributable to the Bank	21	818	-	-	-
		3,092,756	228,007	3,083,353	219,422
Equity and reserves attributable to the Bank		9,461,695	3,375,005	9,452,292	3,366,420
Non-controlling interests	12	557	543	-	-
TOTAL EQUITY AND RESERVES		9,462,252	3,375,548	9,452,292	3,366,420
TOTAL LIABILITIES, EQUITY AND RESERVES		121,734,681	113,386,557	121,725,315	113,383,337

The accompanying notes 1-36 are an integral part of these consolidated and separate financial statements.

These consolidated and separate financial statements have been approved by the Supervisory Board of the National Bank of Moldova on 26 June 2025.

Anca-Dana Dragu
Governor



Aliona Vacarița
Director of the Budget, Finance and
Accounting Department,
Chief - accountant



CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE RESULT
National Bank of Moldova **For the year ended 31 December 2024**

	Notes	CONSOLIDATED		BANK	
		2024	2023	2024	2023
		MDL'000	MDL'000	MDL'000	MDL'000
Interest income on official reserve assets					
Interest income on short-term placements	23	586,302	863,080	586,302	863,080
Interest income on securities	23	3,252,937	2,514,827	3,252,937	2,514,827
		3,839,239	3,377,907	3,839,239	3,377,907
Interest income on instruments in national currency					
Interest income on loans and repo	23	7,296	5,068	7,074	5,059
Interest income on securities	23	717,563	831,778	715,728	827,980
Interest income on other deposits	23	-	2	-	-
		724,859	836,848	722,802	833,039
Interest income calculated using the effective interest method		4,564,098	4,214,755	4,562,041	4,210,946
Interest expenses in national currency					
Interest expenses on deposits	24	(803,525)	(1,799,368)	(803,525)	(1,799,368)
Interest expenses on transactions with securities and repo	24	(376,466)	(1,181,823)	(379,066)	(1,184,423)
		(1,179,991)	(2,981,191)	(1,182,591)	(2,983,791)
Interest expenses in foreign currency					
Interest expenses on borrowings	24	(38,668)	(46,543)	(38,668)	(46,543)
Interest income on negative rate deposits	24	-	(6)	-	(6)
		(38,668)	(46,549)	(38,668)	(46,549)
Interest expenses		(1,218,659)	(3,027,740)	(1,221,259)	(3,030,340)
Other similar expenses	24	(396)	(569)	(256)	(340)
Net interest income and other similar expenses		3,345,043	1,186,446	3,340,526	1,180,266
Gains/(losses) from transactions, exchange rate differences and revaluation of precious metals	25	3,317,865	(5,932,348)	3,317,872	(5,932,412)
Losses on financial instruments measured at fair value through profit or loss	26	(460)	(15,929)	(460)	(15,929)
Losses from securities revaluation	27	(53,607)	(146,451)	(53,607)	(146,451)
Other income	28	84,292	111,190	76,996	105,455
Impairment (losses)/gains on financial assets	4	(438)	34,823	(446)	34,822
Personnel expenses	30	(400,830)	(330,333)	(391,641)	(321,587)
Production of national currency	30	(169,031)	(21,678)	(169,031)	(21,678)
Depreciation and amortisation	30	(36,537)	(34,402)	(36,066)	(33,854)
Other operating expenses	30	(79,503)	(65,759)	(78,323)	(64,556)
Profit/(loss) before tax		6,006,794	(5,214,441)	6,005,820	(5,215,924)
Income tax expense of subsidiary		(142)	(196)	-	-
NET PROFIT/(LOSS)		6,006,652	(5,214,637)	6,005,820	(5,215,924)
From Bank's activity		6,005,820	(5,215,924)	6,005,820	(5,215,924)
From subsidiary's activity		832	1,287	-	-

The above translation of the Financial Statements is provided as a free translation from Romanian, which is the official binding version.

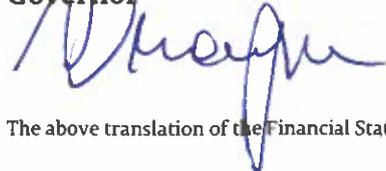
CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE RESULT (CONTINUED)
National Bank of Moldova **For the year ended 31 December 2024**

	Notes	CONSOLIDATED		BANK	
		2024	2023	2024	2023
		MDL'000	MDL'000	MDL'000	MDL'000
Other comprehensive income					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Revaluation of foreign currency securities measured at fair value through other comprehensive income	21	75,205	225,262	75,205	225,262
Exchange rate differences from revaluation of foreign currency securities measured at fair value through other comprehensive income	21	4,154	15,114	4,154	15,114
Impairment losses on foreign currency securities measured at fair value through other comprehensive income	21	693	3,464	693	3,464
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD		6,086,704	(4,970,797)	6,085,872	(4,972,084)
NET PROFIT/(LOSS) attributable to:					
- Bank		6,006,652	(5,214,637)	6,005,820	(5,215,924)
- non-controlling interests		14	22	-	-
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD attributable to:		6,086,704	(4,970,797)	6,085,872	(4,972,084)
- Bank		6,086,690	(4,970,819)	6,085,872	(4,972,084)
- non-controlling interests		14	22	-	-
CALCULATION OF THE PROFIT AVAILABLE FOR DISTRIBUTION					
NET PROFIT/(LOSS) from Bank's activity		6,005,820	(5,215,924)	6,005,820	(5,215,924)
(Allocation)/coverage of unrealized (gains)/losses from revaluation of foreign currency stocks	25, 26	(2,753,773)	5,493,557	(2,753,773)	5,493,557
Allocation of unrealized gains from revaluation of precious metals	25	(30,106)	(3,221)	(30,106)	(3,221)
PROFIT AVAILABLE FOR DISTRIBUTION		3,221,941	274,412	3,221,941	274,412

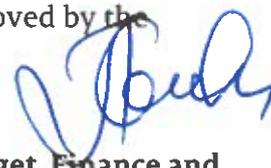
The accompanying notes 1-36 are an integral part of these consolidated and separate financial statements.

These consolidated and separate financial statements have been approved by the Supervisory Board of the National Bank of Moldova on 26 June 2025.

Anca-Dana Dragu
Governor



Aliona Vacarița
Director of the Budget, Finance and Accounting Department,
Chief - accountant



The above translation of the Financial Statements is provided as a free translation from Romanian, which is the official binding version.

	Notes	CONSOLIDATED		BANK	
		2024	2023	2024	2023
		MDL'000	MDL'000	MDL'000	MDL'000
Cash flows from operating activities					
Net profit/(loss)		6,006,652	(5,214,637)	6,005,820	(5,215,924)
<i>Adjustments for:</i>					
Depreciation and amortisation	14	36,537	34,402	36,066	33,854
Unused paid leave accruals		4,033	5,876	4,035	5,864
Gains from operations with assets entered free of charge		(1,690)	(3,482)	(1,690)	(3,482)
Losses on derecognition of property and equipment		72	617	72	617
Net unrealised (gains)/losses from foreign currency stocks and precious metals revaluation	25	(2,784,064)	5,784,055	(2,784,064)	5,784,054
Losses on financial assets measured at fair value through profit or loss		460	15,929	460	15,929
Net impairment loss/(gain) on financial assets		438	(34,823)	446	(34,822)
Interest income	23	(4,564,098)	(4,214,755)	(4,562,041)	(4,210,946)
Interest expenses	24	1,219,055	3,028,309	1,221,515	3,030,680
Realized (gains)/losses from foreign currency transactions	25	(533,801)	148,293	(533,808)	148,358
Income tax expense of subsidiary		142	196	-	-
		(616,264)	(450,020)	(613,189)	(445,818)
<i>(Increase)/decrease in operating assets</i>					
Securities issued by the Government of the RM		1,307,237	(524,435)	1,313,730	(527,232)
Term deposits in foreign currency		8,528,437	(471,225)	8,528,437	(471,225)
IMF related assets		184,902	(190,167)	184,902	(190,167)
Loans to banks and others		(165,985)	(2,229)	(165,985)	(2,229)
Investment securities		(5,147,660)	(30,196,003)	(5,147,660)	(30,196,003)
Other assets		6,855	(4,721)	7,315	(4,742)
		4,713,786	(31,388,780)	4,720,739	(31,391,598)
<i>Increase/(decrease) in operating liabilities</i>					
National currency in circulation		6,458,230	4,308,843	6,458,230	4,308,843
Deposits from the Government of the RM		3,625,581	1,686,109	3,625,581	1,686,109
Deposits from banks		(6,374,357)	4,277,041	(6,374,357)	4,277,041
Certificates issued by the NBM		(1,410,099)	4,571,350	(1,410,099)	4,571,350
IMF and other international financial institutions liabilities		(184,828)	(139,955)	(184,828)	(139,955)
Other liabilities		(155,439)	543,750	(161,116)	548,346
		1,959,088	15,247,138	1,953,411	15,251,734

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS (CONTINUED)
National Bank of Moldova **For the year ended 31 December 2024**

	Notes	CONSOLIDATED		BANK	
		2024	2023	2024	2023
		MDL'000	MDL'000	MDL'000	MDL'000
Interest received		3,613,379	6,118,557	3,610,819	6,114,247
Interest paid		(1,265,056)	(3,250,105)	(1,267,515)	(3,252,476)
Income tax paid		(71)	(393)	-	-
Net cash inflow/ (outflow) from operating activities		8,404,862	(13,723,603)	8,404,265	(13,723,911)
Cash flows from investing activities					
Acquisition of property, equipment and intangible assets		(36,299)	(42,019)	(36,283)	(41,994)
Net cash used in investing activities		(36,299)	(42,019)	(36,283)	(41,994)
Cash flows from financing activities					
Payment of lease liabilities		(4,490)	(3,859)	(4,056)	(3,496)
Net cash used in financing activities		(4,490)	(3,859)	(4,056)	(3,496)
Effect of exchange rate fluctuations on cash and cash equivalents		244,598	(1,730,544)	244,617	(1,730,542)
Net increase/(decrease) in cash and cash equivalents		8,608,671	(15,500,025)	8,608,543	(15,499,943)
Cash and cash equivalents as at 1 January		10,655,580	26,155,605	10,655,545	26,155,488
Cash and cash equivalents as at 31 December		19,264,251	10,655,580	19,264,088	10,655,545
Cash and cash equivalents as at 31 December	Notes	2024	2023	2024	2023
		MDL'000	MDL'000	MDL'000	MDL'000
Accounts in foreign currency	5	-	5	-	-
Accounts in national currency	5	163	27	-	-
Cash in hand in foreign currency	5	1,159,765	1,148,244	1,159,765	1,148,244
Cash in hand in national currency		-	3	-	-
Nostro accounts	5	39,232	1,606,630	39,232	1,606,630
Term deposits in foreign currency	5	17,081,361	7,900,671	17,081,361	7,900,671
Securities issued by the Government of the RM		983,730	-	983,730	-
		19,264,251	10,655,580	19,264,088	10,655,545

The accompanying notes 1-36 are an integral part of these consolidated and separate financial statements.

CONSOLIDATED		Authorized capital	General reserve fund	Reserve of unrealized gains from foreign exchange gains from foreign currency stocks' revaluation	Reserve of unrealized gains from revaluation of investment securities	Reserve of unrealized gains from revaluation of precious metals	Profit available for distribution	Other reserves	Non-controlling interest	Total equity and reserves
Notes	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
31 December 2024										
Balance at 1 January 2024		1,124,372	2,022,626	-	178,427	39,970	-	9,610	543	3,375,548
NET PROFIT		-	-	2,753,773	-	30,106	3,222,759	-	14	6,006,652
- from Bank's activity		-	-	2,753,773	-	30,106	3,221,941	-	-	6,005,820
- from subsidiary's activity		-	-	-	-	-	818	-	14	832
Other comprehensive income:										
Differences from revaluation of foreign currency securities measured at fair value through other comprehensive income	21	-	-	-	-	-	-	75,205	-	75,205
Exchange rate differences from revaluation of foreign currency securities measured at fair value through other comprehensive income	21	-	-	-	-	-	-	4,154	-	4,154
Net impairment losses on foreign currency securities measured at fair value through other comprehensive income	21	-	-	-	-	-	-	693	-	693
Other comprehensive income, total		-	-	-	-	-	-	80,052	-	80,052
Total comprehensive result for the year		-	-	2,753,773	-	30,106	3,222,759	80,052	14	6,086,704
Allocation of Profit:										
Increase of authorized capital	22	998,608	-	-	-	-	(998,608)	-	-	-
Increase of general reserve fund	22	-	2,223,333	-	-	-	(2,223,333)	-	-	-
Subsidiary's result		-	-	-	-	-	(818)	818	-	-
Balance at 31 December 2024		2,122,980	4,245,959	2,753,773	178,427	70,076	-	90,480	557	9,462,252

CONSOLIDATED AND SEPARATE STATEMENT OF EQUITY AND RESERVES (CONTINUED)

National Bank of Moldova

For the year ended 31 December 2024

CONSOLIDATED			Reserve of unrealized foreign exchange gains from	Reserve of unrealized gains from	Reserve of unrealized gains from					
31 December 2023	Notes	Authorized capital	General reserve fund	foreign currency stocks' revaluation	revaluation of investment securities	revaluation of precious metals	Profit available for distribution	Other reserves	Non- controlling interest	Total equity and reserves
		MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Balance at 1 January 2023		1,124,372	1,748,214	5,493,557	178,427	36,749	-	(235,495)	521	8,346,345
NET PROFIT		-	-	(5,493,557)	-	3,221	275,677	-	22	(5,214,637)
- from Bank's activity		-	-	(5,493,557)	-	3,221	274,412	-	-	(5,215,924)
- from subsidiary's activity		-	-	-	-	-	1,265	-	22	1,287
Other comprehensive income:										
Differences from revaluation of foreign currency securities measured at fair value through other comprehensive income	21	-	-	-	-	-	-	225,262	-	225,262
Exchange rate differences from revaluation of foreign currency securities measured at fair value through other comprehensive income	21	-	-	-	-	-	-	15,114	-	15,114
Net impairment losses on foreign currency securities measured at fair value through other comprehensive income	21	-	-	-	-	-	-	3,464	-	3,464
Other comprehensive income, total		-	-	-	-	-	-	243,840	-	243,840
Total comprehensive result for the year		-	-	(5,493,557)	-	3,221	275,677	243,840	22	(4,970,797)
Allocation of Profit:										
Increase of general reserve fund	22	-	274,412	-	-	-	(274,412)	-	-	-
Subsidiary's result		-	-	-	-	-	(1,265)	1,265	-	-
Balance at 31 December 2023		1,124,372	2,022,626	-	178,427	39,970	-	9,610	543	3,375,548

BANK	Notes	Authorized capital MDL'000	General reserve fund MDL'000	Reserve of unrealized foreign exchange gains from foreign currency stocks' revaluation MDL'000	Reserve of unrealized gains from revaluation of investment securities MDL'000	Reserve of unrealized gains from revaluation of precious metals MDL'000	Profit available for distribution MDL'000	Other reserves MDL'000	Total equity and reserves MDL'000
31 December 2024									
Balance at 1 January 2024		1,124,372	2,022,626	-	178,427	39,970	-	1,025	3,366,420
NET PROFIT		-	-	2,753,773	-	30,106	3,221,941	-	6,005,820
<i>Other comprehensive income:</i>									
Differences from revaluation of foreign currency securities measured at fair value through other comprehensive income	21	-	-	-	-	-	-	75,205	75,205
Exchange rate differences from revaluation of foreign currency securities measured at fair value through other comprehensive income	21	-	-	-	-	-	-	4,154	4,154
Net impairment losses on foreign currency securities measured at fair value through other comprehensive income	21	-	-	-	-	-	-	693	693
Other comprehensive income, total		-	-	-	-	-	-	80,052	80,052
Total comprehensive result for the year		-	-	2,753,773	-	30,106	3,221,941	80,052	6,085,872
<i>Allocation of Profit:</i>									
Increase of authorized capital	22	998,608	-	-	-	-	(998,608)	-	-
Increase of general reserve fund	22	-	2,223,333	-	-	-	(2,223,333)	-	-
Balance at 31 December 2024		2,122,980	4,245,959	2,753,773	178,427	70,076	-	81,077	9,452,292

The above translation of the Financial Statements is provided as a free translation from Romanian, which is the official binding version.

BANK				Reserve of unrealized foreign exchange gains from foreign currency stocks' revaluation	Reserve of unrealized gains from revaluation of investment securities	Reserve of unrealized gains from revaluation of precious metals	Profit available for distribution	Other reserves	Total equity and reserves
31 December 2023	Notes	Authorized capital	General reserve fund	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Balance on 1 January 2023		1,124,372	1,748,214	5,493,557	178,427	36,749	-	(242,815)	8,338,504
NET PROFIT		-	-	(5,493,557)	-	3,221	274,412	-	(5,215,924)
<i>Other comprehensive income:</i>									
Differences from revaluation of foreign currency securities measured at fair value through other comprehensive income	21	-	-	-	-	-	-	225,262	225,262
Exchange rate differences from revaluation of foreign currency securities measured at fair value through other comprehensive income	21	-	-	-	-	-	-	15,114	15,114
Net impairment losses on foreign currency securities measured at fair value through other comprehensive income	21	-	-	-	-	-	-	3,464	3,464
Other comprehensive income, total		-	-	-	-	-	-	243,840	243,840
Total comprehensive result for the year		-	-	(5,493,557)	-	3,221	274,412	243,840	(4,972,084)
<i>Allocation of profit:</i>									
Increase of general reserve fund	22	-	274,412	-	-	-	(274,412)	-	-
Balance on 31 December 2023		1,124,372	2,022,626	-	178,427	39,970	-	1,025	3,366,420

Notes 1 to 36 are an integral part of these consolidated and separate financial statements.

1. General information

The National Bank of Moldova (further referred to as “the Bank” or “NBM”) is the central bank of the Republic of Moldova, established in 1991. The Bank’s activities are regulated by *Law No. 548/1995* on the National Bank of Moldova. In accordance with this Law, the Bank is an autonomous public legal entity that is accountable to the Parliament of the Republic of Moldova. The Bank’s primary objective is to ensure and maintain price stability. Moreover, the Bank acts as the sole issuer of national currency, formulates and implements the state monetary and foreign exchange policy, holds and manages foreign exchange reserves of the State, acts as the State banker and agent, licenses, supervises and regulates the activity of banks, which are legal entities of the Republic of Moldova, including their foreign branches and branches of foreign banks and their activity in the Republic of Moldova, as well the activity of providing payment services and issuing electronic money, provides clearing and payment services to banks and other eligible institutions, on behalf of the Republic of Moldova assumes obligations and carries out the transactions resulted from the Republic of Moldova’s membership in international public institutions in the banking, credit and monetary field in accordance with the terms of international agreements, and acts as the resolution authority for banks. Effective of 1 July 2023, the Bank assumed responsibility for licensing, authorizing, regulating and supervising insurers, reinsurers, insurance and reinsurance intermediaries, the National Bureau of Motor Insurers of Moldova, savings and loan associations, credit history bureaus and non-bank financial institutions.

The Bank has two governing bodies: *the Supervisory Board and the Executive Board*. The Supervisory Board is the body responsible for organizing an efficient system of independent public oversight of the Bank’s activity. The Executive Board exercises the executive management of the Bank and ensures the independent achievement of its main duties, as established by law. The members of the Bank’s governing bodies are appointed by Parliament.

The Bank holds a 98.36% interest in the share capital of the Joint Stock Company “Single Central Securities Depository” (hereinafter, the “CSD” or the “Subsidiary”), a legal entity incorporated on 4 April 2018. The CSD operates under the provisions of Law No. 234/2016 on the Single Central Securities Depository and is licensed and supervised by the National Bank of Moldova. In accordance with the applicable legislation and its regulatory license, the CSD is mandated to perform the following core functions: the initial book-entry registration of securities; the maintenance and safekeeping of securities accounts; the administration of the securities settlement system; and the clearing and settlement of government securities, certificates issued by the National Bank of Moldova, and corporate securities of joint stock companies.

The registered head office of the Bank is located at 1 Grigore Vieru Avenue, Chişinău, Republic of Moldova. The head office of the Single Central Securities Depository is located at 57/1 Mitropolit Banulescu-Bodoni St., Chişinău, Republic of Moldova.

Consolidated financial statements comprise the financial statements of the Bank and its subsidiary (together referred to as “the Group”). Separate financial statements present the Bank’s financial position and performance as a stand-alone entity.

2. Basis of preparation

The consolidated and separate financial statements of the Group and the Bank (hereinafter “Financial Statements”) have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a going concern basis and are presented in Moldovan lei (hereinafter MDL), the official currency of the Republic of Moldova, rounded to the nearest thousand in Moldovan lei. The Bank maintains its accounting records in accordance with the *International Financial Reporting Standards, the Law on Accounting and Financial Reporting and the Law on the National Bank of Moldova* and prepares its financial statements in compliance therewith.

The financial statements have been prepared primarily on a historical cost basis, except for the certain financial instruments measured at fair value, including: financial assets measured at fair value through other comprehensive income (FVOCI) and derivative financial instruments (forward and swap) measured at fair value through profit or loss (FVTPL).

In view of the Bank’s role as a central bank, the categories of financial assets are presented using designations that differ from those prescribed by IFRS 9 “Financial Instruments”. This presentation is considered to provide more relevant information of the Bank’s financial position in the context of its central banking functions.

In addition, each line of financial assets and financial liabilities in the consolidated and separate balance sheet corresponds to categories defined in accordance with IFRS 9 “Financial Instruments”, as disclosed in the accompanying Notes to the consolidated and separate financial statements (hereinafter “Notes to the Financial Statements”).

In accordance with paragraph 10 of IAS 1 “Presentation of financial statements”, the Bank has retained the titles “Consolidated and Separate Statement of Comprehensive Result” (hereinafter “Statement of Comprehensive Result”) and “Consolidated and Separate Balance Sheet” (hereinafter “Balance Sheet”) to maintain consistency with prior years presentations and users expectations.

Use of judgments and estimates

In preparing these financial statements in accordance with IFRS, management has made judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, as well as the accompanying disclosures. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and prospectively in any future periods affected. These judgments and estimates are based on information available at the reporting date.

The information on judgements made in applying the accounting policies that have the most significant effects on the amounts recognized in these financial statements are as follows:

a. Classification of financial assets

The classification of financial assets according to IFRS 9 requires the assessment of the business model for managing the financial assets and, whether the contractual cash flows of the financial instrument represent solely payments of principal and interest (the “SPPI” test). Further details are presented in Note 3 e. and Note 4.

2. Basis of preparation (continued)

b. Measurement of monetary gold holdings

IFRS does not provide specific guidance on accounting for monetary gold as a reserve asset. In accordance with paragraphs 10-12 of IAS 8 “Accounting policies, changes in accounting estimates and errors” and the Conceptual Framework for Financial Reporting, management has applied significant judgment in developing an accounting policy for monetary gold holdings, applying an approach similar to that used for financial instruments. Further details are provided in Note 3 c.

c. Recognition and measurement of IMF related assets and liabilities

Given the unique nature of the central bank relationships with International Monetary Fund (IMF), the Bank's mandate to represent Moldova in IMF relations, and the strategic nature of the IMF quota holding, management applies significant judgement in determining the accounting treatment of IMF-related assets and liabilities. Further details are provided in Note 3(d) and Note 7.

d. Accounting for government securities derived from state guarantees issued under Law No 235/2016

Management has applied significant judgement in determining the accounting treatment of government securities received under Law No. 235/2016 relating to state guarantees. These securities are treated as a single financial instrument, as described in Note 10.

e. Litigation provisions and contingent liabilities

Management applies professional judgement and uses significant estimates when assessing potential liabilities from ongoing litigations. In accordance with IAS 37 *Provisions, contingent liabilities and contingent assets*, the Bank evaluates all known litigations at the reporting date to determine whether it is probable that an outflow of economic resources will be required to settle an existing obligation and whether its value can be measured reliably. Where these conditions are met, a provision is recognised, otherwise – a contingent liability is disclosed. Estimates are based on legal advice, Bank’s management’s assessment of case developments, and historical experience in similar matters. Further details are provided in Note 3 bb. and Note 32.

f. Expected credit loss estimation

The application of the expected credit loss model requires significant judgments and assumptions in establishing the criteria for determining significant increase in credit risk since initial recognition, methodologies for incorporating forward-looking information and selection and approval of the models used to measure expected credit losses. Detailed information on judgments applied in determining the expected credit losses is provided in Note 3 g. and Note 4.2.

Information about assumptions and sources of estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is presented as follows:

- **Expected credit losses**

Key assumptions in expected credit losses models for assets measured at FVOCI and at amortized cost include the approved model parameters, including the forward-looking information.

2. Basis of preparation (continued)

- **Fair value measurement and hierarchy classification of financial instruments**

When fair values cannot be determined from active markets, the fair value of financial assets and financial liabilities are determined using valuation techniques, including recognised mathematical and pricing models. Where possible, the inputs to these models are based on observable market data. In circumstances where observable inputs are not available, management is required to apply judgement in determining fair values. Such judgements include the identification of comparable instruments with observable prices, the assessment of market liquidity, and the selection of model assumptions and inputs approved by the Bank's management. Further details regarding the fair value measurement of financial instruments and the related hierarchy classification are provided in Note 3.f. and Note 13.

3. Material accounting policies

The Group and the Bank have consistently applied the following accounting policies to all periods presented in these financial statements.

a. Foreign currency transactions and balances

Transactions in foreign currency are translated into the functional currency using the spot exchange rate at the transaction date. Monetary items are translated daily in Moldovan lei at the closing official exchange rate of the Moldovan leu at the reporting date. Monetary assets and liabilities denominated in foreign currency are translated using the official exchange rate of the Moldovan leu at the reporting date. The official exchange rates of the Moldovan leu for the reference currencies were as follows:

	Year 2024		Year 2023	
	Average for the period	At year end	Average for the period	At year end
USD/MDL	17.7918	18.4791	18.1607	17.4062
EUR/MDL	19.2533	19.3106	19.6431	19.3574
GBP/MDL	22.7384	23.2875	22.5714	22.2660
XDR/MDL	23.6172	24.1110	24.2302	23.3534
XAU/MDL	1,364.0512	1,559.8835	1,132.5963	1,153.7733

Exchange rate differences arising from the settlement of transactions at exchange rates different from those of the foreign currency stocks are recorded in the statement of comprehensive result, under realized gains or losses from foreign exchange differences (*Note 3 z. and Note 25*).

b. Cash and cash equivalents

For Cash flows statement purposes, cash and cash equivalents comprise cash in hand in foreign currency, nostro accounts, short-term placements with banks, and securities issued by the Government of the Republic of Moldova with original maturities of three months or less. Cash is measured at nominal value and the short-term deposits with banks are measured at amortised cost and cash is presented net of cash in hand in national currency (national currency in circulation is netted with the cash in hand in national currency at the reporting date).

c. Monetary gold holdings

The Bank holds monetary gold in the form of gold bullion that meets internationally recognised certification and trading requirements. Monetary gold forms part of the Bank's official reserve assets and is treated as a monetary asset.

As IFRS does not provide specific guidance for the accounting of monetary gold, management has applied paragraphs 10-12 of IAS 8 "*Accounting policies, changes in accounting estimates and errors*" and the *Conceptual Framework for Financial Reporting* to develop an appropriate accounting policy for monetary gold, similar to that applied for financial instruments. Accordingly, monetary gold holdings are disclosed as a monetary asset within financial instruments.

Monetary gold is initially recognized at fair value plus directly attributable transaction costs. After initial recognition, monetary gold is measured at fair value through profit or loss, with realised gains and losses determined using the weighted average cost method. The fair value of gold is determined daily using the PAu/USD quotation from London Gold Market Fixing Ltd Company. Revaluation gains and losses are recognized in the statement of comprehensive result and reported in *Gains from transactions, foreign exchange differences and revaluations of precious metals*.

3. Material accounting policies (continued)

d. IMF-related assets

IMF-related assets comprise primarily Republic of Moldova's IMF quota subscription and the XDR account of the Bank with the IMF.

The quota of the Republic of Moldova in the IMF represents Moldova's membership interest in the IMF and is regarded as a strategic investment. The quota is in Special Drawing Rights (XDR), but is recorded in MDL and revalued monthly, on the last working day of the month, using the official XDR/MDL exchange rate calculated by the IMF. As the value of the quota is set in XDR, this value is considered to approximate its fair value, as this reflects the reference price at which the quotas are transacted, including the most recent revision of IMF quotas.

As IFRS does not specifically address IMF quota accounting, management has determined that the closest equivalent treatment is by analogy to an equity instrument. The IMF quota represents Moldova's participation in IMF and therefore has a certain analogy with a participation in the capital of an entity (equity instruments). As the IMF quota is considered a strategic holding, management has elected to measure it at FVOCI.

According to Parliament Decision No. 1107/1992 on the accession of the Republic of Moldova to the IMF and in accordance with IMF Articles of Agreement, the Bank is authorized to act as the agent of the Republic of Moldova at the IMF and as the IMF's fiscal agent and depositary in the Republic of Moldova. Under Parliament Decision No. 1107/1992 and Law No. 548/1995 on the National Bank of Moldova, the Bank is mandated to carry out, on behalf of the Republic of Moldova, all operations and transactions authorized in accordance with the IMF Articles of Agreement and to receive any amounts payable or transferrable to the Republic of Moldova in operations and transactions authorized in accordance with the various provisions of the IMF Articles of Agreement.

Subscriptions to the IMF Quota are made by the National Bank of Moldova, pursuant to Law No 548/1995 on the National Bank of Moldova and other applicable legislation, which mandate the Bank to assume all obligations necessary to ensure that the Republic of Moldova's contributions to the IMF are made in accordance with the requirements of the Fund.

The Bank, as the agent of the Republic of Moldova, may assume obligations and execute transactions related to the participation of the Republic of Moldova in international organizations, including the IMF. The position of Governor of the Republic of Moldova on the IMF Board of Governor is held by the Governor of the National Bank of Moldova, while the First Deputy Governor of the Bank serves as Alternate Governor.

Considering that the Bank is mandated by law to represent the Republic of Moldova at the IMF, to assume and execute transactions with the IMF, to subscribe to the IMF quota, to collect amounts on behalf of the Republic of Moldova from the IMF, to appoint representatives in the IMF's governing bodies, and to act as IMF's fiscal agent and depositary, in relation to the operations of the Republic of Moldova with the IMF, except those directly attributable to the Government of the Republic of Moldova, the Bank acts as principal and recognizes the related assets and liabilities arising from these operations in its balance sheet.

The current XDR account maintained with the IMF is classified as a short-term placement and is measured at amortised cost.

3. Material accounting policies (continued)

e. Financial instruments

The Bank's financial instruments comprise:

- Cash and short-term placements
- IMF related assets
- Securities issued by the Government of the RM
- Loans to banks and others
- Investment securities
- Investments in subsidiaries
- Derivatives
- National currency in circulation
- Deposits from the Government of the Republic of Moldova
- Deposits from banks and other clients
- Certificates issued by the National Bank of Moldova (NBM certificates)
- IMF and other international financial institutions (IFIs) liabilities

The financial instruments of the Subsidiary consist exclusively of government securities issued by the Republic of Moldova.

Initial recognition

Financial assets and liabilities are initially recorded at their fair value, plus or minus directly attributable transaction costs, unless they are designated at fair value through profit or loss (FVTPL) or are trade receivables without a significant financing component.

Non-derivative financial assets and liabilities are recognized using the settlement date accounting, i.e. the date when the asset is delivered to or by the Bank. This policy applies to instruments measured at amortised cost (including placements, loans, state securities purchased through reissuance, certificates issued by NBM). Regular way purchases and sales of financial assets are also recognized at the settlement date (acquisitions of investment securities measured at FVOCI).

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or when the Bank transfers the contractual rights to receive the cash flows in a transaction in which substantially all of the risks and rewards of ownership are transferred. A financial liability is derecognized when the contractual obligations have been discharged, cancelled or have expired.

Substantial modification

A substantial modification of the terms of an existing financial asset or liability, or a part thereof, (whether or not attributable to the financial difficulties of the debtor) is accounted for as an extinguishment of the original financial instrument and the recognition of a new financial instrument.

The assessment of whether a modification is substantial is based on professional judgement and involves a two-step approach, firstly by evaluating the qualitative factors of the modification and then applying the quantitative assessment of the effects of the change.

Qualitative factors indicating a substantial change include, at a minimum: a change in the currency of the instrument; the introduction of contractual terms that alter cash flows such that they no longer meet the criteria of solely payments of principal and interest and the replacement of the original debtor with a new debtor.

The assessment of quantitative factors is done by quantifying the effect of the change on the cash flows of the original instrument.

3. Material accounting policies (continued)

e. Financial instruments (continued)

A modification is considered substantial if the present value of the revised cash flows, including any fees paid net of fees received and discounted using the original effective interest rate of the modified instrument, differs by at least 10% from the present value of remaining cash flows under the original instrument. The quantitative assessment takes into account all simultaneous changes to the terms of the instrument, assessed at the level of the entire instrument.

Classification

At initial recognition, financial assets are classified into one of the following categories: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income (FVOCI) and financial assets measured at fair value through profit or loss (FVTPL).

A financial asset is classified and measured at **amortised cost** when both of the following conditions are met:

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, less principal repayments, plus or minus the cumulative amortisation of any differences between the initial carrying amount and the maturity amount using the effective interest method. For financial assets measured at amortised cost, the carrying amount is further adjusted for any loss allowance recognised in respect of expected credit losses.

Financial assets measured at amortised cost are subsequently measured at amortised cost using the effective interest method and are adjusted for any loss allowance. Interest income and impairment gains or losses on such financial instruments are recognised in the statement of comprehensive result under “Interest income” and “Impairment gains/(losses) on financial assets,” respectively.

Financial assets classified in this category include securities issued by the Government of the Republic of Moldova, loans to banks and other counterparties, investment securities from the investment tranche, Nostro accounts, term deposits in foreign currency and XRD account maintained by the Bank at the IMF.

A debt instrument is classified and measured at fair value through other comprehensive income (FVOCI) when both of the following conditions are met:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments not held for trading, the management may make an irrevocable election at initial recognition for particular investments to present subsequent changes in fair value in other comprehensive income with dividend income recognised in profit or loss.

3. Material accounting policies (continued)

e. Financial instruments (continued)

Financial assets classified and measured at FVOCI include investment securities denominated in foreign currencies held within the current and liquidity tranche, externally managed securities in foreign currencies (refer to Note 4.1 Financial risk), and the IMF quota subscription.

Financial assets that do not meet the criteria for measurement at either amortised cost or FVOCI are classified and measured at fair value through profit or loss (“FVTPL”). This category primarily includes derivative financial instruments, such as forward and swap contracts.

Non-derivative financial liabilities are classified and measured at amortised cost using the effective interest rate method, while derivative financial liabilities are classified and measured at FVTPL.

Business model assessment

Business model assessment is performed at the portfolio level as this best reflects how the business is managed and information is provided to Bank’s management.

For foreign reserve assets, the business model assessment considers: the objectives of establishing and managing each reserve tranche, the sales activity patterns (frequency, volume and timing), factors influencing management decisions regarding official reserve assets (foreign reserves), risk management approaches, performance assessment methods and the significance of different income sources.

For financial instruments denominated in national currency - primarily securities issued by the Government of the Republic of Moldova and monetary policy instruments such as loans to banks and repurchase agreements) - the business model assessment takes into account portfolios holding objectives, monetary policy objectives, frequency and volume of sales, as well as relevant legal and regulatory requirements arising from the Bank’s statutory mandate.

Solely payments of principal and interest (SPPI) assessment

The SPPI assessment is performed at individual instrument level. For the purposes of this assessment, ‘principal’ means the fair value of the financial asset at initial recognition, while ‘interest’ represents consideration for the time value of money, credit risk on the outstanding principal and other basic lending risks and costs (e.g. liquidity risk, administrative costs), as well as any profit margin consistent with a basic lending arrangement, if pursued within the legal framework.

In determining whether the SPPI criterion is met, the contractual terms and conditions of the instrument are reviewed to identify whether they include features that could alter the timing or amount of contractual cash flows in a manner inconsistent with the SPPI condition. Such features include prepayment or extension options (e.g., government bonds subject to early repurchase or term extension); contingent events that modify cash flows; periodic interest rate resets for floating-rate instruments; and indexation to inflation or benchmark rates with reset frequencies different from the interest rate tenor. These features are analysed to assess their impact on the consideration for the time value of money.

3. Material accounting policies (continued)

Financial instruments (continued)

Reclassification

Financial assets are not reclassified subsequent to initial recognition, unless the Bank changes its business model for managing those financial assets.

f. Fair value of financial instruments

Fair value is the price that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement assumes a transaction taking place in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market.

Investment securities denominated in foreign currency and classified as financial assets at FVOCI are subsequently measured at fair value. Unrealised gains and losses arising from changes in fair value are recognized in other comprehensive income (OCI). Upon derecognition (sale), the cumulative fair value measurement changes in OCI is reclassified from OCI to profit or loss under *Net gains/(losses) on revaluation of FVOCI*. Exchange differences arising from securities revaluation at fair value are also recognized in other comprehensive income. Upon derecognition (sale), the cumulative exchange differences on the fair value changes are reclassified from *Foreign currency translation differences* in OCI to profit or loss under *Gains/(losses) on transactions and exchange rate differences*.

Given the specific characteristics of Republic of Moldova's IMF quota subscription (nature of allocated rights, conditions for accession and withdrawal, and the associated benefits), and taking into account the absence of an active market or observable transactions with such instruments, as well as their high degree of security and international acceptance, the carrying value of the Republic of Moldova's IMF quota is considered to approximate its fair value.

The fair value of financial instruments measured at amortised cost is determined using available market data and recognised valuation methodologies, such as the discounted cash flows models. Under discounted cash flows models, estimated future cash flows are based on the Bank's management's best estimates, while the discount rates are derived from market related rates at the reporting date for instruments with similar terms and conditions. Significant judgment is applied to interpret market input data when determining the estimated fair value.

The fair value of securities issued by the Government of the Republic of Moldova, particularly those with maturities that have not been recently traded on the secondary market, is estimated by deriving relevant yields from observable market data as at the reporting date for each maturity. This estimation references the interest rate curve constructed from prevailing effective yields, adjusted by relevant indices.

Fair value measurements are classified within the fair value hierarchy, based on the significance of the inputs used in valuations. Where the active market of state securities issued by the Government of the Republic of Moldova differs from the primary interbank market, fair values are determined using internal valuation methodologies supported by references to comparable market interest rates.

The fair value hierarchy comprises the following three levels:

- **Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities.

This category includes investment securities denominated in foreign currency and measured at FVOCI.

3. Material accounting policies (continued)

f. Fair value of financial instruments (continued)

- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (as prices) or indirectly (derived from prices). These inputs are based on indicative prices provided by brokers, consensus pricing sources or market data service providers (e.g. Bloomberg, ICE).

A portion of foreign currency securities measured at FVOCI are included in this category. Although, at the reporting date, these securities have external prices for the same security that can be observed on a regular basis from a reasonable number of market makers who are active on that security, these prices do not represent directly tradable prices.

Level 2 inputs include, but are not limited to, prices provided by consensus pricing services with a reasonable number of contributors who are active market makers, as well as indicative brokers or dealers quotes.

- **Level 3:** inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Instruments classified in this category include IMF quota, designed as a strategic investment and measured at FVOCI, as well as derivative financial instruments.

The Bank has established internal controls over fair value measurement, including verification of observable inputs, the application of various valuation models calibrated to market observable quotations, and the analysis of significant period-to-period changes in fair value.

The classification of the Bank's financial assets into three levels of the fair value hierarchy is disclosed in Note 13.

g. Impairment of financial assets

Financial assets measured at amortised cost and at FVOCI are subject to impairment testing under the expected credit loss (ECL) model.

Expected credit losses represents a probability-weighted estimate of credit losses, measured as the present value of the difference between the contractual cash flows due to the Bank and the cash flows that the Bank expects to receive taking into account multiple forward-looking economic scenarios. The expected shortfall is discounted using the instrument's original effective interest rate.

The Bank applies the three-stage impairment model under the ECL framework. The impairment model applies to financial assets measured at amortised cost and FVOCI, but not to financial assets measured at FVTPL. Within the three-stage impairment model, financial assets may migrate between stages depending on changes in credit risk relative to initial recognition.

Stage 1. For financial assets that have not experienced a significant increase in credit risk since initial recognition, as 12-month ECL is recognised. The allowance is based on the probability of default over the next 12 months.

Stage 2. In the event of a financial asset experiences a significant increase in credit risk compared to initial recognition, but it is not impaired, a lifetime ECL is recognised. The allowance is calculated based on the probability of default over the remaining contractual life of the instrument.

Stage 3. Financial assets that are credit-impaired are classified in Stage 3 and lifetime ECLs are recognised, calculated over the asset's remaining life.

3. Material accounting policies (continued)**g. Impairment of financial assets (continued)**

On initial recognition, financial assets related to foreign currency reserves and instruments denominated in national currency are classified in Stage 1, as these are considered to be low credit risk.

A significant increase in credit risk (SICR) is deemed to occur when:

- for foreign currency financial instrument - the issuer's credit rating is downgraded below the minimum allowed level (A-), in line with the *Regulation on managing international reserves*
- for financial instruments in national currency – the issuer is downgraded under the internal methodologies approved for domestic assets in national currency
- for all financial assets- contractual payments are more than 30 days past due.

When SICR is identified, the financial asset is transferred to Stage 2 and lifetime expected credit loss are recognised over the entire period of the instrument until its maturity.

At each reporting date, the Bank assesses whether there is evidence that a financial asset measured at amortised cost and FVOCI is credit impaired. A financial asset is considered to be in default when the issuer or counterparty is unable to meet its contractual obligations. An asset is credit-impaired and classified in Stage 3 when one or more impairment events occur after initial recognition that have a negative impact on the estimated future cash flows. Objective evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor or issuer
- a breach of the contract, such as a default or failure to pay
- the disappearance of an active market for that financial asset due to financial difficulties
- the Bank granting concessions to the borrower for economic or legal reasons relating to the borrower's financial difficulty that it would not otherwise consider
- a high probability that the borrower will enter bankruptcy or another form of financial reorganization.

A financial instrument in foreign currency is be classified in Stage 3 when its credit rating has been downgraded successively from “investment grade” to “non-investment grade” (below “BBB-”). For financial assets in national currency, classification in Stage 3 occurs when the instrument is assessed as “credit-impaired” under the Bank’s d internal credit risk models and rating system applied to debt instruments (loans to counterparties, securities issued by the Government of the Republic of Moldova). In addition, for all financial assets - including foreign currency assets, state securities issued by the Government of RM and claims on licensed banks - contractual payments that are more than 90 days past due are considered a key indicator of default and results in the migration from Stage 2 to Stage 3.

Financial instruments included foreign exchange reserves with a credit rating of BBB- and higher are considered as “investment grade” and are assessed as low credit risk. An “investment grade” rating indicates a low probability of default of the issuer. Within the investment grade category, instruments rated as “AAA” and “AA” are considered to be of high credit quality, reflecting a very strong capacity of the issuer to meet its contractual obligations.

3. Material accounting policies (continued)

g. Impairment of financial assets (continued)

Instruments rated “A” and “BBB” are considered to be of medium credit quality, reflecting a strong capacity of the issuer to meet contractual obligations, although such issuers may be vulnerable to adverse changes of the economic environment.

Instruments rated “BB”, “B” or “CCC” are classified as non-investment grade, reflecting lower credit quality. These instruments are regarded as speculative or “junk” investments. The issuers of these instruments are highly vulnerable to changing economic conditions, with a significant impact on their ability to pay in the event of a recession or a worsening in the economic environment.

In accordance with the *Regulation on managing international reserves*, investment in foreign currency must meet a minimum credit rating of “A-”, determined as the average of the ratings assigned by the three international rating agencies (Standard & Poor’s, Moody’s, and Fitch Ratings). On this basis, financial assets in the Bank’s foreign reserves portfolios are assessed as low credit risk, with the exception of holdings in correspondent accounts maintained for operational needs, where the exposure is insignificant.

For securities issued by the Government of the Republic of Moldova, a SICR is identified when a combination of monitored indicators exceed predefined thresholds established in the Bank’s internal credit risk models. These indicators include, but are not limited to: debt levels, changes in sovereign credit rating assigned by Moody’s, repayment capacity, rating downgrades, arrears, unfavourable restructuring, etc.

Securities issued by the Government of the Republic of Moldova in national currency and held in the Bank’s portfolio are considered financial instruments with low credit risk (classified in Stage 1). This assessment reflects the sustainability of debt ratios, macroeconomic factors incorporated into the Bank’s sovereign risk models and as the absence of historical defaults of securities issued by the Government of the Republic of Moldova in national currency. The impairment model applied to such securities incorporates forward looking scenarios, that include probabilities of default metrics provided by international rating agencies and loss-given-default assumptions for sovereign issuers with rating categories comparable to that of Republic of Moldova (based on Moody’s rating). These assumptions are derived from historical data of countries that defaulted on local currency obligations with similar characteristics.

The expected credit loss is calculated as the product of exposure at default (EAD), probability of default (PD), and loss given default (LGD). In determining the expected credit loss and the forward-looking information, the Bank applies:

- for financial instruments relating to international reserves - information derived from the “*Annual Corporate Default Study and Rating Transitions*” report, the “*Sovereign Foreign - Currency Cumulative Average Default Rates With Rating Modifier*” and “*Sovereign Local-Currency Cumulative Average Default Rates With Rating Modifier*” from the “*Annual Sovereign Default Study and Rating Transitions*” report, each published annually by the Standard & Poor’s;
- for state securities issued by the Government of the RM – information on sovereign cumulative default and recovery rates, together with rating category definitions relevant to the Republic of Moldova, as published by Moody’s in its *Sovereign Default and Recovery Rates* and *Rating Symbols and Definitions* reports;

3. Material accounting policies (continued)

g. Impairment of financial assets (continued)

- for other assets denominated in national currency - probabilities of default are derived using the Bank's internal credit risk models, incorporating forward-looking macroeconomic factors.

In estimating the forward-looking scenarios applicable to government securities, and in determining their respective weightings, the Bank considers the following factors: Ministry of Finance's compliance with contractual payment obligations on government securities; changes in the outlook and credit ratings assigned to the Republic of Moldova by Moody's, relative to the ratings at the initial recognition; sustainability of sovereign debt indicators, based on seminal data published by the IMF (World Economic Outlook Database).

For the calculation of lifetime expected credit losses, the Bank estimates the marginal probability of default for each year until maturity. The marginal probability of default in a given year is applied only to exposures that have not defaulted in prior years, consistent with a survival-based approach to default estimation.

h. Repurchase agreements (repo)

Repurchase agreements (repo) are agreements whereby the Bank transfers a financial asset to a counterparty in exchange for cash with a simultaneous agreement to repurchase the asset at a future pre-established date and for a predetermined price. Conversely, reverse repurchase agreements ("reverse repos") are transactions in which the Bank purchases financial assets under a commitment to resell them at a future date and at a predetermined resale price. The Bank uses repurchase agreements to absorb liquidity (reverse repurchase agreements) or provide liquidity to the financial system (repurchase agreements).

Financial assets transferred under repurchase agreements are not derecognized from the balance sheet at the settlement date as a reverse/purchase repo transaction at fair value.

State securities sold with a simultaneous repurchase commitment at an agreed date are not derecognized at sale and are kept on the balance sheet as *Securities issued by the Government of the RM*. Such assets, including government securities subject to repurchased commitment, remain classified as *Securities issued by the Government of the RM*. Conversely, financial assets acquired under reverse repo agreements are recognised as "Loans to banks and others," with the related securities serving as collateral for these transactions. The difference between sale and repurchase price is recognised as interest expense, while the difference between resale and purchase price is recognised as interest income, both calculated using the effective interest method. Interest is accrued monthly on the last day of the month and on the contractual maturity date of the repo or reverse repo agreements.

i. Forward transactions

Forward foreign exchange contracts and the forward legs of swap agreements, which involve the exchange of one currency for another (domestic or foreign) at a future date, are classified as derivative financial instruments and are measured at fair value through profit or loss (FVTPL). The notional amounts of these contracts are recorded in off-balance sheet accounts as at the trade date using the spot exchange rate applicable on the transaction date.

Subsequent to initial recognition, the notional amounts of the forward transaction (including the forward legs of swaps) recorded in off-balance sheet accounts are remeasured from the trade date in accordance with the terms of the underlying contracts, using the official exchange rate of MDL against the relevant foreign currencies.

3. Material accounting policies (continued)

Derivative transactions are recognised in the balance sheet at fair value: as assets when the fair value is positive, and as liabilities when their fair value is negative. Exchange differences, interest components and fair value changes relating to these instruments are recognised in the statement of comprehensive income under “*Gains / losses on financial assets measured at fair value through profit or loss*”.

j. Investments in subsidiaries

In the separate financial statements, investments in the subsidiaries are initially measured at the fair value of the consideration transferred on the date control is obtained or the subsidiary is established. Consideration may be in the form of cash or other assets.

An investment in a subsidiary (including capital contributions, additional contributions) is recognized when the Bank has a contractual commitment to make such contribution, in accordance with the definition of an asset. Subsequent to initial recognition, investments in subsidiaries are measured in separate financial statements at cost less any accumulated impairment losses. Dividend income from subsidiaries is recognized in the separate statement of comprehensive result in the period in which the right to receive is established and collection is considered probable. Dividends are presented as a component of *Other income*.

k. Non-controlling interests

Non-controlling interests are presented in the consolidated balance sheet, within equity and reserves, separately from the equity and reserves attributable to the Bank. Non-controlling interests are initially measured at their proportionate share of the subsidiary’s identifiable net assets. Changes in the Bank’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions between owners.

Upon loss of control of a subsidiary, the Bank derecognizes the subsidiary’s assets and liabilities, and any related non-controlling interest and other components of equity, recognised any retained investment at fair value and recognises any resulting gain or loss in profit or loss.

l. Intragroup transactions on consolidation

All intragroup (carried out between the Bank and subsidiaries) balances, transactions, income and expenses are eliminated in full of on consolidation. The Bank and its subsidiaries apply uniform accounting policies. For transparency, the consolidated financial statements also present in the consolidated result the separate results of the Bank and of its subsidiary.

m. Property and equipment

Property and equipment are measured at historical cost less accumulated depreciation and any accumulated impairment losses, if any.

Expenditure on repairs and maintenance is recognised as operating expenses when incurred. Subsequent expenditure is capitalized only when it increases the future economic benefits of the asset beyond its originally assessed standard of performance.

Depreciation is charged on a straight-line method over the estimated useful lives of the assets as follows:

	Years
Buildings, special constructions and similar structures	5-60
Vehicles	5-10
Special equipment, protection systems and similar.	3-20
Furniture, computer and other equipment	3-15

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3. Material accounting policies (continued)**m. Property and equipment (continued)**

Any item of property and equipment is derecognized on disposal or when no future economic benefits are expected to arise from its continued use or disposal. The depreciation method and useful life are reviewed at each reporting date.

n. Intangible assets

Intangible assets consist primarily of computer software. These assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful life of each asset, commencing when the asset is available for use. The useful life is determined based on the period over which the Bank expects to derive economic benefits from the asset or, where applicable, the contractual term of the licenses. As of 31 December 2024, the estimated useful lives of intangible assets vary from 1 to 10 years.

Subsequent expenditures relating to software maintenance and minor enhancement are recognized as operating expenses in the statement of comprehensive result when incurred. An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The amortisation methods and useful lives are reviewed at each reporting date.

o. National currency in circulation

Banknotes and coins denominated in the national currency are recognized at nominal value when issued into circulation and are derecognized when withdrawn from circulation. The currency in circulation is measured at amortised cost. For presentation purposes, national currency in circulation is presented net of currency held at the Bank's cash desk.

Production costs for banknotes and coins are expensed as incurred in the statement of comprehensive result.

Commemorative banknotes and commemorative and jubilee coins are recognized at nominal value release into circulation. When such items are sold at price above nominal value, the difference between the selling price and the nominal value is recognized in comprehensive result as "*Other income*".

p. Deposits from banks

Deposits from banks comprise Loro accounts and current accounts of resident and non-resident banks, term deposits placed with the Bank and accrued interest thereon.

Deposits from banks include, inter alia, the mandatory reserves balances that banks are required to maintain in accounts with the Bank, in accordance with the Bank's prudential and monetary policy requirements. Deposits from banks, including term deposits, are measured at amortised cost. Given the short-term nature of these liabilities, management considered that their carrying amounts approximate their fair value.

q. Deposits from the Government of the Republic of Moldova

Deposits from the Government of the Republic of Moldova comprise the State Budget accounts in national and foreign currency and demand and term deposits of the Ministry of Finance. These are measured at amortised cost.

3. Material accounting policies (continued)

r. Deposits from other clients

Deposits from other clients comprise the current account of the Deposit Guarantee Fund, the Loro Temporary Account of Tiraspol Cash and Settlement Centre, the current account of the CSD (in the separate financial statements), and the current accounts of the electronic money institutions, etc. These deposits are measured at amortised cost.

s. Certificates issued by the National Bank of Moldova

NBM certificates represent discount securities issued for monetary purposes. They are initially recognized at fair value (issue price) on the settlement date. Subsequent to initial recognition, NBM certificates are measured at amortised cost using the effective interest method. The discount is amortised and recognised in profit or loss as Interest expense on a monthly basis and at the maturity of the certificates.

t. IMF and other international financial institution liabilities

IMF related liabilities comprise the No. 1 and No. 2 accounts maintained for the IMF, and the loans received from the IMF to the Bank (distinct from IMF lending to Government of the Republic of Moldova). Other international financial institutions (IFIs) liabilities include accounts and deposits maintained for other IFIs.

These are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method. Any difference between proceeds and the repayment amount is recognized in the statement of comprehensive result over the liability's term.

u. Other liabilities

Other liabilities are classified as either financial or non-financial liabilities.

Other financial liabilities comprise amounts due to the State Budget regarding the allocated profit available for distribution, trade and other payables, lease liabilities, employee benefit obligations and provisions for unutilised leave etc. Other non-financial liabilities comprise deferred income from grants and other non-monetary liabilities.

Other financial liabilities are measured at amortised cost.

v. Equity and reserves

The equity and reserves of the Bank

The Bank maintains capital at the levels required to achieve the objectives established by the Law No.548/1995 on the National Bank of Moldova.

The Bank's equity and reserves include:

- Statutory capital:
 - Authorized capital
 - General reserve fund
- Reserves for unrealized gains;
- Other reserves, in accordance with IFRS requirements.

According to the provisions of the Law on the National Bank of Moldova, the statutory capital is dynamic and is accumulated from the annual profit available for distribution, from the income obtained under Article 64, paragraph (3) of the aforementioned law and from the Government contributions until the capital reaches the value of 10% of the total monetary liabilities of the Bank (that represent all liabilities in the balance sheet except deposits from the Government of the Republic of Moldova and liabilities due to IMF).

The authorized capital of the Bank is fully subscribed and held exclusively by the State. It is non-transferable and may not be pledged or otherwise encumbered.

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3. Material accounting policies (continued)

v. Equity and reserves (continued)

The statutory capital is not reduced as result of fluctuation in the level of monetary liabilities during or at the end of the year.

The general reserve fund is used exclusively to absorb net losses incurred by the Bank at the end of the financial year, after the allocation of unrealized gains to reserves for unrealized gains and the coverage of unrealized losses from the reserves for unrealized gains. If the reserves for unrealized gains are not sufficient to absorb the unrealized losses recorded at the end of the financial year, the remaining unrealized losses are covered by the general reserve fund.

If statutory capital falls below 4% of monetary liabilities at year-end, the Ministry of Finance, on behalf of the Government, must within 60 days of receiving the Bank's audited financial statements, shall transfer to the Bank a capital contribution comprising of government securities issued at market interest rate and in sufficient amount to restore the statutory capital to 4% of the monetary liabilities, in accordance with Article 19, paragraph (6) of Law No 548/1995 on the National Bank of Moldova.

Unrealized gains arising from fluctuations in foreign exchange rates and from revaluation of precious metals are accumulated in specific reserve accounts for unrealised gains. These reserves are subsequently utilised to offset unrealised losses generated by the same sources. The distribution of unrealised gains is restricted, as such distributions could affect the Bank's ability to fulfil its statutory objectives.

The profit available for distribution represents the net profit remaining after the allocation of all unrealized gains to the corresponding reserves for unrealized gains and the coverage of unrealized losses against the relevant reserves of unrealized gains until such reserves are depleted and after the allocation to statutory capital of realized gains from the total amount of banknotes and coins withdrawn from circulation, but not exchanged within the period established by the Bank, in accordance with Article 64, paragraph (3) of the Law on the National Bank of Moldova.

The allocation of profit available for distribution is performed in accordance with Article 19(3) of Law No. 548/1995 on the National Bank of Moldova, as follows:

- If statutory capital is between 4% and 10% of the Bank's total monetary liabilities at year-end, prior to allocation of the current year's result, 50% of profit available for distribution is allocated to statutory capital and 50% is transferred to the State Budget;
- If statutory capital exceeds 10% of total monetary liabilities, the profit available for distribution is transferred in full to the State Budget

Statutory capital and reserves are presented in the balance sheet at historical cost.

Single Central Securities Depository equity and reserves

According to the *Law o. 234/2016 on the Single Central Securities Depository*, the CSD's equity comprises: shareholders' contributions to share capital, retained earnings and statutory reserves.

The CSD's share capital is fully subscribed and paid in, in cash or in kind and must equal at least EUR 1 million equivalent at official NBM exchange rate. Shareholder's contributions are recognized and accounted for separately, on an individual basis.

The net profit of the CSD may be used to cover the prior year losses, increase statutory capital, or may be distributed as dividends subject to General Meeting of Shareholders approval. In the consolidated balance sheet, the CSD's net profit of the year is presented cumulatively within other reserves.

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3. Material accounting policies (continued)

w. Income tax

In accordance with Article 24 (15) f) of *Law No. 1164-XIII of 24 April 1997 on the application of titles I and II of the Tax Code*, and Article 51 of the *Tax Code of the Republic of Moldova*, the Bank is exempt from income tax on its activities.

The CSD is subject to general taxation regime according to the Tax Code requirements. Income tax expenses comprise current and deferred tax, recognized in the consolidated statement of comprehensive result.

Current tax represents the expected amount payable or receivable on the taxable profit or loss for the year, adjusted for any over/under provisions from prior years. The income tax is paid quarterly to the State Budget.

Deferred tax is recognized using the balance sheet liability method for temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base as determined according to local tax regulations. Such temporary differences generating give rise to deferred tax assets or liabilities in respect of future income tax payments. The deferred tax assets and liabilities are measured based on the expected manner of recovery or settlement of the underlying assets and liabilities, using the tax rates that have been enacted or substantively enacted at the reporting date.

The tax rate applied by the CSD to calculate the current and deferred tax assets and liabilities as of 31 December 2024 is 12% (2023:12%).

x. Interest income and expenses

Interest income and interest expenses are recognized in profit or loss for all interest-bearing financial instruments measured at fair value and at amortised cost using the effective interest method.

The effective interest method is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, for a shorter period, to the gross carrying amount of the assets and the amortised cost of the financial liability.

The effective interest rate uses the rate that exactly discounts the estimated future cash flows over the financial instruments expected life to. When applying the effective interest method to financial instruments, other than those purchased or originated as credit-impaired as a consequence of credit risk, the following are considered: future cash flows from contracts, excluding any expected credit losses, all commissions that form an integral part of the effective interest rate of a financial instrument, transaction costs and premiums and related discounts.

For those assets purchased or originated as credit-impaired as a consequence of credit risk, the Bank calculates the credit-adjusted effective interest rate, taking into account the contractual flows and expected credit losses.

The effective interest rate is recalculated periodically for floating-rate instruments to reflect changes in market interest rates. The effective interest rate of a financial asset or financial liability is determined at initial recognition and applied consistently thereafter. Interest income and expense are calculated by applying the effective interest rate to the gross carrying amount of the asset or to the amortised cost of a financial liability. For financial assets that become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, the recognition of interest income reverts to a gross basis.

3. Material accounting policies (continued)

x. Interest income and expenses (continued)

For financial assets purchased or originated as credit-impaired, interest income is calculated using the credit-adjusted effective interest rate applied to the amortised cost of the asset. The calculation of interest income for such assets does not revert to the gross carrying amount, even if the credit risk on the financial asset improves.

Interest income and expenses measured using the effective interest rate method and presented in the statement of comprehensive result comprise interest income and expenses of financial instruments measured at amortised cost and FVOCI. Negative interest on financial assets is presented in the category *Negative interest expenses on short-term placements*.

y. Fees and commissions income and expenses

Fees and commissions that are an integral part of the effective interest rate of financial instruments are included in interest income or expenses and are recognized using the effective interest rate method.

Other fees and commissions are recognized as in profit or loss based on the stage of completion of the services rendered by the Bank under the contracts with customers (fulfilment of performance obligations) and as expenses when the related contractual services are received. Additional disclosures are provided in Note 28.

z. Revaluation of assets and liabilities in foreign currency and of precious metals

Unrealized foreign exchange gains and/or losses arise from the daily revaluation of foreign currency holdings, IMF accounts and monetary gold. The revaluation is calculated as the difference between the official exchange rate of the Moldovan leu against the currencies comprising the respective foreign currency holdings and the weighted average cost of those foreign currency holdings, IMF accounts. Monetary gold is revalued at the price set and published by the Bank in accordance with the PAu/USD indicator published by London Gold Market Fixing Ltd Company. As part of its mandate as a central bank, and for the purpose of conducting foreign exchange interventions, the Bank maintains open currency positions at reporting dates.

Realized foreign exchange gains and losses from currency transactions are calculated using weighted average cost method applied daily on each currency, determined using both for sales and purchases of foreign currency. When such transactions do not affect the foreign currency holdings, realized gains or losses are calculated as the difference between the weighted average cost of sales transactions and that of purchase transactions. When the volume of sales exceeds the volume of purchases of foreign exchange or vice versa, the realised gains or losses are measured as the difference between the weighted average cost of transactions and the average cost of the foreign currency holdings, with corresponding adjustments to the carrying cost of the stocks.

At the beginning of each financial year, the cost of basis of foreign currency holdings is reset to the official exchange rate on the last day of the preceding year.

In accordance with Art. 20 of the *Law No 548/1995 on the National Bank of Moldova*, at the year-end, net unrealized gains arising from revaluation of foreign currency holdings, foreign currency securities in the Bank's portfolio, other foreign currency assets and liabilities, and monetary gold are transferred to the correspondent reserves of unrealized gains. Net unrealized losses recognised in profit or loss are covered by corresponding reserves of unrealized gains, until such reserves are fully depleted.

Further information on the methodology for determining realized and unrealized gains and losses from foreign currency transactions is provided in Note 25.

3. Material accounting policies (continued)

aa. Fiduciary activities

In accordance with the *Law No 548/1995 on the National Bank of Moldova*, the Bank acts as the agent of the State. The State's assets and income arising from these activities are not included in these financial statements.

bb. Contingent assets and liabilities

Contingent liabilities represent possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not entirely under the control of the Bank. These represent current obligations from past events that are not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or its amount cannot be measured reliably.

Contingent liabilities are not recognized in the financial statements, but are disclosed in the Notes, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not entirely under the control of the Bank. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

cc. Provisions

Provisions are recognised when there is a present legal or constructive obligation, as result of past events, it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate of the obligation can be made.

dd. Pension costs. Employee benefits

The Bank makes contribution to Republic of Moldova's state social insurance and mandatory health insurance funds, including contributions made on behalf of its employees, as required by legislation. The contributions borne by the Bank are recognised as employee benefit expenses when the related salaries are accrued. The Bank does not operate any other pension schemes and has no further obligations to provide post-employment benefits to current or former employees.

ee. Leases

For all leases, except for short-term leases and/or leases of low value assets, the Bank recognizes the right-of-use asset and a corresponding lease liability at the commencement date of the lease. Right-of-use assets are initially measured at cost, which includes: initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received; any initial direct costs incurred and estimates of costs to be incurred for dismantling and removing the underlying asset.

Lease liabilities are initially measured at the present value of the lease payments not paid at the commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be determined, the Bank applies the incremental borrowing rate. For leases denominated in Moldovan leu, the incremental borrowing rate is based on the base rate for the main short-term monetary policy operations published by the National Bank of Moldova at the lease commencement date. For leases denominated in foreign currencies, the incremental borrowing rate is determined by reference to the deposit interest rate published by the International Monetary Fund (IMF) on the recognition date.

3. Material accounting policies (continued)

ff. Standards and interpretations issued but not yet effective

Certain new standards and amendments to existing standards are effective for annual periods beginning after 1 January 2024, with earlier application permitted. The Group and the Bank have not early adopted these standards in preparing these financial statements.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 on the classification and measurement of financial instrument. The amendments, effective for annual reporting periods beginning on or after 1 January 2026 with early application permitted, address:

- settlement of financial liabilities through the electronic payment system; and
- assessment of the contractual cash flow characteristics of financial assets, including those with sustainability-linked features.

The Group and the Bank is in the process of assessing the impact of these amendments.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and is effective for annual reporting periods beginning on or after 1 January 2027. The new standard brings introduces:

- a revised income and expense classification into five categories: operating, investing, financing activities, discontinued operations and income tax; and presentation a newly defined operating profit subtotal, which will serve as a starting point for the indirect method cash flow statement;
- requirements for management-defined performance to be disclosed in a single note in the financial statements;
- additional guidance on aggregation and disaggregation of information in the financial statements.

The Group and the Bank are assessing the impact of the new standard.

Other amendments

Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* regarding the lack of exchangeability are not expected to have a significant impact on the Group's and the Bank's consolidated and separate financial statements.

4. Risk management

4.1 Risk management framework

In the course of its operations, the Bank is exposed to a range of operational and financial risks. This note presents the Bank's exposures to risks, as well as the Bank's policies and processes for assessing and monitoring these risks.

To mitigate the impact and likelihood of risk events, the Bank operates a risk management framework based on "Three Lines of Defense" model, consistent with the COSO standards on internal control and risk management. Each line of defense plays a distinct and important role in corporate governance of the Bank, ensuring the effectiveness of internal controls and risk management.

The first line of defense consists of the Bank's subdivisions, which are which are responsible for owning and managing the risks inherent in their business processes and information systems. The heads of departments (line managers) are responsible for identifying and managing the risks inherent in the business processes and information systems they own or participate in.

The second line of defense consists of the function responsible for the organization of the risk management process, which coordinates, facilitates, and monitors the efficient implementation of risk management across the Bank. This function is independent of line managers and reports directly to the Bank's management bodies.

The third line of defense is represented by internal audit, who provide independent and reasonable assurance to the governing bodies and line managers regarding the adequacy and effectiveness of governance, risk management and internal controls, including the extent to which the first and second lines of defense achieve their risk management objectives. The internal audit function is subordinate to and reports directly to the Supervisory Board.

The management bodies of the Bank set and implement the model of the three lines of defense and ensure that it reflects the risk management process and internal control of the Bank.

The Supervisory Board is responsible for adopting the internal control standards and the Bank's code of ethics. In this context, *the Supervisory Board* has approved the operational risk management framework, which includes the methodology for implementing and maintaining the operational risk management system aligned with industry's best practices. *The Supervisory Board* continuously monitors and evaluates the functioning of the framework and its elements. To support this, it has established the Risk Committee with its defined mandate and a rules of procedure.

The risk management policies define the methods of identifying, assessing and managing risks, as well as the tools for monitoring and reporting them. Reporting is conducted directly, periodically and ad hoc to the Bank's management.

The normative acts approved by the Supervisory Board, which underpin the Bank's corporate governance, promote a strong risk culture and strengthen the control environment of the Bank. They emphasise the importance placed by management on internal control, ensuring employees' awareness and compliance with the Bank's duties and objectives, as well as clarifying individual roles and standards of conduct.

In order to carry out its duties, the Supervisory Board is assisted by the *Audit Committee*, which provides advice and opinions on the Bank's financial reporting processes and the effectiveness of the internal control and risk management systems.

4. Risk management (continued)

4.1 Risk management framework (continued)

Auditing and evaluation of the internal control and risk management systems in the Bank forms part of managerial control and falls within the competence of the Internal Audit Department. The results and recommendations of the internal audit engagements are presented to the audited subdivisions and executive management for implementation and associated risk mitigation. Internal Audit subsequently reports on the status of implementation and on residual risks to the Audit Committee and the Supervisory Board.

Operational risk

The operational risk (OpR) is the risk of potential financial, activity and/or a reputational impact for the Bank arising from, or is conditioned by, inadequate or failed internal governance, business processes, individuals, systems, infrastructure, legislation, communication or external environment.

The Bank's operational risk management is process-based and forms an integral part of its corporate governance, business processes and daily activities. It is governed by the Framework on Operational Risk Management of the National Bank of Moldova, approved by the Supervisory Board, and includes policies and procedures, responsibilities at all hierarchical levels, and internal control measures specific to each activity.

The operational risk governance model is distributed and structured around "three lines of defense" system of risk management and internal control. The department heads (line managers) are responsible for developing, implementing and maintaining the internal control for the processes under their responsibility. They must ensure the identification, assessment, mitigation, and monitoring of the risks related to those processes, and safeguard business continuity.

The operational risk management function ensures a consistent methodological framework across all departments, facilitates coordination of operational risk management activities, and provides knowledge transfer, assistance and advisory services. The function prepares the Bank's operational risk profile, which is reported quarterly to the Risk Committee and annually to the governing bodies, and quarterly to the Executive Board and the Audit Committee through internal audit.

The Executive Board is responsible for the implementation of the operational risk management framework and monitors its efficiency through the *Risk Committee*. As part of the second line of defense, the Risk Committee assists the Executive Board in directly supervising the effective management of Bank's operational risk management system. Its mandate encompasses overseeing risk areas, procedures and tools used to identify, assess, and mitigate operational risks; monitoring changes in risk levels and their impact; reviewing responses to risk, and examining information on incidents with high and major impact on processes. The Risk Committee is accountable to the Executive Board and communicates all decisions to members of the Executive Board.

Within operational risk management, the Business Continuity and Information Security management function is responsible for the development and implementation of standards, policies on information security and business continuity, and incident response plans and the timely resumption of critical business functions; organizing the process of managing risks relating to business process continuity, information technology and information security through business process owners; managing major incidents and exceptional situations concerning business continuity and information security; and ongoing monitoring the incident management process.

4. Risk management (continued)

4.1 Risk management framework (continued)

Operational risk (continued)

To address operational risks arising from the energy crisis, the Bank has established contingency plans for exceptional and crisis situations to ensure continuity of all critical processes and essential services.

The Compliance function provides assurance and advice regarding conformity of the Bank's processes and activities with the Code of Ethics and Professional Conduct, anti-fraud policy, and other institutional integrity regulations, as well as applicable internal and external regulatory frameworks. Furthermore, it supports the heads of departments in developing and implementing an effective internal control system to manage the compliance risks associated with these regulations.

Operational risk management forms part of the Bank's overall governance and support processes.

Financial risk

The Bank utilizes financial instruments to implement its monetary and foreign exchange policy and to manage international reserves. Profit generation is neither an objective in itself nor a criterion for managing the risks associated with financial instruments; rather, in the case of international reserves, it is a secondary objective to liquidity and security of the state's reserves. The application of monetary and foreign exchange policy instruments aims to achieve the Bank's fundamental objective and fulfilling its legally mandated duties as the monetary and supervisory authority. Consequently, the Bank's financial risk management differs from that of other financial sector institutions but aligns with international best practices applicable to central banks.

The financial risk management process is organized appropriately to reflect the functions, characteristics, and role of the Bank as the central bank of Moldova and the powers conferred on the Bank by Law No. 548/1995. The Executive Board assumes responsibility for establishing and supervising the risk management framework for financial instruments, including through the *Investment Committee*, whose establishment and operation are determined by the Supervisory Board.

The *Investment Committee* is responsible for developing and monitoring risk management policies in designated areas and reports regularly to the Executive Board on the results of its work.

The Executive Board is responsible for: establishing the investment horizon; determining the regulatory foreign currency composition of international reserves; setting the minimum rating requirements for which investments; approving strategic benchmarks; defining allowed durations and deviations for each sub-portfolio; approving maximum limits on instruments and counterparties/issuers; making decisions on transferring portions of the state's international reserves to external investment managers.

The Investment Committee is responsible for: analysing and monitoring investment risks, including credit risks; analysing rating developments of authorized counterparties to conduct the operations and issuers of foreign currency securities; establishing short and medium term investment strategies; analysing developments and forecasts for domestic foreign exchange and international financial markets; analysing investment portfolio performance; establishing the foreign currency structure of each sub-portfolio and acceptable deviations; approving and reviewing the list of authorized counterparties for conducting transactions.

4. Risk management (continued)

4.1 Risk management framework (continued)

Financial risk (continued)

The Risk Monitoring and Reporting Division is responsible for managing and reporting investment risks in accordance with regulations approved by the Executive Board and Investment Committee, including the expected credit losses according to the ECL method and conducting periodic validations and back-testing, identifying significant increases in credit risk and incorporating forward-looking economic information. Additionally, the Risk Monitoring and Reporting Division presents quarterly reports to the Audit Committee through the internal audit department on: Bank's financial risk profile, methods and techniques applied to reduce risk exposures and dynamics of risk indicators.

The Executive Board carries out the tasks of implementing monetary and foreign exchange policies to fulfil the Bank's fundamental objective of ensuring and maintaining price stability during monetary policy meetings.

Risk management activities within the Bank are governed by internal instructions and procedures and monitored by executive management, which analyses issues related to the Bank's monetary, investment and foreign exchange policies.

The Bank maintains two main portfolios of financial instruments, each with distinct risk management methods and characteristics:

a) Official reserve assets

Pursuant to Articles 5, 16, 53 and 71 of *Law No. 548/1995*, the Bank maintains and manages the state's foreign exchange reserves (also referred to as "international reserves") and performs foreign exchange operations using foreign reserve assets, which are maintained at adequate levels to support state's monetary and foreign exchange policy. In managing foreign exchange reserves, the Bank's objective is to ensure high security and necessary liquidity of investments. The Bank follows a prudent investment policy, favouring sustainable investments and optimising profitability as secondary objectives, while prioritising the security and liquidity of reserves.

As part of foreign exchange reserves management, the Bank invests in safe instruments, commonly used by central banks, including : correspondent account placements (typically with other central banks), foreign currency term deposits and securities comprising supranational securities issued by international institutions, government securities issued by the US and EU member states, and other sovereigns) and non-government securities (issued by agencies).

Since July 2013, following collaboration with the World Bank, foreign exchange reserves management has been conducted using the Strategic Assets Allocation (SAA) methodology. Strategic Assets Allocation involves a long-term approach to asset management aimed at achieving optimal risk-adjusted returns.

Under the SAA framework, international reserves are divided into three tranches, based on the specific objectives and regulations. This approach ensures more efficient achievement of the established objectives.

The working capital tranche represents the portion of the international reserves allocated to cover one month of cash requirements for foreign currency sales on the domestic foreign exchange market, external debt payments of the Bank and the Government of the Republic of Moldova and other payments in foreign currency obligations.

4. Risk management (continued)

4.1 Risk management framework (continued)

Financial risk (continued)

The liquidity tranche ensures coverage of at least 3 months of imports of goods and services (calculated using the historical data from the previous four years and the imports forecast for the following year), plus one year of external debt payments of the Bank and the Government of the Republic of Moldova and other foreign currency obligations for one year. When the liquidity tranche exceeds 4 months of imports, plus one year of external debt service of the Bank and the Government of the Republic of Moldova and other payments in foreign currency for one-year, surplus reserves may be allocated to the investment tranche. Externally managed reserves are also included in the liquidity tranche.

The liquidity tranche may provide coverage for less than 3 months of imports and one year of external debt payments of the Bank, the Government of the Republic of Moldova, plus other payments in foreign currency for one year, provided that: the investment tranche contains only securities measured at amortised cost and gold, and proceeds from maturing securities in the portfolio measured at amortised cost are reinvested in the liquidity tranche.

The investment tranche comprises all international reserves excluding assets allocated to the working capital and liquidity tranches. The investment tranche enables investments over longer investment horizon and the generation of additional returns, given that their purpose is no longer the priority of ensuring the optimal level of liquidity (similar to liquidity and working capital tranches), and the reserves allocated in the tranche are held to collect contractual flows. Securities measured at amortised cost and gold holdings form part of the investment tranche.

Each tranche consists of portfolios denominated in different currencies and comprising various financial instruments. For each portfolio, a benchmark has been selected – a globally recognized market index used for benchmarking the performance and risks of the investment portfolios.

Strategic asset allocation is a comprehensive and ongoing process that is periodically reviewed. The strategic allocation into tranches is the fundamental element in determining the business models for managing foreign currency financial assets (“**business models**”) according to the IFRS 9 classification requirements.

Investment risk management is an essential element of foreign exchange reserve management, achieved through the establishment of investment limits. Risk management procedures for foreign exchange reserves include establishing and monitoring of adherence to limits on: investment instruments, individual counterparties and issuers, (based on credit ratings), deviations from established benchmarks, duration and maturity limits, as well as currency composition.

4. Risk management (continued)

4.1 Risk management framework (continued)

Financial risk (continued)

	Business model	IFRS Factors
Working capital tranche		
Current and overnight accounts with central banks, commercial and investment banks and international institutions	Hold to collect contractual cash flows	Rare sales, held to collect cash flows at maturity, benchmark – n/a
Liquidity tranche		
Short-term investments Securities at FVOCI	Hold to collect and sell	Held to maturity, but may be sold before maturity to ensure liquidity, benchmark: index (ICE) Held for interest income and fair value gains. Monthly rebalancing transactions to align the portfolio and benchmark duration. Benchmark: index (ICE)
Investment tranche		
Securities at amortised cost	Hold to collect contractual cash flows	Held for interest income collection over long investment horizons, excess reserves, with infrequent sales, lack of replicated benchmark
Other		
IMF Quota	Other	Strategic investment

b) National currency financial instruments portfolio arising from monetary policy implementation, financial stability operations, and central bank functions as the agent and state banker

Money market operations are the Bank's most important monetary policy. These operations are conducted at the Bank's initiative to manage the money market liquidity conditions and influence short-term interbank interest rates. The main categories of money market operations available to the Bank are:

- REPO operations - reversible operations for liquidity injection or absorption, in which the Bank buys or sells government securities from or to banks, with commitment to repurchase the respective state securities at a future date and at a predetermined price on the date of the transaction;
- Central bank certificates - operations for liquidity absorption through the Bank's issuance of negotiable debt instruments to banks;
- Deposit facilities - operations for liquidity absorption through the Bank's acceptance of term deposits from banks;
- Outright sales/purchases of government securities - operations for liquidity injection or absorption through permanent transfers of government security ownership using delivery-versus-payment settlement.

4. Risk management (continued)

4.1 Risk management framework (continued)

Financial risk (continued)

The Bank uses both the instruments designed to absorb excess market liquidity and those intended to provide liquidity to banks in a flexible manner. According to the monetary policy operations calendar, the Bank conducts weekly auctions for 14-day NBM certificates to absorb liquidity, as well as 14-day fixed-rate repo operations for liquidity provision.

The Bank may grant loans to banks on terms established by the Bank and secured by eligible collateral as determined by the Bank. Additionally, to maintain the stability of the financial system, the Bank may, at its discretion and under established conditions, provide emergency liquidity assistance to solvent and viable banks experiencing temporary liquidity difficulties, secured by eligible assets.

The Bank may buy and sell securities issued by the Government of the Republic of Moldova on the secondary market, provided that the purchases are conducted only through open market operations, or in connection with lending operations to banks. The securities issued by the Government of the Republic of Moldova held in the Group and Bank's portfolio include:

- a. *State securities arising from state guarantees* - issued under to Law No. 235/2016 on issuing state securities for the execution by the Ministry of Finance of the payment obligations derived from state guarantees No 807 of 17 November 2014 and No 101 of 1 April 2015, issued and transferred to the Bank on 4 October 2016 in connection with the emergency loans granted by the Bank to certain banks.
- b. *State securities from previously converted debt* - issued and transferred to the Bank's portfolio in the form of treasury bills following conversion of loans previously extended by the Bank to the Ministry of Finance. Upon maturity, these securities are redeemed by the Government and replaced with new securities of equivalent value, which are repurchased by the Bank.
- c. *State securities held by the subsidiary in the investment portfolio* - government bonds and treasury bills in the subsidiary's investment portfolio with the intention of collecting contractual flows.

The regulatory framework for financial risk management is systematically updated, based on market trends, policy changes, or developments of the Bank's structure.

The main categories of financial risk to which the Bank is exposed are credit risk, liquidity risk and market risk (which includes interest rate risk and foreign currency risk). The structure of assets and liabilities is primarily determined by the legal functions of the National Bank of Moldova, rather than commercial considerations. The Bank does not use derivative financial instruments for hedging financial risk. The Bank continuously manages its risk exposure through various risk management techniques.

4.2 Credit risk

Credit risk is the risk of financial losses incurred as a result of a counterparty's failure to meet its contractual obligations. The Bank's maximum exposure to credit risk, before consideration of collateral, equals the carrying amount of its financial assets.

Credit risk related to foreign exchange reserves management is monitored through the selection of highly liquid and low-risk investment instruments, as well as through the establishment of investment limits (by instrument, counterparty, currency and maturity) and their daily monitoring.

4. Risk management (continued)

4.2 Credit risk (continued)

A key element of credit risk management related to foreign exchange reserves is the Bank's investment policy requiring counterparties to maintain high long-term creditworthiness (minimum average rating A⁻¹) as assigned by the international rating agencies (Standard & Poor's, Moody's, and Fitch Ratings). The Bank authorizes counterparties for specific transactions, and, for foreign currency securities, invests only in instruments from highly rated issuers (minimum average rating AA-).

For credit risk management of securities issued by the Government of the Republic of Moldova, the Bank uses ratings from international rating agencies Moody's and Fitch (as at 27 September 2024, Fitch Ratings assigned the Republic of Moldova a B+ rating with stable outlook). For other national currency assets, the Bank applies internal credit risk monitoring procedures and internal rating systems.

Government securities denominated in national currency and held in the Bank's portfolio are classified as low credit risk financial instruments, considering the sustainable debt indicators and macroeconomic factors related to the Government of Moldova, as well as the absences of historical defaults on national currency government securities.

For credit risk exposure assessment, the credit quality of government securities is based on Moody's rating for the Republic of Moldova, according to established methodology. The credit risk assessment monitors the fulfilment of outstanding payment obligations and reasonable factors that would affect the ability and / or willingness of payment, rating trends and the outlook changes, the debt sustainability indicators and forward-looking macroeconomic factors and forecasts.

To mitigate the credit risk exposure from loans to licensed banks, the Bank regularly monitors loan portfolio by valuating the changes in internal ratings and the debtors' classification, the events that may cause losses, including forward looking macroeconomic factors, banks financial indicators, including contractual breaches (failure to pay the principal or the interest), worsening of the financial condition of the debtor and the probability of their bankruptcy, renegotiating and/or extension of repayment terms of loans and/or interests relating to financial difficulties of the debtor caused by economic, legal reasons, etc.

Credit risk is further reduced through collateral provided by licensed banks, which must cover the full amount of loans granted by the Bank, accrued interest, and other related charges. The Bank maintains a list of eligible collateral assets for standing facilities (overnight loans), bank loans and emergency liquidity assistance, including applicable haircuts. Risk control measures are applied when valuing collateral to protect the Bank against the risk of potential losses from bank failures to repay the loans. The Bank assesses collateral quality and the value monthly, or more frequently, if necessary.

Credit risk associated with overnight loans is managed daily using monetary policy limits that, according to the applicable normative acts, allow, if necessary, the reduction to zero of the amounts of loans that can be granted to the licensed banks under standing facilities and by securing them with state securities and certificates issued by the Bank that have a high degree of liquidity.

¹ Ratings are expressed using Standard & Poor's and Fitch Ratings format. As Moody's uses a different rating format, Moody's ratings are converted to Standard & Poor's or Fitch Ratings equivalents using the equivalence tables.

4. Risk management (continued)

4.2 Credit risk (continued)

Credit risk in repo transactions, given the reversible nature of these operations, is managed through securing a sufficient volume of state securities at market value with appropriate valuation haircuts, conducting daily market assessment of collateral and issuing margin calls when necessary to obtain additional collateral or funds if the fair value of these securities falls below the level set by the Bank.

To mitigate credit risk exposure from loans to employees, the Bank requires the employee to provide real estate mortgage or other acceptable collateral with loan-to-collateral ratio not exceeding 80%.

Given the geopolitical crisis and related uncertainties, observed and projected changes of foreign exchange reserves, interest rates and government bond yields amid inflationary pressures, the strategic asset allocation framework was reviewed. Amendments to the Regulation on the Management of International Reserves were approved under Executive Board Decision (DEB) No. 277/2023, effective from January 1, 2024, or from another date during 2024, taking into account the necessary transition period.

The amendments encompass enhancements to the externally managed portfolio mandate, extension of the investment horizons and adoption of revised performance benchmarks for term deposits with commercial and investment banks. The modifications introduce modified duration and spread duration metrics to quantify the market and credit risk exposure and correlate it with the institution's risk tolerance. Additionally, were updated structure by currency and instrument type, tranche sizes and tracking error limits and deviation bands.

Concurrently, the Bank has maintained prudent credit risk management practices and continues to apply the refined methodology for calculating expected credit losses on financial assets related to foreign exchange reserves, as updated in December 2020.

Regarding the exposure to the Government of the Republic of Moldova, the ECL model parameters were monitored, assessed and recalibrated in accordance with the Bank methodology for estimating credit losses on state securities held in the Bank's portfolio, to appropriately reflect credit risk exposure through incorporation of quantitative and qualitative risk factors, forward-looking information, and macroeconomic indicators.

4. Risk management (continued)

4.2 Credit risk (continued)

The table below presents the financial assets of the Bank held at **the reporting date**, based on the external long-term rating:

CONSOLIDATED

31 December 2024

Long-term rating ¹	Short-term placements ²	Investment securities	Securities issued	IMF related assets	Loans to banks and others	Other financial assets	Total financial assets
			Government of the RM ³				
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
AAA	15,350,597	30,496,262	-	4,163,499	-	39	50,010,397
AA+	2,311,306	45,412,143	-	-	-	-	47,723,449
AA	-	303,727	-	-	-	-	303,727
AA-	9,088	8,149,689	-	-	-	-	8,158,777
A+	839	-	-	-	-	-	839
A	30,563	-	-	-	-	-	30,563
BBB	363	-	-	-	-	-	363
BBB-	169	-	-	-	-	-	169
B	-	-	13,930,172	-	-	-	13,930,172
No external rating	163	-	-	-	188,193	4,220	192,576
Loss allowance	(43)	(1,803)	(45,706)	-	-	(13)	(47,565)
Total	17,703,045	84,360,018	13,884,466	4,163,499	188,193	4,246	120,303,467

¹ Determined by applying the composite average rating assigned by international rating agencies (Standard & Poor's, Moody's, and Fitch Ratings).

² Cash in foreign currency and monetary gold holdings are excluded from credit risk exposure, as these instruments do not carry counterparty credit risk.

³ Based to the composite average of ratings assigned by Moody's - B3 (equivalent to Fitch Ratings B-) and Fitch Ratings - B+, both with stable outlook. However, in accordance with Group's credit risk management framework for assets denominated in national currency, and considering sovereign-central bank relationship as the central bank of the state and Bank's role as fiscal agent, the Group classifies securities issued by the Government of the Republic of Moldova as low credit risk with enhanced safety characteristics (as of 31 December 2023: rating level B3 (equivalent to Fitch Ratings B-), stable outlook).

4. Risk management (continued)

4.2 Credit risk (continued)

CONSOLIDATED

31 December 2023

Long-term rating ¹	Short-term placements ²	Investment securities	Securities	IMF related assets	Loans to banks and others	Other financial assets	Total financial assets
			Government of the RM ³				
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
AAA	8,466,958	19,013,534	-	4,267,146	-	2,874	31,750,512
AA+	1,011,972	49,509,358	-	-	-	-	50,521,330
AA	527,187	6,189,013	-	-	-	-	6,716,200
AA-	719,248	87,638	-	-	-	-	806,886
A+	1,516,928	-	-	-	-	-	1,516,928
A	6,440,978	-	-	-	-	-	6,440,978
BBB	173	-	-	-	-	-	173
B-	-	-	14,297,859	-	-	-	14,297,859
CC	2	-	-	-	-	-	2
No external rating	35	-	-	-	21,987	1,982	24,004
Loss allowance	(368)	(1,207)	(45,816)	-	-	(17)	(47,408)
Total	18,683,113	74,798,336	14,252,043	4,267,146	21,987	4,839	112,027,464

¹ Determined by applying the composite average rating assigned by international rating agencies (Standard & Poor's, Moody's, and Fitch Ratings).

² Cash in foreign currency and monetary gold holdings are excluded from credit risk exposure, as these instruments do not carry counterparty credit risk

³ Based to the composite average of ratings assigned by Moody's - B3 (equivalent to Fitch Ratings B-) and Fitch Ratings - B+, both with stable outlook. However, in accordance with Group's credit risk management framework for assets denominated in national currency, and considering sovereign-central bank relationship as the central bank of the state and Bank's role as fiscal agent, the Group classifies securities issued by the Government of the Republic of Moldova as low credit risk with enhanced safety characteristics (as of 31 December 2023: rating level B3 (equivalent to Fitch Ratings B-), stable outlook).

The above translation of the Financial Statements is provided as a free translation from Romanian, which is the official binding version.

4. Risk management (continued)

4.2 Credit risk (continued)

BANK

31 December 2024

Long-term rating ¹	Short-term placement ²	Investment securities	Securities issued by the	IMF related assets	Loans to banks and others	Investments in subsidiaries	Other financial assets	Total financial assets
			Government of the RM ³					
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
AAA	15,350,597	30,496,262	-	4,163,499	-	-	39	50,010,397
AA+	2,311,306	45,412,143	-	-	-	-	-	47,723,449
AA	-	303,727	-	-	-	-	-	303,727
AA-	9,088	8,149,689	-	-	-	-	-	8,158,777
A+	839	-	-	-	-	-	-	839
A	30,563	-	-	-	-	-	-	30,563
BBB	363	-	-	-	-	-	-	363
BBB-	169	-	-	-	-	-	-	169
B	-	-	13,898,256	-	-	-	-	13,898,256
No external rating	-	-	-	-	188,193	24,000	3,958	216,151
Loss allowance	(43)	(1,803)	(45,706)	-	-	-	(8)	(47,560)
Total	17,702,882	84,360,018	13,852,550	4,163,499	188,193	24,000	3,989	120,295,131

¹ Determined by applying the composite average rating assigned by international rating agencies (Standard & Poor's, Moody's, and Fitch Ratings).

² Cash in foreign currency and monetary gold are not included in the calculation, as they are not exposed to credit risk.

³ Equivalent to the average rating calculated based on assigned ratings by the international rating agencies Moody's - B3 (equivalent to Fitch Ratings B-) and Fitch Ratings - B+, both with stable outlook. At the same time, considering the credit risk management system for assets denominated in national currency, the specific status of the relationship between the Government and the Bank as the central bank of the state, as well as its function as an agent of the state, the Group associates securities issued by the Government of the Republic of Moldova with a high level of safety and low credit risk (as of 31 December 2023: rating level B3 (equivalent to Fitch Ratings B-), stable outlook).

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4. Risk management (continued)

4.2 Credit risk (continued)

BANK

31 December 2023

Long-term rating ¹	Short-term placement ²	Investment securities	Securities issued by the	IMF related assets	Loans to banks and others	Investments in subsidiaries	Other financial assets	Total financial assets
			Government of the RM ³					
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
AAA	8,466,958	19,013,534	-	4,267,146	-	-	2,874	31,750,512
AA+	1,011,972	49,509,358	-	-	-	-	-	50,521,330
AA	527,187	6,189,013	-	-	-	-	-	6,716,200
AA-	719,248	87,638	-	-	-	-	-	806,886
A+	1,516,928	-	-	-	-	-	-	1,516,928
A	6,440,978	-	-	-	-	-	-	6,440,978
BBB	173	-	-	-	-	-	-	173
B-	-	-	14,271,933	-	-	-	-	14,271,933
CC	2	-	-	-	-	-	-	2
No external rating	-	-	-	-	21,987	24,000	1,783	47,770
Expected credit losses	(368)	(1,207)	(45,816)	-	-	-	(5)	(47,396)
Total	18,683,078	74,798,336	14,226,117	4,267,146	21,987	24,000	4,652	112,025,316

¹ Determined by applying the composite average rating assigned by international rating agencies (Standard & Poor's, Moody's, and Fitch Ratings).

² Cash in foreign currency and monetary gold are not included in the calculation, as they are not exposed to credit risk.

³ Based to the composite average of ratings assigned by Moody's - B3 (equivalent to Fitch Ratings B-) and Fitch Ratings - B+, both with stable outlook. However, in accordance with Group's credit risk management framework for assets denominated in national currency, and considering sovereign-central bank relationship as the central bank of the state and Bank's role as fiscal agent, the Group classifies securities issued by the Government of the Republic of Moldova as low credit risk with enhanced safety characteristics (as of 31 December 2023: rating level B3 (equivalent to Fitch Ratings B-), stable outlook).

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4. Risk management (continued)**4.2 Credit risk (continued)**

To quantify the credit risk on foreign currency investments, the Bank applies probability default parameters derived from Standard & Poor's historical default studies across each rating categories. Investments are allocated into ten categories according to the default rates, and with annual maturities up to ten years.

As of 31 December 2024, the credit risk exposure of the investment portfolio quantified based on the probability of default parameters published by Standard & Poor's is measured by taking the gross carrying amount of financial assets in foreign currency at the reporting date, segmented by annual maturities buckets and multiplying this amount by the probability of default published by the Standard & Poor's Agency corresponding to the rating assigned to the issuer/counterparty, and is presented as follows:

	Notes	31 December 2024	31 December 2023
		MDL'000	MDL'000
Assets measured at amortised cost - rated by international rating agencies			
Nostro accounts	5	39,232	1,606,630
Current XDR account with IMF	7	21,683	203,829
Term deposits in foreign currency	5	17,663,693	17,076,816
Investment securities in foreign currency	6	13,161,839	9,030,394
		30,886,447	27,917,669
Credit risk metric: Credit risk exposure, S&P default		31,870	25,453
Assets measured at FVOCI – rated by international rating agencies			
Investment securities in foreign currency	6	71,199,982	65,769,149
		71,199,982	65,769,149
Credit risk metric: Credit risk exposure, S&P default		13,991	18,539

Cash in foreign currency (*Note 5*), monetary gold holdings (*Note 8*, accounted for in accordance with the accounting policy assimilated to financial assets measured at FVOCI), IMF Quota (*Note 7*) are excluded from the calculation, as they are not subject to credit risk (cash in foreign currency and monetary gold holdings) or are unquoted and considered to carry a zero probability of default (the Republic of Moldova's IMF Quota).

To assess the diversification of the financial asset's portfolio and to present credit risk concentration by geographical area, assets are classified by country of investment. Investments in subsidiaries and other financial assets are classified by the country of origin/incorporation:

4. Risk management (continued)

4.2 Credit risk (continued)

Country	CONSOLIDATED				BANK			
	31 December	Share						
	2024		2023		2024		2023	
	MDL'000	%	MDL'000	%	MDL'000	%	MDL'000	%
USA	40,361,457	33.55	49,730,457	44.39	40,361,457	33.55	49,730,457	44.39
Germany	35,508,733	29.52	16,705,161	14.91	35,508,733	29.52	16,705,161	14.91
IFIs	8,357,296	6.95	9,708,839	8.67	8,357,296	6.95	9,708,839	8.67
France	5,833,537	4.85	8,820,968	7.87	5,833,537	4.85	8,820,968	7.87
Finland	3,762,692	3.13	23,291	0.02	3,762,692	3.13	23,291	0.02
The Netherlands	3,331,575	2.77	4,568,184	4.08	3,331,575	2.77	4,568,184	4.08
Canada	2,951,858	2.45	1,457,027	1.30	2,951,858	2.45	1,457,027	1.30
Belgium	2,182,174	1.81	-	-	2,182,174	1.81	-	-
Austria	2,092,021	1.74	50,968	0.05	2,092,021	1.74	50,968	0.05
Sweden	1,406,654	1.17	696,656	0.62	1,406,654	1.17	696,656	0.62
South Korea	249,827	0.21	91,822	0.08	249,827	0.21	91,822	0.08
Norway	76,421	0.06	42,869	0.04	76,421	0.06	42,869	0.04
Denmark	46,691	0.04	44,241	0.04	46,691	0.04	44,241	0.04
Great Britain	43,603	0.04	5,264,483	4.70	43,603	0.04	5,264,483	4.70
Lithuania	20,529	0.02	19,820	0.02	20,529	0.02	19,820	0.02
Singapore	-	-	525,889	0.47	-	-	525,889	0.47
Other countries	1,370	0.00	759	0.00	1,370	0.00	759	0.00
Moldova	14,077,029	11.69	14,276,030	12.74	14,068,693	11.69	14,273,882	12.74
Total financial assets	120,303,467	100.00	112,027,464	100.00	120,295,131	100.00	112,025,316	100.00

The IFIs category comprises the Republic of Moldova' subscription to the IMF in domestic currency and other foreign currency placements in other IFIs. The consolidated "Moldova" category includes the subsidiary's accounts opened in banks in the Republic of Moldova, state securities issued by the Government of the RM, loans to banks and others, and other financial assets. The Bank's "Moldova" category includes the state securities issued by the Government of the RM, loans to banks and others, investments in subsidiaries and other financial assets.

Cash in foreign currency and monetary gold holdings are excluded from the calculation, as they carry no counterparty credit risk (see Note 5, 8).

4. Risk management (continued)**4.2 Credit risk (continued)**

Additionally, to assess portfolio diversification and measure credit risk concentration by economic sector, financial assets are classified by investment sector as follows:

Investment sector	CONSOLIDATED				BANK			
	31 December		31 December		31 December		31 December	
	2024	Share	2023	Share	2024	Share	2023	Share
	MDL'000	%	MDL'000	%	MDL'000	%	MDL'000	%
Central banks	15,913,044	13.23	4,860,117	4.34	15,913,044	13.23	4,860,117	4.34
Foreign commercial banks	11,033	0.01	9,166,448	8.18	11,033	0.01	9,166,448	8.18
Foreign governments	71,430,613	59.38	68,678,094	61.31	71,430,613	59.38	68,678,094	61.31
Government of the RM	13,884,466	11.54	14,252,043	12.72	13,852,550	11.52	14,226,117	12.70
IFI	8,357,296	6.95	9,708,839	8.67	8,357,296	6.95	9,708,839	8.67
Foreign government agencies	10,514,453	8.74	5,337,937	4.76	10,514,453	8.74	5,337,937	4.77
Central Securities Depository (CSD)	-	-	-	-	24,000	0.02	24,000	0.02
Domestic licensed bank	151,794	0.13	1,212	0.00	151,631	0.13	1,177	0.00
Other financial assets	40,768	0.02	22,774	0.02	40,511	0.02	22,587	0.01
Total financial assets	120,303,467	100.00	112,027,464	100.00	120,295,131	100.00	112,025,316	100.00

The category "IFI" comprises the Republic of Moldova's IMF quota subscription in national currency and other foreign currency placements in other IFIs.

The consolidated "Other financial assets" category includes loans to others and other financial assets. The Bank's "Other financial assets" category includes loans to others and other financial assets.

Cash in foreign currency and monetary gold holdings are excluded from the calculation, as they carry no counterparty credit risk (see Note 5, 8).

4. Risk management (continued)

4.2 Credit risk (continued)

- Expected credit losses (ECL)

Financial instruments included in official reserve assets with ratings of BBB- and above, classified as “investment grade” and are considered to have low credit risk. The “investment grade” rating of a financial instrument indicates a low probability of default. Instruments rated “AAA” to “AA” are considered of high credit quality, indicating a high capacity of the issuer to meet their contractual obligations. Instruments rated “A” to “BBB” are considered of medium credit quality, reflecting a strong capacity of the issuer to meet their payments. In this case, issuers have a stable situation, they can pay their debts, but they may face some difficulties in case of worsening of the economic environment.

Financial instruments with rating of “BB”, “B” and “CCC” are of low credit quality and are considered speculative or “junk” investments. The issuers of these instruments have a high vulnerability to changing economic conditions, with a significant impact on the ability to pay, in the event of recessions or deteriorating economic conditions.

The formula for the expected credit loss is determined by multiplying the exposure at default (EAD), probability of default (PD), and losses given default (loss given default LGD). In determining the expected credit losses and the scenarios used, for financial instruments related to reserve assets, the Bank uses the probability of default data and transition matrices from the “Annual Corporate Default Study and Rating Transitions” report, published annually by Standard & Poor’s, the cumulative default rates “Sovereign Foreign - Currency Cumulative Average Default Rates With Rating Modifier” and “Sovereign Local - Currency Cumulative Average Default Rates With Rating Modifier” from the “Annual Sovereign Default Study and Rating Transitions” report, published annually by Standard & Poor’s.

For the calculation of lifetime expected credit losses, the marginal probability of default is estimated for each year until maturity. The marginal probability of default for a given year is applied only to the portion of the exposure that survived without default.

The Bank's prudent approach to credit risk treatment in the context of persistent geopolitical uncertainties and inflationary pressures has led it to continue applying the revised methodology for calculating expected credit losses on foreign exchange reserves assets by implementing a one notch downgrade scenario to all foreign currency assets in the portfolio. For this purpose, cumulative default rates published by Standard & Poor's corresponding to the one-notch downgrade of the respective exposures are applied.

Accordingly, considering the assumptions in the scenarios applied and changes in portfolio volume and composition by instrument type and maturity of the investment portfolio, the expected credit loss allowance on these assets amounted to MDL 10,352 thousand as at 31 December 2024 (31 December 2023: MDL 9,388 thousand).

During the reporting period, no significant increases in credit risk were identified for foreign currency assets held by the Bank. Additionally, no transfer between stages under ECL model occurred and no defaults of counterparties were recognised.

4. Risk management (continued)

4.2 Credit risk (continued)

The methodology applied to calculate the expected credit losses on state securities held in the Group's and the Bank's portfolio is based on the determination of exposure at default (EAD), probability of default (PD) and loss given default (LGD). For this purposes, the Bank uses information derived from cumulative default rates published by Moody's in "Sovereign default and recovery rates" and Rating Symbols and Definitions" reports, corresponding to the rating category of the respective exposures.

In accordance with the methodology applied, and taking into account the evolution of calculation parameters and relevant indicators during 2024, the expected credit losses on these assets amounted to MDL 45,706 thousand (31 December 2023: MDL 45,816 thousand).

Government securities issued in national currency held in the Group and Bank's portfolio are classified as low credit risk financial instruments (classified in Stage 1), considering the sustainability of debt indicators and macroeconomic factors incorporated in the financial models for assessing the Government of the Republic of Moldova exposure (including: evolution of gross national income, government debt-to-GDP ratio, GDP growth, budget deficit-to-GDP ratio, government debt traded on international markets, external financing arrangement and availability of financing and technical assistance programs, developments in the domestic financial sector, electoral and economic cycles, etc.), as well as the absence of historical defaults on domestic currency government securities.

As at 31 December 2024 the expected credit losses on outstanding repurchase (repo) transactions were assessed as insignificant, taking into account their short residual maturity and the adequacy of collateral received. Accordingly, no allowance for expected credit losses has been recognised in these financial statements.

The table below presents financial assets by impairment stage, showing the gross carrying amount, the related allowance for expected credit losses (ECL), and the net carrying amount as at the reporting date:

CONSOLIDATED				Expected credit loss*	
31 December 2024	PD Interval	Gross exposure	ECL stage	MDL'000	Net exposure
	%	MDL'000		MDL'000	MDL'000
Central banks	0.02-0.10	15,913,048	1	4	15,913,044
Foreign commercial banks	0.06-0.22	11,033	1	-	11,033
Foreign governments	0.03-0.05	71,432,346	1	1,733	71,430,613
Government of the RM	0.00-2.60	13,930,172	1	45,706	13,884,466
IFI	0.02	8,357,405	1	109	8,357,296
Foreign government agencies	-	10,514,453	1	-	10,514,453
Other financial assets	0.00-0.02	192,575	1	13	192,562
Total financial assets		120,351,032		47,565	120,303,467

4. Risk management (continued)

4.2 Credit risk (continued)

CONSOLIDATED		Gross exposure	ECL stage	Expected credit loss*	Net exposure
31 December 2023	PD Interval				
	%	MDL'000		MDL'000	MDL'000
Central banks	0.02-0.36	4,860,118	1	1	4,860,117
Foreign commercial banks	0.06-0.07	9,166,725	1	279	9,166,446
Foreign commercial banks	100	2	3	-	2
Foreign governments	0.03	68,679,301	1	1,207	68,678,094
Government of the RM	0.0-2.447	14,297,859	1	45,816	14,252,043
IFI	0.02	9,708,927	1	88	9,708,839
Foreign government agencies	-	5,337,937	1	-	5,337,937
Other financial assets	0.0-0.04	24,003	1	17	23,986
Total financial assets		112,074,872		47,408	112,027,464

BANK		Gross exposure	ECL stage	Expected credit loss*	Net exposure
31 December 2024	PD Interval				
	%	MDL'000		MDL'000	MDL'000
Central banks	0.02-0.10	15,913,048	1	4	15,913,044
Foreign commercial banks	0.06-0.22	11,033	1	0	11,033
Foreign governments	0.03-0.05	71,432,346	1	1,733	71,430,613
Government of the RM	0.00-2.60	13,898,256	1	45,706	13,852,550
IFI	0.02	8,357,405	1	109	8,357,296
Foreign government agencies	-	10,514,453	1	-	10,514,453
Other financial assets	0.00-0.02	192,150	1	8	192,142
Total financial assets		120,318,691		47,560	120,271,131

BANK		Gross exposure	ECL stage	Expected credit loss*	Net exposure
31 December 2023	PD Interval				
	%	MDL'000		MDL'000	MDL'000
Central banks	0.02-0.36	4,860,118	1	1	4,860,117
Foreign commercial banks	0.06-0.07	9,166,725	1	279	9,166,446
Foreign commercial banks	100	2	3	-	2
Foreign governments	0.03	68,679,301	1	1,207	68,678,094
Government of the RM	0.0-2.447	14,271,933	1	45,816	14,226,117
IFI	0.02	9,708,927	1	88	9,708,839
Foreign government agencies	-	5,337,937	1	-	5,337,937
Other financial assets	0.0-0.04	23,769	1	5	23,764
Total financial assets		112,048,712		47,396	112,001,316

*Does not include the expected credit loss for financial assets measured at fair value through OCI

4. Risk management (continued)

4.2 Credit risk (continued)

The movements in the loss allowance for expected credit loss by category of financial instrument:

CONSOLIDATED	31 December	2024				2023							
		12-month ECL	Lifetime ECL		Total	12-month ECL	Lifetime ECL		Total				
		Stage I	Stage II	Stage III		Stage I	Stage II	Stage III					
		MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Cash and short-term placements in foreign currency													
Balance at 1 January		368	-	-	368	584	-	-	584				
Net remeasurement of loss allowance		-	-	-	-	(1)	-	-	(1)				
New financial assets originated or purchased		620	-	-	620	1,246	-	-	1,246				
Financial assets derecognised		(953)	-	-	(953)	(1,431)	-	-	(1,431)				
Foreign exchange and other movements		8	-	-	8	(30)	-	-	(30)				
Balance at 31 December		43	-	-	43	368	-	-	368				
Foreign currency securities measured at amortised cost													
Balance at 1 January		1,207	-	-	1,207	88	-	-	88				
Net remeasurement of loss allowance		13	-	-	13	16	-	-	16				
New financial assets originated or purchased		557	-	-	557	1,192	-	-	1,192				
Financial assets derecognised		(47)	-	-	(47)	(51)	-	-	(51)				
Foreign exchange and other movements		73	-	-	73	(38)	-	-	(38)				
Balance at 31 December		1,803	-	-	1,803	1,207	-	-	1,207				
Foreign currency securities measured at FVOCI													
Balance at 1 January		7,813	-	-	7,813	4,349	-	-	4,349				
Net remeasurement of loss allowance		(273)	-	-	(273)	(1)	-	-	(1)				
New financial assets originated or purchased		8,987	-	-	8,987	9,483	-	-	9,483				
Financial assets derecognised		(8,352)	-	-	(8,352)	(5,519)	-	-	(5,519)				
Foreign exchange and other movements		331	-	-	331	(499)	-	-	(499)				
Balance at 31 December		8,506	-	-	8,506	7,813	-	-	7,813				

National Bank of Moldova

4. Risk management (continued)

4.2 Credit risk (continued)

CONSOLIDATED	31 December	2024				2023			
		12-month ECL	Lifetime ECL		Total	12-month ECL	Lifetime ECL		Total
		Stage I	Stage II	Stage III		Stage I	Stage II	Stage III	
		MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Securities issued by the Government of the RM									
Balance at 1 January		45,816	-	-	45,816	85,572	-	-	85,572
Net remeasurement of loss allowance		(453)	-	-	(453)	(39,460)	-	-	(39,460)
New financial assets originated or purchased		11,152	-	-	11,152	21,174	-	-	21,174
Financial assets derecognised		(10,809)	-	-	(10,809)	(21,470)	-	-	(21,470)
Balance at 31 December		45,706	-	-	45,706	45,816	-	-	45,816
Other financial assets									
Balance on 1 January		17	-	-	17	18	-	-	18
Net remeasurement of loss allowance		3	-	-	3				
Financial assets derecognised		(8)	-	-	(8)	(1)	-	-	(1)
Write-offs		-	-	-	-	-	-	-	-
Balance at 31 December		12	-	-	12	17	-	-	17
BANK									
	31 December	2024				2023			
		12-month ECL	Lifetime ECL		Total	12-month ECL	Lifetime ECL		Total
		Stage I	Stage II	Stage III		Stage I	Stage II	Stage III	
		MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Cash and short-term placements in foreign currency									
Balance on 1 January		368	-	-	368	584	-	-	584
Net remeasurement of loss allowance		-	-	-	-	(1)	-	-	(1)
New financial assets originated or purchased		620	-	-	620	1,246	-	-	1,246
Financial assets derecognised		(953)	-	-	(953)	(1,431)	-	-	(1,431)
Foreign exchange and other movements		8	-	-	8	(30)	-	-	(30)
Balance on 31 December		43	-	-	43	368	-	-	368

National Bank of Moldova

4. Risk management (continued)

4.2 Credit risk (continued)

BANK	31 December	2024			2023				
		12-month ECL	Lifetime ECL		12-month ECL	Lifetime ECL		Total	
		Stage I	Stage II	Stage III	Stage I	Stage II	Stage III		
		MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Foreign currency securities measured at amortised cost									
Balance on 1 January		1,207	-	-	1,207	88	-	-	88
Net remeasurement of loss allowance		13	-	-	13	16	-	-	16
New financial assets originated or purchased		557	-	-	557	1,192	-	-	1,192
Financial assets derecognised		(47)	-	-	(47)	(51)	-	-	(51)
Foreign exchange and other movements		73	-	-	73	(38)	-	-	(38)
Balance on 31 December		1,803	-	-	1,803	1,207	-	-	1,207
Foreign currency securities measured at FVOCI									
Balance on 1 January		7,813	-	-	7,813	4,349	-	-	4,349
Net remeasurement of loss allowance		(273)	-	-	(273)	(1)	-	-	(1)
New financial assets originated or purchased		8,987	-	-	8,987	9,483	-	-	9,483
Financial assets derecognised		(8,352)	-	-	(8,352)	(5,519)	-	-	(5,519)
Foreign exchange and other movements		331	-	-	331	(499)	-	-	(499)
Balance on 31 December		8,506	-	-	8,506	7,813	-	-	7,813
Securities issued by the Government of the RM									
Balance on 1 January		45,816	-	-	45,816	85,572	-	-	85,572
Net remeasurement of loss allowance		(453)	-	-	(453)	(39,460)	-	-	(39,460)
New financial assets originated or purchased		11,152	-	-	11,152	21,174	-	-	21,174
Financial assets derecognised		(10,809)	-	-	(10,809)	(21,470)	-	-	(21,470)
Balance on 31 December		45,706	-	-	45,706	45,816	-	-	45,816

The above translation of the Financial Statements is provided as a free translation from Romanian, which is the official binding version.

4. Risk management (continued)

4.2 Credit risk (continued)

BANK	31 December	2024				2023			
		12-month ECL		Lifetime ECL		12-month ECL		Lifetime ECL	
		Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
		MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Other financial assets									
Balance on 1 January		5	-	-	5	5	-	-	5
Net remeasurement of loss allowance		3	-	-	3	-	-	-	-
Financial assets derecognised		-	-	-	-	-	-	-	-
Write-offs		-	-	-	-	-	-	-	-
Balance on 31 December		8	-	-	8	5	-	-	5

Credit risk of derivatives

Currency swap transactions are conducted by the Bank primarily as part of fine-tuning operations, being used as a monetary policy instrument, either in the form of liquidity-providing or absorption operations. The frequency of transactions is not standardized, while the maturity is aligned with the maturities applied to the Bank's monetary policy instruments (overnight deposit facility, NBM certificates). The conditions under which the Bank conducts foreign exchange swap transactions on the interbank foreign exchange market are established in the *Regulation on the performance of transactions on the interbank foreign exchange market of the Republic of Moldova*, approved by the Decision of the Council of Administration of the NBM No 8/2013.

In addition, the Bank may enter into foreign exchange swap operations with the European Bank for Reconstruction and Development (EBRD) on the basis of a bilateral agreement signed for this purpose. The agreement is designed to create and implement a competitive instrument for lending by the EBRD to Moldovan economic agents in national currency, thereby supporting the development of the real sector of the national economy. Liquidity provision in Moldovan lei under the respective agreement is carried out under conditions similar to other operations performed by the Bank on the domestic monetary or foreign exchange market.

As of 31 December 2024, the value of the currency swap with EBRD is USD 2,716 thousand (31 December 2023: nil).

4. Risk management (continued)

4.2 Credit risk (continued)

Offsetting the financial assets and financial liabilities

The Bank offsets financial assets and financial liabilities when it has both a legal enforceable right to offset the recognised amounts and intention to settle on a net basis or simultaneously.

Although certain financial assets and liabilities do not meet the criteria for offsetting, they are settled simultaneously or on a net basis. These include repo and foreign exchange swap transactions.

The tables below present financial assets and liabilities that are offset and recorded in the balance sheet at net basis, as well as those that are subject to master netting agreements that permit simultaneous setting of assets and liabilities or payment/receipt of net amounts, even though their gross amounts are presented separately.

In accordance with *IFRS 7 Financial Instruments: Disclosures* information about amounts not offset in the balance sheet is limited to the net amount of financial instruments presented in the balance sheet.

31 December 2024

	Notes	Asset's gross amount	Liabilities' gross amount offset	Asset's net amount	Amounts not offset			Collateral' s fair value
					Financial instruments (including collaterals)	Financial collaterals	Net amount	
CONSO		MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
CONSO								
<i>Types of financial assets</i>								
Repo								
transactions	11	150,222	-	150,222	(150,222)	-	-	152,831
Total		150,222	-	150,222	(150,222)	-	-	152,831
BANK								
<i>Types of financial assets</i>								
Repo								
transactions	11	150,222	-	150,222	(150,222)	-	-	152,831
Total		150,222	-	150,222	(150,222)	-	-	152,831

Financial assets' gross and net amounts as shown above are measured at amortised cost.

4.3 Liquidity risk

The liquidity risk represents the risk that the Bank will not be able to meet its payment obligations when due. The maturity of assets and liabilities, as well as the capacity to replace the interest-bearing liabilities at an acceptable cost upon maturity, constitute key factors in assessing the Bank's liquidity. The liquidity risk is managed daily basis through dynamic monitoring through monitoring the investment limits established by internal policies and the decisions of the Executive Board.

4. Risk management (continued)

4.3 Liquidity risk (continued)

a. Financial instruments in national currency

Considering Bank's mandate as monetary authority, which include the establishment and implementation of the country's monetary policy, controlling liquidity in the financial system, and, inter alia, holding the exclusive right to issue banknotes and coins as legal tender in the Republic of Moldova, the Bank is not exposed to the liquidity risk from the maturity mismatches between payments and receipts or assets and liabilities in national currency, but rather to the constraints inherent in the monetary policy implementation.

The securities issued by the Government of the Republic of Moldova and held by the Bank during 2024, following the conversion of previously loans contracted from the Bank, had a maximum contractual maturity of 2 years. At maturity, these securities are redeemed by the Government and reissued in the form of treasury bills or government bonds.

The state securities issued to enable the Ministry of Finance to meet payment obligations under state guarantees were acquired by the Bank on 4 October 2016, in the form of government bonds with maturities ranging from 1 to 25 years. The 25-year period was set so as to balance the additional annual pressure that can be borne by the state budget, while also ensuring the repayment of these obligations within the shortest feasible timeframe.

The liquidity-providing repo operations conducted during 2024 had a maturity of 14 days and were carried out through uncapped tender procedures.

b. Financial instruments in foreign currency

The monitoring of the liquidity risk is conducted through creating investment tranches and use of market benchmarks set for indexed investment sub-portfolios, differentiated by type of instruments and investment currency. The benchmarks used are internationally recognized market indices and used for the comparative evaluation of performance and risks associated with investment portfolios.

The benchmarks are provided by the Intercontinental Exchange (ICE), which assumed responsibility for index provision following the transfer of this activity from the Bank of America Merrill Lynch. ICE calculates and publishes a broad range of internationally recognised benchmarks that widely are used within the investment community.

For internally managed foreign currency asset portfolio, except for the portfolio of securities measured at amortised cost, the liquidity risk is monitored on an ongoing basis by the Bank by maintaining an adequate level of tranches in the range of admissible deviations and by limiting the maximum admissible maturity of the investment portfolio, which does not allow investments in instruments with long maturity.

For the portfolio managed by an external manager (the World Bank), the mitigation of the liquidity risk is conducted in accordance with the provisions of the Agreement on consulting and investment management, concluded on 8 December 2010 between the International Bank for Reconstruction and Development (IBRD) and the National Bank of Moldova (NBM), which was extended by HCE No 168 of 30 December 2015 and entered into force on 1 February 2016. The Agreement stipulates that the investments are managed against the benchmark (ICE Bank of America Merrill Lynch U.S. Treasuries index), with the duration of the portfolio correlated with the duration of the benchmark.

4. Risk management (continued)

4.3 Liquidity risk (continued)

The liquidity risk for the foreign currency securities portfolio, measured at amortised cost, is reduced through diversification of maturity, with investments distributed over a period of up to 10 years, and by limiting the relative share of this portfolio in the total portfolio of securities. Furthermore, the replenishment of the foreign currency securities portfolio measured at amortised cost is permitted only if its share represents less than 25% of the total international reserves and the level of international reserves covers four months of imports, as well as payments related to the external liabilities of the Bank and the Government of the Republic of Moldova and other payments in foreign currency due within one year.

Liquidity is one of the main criteria in determining the composition of foreign currency assets. This reflects the potential need to convert currency reserves into liquidities for intervention purposes, should such needs arise.

4. Risk management (continued)

4.3 Liquidity risk (continued)

The maturities of assets and liabilities, together with the ability to refinance interest-bearing liabilities at an acceptable cost upon maturity, are important factors in assessing liquidity risk. The analysis of financial assets and liabilities by contractual maturity at the reporting date is presented as follows:

CONSOLIDATED			Carrying	0-3	3-6	6-12	1-2	2-5	More than	Undefined
31 December 2024		Notes	amount	months	months	months	years	years	5 years	maturity
			MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Non-derivative assets										
Cash and short-term placements	5		18,862,810	18,280,640	582,170	-	-	-	-	-
Investment securities	6		84,360,018	11,514,177	9,294,134	23,424,007	14,906,234	16,024,050	9,197,416	-
IMF related assets	7		4,163,499	21,683	-	-	-	-	-	4,141,816
Monetary gold	8		115,639	-	-	-	-	-	-	115,639
Securities issued by the Government of the RM	10		13,884,466	1,248,453	1,244,886	368,863	388,627	1,355,213	9,278,424	-
Loans to banks and others	11		188,193	151,862	1,502	2,996	5,365	8,201	18,267	-
Other financial assets	15		4,246	4,246	-	-	-	-	-	-
Total financial assets			121,578,871	31,221,061	11,122,692	23,795,866	15,300,226	17,387,464	18,494,107	4,257,455
Non-derivative liabilities										
National currency in circulation	16		48,548,977	-	-	-	-	-	-	48,548,977
Deposits from the Government of the RM	17		14,378,442	14,349,442	2,000	27,000	-	-	-	-
Deposits from banks	18		34,044,742	34,044,742	-	-	-	-	-	-
Deposits from other clients	20		191,777	191,777	-	-	-	-	-	-
Certificates issued by the NBM	19		9,767,606	9,767,606	-	-	-	-	-	-
IMF related liabilities	7		4,974,304	41,344	70,831	112,073	224,147	371,708	12,384	4,141,817
Due to other IFIs	7		44	18	-	-	-	-	-	26
Lease liabilities	20		5,038	1,538	1,195	2,305	-	-	-	-
Other financial liabilities	20		322,040	52,309	269,731	-	-	-	-	-
			112,232,970	58,448,776	343,757	141,378	224,147	371,708	12,384	52,690,820
Derivatives										
Inflows	9		-	-	-	-	-	-	-	-
Outflows	9		192	192	-	-	-	-	-	-
Total financial liabilities			112,233,162	58,448,968	343,757	141,378	224,147	371,708	12,384	52,690,820
Off-balance sheet derivatives										
Inflows			50,000	50,000	-	-	-	-	-	-
Outflows			(50,004)	(50,004)	-	-	-	-	-	-
Net liquidity gap			9,345,705	(27,227,911)	10,778,935	23,654,488	15,076,079	17,015,756	18,481,723	(48,433,365)

4. Risk management (continued)

4.3 Liquidity risk (continued)

CONSOLIDATED

31 December 2023

	Notes	Carrying amount MDL'000	0-3 months MDL'000	3-6 months MDL'000	6-12 months MDL'000	1-2 years MDL'000	2-5 years MDL'000	More than 5 years MDL'000	Undefined maturity MDL'000
Non-derivative assets									
Cash and short-term placements	5	19,831,357	16,153,415	3,677,942	-	-	-	-	-
Investment securities	6	74,798,336	7,770,155	11,449,856	17,766,970	17,340,744	14,243,540	6,227,071	-
IMF related assets	7	4,267,146	203,829	-	-	-	-	-	4,063,317
Monetary gold	8	85,533	-	-	-	-	-	-	85,533
Securities issued by the Government of the RM	10	14,252,043	422,503	1,035,352	334,853	1,434,831	1,255,820	9,768,684	-
Loans to banks and others	11	21,987	744	730	1,428	2,470	6,072	10,543	-
Other financial assets	15	4,839	4,839	-	-	-	-	-	-
Total financial assets		113,261,241	24,555,485	16,163,880	18,103,251	18,778,045	15,505,432	16,006,298	4,148,850
Non-derivative liabilities									
National currency in circulation	16	42,090,746	-	-	-	-	-	-	42,090,746
Deposits from the Government of the RM	17	10,769,559	10,691,826	27,633	-	50,100	-	-	-
Deposits from banks	18	40,239,046	40,239,046	-	-	-	-	-	-
Deposits from other clients	20	313,981	313,981	-	-	-	-	-	-
Certificates issued by the NBM	19	11,179,999	11,179,999	-	-	-	-	-	-
IMF related liabilities	7	5,063,104	25,294	69,489	94,811	215,077	502,486	92,629	4,063,318
Due to other IFIs	7	1,821	1,795	-	-	-	-	-	26
Lease liabilities	20	9,535	1,466	1,122	2,291	4,656	-	-	-
Other financial liabilities	20	310,629	56,559	254,070	-	-	-	-	-
Total financial liabilities		109,978,420	62,509,966	352,314	97,102	269,833	502,486	92,629	46,154,090
Net liquidity gap		3,282,821	(37,954,481)	15,811,566	18,006,149	18,508,212	15,002,946	15,913,669	(42,005,240)

4. Risk management (continued)

4.3 Liquidity risk (continued)

BANK		Carrying	0-3	3-6	6-12	1-2	2-5	More than	Undefined
31 December 2024	Notes	amount	months	months	months	years	years	5 years	maturity
		MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Non-derivative assets									
Cash and short-term placements	5	18,862,647	18,280,477	582,170	-	-	-	-	-
Investment securities	6	84,360,018	11,514,177	9,294,134	23,424,007	14,906,234	16,024,050	9,197,416	-
IMF related assets	7	4,163,499	21,683	-	-	-	-	-	4,141,816
Monetary gold	8	115,639	-	-	-	-	-	-	115,639
Securities issued by the Government of the RM	10	13,852,550	1,235,881	1,235,672	358,733	388,627	1,355,213	9,278,424	-
Loans to banks and others	11	188,193	151,862	1,502	2,996	5,365	8,201	18,267	-
Investments in subsidiaries	12	24,000	-	-	-	-	-	-	24,000
Other financial assets	15	3,989	3,989	-	-	-	-	-	-
Total financial assets		121,570,535	31,208,069	11,113,478	23,785,736	15,300,226	17,387,464	18,494,107	4,281,455
Non-derivative liabilities									
National currency in circulation	16	48,548,977	-	-	-	-	-	-	48,548,977
Deposits from the Government of the RM	17	14,378,442	14,349,442	2,000	27,000	-	-	-	-
Deposits from banks	18	34,044,742	34,044,742	-	-	-	-	-	-
Deposits from other clients	20	193,473	193,473	-	-	-	-	-	-
Certificates issued by the NBM	19	9,767,606	9,767,606	-	-	-	-	-	-
IMF related liabilities	7	4,974,304	41,344	70,831	112,073	224,147	371,708	12,384	4,141,817
Due to other IFIs	7	44	18	-	-	-	-	-	26
Lease liabilities	20	4,594	1,403	1,053	2,138	-	-	-	-
Other financial liabilities	20	321,939	52,208	269,731	-	-	-	-	-
		112,234,121	58,450,236	343,615	141,211	224,147	371,708	12,384	52,690,820
Derivatives									
Inflow	9	-	-	-	-	-	-	-	-
Outflow	9	192	192	-	-	-	-	-	-
Total financial liabilities		112,234,313	58,450,428	343,615	141,211	224,147	371,708	12,384	52,690,820
Off-balance sheet derivatives									
Inflow		50,000	50,000	-	-	-	-	-	-
Outflow		(50,004)	(50,004)	-	-	-	-	-	-
Net liquidity gap		9,336,218	(27,242,363)	10,769,863	23,644,525	15,076,079	17,015,756	18,481,723	(48,409,365)

The above translation of the Financial Statements is provided as a free translation from Romanian, which is the official binding version.

4. Risk management (continued)

4.3 Liquidity risk (continued)

BANK		Carrying	0-3	3-6	6-12	1-2	2-5	More than	Undefined
31 December 2023	Notes	amount	months	months	months	years	years	5 years	maturity
		MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Non-derivative assets									
Cash and short-term placements	5	19,831,322	16,153,380	3,677,942	-	-	-	-	-
Investment securities	6	74,798,336	7,770,155	11,449,856	17,766,970	17,340,744	14,243,540	6,227,071	-
IMF related assets	7	4,267,146	203,829	-	-	-	-	-	4,063,317
Monetary gold	8	85,533	-	-	-	-	-	-	85,533
Securities issued by the Government of the RM	10	14,226,117	414,339	1,023,538	328,905	1,434,831	1,255,820	9,768,684	-
Loans to banks and others	11	21,987	744	730	1,428	2,470	6,072	10,543	-
Investments in subsidiaries	12	24,000	-	-	-	-	-	-	24,000
Other financial assets	15	4,652	4,652	-	-	-	-	-	-
Total financial assets		113,259,093	24,547,099	16,152,066	18,097,303	18,778,045	15,505,432	16,006,298	4,172,850
Non-derivative liabilities									
National currency in circulation	16	42,090,746	-	-	-	-	-	-	42,090,746
Deposits from the Government of the RM	17	10,769,559	10,691,826	27,633	-	50,100	-	-	-
Deposits from banks	18	40,239,046	40,239,046	-	-	-	-	-	-
Deposits from other clients	20	321,479	321,479	-	-	-	-	-	-
Certificates issued by the NBM	19	11,179,999	11,179,999	-	-	-	-	-	-
IMF related liabilities	7	5,063,104	25,294	69,489	94,811	215,077	502,486	92,629	4,063,318
Due to other IFIs	7	1,821	1,795	-	-	-	-	-	26
Lease liabilities	20	8,684	1,365	1,015	2,060	4,244	-	-	-
Other financial liabilities	20	310,561	56,491	254,070	-	-	-	-	-
Total financial liabilities		109,984,999	62,517,295	352,207	96,871	269,421	502,486	92,629	46,154,090
Net liquidity gap		3,274,094	(37,970,196)	15,799,859	18,000,432	18,508,624	15,002,946	15,913,669	(41,981,240)

The negative liquidity gap recorded in the three months following the reporting date maturity bucket does not present significant risk to the Bank, as that the financial liabilities primarily comprise deposits from banks. These deposits primarily represent required reserves (Note 18), which must be maintained at ratios established by the Bank's monetary policy decisions, based on the level of monetary liabilities of the licensed commercial banks.

Additionally, the Bank holds investment securities measured at FVOCI that are highly liquid. These instruments can be sold before maturity, if short-term liquidity is required.

4. Risk management (continued)

4.3 Liquidity risk (continued)

The table below presents the maturity analysis of total financial liabilities, including future interest cash flows by contractual maturity at the reporting date. The amounts of future liabilities were calculated using the information available as of reporting date (official exchange rate of the Moldovan leu, interest rates on monetary and lending policy instruments, etc.):

CONSOLIDATED	Carrying amount	Gross	0-3 months	3-6 months	6-12 months	1-2 years	2-5 years	More	Undefined maturity
		nominal value						than 5 years	
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
31 December 2024									
Liabilities									
National currency in circulation	48,548,977	48,548,977	-	-	-	-	-	-	48,548,977
Deposits from the Government of the RM	14,378,442	14,379,995	14,350,313	2,543	27,139	-	-	-	-
Deposits from banks	34,044,742	34,069,612	34,069,612	-	-	-	-	-	-
Deposits from other clients	191,777	191,777	191,777	-	-	-	-	-	-
Certificates issued by the NBM	9,767,606	9,773,315	9,773,315	-	-	-	-	-	-
IMF related liabilities *	4,974,304	5,026,517	47,652	76,797	122,699	239,681	385,428	12,443	4,141,817
Due to other IFIs	44	44	18	-	-	-	-	-	26
Lease liabilities	5,038	5,172	1,598	1,238	2,336	-	-	-	-
Other financial liabilities	322,040	322,040	52,309	269,731	-	-	-	-	-
Total financial liabilities	112,232,970	112,317,449	58,486,594	350,309	152,174	239,681	385,428	12,443	52,690,820
31 December 2023									
Liabilities									
National currency in circulation	42,090,746	42,090,746	-	-	-	-	-	-	42,090,746
Deposits from the Government of the RM	10,769,559	10,777,052	10,693,789	29,245	2,502	51,516	-	-	-
Deposits from banks	40,239,046	40,283,840	40,283,840	-	-	-	-	-	-
Deposits from other clients	313,981	313,981	313,981	-	-	-	-	-	-
Certificates issued by the NBM	11,179,999	11,190,290	11,190,290	-	-	-	-	-	-
IMF related liabilities *	5,063,104	5,171,661	36,162	79,693	113,399	245,207	539,537	94,345	4,063,318
Due to other IFIs	1,821	1,821	1,795	-	-	-	-	-	26
Lease liabilities	9,535	10,064	1,590	1,229	2,458	4,787	-	-	-
Other financial liabilities	310,629	310,629	56,559	254,070	-	-	-	-	-
Total financial liabilities	109,978,420	110,150,084	62,578,006	364,237	118,359	301,510	539,537	94,345	46,154,090

* According to the resolution of the IMF Executive Board, for the Extended Credit Facility (ECF) (previously Poverty Reduction and Growth Facility (PRGF) from the IMF and included in Due to IMF, no interest is calculated until the end of the current program.

4 Risk management (continued)

4.3 Liquidity risk (continued)

BANK

31 December 2024	Carrying amount	Gross nominal value	0-3 months	3-6 months	6-12 months	1-2 years	2-5 years	More than 5 years	Undefined maturity
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Liabilities									
National currency in circulation	48,548,977	48,548,977	-	-	-	-	-	-	48,548,977
Deposits from the Government of the RM	14,378,442	14,379,995	14,350,313	2,543	27,139	-	-	-	-
Deposits from banks	34,044,742	34,069,612	34,069,612	-	-	-	-	-	-
Deposits from other clients	193,473	193,473	193,473	-	-	-	-	-	-
Certificates issued by the NBM	9,767,606	9,773,315	9,773,315	-	-	-	-	-	-
IMF related liabilities *	4,974,304	5,026,517	47,652	76,797	122,699	239,681	385,428	12,443	4,141,817
Due to other IFIs	44	44	18	-	-	-	-	-	26
Lease liabilities	4,594	4,686	1,442	1,081	2,163	-	-	-	-
Other financial liabilities	321,939	321,939	52,208	269,731	-	-	-	-	-
Total financial liabilities	112,234,121	112,318,558	58,488,033	350,152	152,001	239,681	385,428	12,443	52,690,820
31 December 2023									
Liabilities									
National currency in circulation	42,090,746	42,090,746	-	-	-	-	-	-	42,090,746
Deposits from the Government of the RM	10,769,559	10,777,052	10,693,789	29,245	2,502	51,516	-	-	-
Deposits from banks	40,239,046	40,283,840	40,283,840	-	-	-	-	-	-
Deposits from other clients	321,479	321,479	321,479	-	-	-	-	-	-
Certificates issued by the NBM	11,179,999	11,190,290	11,190,290	-	-	-	-	-	-
IMF related liabilities *	5,063,104	5,171,661	36,162	79,693	113,399	245,207	539,537	94,345	4,063,318
Due to other IFIs	1,821	1,821	1,795	-	-	-	-	-	26
Lease liabilities	8,684	9,033	1,445	1,084	2,168	4,336	-	-	-
Other financial liabilities	310,561	310,561	56,491	254,070	-	-	-	-	-
Total financial liabilities	109,984,999	110,156,483	62,585,291	364,092	118,069	301,059	539,537	94,345	46,154,090

* According to the resolution of the IMF Executive Board, for the Extended Credit Facility (ECF) (previously Poverty Reduction and Growth Facility (PRGF) from the IMF and included in Due to IMF, no interest is calculated until the end of the current program.

4. Risk management (continued)

4.4 Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices, whether such changes are caused by specific factors related to individual securities or their issuers, or by factors affecting all the securities traded on the market.

a. Financial instruments in foreign currency

The strategic asset allocation process mitigates the financial risk associated with international reserves. Performance benchmarks are established for each sub-portfolio, to optimize the risk-return ratio, following the evaluation of various scenarios of changes in interest rates and returns on investment instruments in portfolios and, accordingly, their market value. The optimal foreign exchange structure, estimated based on the analysis of the foreign exchange composition of external debt service payments, other foreign exchange payments and imports of goods and services as well as the effects of foreign exchange diversification, are considered when assessing foreign exchange risk.

All portfolios, except for investment securities measured at amortised cost, current and overnight accounts, IMF related assets, term deposits at BIS and monetary gold holdings, are managed against strategic performance indicators (ICE indices). Portfolio performance and compliance with limits on deviation from performance indicators are monitored monthly and reported to the Investment Committee.

From 1 January 2023, the management of foreign exchange reserves is carried out under conditions of low-risk appetite, measured by applying the VaR (value-at-risk) indicator, the ratio of this indicator to total reserves subject to established limits. The Bank applies the VaR methodology on a daily basis to assess the market risk exposure of the positions it holds and to estimate potential economic losses based on a range of parameters and assumptions for various changes in market conditions.

The outcome of the market risk assessment based on VaR represents the potential loss expressed in monetary units for the foreign currency investment portfolio on a 95% confidence level over a 1-month investment horizon, excluding the volatility from the exchange rate movement of currencies in the international reserves composition against the US dollar (reporting currency). This calculation is provided by the Bloomberg information system.

The value at risk of the foreign currency financial instruments portfolio (excluding monetary gold) is presented as follows:

	At amortised cost		At FVOCI		Total		Portfolio share
	MDL'000	USD'000	MDL'000	USD'000	MDL'000	USD'000	MDL'000
31 December 2024	326,519	17,670	355,246	19,224	681,765	36,894	0.67%
31 December 2023	308,653	17,732	458,703	26,353	767,356	44,085	0.82%

4. Risk management (continued)

4.4 Market risk (continued)

b. Financial instruments in national currency

Market risk for financial instruments in national currency is mainly associated with changes in the market value of state securities issued by the Government of the Republic of Moldova, which are measured at amortised cost in the balance sheet and are principally held to collect contractual flows and used for performing the Bank's statutory functions.

For the portfolio "State securities from previously granted loans", the market risk is managed by the re-issuance at maturity of securities at prevailing market interest rates, based on weighted average nominal rates of state securities recently sold on the primary market and the annual approval with the Ministry of Finance of the maximum maturities for reissuance (for 2024 and 2023 the maximum agreed maturity was 3 years).

These securities are held mainly for the collection of contractual flows, but can also be used in open market operations, such as reverse repo operations (temporary liquidity absorption), however such operations have not been recorded recently and the gains from changes in the market price of securities are not relevant in the case of these instruments.

For the portfolio "State securities issued from state guarantees", the risk of losses or gains from the market value changes was addressed at issuance by being structured in financial instruments with a fixed coupon of 1.4% (for maturities up to 9 years) and 5.3% (for maturities of 10 to 25 years), respectively, those with gradual maturities of up to 25 years, essentially replicating the cash flows of a financial instrument at an effective interest rate of 5%, equal to the target of the inflation rate at the issuance date (2016) which maintains the value paid throughout the portfolio, in real terms, to remain unchanged and enables the Bank to avoid additional impairment losses (likewise, in real terms).

Moreover, according to Law No 235/2016, state securities are in free circulation, but only 40% of the respective portfolio may be traded by the Bank on the secondary market, while being entirely available to be used for the open market operations for temporary absorption of liquidity (reverse repo). For state securities issued from state guarantees there is no interest rate curve to align their market value with the application of only observable market entry data (maximum maturity of state securities put into circulation - 10 years).

In the case of repo transactions, auctions are conducted at a fixed interest rate, approved by the Executive Board during monetary policy meetings.

4.4.1 Interest rate risk

Interest rate risk arises from the risk that the value of a financial instrument will fluctuate following the changes in the interest rates on the market.

The fluctuation of interest rates on the external market may affect the value of the investment portfolio in foreign currency and future cash flows.

The instruments most sensitive to changes of interest rates on the external market are the foreign currency securities because the change in interest rates indirectly affects the price of these assets.

Furthermore, external market interest rate fluctuations may create negative spreads between the interest rates of the foreign currency investment portfolio and the Bank's foreign currency liabilities.

4. Risk management (continued)**4.4 Market risk (continued)****4.4.1 Interest rate risk (continued)**

In managing interest rate risk caused by changes on the external market, special attention is paid to the principle of diversification of the investment portfolio by maturities and currencies. The analysis of financial assets and financial liabilities at the reporting date, based on contractual interest rates and the interest rate repricing dates, is presented as follows:

CONSOLIDATED	Notes	Carrying amount MDL'000	0-3 months MDL'000	3-6 months MDL'000	6-12 months MDL'000	1-2 years MDL'000	2-5 years MDL'000	More than 5 years MDL'000	Non-interest bearing MDL'000
31 December 2024									
Non-derivative assets									
Cash and short-term placements	5	18,862,810	17,117,947	582,170	-	-	-	-	1,162,693
Investment securities	6	84,360,018	11,222,269	9,154,781	23,364,270	14,906,234	16,024,050	9,197,416	490,998
IMF related assets	7	4,163,499	21,375	-	-	-	-	-	4,142,124
Monetary gold	8	115,639	-	-	-	-	-	-	115,639
Securities issued by the Government of the RM	10	13,884,466	994,596	1,086,659	368,766	388,627	1,355,213	9,278,424	412,181
Loans to banks and others	11	188,193	150,289	33,823	532	1,015	1,913	400	221
Other financial assets	15	4,246	-	-	-	-	-	-	4,246
Total financial assets		121,578,871	29,506,476	10,857,433	23,733,568	15,295,876	17,381,176	18,476,240	6,328,102
Non-derivative liabilities									
National currency in circulation	16	48,548,977	-	-	-	-	-	-	48,548,977
Deposits from the Government of the RM	17	14,378,442	11,965,311	2,000	27,000	-	-	-	2,384,131
Deposits from banks	18	34,044,742	28,368,300	-	-	-	-	-	5,676,442
Deposits from other clients	20	191,777	-	-	-	-	-	-	191,777
Certificates issued by the NBM	19	9,767,606	9,767,606	-	-	-	-	-	-
IMF related liabilities	7	4,974,304	687,163	-	15,431	30,862	92,586	4,581	4,143,681
Due to other IFIs	7	44	-	-	-	-	-	-	44
Lease liabilities	20	5,038	1,538	1,195	2,305	-	-	-	-
Other financial liabilities	20	322,040	-	-	-	-	-	-	322,040
		112,232,970	50,789,918	3,195	44,736	30,862	92,586	4,581	61,267,092
Derivatives									
Inflows		-	-	-	-	-	-	-	-
Outflows		192	-	-	-	-	-	-	192
Total financial liabilities		112,233,162	50,789,918	3,195	44,736	30,862	92,586	4,581	61,267,284
Off-balance sheet derivatives									
Inflows		50,000	50,000	-	-	-	-	-	-
Outflows		(50,004)	(50,000)	-	-	-	-	-	(4)
Interest rate gap		9,345,705	(21,283,442)	10,854,238	23,688,832	15,265,014	17,288,590	18,471,659	(54,939,186)

4. Risk management (continued)

4.4 Market risk (continued)

4.4.1 Interest rate risk (continued)

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	Notes	Carrying amount MDL'000	0-3 months MDL'000	3-6 months MDL'000	6-12 months MDL'000	1-2 years MDL'000	2-5 years MDL'000	More than 5 years MDL'000	Non-interest bearing MDL'000
Non-derivative assets									
Cash and short-term placements	5	19,831,357	14,912,536	3,677,943	-	-	-	-	1,240,878
Investment securities	6	74,798,336	7,600,489	11,357,469	17,759,871	17,340,745	14,243,540	6,227,071	269,151
IMF related assets	7	4,267,146	203,249	-	-	-	-	-	4,063,897
Monetary gold	8	85,533	-	-	-	-	-	-	85,533
Securities issued by the Government of the RM	10	14,252,043	167,489	872,310	334,793	1,434,831	1,255,820	9,768,684	418,116
Loans to banks and others	11	21,987	301	16,302	575	1,138	2,833	838	-
Other financial assets	15	4,839	-	-	-	-	-	-	4,839
Total financial assets		113,261,241	22,884,064	15,924,024	18,095,239	18,776,714	15,502,193	15,996,593	6,082,414
Non-derivative liabilities									
National currency in circulation	16	42,090,746	-	-	-	-	-	-	42,090,746
Deposits from the Government of the RM	17	10,769,559	9,401,067	27,552	-	50,100	-	-	1,290,840
Deposits from banks	18	40,239,046	34,175,864	-	-	-	-	-	6,063,182
Deposits from other clients	20	313,981	-	-	-	-	-	-	313,981
Certificates issued by the NBM	19	11,179,999	11,179,999	-	-	-	-	-	-
IMF related liabilities	7	5,063,104	835,468	-	-	25,455	89,677	34,330	4,078,174
Due to other IFIs	7	1,821	-	-	-	-	-	-	1,821
Lease liabilities	20	9,535	1,466	1,122	2,291	4,656	-	-	-
Other financial liabilities	20	310,629	-	-	-	-	-	-	310,629
Total financial liabilities		109,978,420	55,593,864	28,674	2,291	80,211	89,677	34,330	54,149,373
Interest rate gap		3,282,821	(32,709,800)	15,895,350	18,092,948	18,696,503	15,412,516	15,962,263	(48,066,959)

The above translation of the Financial Statements is provided as a free translation from Romanian, which is the official binding version.

4. Risk management (continued)

4.4 Market risk (continued)

4.4.1 Interest rate risk (continued)

BANK			Carrying	0-3	3-6	6-12	1-2	2-5	More than	Non-interest
31 December 2024		Notes	amount	months	months	months	years	years	5 years	bearing
			MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Non-derivative assets										
Cash and short-term placements	5	18,862,647	17,117,862	582,170	-	-	-	-	-	1,162,615
Investment securities	6	84,360,018	11,222,269	9,154,781	23,364,270	14,906,234	16,024,050	9,197,416	490,998	
IMF related assets	7	4,163,499	21,375	-	-	-	-	-	-	4,142,124
Monetary gold	8	115,639	-	-	-	-	-	-	-	115,639
Securities issued by the Government of the RM	10	13,852,550	982,623	1,077,696	358,733	388,627	1,355,213	9,278,424	411,234	
Loans to banks and others	11	188,193	150,289	33,823	532	1,015	1,913	400	221	
Investments in subsidiaries	12	24,000	-	-	-	-	-	-	-	24,000
Other financial assets	15	3,989	-	-	-	-	-	-	-	3,989
Total financial assets		121,570,535	29,494,418	10,848,470	23,723,535	15,295,876	17,381,176	18,476,240	6,350,820	
Non-derivative liabilities										
National currency in circulation	16	48,548,977	-	-	-	-	-	-	-	48,548,977
Deposits from the Government of the RM	17	14,378,442	11,965,311	2,000	27,000	-	-	-	-	2,384,131
Deposits from banks	18	34,044,742	28,368,300	-	-	-	-	-	-	5,676,442
Deposits from other clients	20	193,473	-	-	-	-	-	-	-	193,473
Certificates issued by the NBM	19	9,767,606	9,767,606	-	-	-	-	-	-	-
IMF related liabilities	7	4,974,304	687,163	-	15,431	30,862	92,586	4,581	4,143,681	
Due to other IFIs	7	44	-	-	-	-	-	-	-	44
Lease liabilities	20	4,594	1,403	1,053	2,138	-	-	-	-	
Other financial liabilities	20	321,939	-	-	-	-	-	-	-	321,939
		112,234,121	50,789,783	3,053	44,569	30,862	92,586	4,581	61,268,687	
Derivatives										
Inflow		-	-	-	-	-	-	-	-	-
Outflow		192	-	-	-	-	-	-	-	192
Total financial liabilities		112,234,313	50,789,783	3,053	44,569	30,862	92,586	4,581	61,268,879	
Off-balance sheet derivatives										
Inflow		50,000	50,000	-	-	-	-	-	-	-
Outflow		(50,004)	(50,000)	-	-	-	-	-	-	(4)
Interest rate gap		9,336,218	(21,295,365)	10,845,417	23,678,966	15,265,014	17,288,590	18,471,659	(54,918,063)	

The above translation of the Financial Statements is provided as a free translation from Romanian, which is the official binding version.

4. Risk management (continued)

4.4 Market risk (continued)

4.4.1 Interest rate risk (continued)

BANK										
31 December 2023		Notes	Carrying amount	0-3 months	3-6 months	6-12 months	1-2 years	2-5 years	More than 5 years	Non-interest bearing
			MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Non-derivative assets										
Cash and short-term placements	5		19,831,322	14,912,532	3,677,943	-	-	-	-	1,240,847
Investment securities	6		74,798,336	7,600,489	11,357,469	17,759,871	17,340,745	14,243,540	6,227,071	269,151
IMF related assets	7		4,267,146	203,249	-	-	-	-	-	4,063,897
Monetary gold	8		85,533	-	-	-	-	-	-	85,533
Securities issued by the Government of the RM	10		14,226,117	160,123	861,089	328,905	1,434,831	1,255,820	9,768,684	416,665
Loans to banks and others	11		21,987	301	16,302	575	1,138	2,833	838	-
Investments in subsidiaries	12		24,000	-	-	-	-	-	-	24,000
Other financial assets	15		4,652	-	-	-	-	-	-	4,652
Total financial assets			113,259,093	22,876,694	15,912,803	18,089,351	18,776,714	15,502,193	15,996,593	6,104,745
Non-derivative liabilities										
National currency in circulation	16		42,090,746	-	-	-	-	-	-	42,090,746
Deposits from the Government of the RM	17		10,769,559	9,401,067	27,552	-	50,100	-	-	1,290,840
Deposits from banks	18		40,239,046	34,175,864	-	-	-	-	-	6,063,182
Deposits from other clients	20		321,479	-	-	-	-	-	-	321,479
Certificates issued by the NBM	19		11,179,999	11,179,999	-	-	-	-	-	-
IMF related liabilities	7		5,063,104	835,468	-	-	25,455	89,677	34,330	4,078,174
Due to other IFIs	7		1,821	-	-	-	-	-	-	1,821
Lease liabilities	20		8,684	1,365	1,015	2,060	4,244	-	-	-
Other financial liabilities	20		310,561	-	-	-	-	-	-	310,561
Total financial liabilities			109,984,999	55,593,763	28,567	2,060	79,799	89,677	34,330	54,156,803
Interest rate gap			3,274,094	(32,717,069)	15,884,236	18,087,291	18,696,915	15,412,516	15,962,263	(48,052,058)

The above translation of the Financial Statements is provided as a free translation from Romanian, which is the official binding version.

4. Risk management (continued)

4.4 Market risk (continued)

4.4.1 Interest rate risk (continued)

These assets and liabilities bear fixed interest rates, except for current accounts with remunerable balances linked to the repo rates, interbank interest rates, ESTR, the overnight deposit facility rate set by the European Central Bank, the base rate set by the Bank of England, and the current account with the IMF and Extended Fund Facility (EFF) commitments, which bear floating interest rates set on a weekly basis by the IMF.

The average rates applicable to the major components of the balance sheet have been disclosed in the notes to the financial statements relating to these components.

To assess the interest rate risk associated with demand and term deposits held in foreign currency and foreign currency securities, the Bank estimates potential gains/losses under scenarios of an increase or decrease in interest rate on these instruments. In 2024, monetary policy stabilized amid weakening inflationary pressures and with high interest rates maintained during the first half of the year, followed by gradual reductions in the second half, reoriented the expectations about a continuous easing of monetary policy by the authorities in relation to the main currencies in the international reserves structure throughout 2025. In this respect, based on the forecast evolution of interest rates, the Bank applied the change in the interest rate risk variable by 1 p.p.

Based on the average balance of demand and term deposits and investment securities of the Group and the Bank for the reporting year, the estimated impact of a increase/decrease of the interest rate by 1.0 p.p. would result in gains or losses of +/- MDL 1,009,353 thousand, equivalent to USD 54,621 thousand (31 December 2023: +/- MDL 838,426 thousand, equivalent to USD 48,168 thousand).

The price sensitivity of the foreign currency securities to fluctuations of interest rates is measured using the PV01. PV01 is a method that quantifies the interest rate risk through the measurement of the difference between the market value of the securities portfolio and its estimated value in case the investment yield changes with 0.01 p.p. A change of the security's yield with 0.01 p.p. leads to an inversely proportional change of the portfolio value calculated using the PV01 method.

As of 31 December 2024, a change of the yield by 0.01 p.p. would lead to a change in the present value of the investment securities portfolio of the Group and the Bank by MDL 14,820 thousand, equivalent to USD 802 thousand, which represents 0.02% of the investment securities portfolio (31 December 2023: MDL 12,556 thousand, equivalent to USD 721 thousand, which represents 0.02% of the investment securities portfolio).

In the case of securities issued by the Government of the Republic of Moldova, the interest rate sensitivity, as at 31 December 2024, was assessed using a 0.5 percentage point change in interest rates, considering the circumstances applicable at reporting date and the macroeconomic forecasts for 2025.

A 0.5 p.p. increase/decrease in the interest rate by would result in potential gains or losses to the Group's and the Bank's state securities of +/- MDL 10,348 thousand (as of 31 December 2023: MDL 15,807 thousand, considering the increase/decrease in the interest rate by 1.5 p.p.).

4. Risk management (continued)

4.4 Market risk (continued)

4.4.1 Interest rate risk (continued)

As at 31 December 2024, a change of the yield rate by 0.01 p.p. would result in a change in the present value of the state securities portfolio of the Group and the Bank by MDL 8,362 thousand (related to the Bank's portfolio by MDL 8,361 thousand), representing 0.06% of the state securities portfolio (as of 31 December 2023: MDL 9,161 thousand, of which related to the Bank's portfolio – MDL 9,160 thousand, which represents 0.07% of the portfolio).

Interest rate risk arising from monetary policy instruments (standing facilities in the form of overnight loans and deposits, repo and reverse repo, certificates of the National Bank of Moldova, required reserves) is secondary to the National Bank of Moldova's primary objective of ensuring and maintaining price stability and consequently, subsequent to the creation by the Bank of monetary conditions. Achieving this objective requires the implementation of monetary policy instruments that imply costs, the associated costs and mismatches in structure being ancillary to the effectiveness of monetary policy decisions.

Monetary policy instruments are short-term instruments (up to 28 days) with fixed interest rates, remunerated at interest rates derived from the base rate (within the corridor). The rates are revised in monetary policy decisions of the Executive Board of the National Bank and are implemented with a frequency established in the Bank's annual monetary policy operations calendar.

Indirectly, the risk is managed by applying the corridor between the interest rate on overnight loans and overnight deposits (2024: 4 p.p. the corridor between the interest rate on overnight loans and overnight deposits; 2023: 4 p.p.), which aims to calibrate monetary policy instruments with the purpose of streamlining the mechanism of transmission of monetary policy decisions.

4.4.2 Currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in the official exchange rate of the Moldovan leu.

In the process of managing the foreign exchange reserves, the Bank holds a long foreign currency position. The minimization of the currency risk is ensured through an investment portfolio diversification policy. The normative currency structure of the investment portfolio is approved by the Bank's Executive Board and is intended to hedge the foreign currency risk through an adequate corresponding structure of foreign currency assets and liabilities, and a reasonable investment horizon that is adequate to servicing the current external obligations and implementing the foreign currency policy of the state.

On 31 December 2024, the normative currency structure of the international reserve assets provided the following admissible ranges: euro – between 50% and 70%, US dollar – between 25% and 50%, other currencies – no more than 10%. According to the Decision of the Executive Board No 333 of 19 December 2024, the new currency structure is to be achieved before 31 March 2025 (as of 31 December 2023, the US dollar's share in the standard currency structure was 60%, euro - 30%, other currencies - 10%).

National Bank of Moldova

4. Risk management (continued)

4.4 Market risk (continued)

4.4.2 Currency risk (continued)

At the reporting date, the following foreign exchange positions is held:

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31 December 2024

	Notes	Carrying amount MDL'000	MDL MDL'000	USD MDL'000	EUR MDL'000	GBP MDL'000	XDR MDL'000	Other currencies MDL'000
Non-derivative assets								
Cash and short-term placements	5	18,862,810	163	2,612,546	14,472,360	1,776,903	-	838
Investment securities	6	84,360,018	-	49,790,651	34,569,367	-	-	-
IMF related assets	7	4,163,499	-	-	-	-	4,163,499	-
Monetary gold	8	115,639	-	-	-	-	-	115,639
Securities issued by the Government of the RM	10	13,884,466	13,884,466	-	-	-	-	-
Loans to banks and others	11	188,193	188,193	-	-	-	-	-
Other financial assets	15	4,246	4,207	39	-	-	-	-
Total financial assets		121,578,871	14,077,029	52,403,236	49,041,727	1,776,903	4,163,499	116,477
Non-derivative liabilities								
National currency in circulation	16	48,548,977	48,548,977	-	-	-	-	-
Deposits from the Government of the RM	17	14,378,442	12,007,416	599,358	1,771,668	-	-	-
Deposits from banks	18	34,044,742	17,275,090	3,666,374	13,103,278	-	-	-
Deposits from other clients	20	191,777	191,777	-	-	-	-	-
Certificates issued by the NBM	19	9,767,606	9,767,606	-	-	-	-	-
IMF related liabilities	7	4,974,304	-	-	-	-	4,974,304	-
Due to other IFIs	7	44	44	-	-	-	-	-
Lease liabilities	20	5,038	-	-	5,038	-	-	-
Other financial liabilities	20	322,040	35,879	273,475	12,684	2	-	-
		112,232,970	87,826,789	4,539,207	14,892,668	2	4,974,304	-
Derivatives								
Inflows	9	-	-	-	-	-	-	-
Outflows	9	192	192	-	-	-	-	-
Total financial liabilities		112,233,162	87,826,981	4,539,207	14,892,668	2	4,974,304	-
Off-balance sheet derivatives								
Inflows	9	50,000	50,000	-	-	-	-	-
Outflows	9	(50,004)	-	(50,004)	-	-	-	-
Net position		9,345,705	(73,699,952)	47,814,025	34,149,059	1,776,901	(810,805)	116,477

As of 31 December 2024, other currencies include monetary gold – MDL 115,639 thousand, Romanian lei - MDL 829 thousand and Japanese yen - MDL 9 thousand.

National Bank of Moldova

4. Risk management (continued)

4.4 Market risk (continued)

4.4.2 Currency risk (continued)

CONSOLIDATED

31 December 2023	Notes	Carrying amount MDL'000	MDL MDL'000	USD MDL'000	EUR MDL'000	GBP MDL'000	XDR MDL'000	CNY MDL'000	Other currencies MDL'000
Non-derivative assets									
Cash and short-term placements	5	19,831,357	30	7,528,154	9,431,146	1,651,081	-	1,220,329	617
Investment securities	6	74,798,336	-	54,927,103	19,871,233	-	-	-	-
IMF related assets	7	4,267,146	-	-	-	-	4,267,146	-	-
Monetary gold	8	85,533	-	-	-	-	-	-	85,533
Securities issued by the Government of the RM	10	14,252,043	14,252,043	-	-	-	-	-	-
Loans to banks and others	11	21,987	21,987	-	-	-	-	-	-
Other financial assets	15	4,839	1,965	-	-	-	2,874	-	-
Total financial assets		113,261,241	14,276,025	62,455,257	29,302,379	1,651,081	4,270,020	1,220,329	86,150
Non-derivative liabilities									
National currency in circulation	16	42,090,746	42,090,746	-	-	-	-	-	-
Deposits from the Government of the RM	17	10,769,559	9,496,028	380,837	892,694	-	-	-	-
Deposits from banks	18	40,239,046	22,571,500	4,383,855	13,283,691	-	-	-	-
Deposits from other clients	20	313,981	313,981	-	-	-	-	-	-
Certificates issued by the NBM	19	11,179,999	11,179,999	-	-	-	-	-	-
IMF related liabilities	7	5,063,104	-	-	-	-	5,063,104	-	-
Due to other IFIs	7	1,821	1,821	-	-	-	-	-	-
Lease liabilities	20	9,535	-	-	9,535	-	-	-	-
Other financial liabilities	20	310,629	32,797	259,996	17,833	2	-	-	1
Total financial liabilities		109,978,420	85,686,872	5,024,688	14,203,753	2	5,063,104	-	1
Net position		3,282,821	(71,410,847)	57,430,569	15,098,626	1,651,079	(793,084)	1,220,329	86,149

As of 31 December 2023, other currencies include monetary gold holdings- MDL 85,533 thousand, Romanian lei – MDL 584 thousand, Norwegian kroner - MDL 19 thousand, Swiss francs - MDL 9 thousand, Russian roubles – MDL 3 thousand, Danish crowns - MDL 2 thousand and Japanese Yens – MDL 1 thousand.

National Bank of Moldova

4. Risk management (continued)

4.4 Market risk (continued)

4.4.2 Currency risk (continued)

BANK

31 December 2024

	Notes	Carrying amount	MDL	USD	EUR	GBP	XDR	Other currencies
		MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Non-derivative assets								
Cash and short-term placements	5	18,862,647	-	2,612,546	14,472,360	1,776,903	-	838
Investment securities	6	84,360,018	-	49,790,651	34,569,367	-	-	-
IMF related assets	7	4,163,499	-	-	-	-	4,163,499	-
Monetary gold	8	115,639	-	-	-	-	-	115,639
Securities issued by the Government of the RM	10	13,852,550	13,852,550	-	-	-	-	-
Loans to banks and others	11	188,193	188,193	-	-	-	-	-
Investments in subsidiaries	12	24,000	24,000	-	-	-	-	-
Other financial assets	15	3,989	3,950	39	-	-	-	-
Total financial assets		121,570,535	14,068,693	52,403,236	49,041,727	1,776,903	4,163,499	116,477
Non-derivative liabilities								
National currency in circulation	16	48,548,977	48,548,977	-	-	-	-	-
Deposits from the Government of the RM	17	14,378,442	12,007,416	599,358	1,771,668	-	-	-
Deposits from banks	18	34,044,742	17,275,090	3,666,374	13,103,278	-	-	-
Deposits from other clients	20	193,473	193,473	-	-	-	-	-
Certificates issued by the NBM	19	9,767,606	9,767,606	-	-	-	-	-
IMF related liabilities	7	4,974,304	-	-	-	-	4,974,304	-
Due to other IFIs	7	44	44	-	-	-	-	-
Lease liabilities	20	4,594	-	-	4,594	-	-	-
Other financial liabilities	20	321,939	36,068	273,475	12,394	2	-	-
		112,234,121	87,828,674	4,539,207	14,891,934	2	4,974,304	-
Derivatives								
Inflow	9	-	-	-	-	-	-	-
Outflow	9	192	192	-	-	-	-	-
Total financial liabilities		112,234,313	87,828,866	4,539,207	14,891,934	2	4,974,304	-
Off-balance sheet derivatives								
Inflow	9	50,000	50,000	-	-	-	-	-
Outflow	9	(50,004)	-	(50,004)	-	-	-	-
Net position		9,336,218	(73,710,173)	47,814,025	34,149,793	1,776,901	(810,805)	116,477

As of 31 December 2024, other currencies include monetary gold – MDL 115,639 thousand, Romanian lei - MDL 829 thousand and Japanese yen - MDL 9 thousand.

National Bank of Moldova

4. Risk management (continued)

4.4 Market risk (continued)

4.4.2 Currency risk (continued)

BANK

31 December 2023

	Notes	Carrying amount MDL'000	MDL MDL'000	USD MDL'000	EUR MDL'000	GBP MDL'000	XDR MDL'000	CNY MDL'000	Other currencies MDL'000
Non-derivative assets									
Cash and short-term placements	5	19,831,322	-	7,528,154	9,431,141	1,651,081	-	1,220,329	617
Investment securities	6	74,798,336	-	54,927,103	19,871,233	-	-	-	-
IMF related assets	7	4,267,146	-	-	-	-	4,267,146	-	-
Monetary gold	8	85,533	-	-	-	-	-	-	85,533
Securities issued by the Government of the RM	10	14,226,117	14,226,117	-	-	-	-	-	-
Loans to banks and others	11	21,987	21,987	-	-	-	-	-	-
Investments in subsidiaries	12	24,000	24,000	-	-	-	-	-	-
Other financial assets	15	4,652	1,778	-	-	-	2,874	-	-
Total financial assets		113,259,093	14,273,882	62,455,257	29,302,374	1,651,081	4,270,020	1,220,329	86,150
Non-derivative liabilities									
National currency in circulation	16	42,090,746	42,090,746	-	-	-	-	-	-
Deposits from the Government of the RM	17	10,769,559	9,496,028	380,837	892,694	-	-	-	-
Deposits from banks	18	40,239,046	22,571,500	4,383,855	13,283,691	-	-	-	-
Deposits from other clients	20	321,479	321,479	-	-	-	-	-	-
Certificates issued by the NBM	19	11,179,999	11,179,999	-	-	-	-	-	-
IMF related liabilities	7	5,063,104	-	-	-	-	5,063,104	-	-
Due to other IFIs	7	1,821	1,821	-	-	-	-	-	-
Lease liabilities	20	8,684	-	-	8,684	-	-	-	-
Other financial liabilities	20	310,561	33,021	259,996	17,541	2	-	-	1
		109,984,999	85,694,594	5,024,688	14,202,610	2	5,063,104	-	1
Net position		3,274,094	(71,420,712)	57,430,569	15,099,764	1,651,079	(793,084)	1,220,329	86,149

As of 31 December 2023, other currencies include monetary gold - MDL 85,533 thousand, Romanian lei - MDL 584 thousand, Norwegian kroner - MDL 19 thousand, Swiss francs - MDL 9 thousand, Russian rubles - MDL 3 thousand, Danish crowns - MDL 2 thousand and Japanese Yens - MDL 1 thousand.

4. Risk management (continued)

4.4 Market risk (continued)

4.4.2 Currency risk (continued)

To assess the currency risk associated with assets and liabilities denominated in foreign currency, potential unrealized gains /losses have been calculated assuming a change of +/- 10% of the official exchange rate of MDL against the currencies in which these assets and liabilities are denominated.

As of 31 December 2024, and 31 December 2023, respectively, the amount of the potential impact on the profit and capital of the Bank was as follows:

	31 December 2024		31 December 2023	
	MDL'000	MDL'000	MDL'000	MDL'000
	Profit	Capital	Profit	Capital
MDL against USD	+/- 4,780,917	+/- 4,780,917	+/- 5,742,545	+/- 5,742,545
MDL against EUR	+/- 3,414,632	+/- 3,414,632	+/- 1,509,788	+/- 1,509,788
MDL against GBP	+/- 177,690	+/- 177,690	+/- 165,108	+/- 165,108
MDL against CNY	-	-	+/- 122,033	+/- 122,033
MDL versus XDR	-/+ 81,362	-/+ 81,362	-/+ 78,873	-/+ 78,873
MDL against other currencies	+/- 84	+/- 84	+/- 62	+/- 62

If the MDL appreciates against the respective foreign currencies, the Bank would incur unrealized losses, and conversely, a depreciation of MDL against the respective foreign currencies would result in unrealized gains, except for XDR, where the appreciation of MDL against XDR generates unrealized gains, while the depreciation generates unrealized losses.

4.5 Climate risks

The “NBM 2025” strategic plan, having a transversal objective “Environmental and social responsibility”, aims to contribute tangibly to enhancing sustainability both at the financial sector level and within the Bank. In this context, the Bank undertakes a series of measures concerning climate change, the integration of climate risks into the decision-making process, and the development of sustainable financing.

This way, the Bank, acting as central bank, without prejudice to its primary objective of ensuring and maintaining price stability, contributes, within the limits of its powers, to the stability of the financial system and supports the general economic policy of the Republic of Moldova. Based on the Memorandum on Economic and Financial Policies concluded with the International Monetary Fund, including the reform measures in the program supported by the Resilience and Sustainability Financing Facility, and the Memorandum of Understanding signed on May 27, 2024, between the Government of the Republic of Moldova, the National Bank of Moldova, and the National Commission for Financial Markets, a commitment was made to develop and implement a national sustainable finance framework aligned with international and European Union best practices, thereby contributing to climate change mitigation and the transition to a sustainable economy.

In 2024, by the Decision of the Executive Board of the NBM No. 145 of May 28, 2024, the Sustainable Finance Roadmap was approved – a strategic document for guiding and promoting sustainable financing. The roadmap consists of four main pillars and planned practical actions and measures that are to be accomplished according to the Action Plan for Sustainable Finance development in the Republic of Moldova 2024-2028.

4. Risk management (continued)

4.5 Climate risks (continued)

For this purpose, expertise and institutional capacity in this area have been strengthened through the participation of 26 employees in 18 professional development events (seminars, conferences, training). Additionally, the Bank benefits from technical assistance, within the project “Developing a sustainable financing framework for the financial sector of the Republic of Moldova”, supported by the International Finance Corporation, member of the World Bank Group. The assistance covers areas including **social and environmental responsibility and climate change**.

To reduce the environmental impact and align the procurement process to the national strategy “European Moldova 2030”, in the last two years the Bank accelerated the transition to green procurement. In 2024, 12.42% of the total number of purchases were performed in accordance with environmental requirements, representing 45.14% of the total procurement value.

To improve energy efficiency and reduce emissions, contributing to the objective of limiting global warming to 1.5°C under the Treaty of Paris- the Bank has undertaken measures to reduce energy consumption related to lighting, maintenance equipment, and information technology infrastructure (Energy Star certified or equivalent). Other technical systems and installations have been progressively replaced with more energy-efficient versions.

Following the introduction of the electronic signature in 2020 across the Bank’s operational processes, which ensured a predominantly electronic document workflow, the consumption of paper has decreased. In 2024, 39.6% less paper was consumed compared to the baseline year 2019, prior to the introduction of the electronic signature.

During the reporting year, the Bank continued to integrate sustainability considerations into the management of foreign currency reserves by incorporating climate risks in investment decisions, with the investment policy focused on promoting sustainable investments.

Integrating sustainability principles into the selection of investment instruments enables the Bank to address climate risks from a broader perspective and to safeguard its portfolios against emerging risks associated with the transition to a green economy. This approach reflects a change in the way the Bank understands and manages financial risks, including those related to climate change, and highlights the importance of responsible and sustainable management of financial resources over the long term.

Climate-related risks can trigger or amplify market fluctuations and affect the attractiveness of investments. Thus, the Bank adopts a holistic approach to managing the potential impact of such risks on foreign currency reserves, considering them as amplifiers of traditional risks, such as credit and market risks, which are managed according to the Bank’s financial risk management framework.

A methodological challenge is the difficulty of modelling climate factors and their connection to the risk and return characteristics of the investment portfolio. An additional constraint arises from limited availability and quality of data on climate risks.

Physical or transition risks may affect the market value of foreign exchange reserves and generate volatility through widening spreads or deterioration of default probabilities, which can amplify both market and credit risks. To mitigate the impact of these risks on foreign exchange reserves, the Bank has taken the following measures:

4. Risk management (continued)

4.5 Climate risks (continued)

- The foreign currency reserves are largely protected against climate risks over the short investment horizon. Over a longer horizon, spanning several decades, these risks could have a greater impact. Therefore, the risk is addressed from the perspective of portfolio duration management;
- The Bank primarily holds sovereign exposures of developed countries with high credit risk quality thresholds, where exposures are well diversified. This approach helps maintain low credit risk and limits market risk due to predominantly short-term exposures;
- The Bank invests in sustainable securities issued by eligible issuers, ensuring their comparability, in terms of risk-return ratio, with traditional instruments;
- The Bank collaborates with other central banks and international organizations in initiatives and information exchanges to adopt best practices in managing climate risks.

Climate risk reporting in the Bank is under development, the Bank currently analysing the climate impact on its securities portfolio and exposures.

In terms of environmental risks arising from its own operations, the Bank's focus is on the reduction of the environmental footprint of the fixed assets used in business operations and the national currency processing cycle.

In 2025, the Bank will continue to advance the development of an integrated risk management framework along with policies, processes, and controls for incorporating climate risks. The objectives are centred on improving the resilience of the financial-banking sector, promoting sustainable financing, and enhancing the understanding of environmental risks and their impact on the Bank's activities.

5. Cash and short-term placements

	CONSOLIDATED		BANK	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	MDL'000	MDL'000	MDL'000	MDL'000
Cash and short-term placements in foreign currency				
Accounts	-	5	-	-
Cash	1,159,765	1,148,244	1,159,765	1,148,244
Nostro accounts	39,232	1,606,630	39,232	1,606,630
Term deposits	17,663,693	17,076,816	17,663,693	17,076,816
Loss allowance (Note 4.2)	(43)	(368)	(43)	(368)
	18,862,647	19,831,327	18,862,647	19,831,322
Cash and short-term placements in national currency				
Accounts	163	27	-	-
Cash	-	3	-	-
	163	30	-	-
Total	18,862,810	19,831,357	18,862,647	19,831,322

Cash and short-term placements do not include local currency balances of cash in hand of the Bank, which is offset with the respective amount at the position “National currency into circulation” (Note 16). This type of cash presentation is considered adequate since the Bank is the sole issuer of national currency.

At the end of the reporting period, the balances on “Nostro” accounts were held with financial institutions rated ¹ “AAA” - 24.54%, “AA+” - 26.48%, “AA-” - 16.93%, “A+” - 2.14%, “A” - 28.56%, “BBB” - 0.92% and “BBB-” - 0.43% (at 31 December 2023: “AAA” - 97.02%, “A” - 1.27%, “AA-” - 1.03%, “AA+” - 0.56%, “AA” - 0.08% and “A+” - 0.04%).

At the end of the reporting period, term deposits in foreign currency were placed at financial institutions with the following ratings¹: “AAA” - 86.85%, “AA+” - 13.03%, “AA-” - 0.01% and “A” - 0.11% (at 31 December 2023: “AAA” - 40.45%, “A” - 37.60%, “A+” - 8.88%, “AA+” - 5.87%, “AA-” - 4.12% and “AA” - 3.08%).

As of 31 December 2024, the balance of term deposits in foreign currency with maturities of more than 3 months from the date of acquisition, including accrued interest, amounted to MDL 582,332 thousand (as of 31 December 2023: MDL 9,176,146 thousand).

As of 31 December 2024, the balance of overnight deposits, including accrued interest, amounted to MDL 15,893,401 thousand (as of 31 December 2023: MDL 3,256,959 thousand).

¹ Established by applying the average rating assigned by international rating agencies (Standard & Poor’s, Moody’s, and Fitch Ratings).
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6. Investment securities

The „Investment securities” line item in the balance sheet comprises two categories of financial assets, as provided below:

	CONSOLIDATED		BANK	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	MDL'000	MDL'000	MDL'000	MDL'000
Foreign currency securities measured at FVOCI	71,199,982	65,769,149	71,199,982	65,769,149
Coupon-bearing securities in foreign currency	60,163,919	55,982,228	60,163,919	55,982,228
Zero-coupon securities in foreign currency (discount)	11,036,063	9,786,921	11,036,063	9,786,921
Foreign currency securities measured at amortised cost	13,160,036	9,029,187	13,160,036	9,029,187
Coupon-bearing securities in foreign currency	13,161,839	9,030,394	13,161,839	9,030,394
Loss allowance (<i>Note 4.2</i>)	(1,803)	(1,207)	(1,803)	(1,207)
Total	84,360,018	74,798,336	84,360,018	74,798,336

The securities portfolio in foreign currency measured at FVOCI comprises primarily securities issued by the Government and governmental agencies of the United States of America, European Union and other states, and those issued by the supranational institutions. The portfolio of foreign currency securities measured at FVOCI is presented below:

	CONSOLIDATED		BANK	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	MDL'000	MDL'000	MDL'000	MDL'000
Coupon-bearing securities in foreign currency	60,163,919	55,982,228	60,163,919	55,982,228
Nominal value of securities	60,285,331	57,358,953	60,285,331	57,358,953
Interest accrued and amortised cost adjustments	(173,806)	(1,368,131)	(173,806)	(1,368,131)
Fair value revaluation differences	52,394	(8,594)	52,394	(8,594)
Zero-coupon securities in foreign currency	11,036,063	9,786,921	11,036,063	9,786,921
Nominal value of securities	11,196,286	9,890,122	11,196,286	9,890,122
Amortization adjustments	(180,400)	(105,040)	(180,400)	(105,040)
Fair value revaluation differences	20,177	1,839	20,177	1,839
Total	71,199,982	65,769,149	71,199,982	65,769,149

6. Investment securities (continued)

Foreign currency securities measured at FVOCI, are revalued to fair value and bear a fixed effective interest rate ranging from 2.36% to 5.50% per annum (as at 31 December 2023: 2.72% and 5.69% per annum), except for inflation-linked securities with a nominal value of MDL 143,830 thousand (in original currency USD 7,783 thousand) bearing a floating interest rate which is repriced daily (as at 31 December 2023: MDL 66,818 thousand, in original currency - USD 3,839 thousand). As of 31 December 2024, consistent with the previous reporting period, the portfolio does not contain securities with floating interest rates that adjust quarterly.

The impact of the difference between the floating rate reset periods and the reference rate setting periods for the floating rate instruments in the Bank's portfolio is insignificant on the cash flows of the floating rate debt instruments, accordingly they are measured at FVOCI.

Foreign currency securities measured at FVOCI also include accrued interest, disclosed under *Interest accrued and amortised cost adjustments*, which as of 31 December 2024 amounted to MDL 383,961 thousand (as of 31 December 2023: MDL 228,548 thousand).

As of 31 December 2024, the foreign currency securities measured at FVOCI which had the highest rating „AAA” represented 41.75%, „AA+” – 47.46%, „AA” – 0.43% and „AA-” – 10.36% (as of 31 December 2023: „AAA” was 28.91%, „AA+” – 61.55%, „AA” – 9.41% and „AA-” – 0.13%).

During the reporting period, securities in foreign currency measured at FVOCI with a total nominal value of USD 2,330,456 thousand and EUR 1,865,873 thousand (in 2023: USD 2,703,364 thousand and EUR 775,050 thousand) were sold or reached maturity. Additionally, foreign currency securities measured at FVOCI with a total nominal value of USD 1,858,958 thousand and EUR 2,421,673 thousand (in 2023: USD 3,262,143 thousand and EUR 1,316,650 thousand) were purchased during the reporting period.

Under the Agreement on investment management and consulting concluded between the International Bank for Reconstruction and Development (IBRD) and the Bank, IBRD serves the Bank's advisor and investment manager for a portion of foreign reserves, limited to 20% of the foreign currency reserves. Under this arrangement, investments are made in US dollar denominated securities issued by the US Treasury, governmental agencies and supranational institutions. These assets are included in the foreign currency securities measured at FVOCI.

As of 31 December 2024, the balance of foreign currency securities managed externally amounted to MDL 7,579,148 thousand (as of 31 December 2023: MDL 4,054,858 thousand), with a share in foreign currency reserves of 7.49% (as of 31 December 2023: 4.29%).

The portfolio of foreign currency securities measured at amortised cost represents the securities purchased with the business model intention to collect contractual flows. The volume and structure of foreign currency assets and future cash flow projections enable the Bank to hold these securities to collect contractual cash flows until maturity. Portfolio completion for securities measured at amortised cost is permitted only when its proportion represents less than 25% of the international reserves and the reserves cover 4 months of import, external debt service payments of the Bank and the Government of the Republic of Moldova and other payments in foreign currency for one year. Additionally, appropriate investment instruments and market conditions exist for maintaining investments solely for the collection of contractual flows.

6. Investment securities (continued)

As of 31 December 2024, the share of foreign currency securities measured at amortised cost in foreign currency reserves amounted to 12.75% (as of 31 December 2023: 9.54%). The portfolio of foreign currency securities at amortised cost is presented below:

	CONSOLIDATED		BANK	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	MDL'000	MDL'000	MDL'000	MDL'000
Foreign currency securities measured at amortised cost				
Nominal value	13,865,870	9,619,537	13,865,870	9,619,537
Interest and amortised cost adjustments	(704,031)	(589,143)	(704,031)	(589,143)
Loss allowance (<i>Note 4.2</i>)	(1,803)	(1,207)	(1,803)	(1,207)
Total	13,160,036	9,029,187	13,160,036	9,029,187

The securities measured at amortised cost earn an annual fixed interest rate ranging between 2.48% and 4.38% (31 December 2023: 2.39% to 4.38%). As of 31 December 2024, the share of securities measured at amortised cost with the rating of "AAA" was 5.87%, "AA+" – 88.26%, "AA-" – 5.87% (31 December 2023: "AA+" - 100%).

During the reporting period, foreign currency securities measured at amortised cost with nominal value of USD 20,000 thousand reached maturity (in 2023: USD 61,320 thousand). During the reporting period, this portfolio was replenished with securities with a total nominal value of EUR 208,330 thousand (in 2023: USD 532,650 thousand).

7. Assets with/Due to IMF and other IFIs

	CONSOLIDATED		BANK	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	MDL'000	MDL'000	MDL'000	MDL'000
IMF related assets				
Current account with IMF	21,683	203,829	21,683	203,829
RM Contribution in IMF quota	4,141,816	4,063,317	4,141,816	4,063,317
	4,163,499	4,267,146	4,163,499	4,267,146
IMF related liabilities				
Liabilities to the IMF except for RM contributions in IMF quota:				
	832,487	999,786	832,487	999,786
<i>Loans granted by the IMF</i>	827,805	992,158	827,805	992,158
<i>Accrued interest</i>	4,682	7,628	4,682	7,628
Liabilities to the IMF with respect to quota settlement:				
<i>Account No 1</i>	4,141,817	4,063,318	4,141,817	4,063,318
<i>Account No 2</i>	121	119	121	119
	4,974,304	5,063,104	4,974,304	5,063,104
Due to other IFIs	44	1,821	44	1,821

7. Assets with/Due to IMF and other IFIs (continued)

The Republic of Moldova joined the IMF on 12 August 1992. The Bank serves as the agent of the state that conducts the financial transactions with the IMF and as the depository for the IMF's accounts. The membership in the IMF is quota-based. A member's quota is determined upon its admission to the membership and is revised periodically under General Quota Reviews.

The current account with the IMF comprises cash holdings in the form of XDR.

The quota forms the basis for the member's financial and organizational relationship with the IMF and determines, inter alia, a member's relative voting power, the maximum access to the IMF financing and the share of the member in any allocation of XDR. Republic of Moldova contribution to IMF quota reflects initial and subsequent quota payments and is an asset of the IMF's member. Up to 25% of the quota is payable by each member to the IMF in reserve assets specified by the IMF and the remainder is due in the member's own currency. The amount of the quota determines the right to vote for the IMF's decisions, the amount of the IMF member's financial contribution, the financing a member can obtain in the event of balance-of-payment difficulties and the amount of Special Drawing Rights (XDR) that a member receives when they are allocated.

In accordance with the strategic investment criteria, Moldova's quota in the IMF is designated as measured at FVOCI.

The local currency portion of the quota payment is deposited into the IMF Account No 1 and IMF Account No 2. The IMF Account No 1 is used for the IMF's operational transactions (purchases, repurchases of XDR), whereas the IMF Account No 2 is used for the payment of expenses incurred by the IMF in the member's national currency.

Considering that the contribution to the IMF quota is to be made at the subscribed XDR value, once the position is revalued, the IMF quota in the equivalent in MDL replenishes the value of the IMF accounts held with the National Bank, such that the net IMF position between the IMF quota and the IMF accounts at the National Bank equals to the Republic of Moldova's reserve tranche position with the IMF (XDR 5 thousand). Accordingly, the assets in the Quota and the liabilities related to the Quota (account No 1 and No 2) are presented in the category of foreign currency instruments.

According to the decision on IMF quota increase (the 14th General Review of Quotas) and the Law on the increase of the Republic of Moldova's subscription to the IMF of May 11, 2012, the Republic of Moldova's subscription quota to the IMF as of December 31, 2024, amounts to XDR 172.5 million.

Subsequently, on December 15, 2023, through Resolution 79-1, a new quota increase of the IMF was adopted (the 16th General Review of Quotas), proposing a 50% increase in IMF members' quotas. Therefore, on December 5, 2024, the Parliament of the Republic of Moldova voted the *Law on the increase of the Republic of Moldova's subscription to the IMF No.280*, approving the increase in the subscription the Republic of Moldova's IMF subscription from XDR 172.5 million to XDR 258.8 million, with the Bank, acting as the state banker and fiscal agent, assuming responsibility for implementing the above mentioned increase.

The actual increase in IMF quotas can be initiated only by IMF members once 2 conditions have been met cumulatively: (1) the IMF has received consent to quota increase from IMF members holding at least 85% of total quotas and (2) the IMF has received consent from New Arrangements to Borrow (NAB) participants regarding the effectiveness of the withdrawal of NAB credit arrangements.

7. Assets with/Due to IMF and other IFIs (continued)

Once the IMF has notified member countries that the above conditions have been met and the member country has submitted its written agreement to the quota increase, the member country has 35 days to increase its quota to the IMF in accordance with one of the options proposed by the IMF for the payment of the quota increase.

The change of the quota recorded during the reporting period represents the revaluation of the value of the quota in XDR at the exchange rate of the Moldovan leu established by the IMF at the end of the reporting period, the same change being implicitly allocated to the IMF Accounts held with the Bank under liabilities with the IMF, reflecting the nature and purpose of those accounts.

The amounts included in the Bank's balance sheet as "Due to IMF" also comprise the loans received by the Bank from the IMF. The loans are denominated in Special Drawing Rights (XDR) and are measured in the equivalent of Moldovan lei at the end of the reporting period.

To present the complete position of the Republic of Moldova to the IMF, the amounts of loans and financing received by the Republic of Moldova from the IMF, allocated by the beneficiary authorities, are presented in the table below:

	Balance 31.12.2023	Reimburse ments	Receipts	Balance 31.12.2024
	XDR'000	XDR'000	XDR'000	XDR'000
National Bank of Moldova	42,175	7,725	-	34,450
Ministry of Finance	835,917	68,778	244,325	1,011,464
Loans and other financing from the IMF	878,092	76,503	244,325	1,045,914
<i>including on facilities:</i>				
National Bank of Moldova	35,775	7,725	-	28,050
Ministry of Finance	237,550	5,858	163,100	394,792
EFF	273,325	13,583	163,100	422,842
National Bank of Moldova	6,400	-	-	6,400
Ministry of Finance	171,570	5,420	38,100	204,250
ECF	177,970	5,420	38,100	210,650
Ministry of Finance	86,250	57,500	-	28,750
RFI	86,250	57,500	-	28,750
Ministry of Finance	57,500	-	-	57,500
RCF	57,500	-	-	57,500
Ministry of Finance	-	-	43,125	43,125
RSF	-	-	43,125	43,125
Ministry of Finance	283,047	-	-	283,047
XDR allocations	283,047	-	-	283,047

The Extended Financing Facility (EFF) represents loans to IMF members to finance the balance of payments deficit. IMF grants loans within EFF facility for a 10-year term with a 4.5-year grace period. The interest rate for these loans is floating and set on a weekly basis by the IMF. In 2024 the average rate was 4.79% per annum (2023: 4.82%).

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7. Assets with/Due to IMF and other IFIs (continued)

The Extended Credit Facility (ECF, previously PRGF) represents loans to the countries that meet the eligibility criteria approved by the IMF for concessional financing. The IMF granted loans within ECF for a 10-year term and with a 5.5-year grace period. These loans bear an interest rate of 0.25% per annum. Based on the decision of the Executive Board of the IMF, the ECF loans bear no interest until the end of the current program of the Republic of Moldova with the IMF.

On December 21, 2021, the IMF Executive Board approved the request of the Republic of Moldova to fund the post-COVID-19 economic reform program under the ECF and EFF, over a period of 40 months and in the amount of XDR 400,000 thousand. On May 11, 2022, the IMF Board of Executive Directors approved the increase of financial assistance for the same program, up to XDR 594,262.5 thousand and the redistribution of tranches. The program aimed to support the post-COVID-19 recovery, addressing the urgent development needs and strengthening the institutional and governance framework of the Republic of Moldova.

The Rapid Lending Facility (RCF) and the Rapid Financing Facility (RFI) are IMF facilities that provide emergency financial assistance to member countries. The RFI is non-concessional fast-track financial assistance available to all Member States with a balance of payments deficits. The RFI disbursed to the Republic of Moldova has a maturity of 5 years, with a grace period of 3.25 years and a variable interest rate. The RCF provides fast, interest-free concessional financing to low-income countries with balance of payments deficits. It is granted for a period of 10 years, with a grace period of 5.5 years.

The Resilience and Sustainability Facility (RSF) is an IMF financing instrument designed at supporting members undertake macro-critical reforms to strengthen macroeconomic resilience and to address long-term challenges, including those related to climate change and debt sustainability. Loan disbursements to the Ministry of Finance of the Republic of Moldova within the RSF during 2024 mature in 20 years, with a grace period of 10.5 years and bear a low interest rate, appropriate for this type of instrument. These funds support macro-critical reforms to improve fiscal sustainability, increase energy efficiency and strengthen country's institutional resilience, contributing to a balanced and sustainable economic growth.

During 2024, the Ministry of Finance of the Republic of Moldova received 2 tranches under the EFF facility amounting to EUR 202,071 thousand (equivalent to XDR 163,100 thousand), 2 tranches under the ECF facility amounting to EUR 47,204 thousand (equivalent to XDR 38,100 thousand) and 2 tranches under the RSF facility amounting to EUR 53,209 thousand (equivalent to XDR 43,125 thousand).

XDR allocations at the end of reporting period represent the general reserve allocations in XDR made by the IMF in August 2009 in the amount of XDR 117,714 thousand, the special allocations distributed by the IMF in September 2009 under Amendment IV to the IMF Statute and special allocations distributed by the IMF to the Republic of Moldova in August 2021 in the amount of XDR 165,333 thousand, which were used to finance state budget needs and attributed to the Ministry of Finance of the Republic of Moldova under *Law No 138 on the use of Special Drawing Rights attributed by the International Monetary Fund to the Republic of Moldova*.

During the reported period, the Bank had no breaches of principal or interest payments, or other relevant covenant indicators regarding repayment of IMF loans.

Upon receipt of facilities granted from the General resources account of the IMF (EFF and RFI), the Ministry of Finance of the Republic of Moldova has issued promissory notes in national currency in favour of the IMF, which are held for safekeeping in Bank's vault.

8. Monetary gold

	CONSOLIDATED		BANK	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	MDL'000	MDL'000	MDL'000	MDL'000
Monetary gold	115,639	85,533	115,639	85,533
	115,639	85,533	115,639	85,533

The monetary gold comprises 74,133.48 grams of pure gold (31 December 2023 – 74,133.48 grams of pure gold) in the form of bullions of Good Delivery standard quality (based on the requirements of the London Bullion Market Association).

The change registered during the reported period represents the daily revaluation of monetary gold at the price of gold determined by the Bank based on the PAu/USD quotation set by London Gold Market Fixing Ltd Company.

9. Derivatives

The 'Derivatives' line item in the consolidated and separate balance sheets is presented as follows:

	CONSOLIDATED			BANK		
	Fair value		Notional value	Fair value		Notional value
	Assets	Liabilities		Assets	Liabilities	
31 December 2024	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Currency swap:	-	192	50,000	-	192	50,000
<i>Interest payable</i>	-	7	-	-	7	-
<i>Differences from the revaluation of the foreign currency to be received</i>	-	185	-	-	185	-
Derivatives	-	192	50,000	-	192	50,000
31 December 2023						
Currency swap:	-	-	-	-	-	-
<i>Interest payable</i>	-	-	-	-	-	-
<i>Differences from the revaluation of the foreign currency to be received</i>	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-

As of December 31, 2024, the Bank holds a currency swap (reverse sale transaction) with EBRD in national currency against USD in amount of USD 2,716 thousand, with transaction date December 23, 2024, and the maturity date January 6, 2025. As of December 31, 2023, the Bank held no currency swaps.

The currency swap transaction comprises two simultaneous foreign exchange operations, between two participants in the transaction, i.e. the buying (selling) operation and simultaneously, the reverse operation of selling (buying) of identical amounts of a foreign currency against the national currency or another foreign currency with different settlement date and applying different exchange rates (the difference is expressed in swap points) which are determined at the transaction date. Given the characteristics of foreign exchange operations, these operations are not collateralized.

10. Securities issued by the Government of the Republic of Moldova

	CONSOLIDATED		BANK	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	MDL'000	MDL'000	MDL'000	MDL'000
Nominal value of state securities	11,421,200	11,751,200	11,421,200	11,751,200
Accrued nominal interest	144,176	145,303	144,176	145,303
Amortization at the effective interest rate	251,096	251,309	251,096	251,309
Loss allowance (<i>Note 4.2</i>)	(40,203)	(38,985)	(40,203)	(38,985)
State securities issued from state guarantees measured at amortised cost	11,776,269	12,108,827	11,776,269	12,108,827
Nominal value of state securities	2,069,523	2,133,430	2,069,523	2,133,430
Unamortised discount of state securities	(3,701)	(29,362)	(3,701)	(29,362)
Accrued nominal interest	15,962	20,053	15,962	20,053
Loss allowance (<i>Note 4.2</i>)	(5,503)	(6,831)	(5,503)	(6,831)
State securities from previously converted loans measured at amortised cost	2,076,281	2,117,290	2,076,281	2,117,290
Nominal value of state securities	32,616	26,737	-	-
Unamortised discount of state securities	(700)	(811)	-	-
State securities held by CSD in the investment portfolio measured at amortized cost	31,916	25,926	-	-
	13,884,466	14,252,043	13,852,550	14,226,117

10. Securities issued by the Government of the Republic of Moldova (continued)**a. State securities derived from state guarantees**

State securities issued from state guarantees have been issued under *Law No 235/2016 on issuing state securities for the execution by the Ministry of Finance of the payment obligations derived from state guarantees No 807 of 17 November 2014 and No 101 of 1 April 2015* and were transferred to the National Bank of Moldova on 4 October 2016 in the form of interest-bearing bonds (coupon) with a nominal value of MDL 13,341,200 thousand.

The issuance amount represents the total outstanding balance of emergency loans granted by the Bank to BC "Banca de Economii" S.A., B.C. "Banca Socială" S.A. and B.C. "Unibank" S.A., which had not been repaid at the date of issue of these state securities. These state securities held in the Bank's portfolio are measured at amortised cost, with the Bank's business model being to collect contractual cash flows.

The state securities were issued with maturities of up to 25 years with fixed interest rates (nominal rate of 1.4% and 5.3%), the effective interest rate of the bond portfolio being of 5%, this representing the portfolio's fair value on the date of initial recognition.

The trading of these state securities on the secondary market by the Bank is limited to 40% of the volume issued to the Bank by the Ministry of Finance under the respective law. During the year, the Bank did not trade these state securities on the secondary market (2023: MDL nil).

Considering the method of structuring state for state securities issuance under *Law No 235/2016* as a portfolio with similar characteristics in terms of scope, duration, and effective interest rate agreed on per portfolio level, rather than as separate instruments, the portfolio management of these instruments, and the legal provisions on trading and redemption, the state securities portfolio issued from the state guarantees was recognized as a single financial instrument under IFRS 9. This involves recognizing interest income from the single instrument according to the 5% effective interest rate method, with its amortization at the effective interest rate being recognized under the "*Amortization at the effective interest rate*".

On 23 April 2021, *Law No 71 on the abrogation of Law No 235/2016*, was adopted, but was not promulgated, being returned for re-examination to the Parliament of the Republic of Moldova on 12 May 2021. At the date of the approval of these financial statements, the given law was under review in the Parliament.

b. State securities issued following the conversion of previously granted loans

State securities from previously granted loans were issued and transferred to the portfolio of the Bank in the form of treasury bills, following the conversion into state securities of loans contracted by the Ministry of Finance from the Bank in previous years. These securities have been measured at amortised cost. State securities which reached maturity were redeemed by the Government and new securities in the same volume were issued and purchased by the Bank.

During 2024, the state securities that matured were reissued in the form of treasury bills with a maturity of 91 days.

10. Securities issued by the Government of the Republic of Moldova (continued)

As at 31 December 2024, the portfolio of securities from previously converted debts is composed of treasury bills with the nominal value of MDL 989,862 thousand, with a weighted average effective interest rate of 2.52%, and government bonds amounting to MDL 1,079,661 thousand at nominal value, with a weighted average effective interest rate of 7.12% (31 December 2023: treasury bills at nominal value of MDL 893,368 thousand with a weighted average effective interest rate of 8.53%, and government bonds in the amount of MDL 1,240,062 thousand at nominal value with a weighted average effective interest rate of 7.12%).

State securities held in the Bank's portfolio may serve as monetary policy instruments that the Bank may use at any time for monetary policy purposes.

c. State securities held by CSD in the investment portfolio

State securities held by CSD in its investment portfolio are measured at amortised cost, being held to collect contractual cash flows. The state securities held in the CSD portfolio on December 31, 2024, comprise 10 treasury bills with a maturity of 364 days and fixed interest rates ranging from 4.67% to 6.30% (31 December 2023: 6 treasury bills with a maturity of 364 days and a fixed interest rate ranging from 6.75% to 12.00%).

During 2024, the funds obtained on maturity of state securities held in the CSD portfolio were, mainly, reinvested.

11. Loans to banks and others

	CONSOLIDATED		BANK	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	MDL'000	MDL'000	MDL'000	MDL'000
Repo transactions:	150,222	-	150,222	-
<i>Purchased securities</i>	150,000	-	150,000	-
<i>Accrued interest</i>	222	-	222	-
Loans to others	37,971	21,987	37,971	21,987
	188,193	21,987	188,193	21,987

The Bank uses repo transactions for rapid liquidity injections into the money market.

Repo transactions are recorded in the balance sheet under Loans to banks, purchased securities being recorded as collaterals for granted loans.

As of 31 December 2024, the nominal value of the state securities pledged as collaterals is MDL 153,030 thousand, and their fair value – MDL 152,831 thousand.

As of 31 December 2024, the collateral pledged to secure the repayment of loans to others and related interest amounted to MDL 64,520 thousand (as of 31 December 2023: MDL 47,003 thousand).

During 2024 and 2023, no expected credit losses were recognised for loans to others, given the low level of credit risk, sufficient collateral, low level of probability of default and insignificant historical losses from non-repayment.

12. Bank's subsidiary

	31 December 2024	31 December 2023
	MDL'000	MDL'000
Investments in subsidiaries		
Single Central Securities Depository	24 000	24 000
	24 000	24 000

The investment in subsidiaries of the Bank represents the shareholding in JSC Single Central Securities Depository of 98.36% comprising 480 shares with a nominal value of MDL 50 thousand. The Bank appoints 4 of the 7 members of the Supervisory Board, and in accordance with IFRS 10, has control over the Single Central Securities Depository as a subsidiary.

The JSC Single Central Securities Depository (hereinafter CSD, subsidiary) was established under *Law No 234 of 03.10.2016 on the Single Central Securities Depository* and is the sole institution in the Republic of Moldova authorised to conduct activities of registration, storage, and settlement of state and corporate securities. The registrar and settlement mechanism provided by CSD ensures transparency, security, and efficiency in performing securities transactions. The business model of the CSD is based on international standards and practices in for settlement systems.

The investment in subsidiaries in the separate financial statements is initially recognized at cost and subsequently measured at cost less any impairment loss. As at 31 December 2024, and 31 December 2023, no impairment indicators for investment in subsidiaries were identified and no impairment allowance were created.

In accordance with *Law No 234/2016*, the capital of JSC Single Central Securities Depository must maintain the MDL equivalent of at least EUR 1,000 thousand at all times (equivalent on 31 December 2024: MDL 19,311 thousand), a regulatory requirement that restricts the Bank's ability to access or use its assets and settle its debts of the subsidiary.

In 2024, CSD recorded a net profit of MDL 832 thousand (2023: MDL 1,287 thousand).

12. Bank's subsidiary (continued)**Non-controlling interests**

Information on non-controlling interests in the Bank's subsidiary prior to the elimination of intragroup transactions is presented in the table below:

	31 December 2024	31 December 2023
	MDL'000	MDL'000
NCI percentage	1.64%	1.64%
Total assets	35,672	35,358
Total liabilities	(1,712)	(2,230)
Net assets	33,960	33,128
Net assets attributable to NCI	557	543
Income	14,043	14,622
Net profit	832	1,287
Total comprehensive income	832	1,287
Profit allocated to NCI	14	22
Cash flows from operating activities	(5,205)	4,956
Cash flows from investing activities	(16)	(25)
Cash flows from financing activities (dividends to NCI: nil)	(434)	(363)
Differences from revaluation of cash and cash equivalents	(19)	(2)
(Decrease)/Increase in cash and cash equivalents	(5,674)	4,566

13. Financial assets and financial liabilities

The financial instruments of the Bank comprise the cash and short-term placements, assets in with IMF, securities issued by the Government of the Republic of Moldova and foreign governments, foreign agencies and IFIs, loans to banks and others, national currency in circulation, deposits from the Government of the Republic of Moldova and banks, securities issued by the National Bank of Moldova, due to IFIs, derivatives, and other financial assets and financial liabilities.

The Bank's financial assets are measured at amortised cost, except for IMF quota and foreign currency securities measured at FVOCI, and derivatives measured at FVTPL. All non-derivative financial liabilities are measured at amortised cost, while derivatives liabilities are measured at FVTPL.

Fair value hierarchy of financial instruments

In the hierarchy of fair value, the highest priority is given to quoted prices (unadjusted) in active markets for similar assets or liabilities, while the lowest level of priority is given to the unobservable inputs.

13. Financial assets and financial liabilities (continued)

According to the fair value hierarchy methodology for foreign currency securities in the Bank's portfolio, fair value hierarchy determination considers firm or indicative quotes (CBBT), bid-ask spread and the liquidity index (using the Bloomberg LQA function), which provides a comparative analysis of securities based on their relative liquidity. The liquidity index reflects the instrument percentile position within a peer group and on a scale from 1 to 100, where 100 indicates the most liquid security.

The table below presents the financial instruments measured at fair value after initial recognition, grouped in levels 1-3 depending on the valuation method used.

CONSOLIDATED	Notes	Balance	Level	Valuation technique	Unobservable component
31 December 2024		MDL'000			
Investment securities measured at FVOCI	6	69,655,684	Level 1	Price quotes on active markets*	Not applicable
IMF quota	6	1,544,298	Level 2	Indicative quotes*	Indicative quotations
Derivatives	7	4,141,816	Level 3	XDR/MDL quotation	Not applicable
	9	(192)	Level 3	Currency quotation/MDL SOFR, ESTR, EURIBOR, USD OIS ANNUAL VS SOFR overnight rate/base rate/REPO rate	Discount rate (extrapolation/interpolation)
Total		75,341,606			
31 December 2023					
Investment securities measured at FVOCI	6	62,312,478	Level 1	Price quotes on active markets*	Not applicable
IMF quota	6	3,456,671	Level 2	Indicative quotes*	Indicative quotations
	7	4,063,317	Level 3	XDR/MDL quotation	Not applicable
Total		69,832,466			

13. Financial assets and financial liabilities (continued)

BANK	Notes	Balance	Level	Valuation technique	Unobservable component
31 December 2024		MDL'000			
Investment securities measured at FVOCI	6	69,655,684	Level 1	Price quotes on active markets*	Not applicable
IMF quota	6	1,544,298	Level 2	Indicative quotes*	Indicative quotations
Derivatives	7	4,141,816	Level 3	XDR/MDL quotation	Not applicable
	9	(192)	Level 3	Currency quotation/MDL SOFR, ESTR, EURIBOR, USD OIS ANNUAL VS SOFR overnight rate/base rate/REPO rate	Discount rate (extrapolation/interpolation)
Total		75,341,606			
31 December 2023					
Investment securities measured at FVOCI	6	62,312,478	Level 1	Price quotes on active markets*	Not applicable
IMF quota	6	3,456,671	Level 2	Indicative quotes*	Indicative quotations
	7	4,063,317	Level 3	XDR/MDL quotation	Not applicable
Total		69,832,466			

*Sources: Bloomberg, ICE data

Valuation techniques used to determine the fair value comprise the income method (discounted future cash flows), and as appropriate, a market approach comparison with similar quoted instruments, polynomial technique, and other methods. Assumptions and inputs used in valuation techniques include benchmark interest rates, credit risk spreads, other risk adjustment to discount rates used applied to cash flows, quoted prices of investment securities (source: Bloomberg, ICE), quotations from the most recent auctions of securities issued by the Government of the Republic of Moldova, secondary market prices of securities issued by the Government of the Republic of Moldova, foreign exchange rates, implied volatilities and other correlations. For non-complex financial instruments (quoted securities), the Bank applies the standard market-based method using quotations available on the market.

Foreign currency securities at FVOCI in Level 2 comprise securities issued by governments, agencies and supranational financial institutions that are less liquid than Level 1 securities.

Securities are classified in Level 2, in particular when external prices for the same security can be observed on a regular basis from a reasonable number of market makers active in that security, but these prices do not represent directly executable prices. These include, among others, consensus pricing services with a reasonable number of contributors who are active market makers, as well as indicative quotes from active brokers and/or dealers. Additionally, foreign currency securities at FVOCI may be classified in Level 2 when the average liquidity index level and/or the bid-ask spread fall below the thresholds established in the fair value hierarchy methodology.

13. Financial assets and financial liabilities (continued)

For financial instruments that are more complex or not quoted/traded in an active market, the Bank uses internal models based on international valuation methods, with inputs derived from market quotations or interest rates which are determined on a market-based assumptions. The fair values obtained from the application of internal models are adjusted for various factors, such as: liquidity risk (for instruments without an active market, limited transaction activity. etc.), credit risk/counterparty's risk or model uncertainties, factors that market participants would consider when pricing such transaction. Input data and model results are calibrated, and management applies professional judgment to select the most relevant result within the range of values provided by the valuation models.

The IMF quota is a non-transferable and non-negotiable instrument that generally reflects the position of the member state in the global economy. The IMF quota defines the voting rights in the IMF, determines the limit for loans amounts that a member country (through the Bank and the Government of Moldova) can access from the IMF and determines the member's share in IMF XDR allocations. The IMF quota, due to its unique character, cannot be valued using standard fair value technique specific to equity or debt instruments (quotations or discounted cash flows), and therefore the XDR/MDL exchange rate is used as an indicator for fair value.

Appropriate measurement and validation of the fair values is ensured by internal controls: verification of source data of market values (quoted prices validated and extracted by back-office), recalculation of the fair value models results, approval of fair value models procedures and changes in procedures, analysis, and monitoring of variations in the results of methods, etc.

13. Financial assets and financial liabilities (continued)

The reconciliation from opening to closing balances of financial instruments measured at fair value classified in Level 3 is shown in the table below:

CONSOLIDATED	Notes	2024			2023		
		IMF Quota MDL'000	Derivatives- assets/ (liabilities) MDL'000	Total MDL'000	IMF Quota MDL'000	Derivatives- assets/ (liabilities) MDL'000	Total MDL'000
Balance on 1 January	7,9	4,063,317	-	4,063,317	4,426,857	(2,731)	4,424,126
Gains from fair value included in:							
<u>Profit and loss</u>		78,499	(460)	78,039	(363,540)	(15,929)	(379,469)
- <i>Gains/(losses) from transactions, exchange rate differences and revaluation of precious metals</i>	25	78,499	-	78,499	(363,540)	-	(363,540)
- <i>Losses on financial assets measured at fair value through profit or loss</i>	26	-	(460)	(460)	-	(15,929)	(15,929)
<u>Other comprehensive income</u>		-	-	-	-	-	-
Purchases/Issues		-	-	-	-	-	-
Settlements		-	268	268	-	18,660	18,660
Balance on 31 December		4,141,816	(192)	4,141,624	4,063,317	-	4,063,317
<i>Unrealised gains/(losses) on assets or liabilities held at the end of the period</i>	26	78,499	(185)	78,314	(363,540)	-	(363,540)

13. Financial assets and financial liabilities (continued)

BANK	Notes	2024			2023		
		IMF Quota MDL'000	Derivatives- assets/ (liabilities) MDL'000	Total MDL'000	IMF Quota MDL'000	Derivatives- assets/ (liabilities) MDL'000	Total MDL'000
Balance on 1 January	7,9	4,063,317	-	4,063,317	4,426,857	(2,731)	4,424,126
Gains from fair value included in:							
<u>Profit and loss</u>		78,499	(460)	78,039	(363,540)	(15,929)	(379,469)
- <i>Gains/(losses) from transactions, exchange rate differences and revaluation of precious metals</i>	25	78,499	-	78,499	(363,540)	-	(363,540)
- <i>Losses on financial assets measured at fair value through profit or loss</i>	26	-	(460)	(460)	-	(15,929)	(15,929)
<u>Other comprehensive income</u>		-	-	-	-	-	-
Purchases/Issues		-	-	-	-	-	-
Settlements		-	268	268	-	18,660	18,660
Balance on 31 December		4,141,816	(192)	4,141,624	4,063,317	-	4,063,317
<i>Unrealised gains/(losses) on assets or liabilities held at the end of the period</i>	26	78,499	(185)	78,314	(363,540)	-	(363,540)

Methods and assumptions for determining fair value Level 3:

Moldova's quota to the IMF is set in Special Drawing Rights (XDR), with accounting realized in MDL with monthly revaluation on the last working day of each month at the XDR exchange rate against the Moldovan Leu, calculated by the IMF. The XDR-denominated quota best approximates its fair value, representing the price at which quotas are "bought and sold", consistent with the most recent quota revision at the IMF (XDR/MDL rate - 31.12.2024: 24.1110; 31.12.2023: 23.3534).

13. Financial assets and financial liabilities (continued)

To determine the fair value of derivative instruments and given the absence of active quoted market price or recent transactions in similar financial instruments, the Bank estimates fair value using discounted cash flow (DCF) methodology and spot market exchange rates at the valuation date. Considering the short maturity of derivative transactions (currency swaps) of up to 14 days, the discount factor has an insignificant impact. Accordingly, the fair value of derivatives is approximated by the cumulative sum of SWAP points up to the valuation date and revaluation differences using the official foreign exchange rate on the reporting date for the currency to be received or delivered (EUR/MDL - 31.12.2024: 19.3106; 31.12.2023 - 19.3574; USD/MDL - 31.12.2024: 18.4791; 31.12.2023 - 17.4062; EURIBOR, USD OIS ANNUAL VS SOFR and the base rate set by the NBM on the transaction date and valuation date).

Classification of financial instruments, financial instruments not measured at fair value

As at 31 December 2024 all financial instruments that are not measured at fair value in the balance sheet fall within Level 2 of the fair value hierarchy, except for foreign currency securities measured at amortised cost of MDL 8,465,280 thousand which are classified in Level 1 (31 December 2023: all financial instruments that are not measured at fair value in the balance sheet fall within Level 2 of the fair value hierarchy, except for foreign currency securities measured at amortised cost of MDL 9,030,394 thousand which are classified in Level 1).

Based on the analyses performed, management considers that given the short maturities of placements in banks and the specific nature and scope of loans granted and receivables, which are not measured at fair value in the financial statement, the fair value of respective financial instruments do not differ significantly from the carrying values in the balance sheet.

Management considers that the carrying values of Bank's liabilities approximate their fair value given their short maturity or the specific nature of central Bank transactions for which neither an active market exists, nor reliable fair value models are available.

All financial assets are classified in the business model hold to collect, except for the portfolio of investment securities which is managed under the business model hold to collect and sell. All debt instruments held in portfolio pass the solely payments of principal and interest test, including all floating interest rate investments, inflation linked investments (investment securities) and securities with prepayment or redemption features.

The IMF quota was designated in the business model applicable for FVOCI classification.

13. Financial assets and financial liabilities (continued)

The table below shows the reconciliation between balance sheet items and categories of financial instruments, and the fair value of financial assets and liabilities.

CONSOLIDATED

31 December 2024

	Notes	FVOCI Debt instruments MDL'000	FVOCI Equity instruments MDL'000	FVTPL MDL'000	Amortised cost MDL'000	Total carrying amount MDL'000	Fair value MDL'000
Assets							
Cash and short-term placements	5	-	-	-	18,862,810	18,862,810	18,862,810
Investment securities:	6						
- At fair value		71,199,982	-	-	-	71,199,982	71,199,982
- At amortised cost		-	-	-	13,160,036	13,160,036	12,928,194
IMF related assets	7						
- At fair value		-	4,141,816	-	-	4,141,816	4,141,816
- At amortised cost		-	-	-	21,683	21,683	21,683
Securities issued by the Government of the RM	10	-	-	-	13,884,466	13,884,466	13,916,950
Loans granted	11						
- to banks (repo)		-	-	-	150,222	150,222	150,222
- to others		-	-	-	37,971	37,971	37,971
Other assets	15	-	-	-	4,246	4,246	4,246
Total financial assets		71,199,982	4,141,816	-	46,121,434	121,463,232	121,263,874
Liabilities							
National currency in circulation	16	-	-	-	48,548,977	48,548,977	48,548,977
Deposits from the Government of the RM	17	-	-	-	14,378,442	14,378,442	14,378,442
Deposits from banks	18	-	-	-	34,044,742	34,044,742	34,044,742
Deposits from other clients	20	-	-	-	191,777	191,777	191,777
Certificates issued by the NBM	19	-	-	-	9,767,606	9,767,606	9,767,606
IMF related liabilities	7	-	-	-	4,974,304	4,974,304	4,974,304
Due to other IFIs	7	-	-	-	44	44	44
Lease liabilities	20	-	-	-	5,038	5,038	5,038
Derivatives	9	-	-	192	-	192	192
Other liabilities	20	-	-	-	322,040	322,040	322,040
Total financial liabilities		-	-	192	112,232,970	112,233,162	112,233,162

The above translation of the Financial Statements is provided as a free translation from Romanian, which is the official binding version.

13. Financial assets and financial liabilities (continued)

CONSOLIDATED

31 December 2023	Notes	FVOCI Debt instruments MDL'000	FVOCI Equity instruments MDL'000	FVTPL MDL'000	Amortised cost MDL'000	Total carrying amount MDL'000	Fair value MDL'000
Assets							
Cash and short-term placements	5	-	-	-	19,831,357	19,831,357	19,831,357
Investment securities:	6						
- At fair value		65,769,149	-	-	-	65,769,149	65,769,149
- At amortised cost		-	-	-	9,029,187	9,029,187	9,092,435
IMF related assets	7						
- At fair value		-	4,063,317	-	-	4,063,317	4,063,317
- At amortised cost		-	-	-	203,829	203,829	203,829
Securities issued by the Government of the RM	10	-	-	-	14,252,043	14,252,043	14,305,665
Loans granted	11						
- to banks (repo)		-	-	-	-	-	-
- to others		-	-	-	21,987	21,987	21,987
Other assets	15	-	-	-	4,839	4,839	4,839
Total financial assets		65,769,149	4,063,317	-	43,343,242	113,175,708	113,292,578
Liabilities							
National currency in circulation	16	-	-	-	42,090,746	42,090,746	42,090,746
Deposits from the Government of the RM	17	-	-	-	10,769,559	10,769,559	10,769,559
Deposits from banks	18	-	-	-	40,239,046	40,239,046	40,239,046
Deposits from other clients	20	-	-	-	313,981	313,981	313,981
Certificates issued by the NBM	19	-	-	-	11,179,999	11,179,999	11,179,999
IMF related liabilities	7	-	-	-	5,063,104	5,063,104	5,063,104
Due to other IFIs	7	-	-	-	1,821	1,821	1,821
Lease liabilities	20	-	-	-	9,535	9,535	9,535
Other liabilities	20	-	-	-	310,629	310,629	310,629
Total financial liabilities		-	-	-	109,978,420	109,978,420	109,978,420

13. Financial assets and financial liabilities (continued)**BANK**

31 December 2024	Notes	FVOCI Debt instruments MDL'000	FVOCI Equity instruments MDL'000	FVTPL MDL'000	Amortised cost MDL'000	Total carrying amount MDL'000	Fair value MDL'000
Assets							
Cash and short-term placements	5	-	-	-	18,862,647	18,862,647	18,862,647
Investment securities:	6						
- At fair value		71,199,982	-	-	-	71,199,982	71,199,982
- At amortised cost		-	-	-	13,160,036	13,160,036	12,928,194
IMF related assets	7						
- At fair value		-	4,141,816	-	-	4,141,816	4,141,816
- At amortised cost		-	-	-	21,683	21,683	21,683
Securities issued by the Government of the RM	10	-	-	-	13,852,550	13,852,550	13,885,069
Loans granted	11						
- to banks (repo)		-	-	-	150,222	150,222	150,222
- to others		-	-	-	37,971	37,971	37,971
Investments in subsidiaries	12	-	-	-	24,000	24,000	33,403
Other assets	15	-	-	-	3,989	3,989	3,989
Total financial assets		71,199,982	4,141,816	-	46,113,098	121,454,896	121,264,976
Liabilities							
National currency in circulation	16	-	-	-	48,548,977	48,548,977	48,548,977
Deposits from the Government of the RM	17	-	-	-	14,378,442	14,378,442	14,378,442
Deposits from banks	18	-	-	-	34,044,742	34,044,742	34,044,742
Deposits from other clients	20	-	-	-	193,473	193,473	193,473
Certificates issued by the NBM	19	-	-	-	9,767,606	9,767,606	9,767,606
IMF related liabilities	7	-	-	-	4,974,304	4,974,304	4,974,304
Due to other IFIs	7	-	-	-	44	44	44
Lease liabilities	20	-	-	-	4,594	4,594	4,594
Derivatives	9	-	-	192	-	192	192
Other liabilities	20	-	-	-	321,939	321,939	321,939
Total financial liabilities		-	-	192	112,234,121	112,234,313	112,234,313

National Bank of Moldova

13. Financial assets and financial liabilities (continued)

BANK

31 December 2023	Notes	FVOCI Debt instruments MDL'000	FVOCI Equity instruments MDL'000	FVTPL MDL'000	Amortised cost MDL'000	Total carrying amount MDL'000	Fair value MDL'000
Assets							
Cash and short-term placements	5	-	-	-	19,831,322	19,831,322	19,831,322
Investment securities:	6						
- At fair value		65,769,149	-	-	-	65,769,149	65,769,149
- At amortised cost		-	-	-	9,029,187	9,029,187	9,092,435
IMF related assets	7						
- At fair value		-	4,063,317	-	-	4,063,317	4,063,317
- At amortised cost		-	-	-	203,829	203,829	203,829
Securities issued by the Government of the RM	10	-	-	-	14,226,117	14,226,117	14,279,441
Loans granted	11						
- to banks (repo)		-	-	-	-	-	-
- to others		-	-	-	21,987	21,987	21,987
Investments in subsidiaries	12	-	-	-	24,000	24,000	32,585
Other assets	15	-	-	-	4,652	4,652	4,652
Total financial assets		65,769,149	4,063,317	-	43,341,094	113,173,560	113,298,717
Liabilities							
National currency in circulation	16	-	-	-	42,090,746	42,090,746	42,090,746
Deposits from the Government of the RM	17	-	-	-	10,769,559	10,769,559	10,769,559
Deposits from banks	18	-	-	-	40,239,046	40,239,046	40,239,046
Deposits from other clients	20	-	-	-	321,479	321,479	321,479
Certificates issued by the NBM	19	-	-	-	11,179,999	11,179,999	11,179,999
IMF related liabilities	7	-	-	-	5,063,104	5,063,104	5,063,104
Due to other IFIs	7	-	-	-	1,821	1,821	1,821
Lease liabilities	20	-	-	-	8,684	8,684	8,684
Other liabilities	20	-	-	-	310,561	310,561	310,561
Total financial liabilities		-	-	-	109,984,999	109,984,999	109,984,999

The above translation of the Financial Statements is provided as a free translation from Romanian, which is the official binding version.

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14. Property, equipment and intangible assets

Movements in the carrying amounts of property, equipment and intangible assets are presented as follows:

CONSOLIDATED	Land, buildings and similar constructions	Equipment and other	Property and equipment in construction	Intangible assets	Intangible assets in progress	Total
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Cost						
On 1 January 2024	79,348	211,372	634	127,011	13,117	431,482
Additions	33	-	22,797	669	41,224	64,723
Transfers	5,336	14,308	(19,644)	53,812	(53,812)	-
Disposals	(129)	(5,689)	-	(8,100)	-	(13,918)
On 31 December 2024	84,588	219,991	3,787	173,392	529	482,287
Accumulated amortization						
On 1 January 2024	44,796	170,609	-	101,234	-	316,639
Amortization	6,156	12,037	-	18,344	-	36,537
Disposals	(80)	(5,667)	-	(8,100)	-	(13,847)
On 31 December 2024	50,872	176,979	-	111,478	-	339,329
Carrying amount						
On 1 January 2024	34,552	40,763	634	25,777	13,117	114,843
On 31 December 2024	33,716	43,012	3,787	61,914	529	142,958
Cost						
On 1 January 2023	70,810	197,277	1,441	123,506	1,071	394,105
Additions	11,665	138	25,180	1,075	21,721	59,779
Transfers	2,845	22,509	(25,354)	9,675	(9,675)	-
Disposals	(5,972)	(8,552)	(633)	(7,245)	-	(22,402)
On 31 December 2023	79,348	211,372	634	127,011	13,117	431,482
Accumulated amortization						
On 1 January 2023	42,774	165,540	-	93,994	-	302,308
Amortization	6,296	13,621	-	14,485	-	34,402
Disposals	(4,274)	(8,552)	-	(7,245)	-	(20,071)
On 31 December 2023	44,796	170,609	-	101,234	-	316,639
Carrying amount						
On 1 January 2023	28,036	31,737	1,441	29,512	1,071	91,797
On 31 December 2023	34,552	40,763	634	25,777	13,117	114,843

The above translation of the Financial Statements is provided as a free translation from Romanian, which is the official binding version.

14. Property, equipment and intangible assets (continued)

BANK	Land, buildings and similar constructions	Equipment and other	Property and equipment in construction	Intangible assets	Intangible assets in progress	Total
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Cost						
On 1 January 2024	78,112	210,464	589	126,929	13,116	429,210
Additions	-	-	22,780	669	41,224	64,673
Transfers	5,336	14,277	(19,613)	53,812	(53,812)	-
Disposals	(129)	(5,678)	-	(8,100)	-	(13,907)
On 31 December 2024	83,319	219,063	3,756	173,310	528	479,976
Accumulated amortization						
On 1 January 2024	44,291	169,809	-	101,199	-	315,299
Amortization	5,744	11,986	-	18,336	-	36,066
Disposals	(80)	(5,656)	-	(8,100)	-	(13,836)
On 31 December 2024	49,955	176,139	-	111,435	-	337,529
Carrying amount						
On 1 January 2024	33,821	40,655	589	25,730	13,116	113,911
On 31 December 2024	33,364	42,924	3,756	61,875	528	142,447
Cost						
On 1 January 2023	69,574	196,406	1,364	123,427	1,071	391,842
Additions	11,665	138	25,159	1,075	21,717	59,754
Transfers	2,845	22,472	(25,317)	9,672	(9,672)	-
Disposals	(5,972)	(8,552)	(617)	(7,245)	-	(22,386)
On 31 December 2023	78,112	210,464	589	126,929	13,116	429,210
Accumulated amortization						
On 1 January 2023	42,681	164,868	-	93,967	-	301,516
Amortization	5,884	13,493	-	14,477	-	33,854
Disposals	(4,274)	(8,552)	-	(7,245)	-	(20,071)
On 31 December 2023	44,291	169,809	-	101,199	-	315,299
Carrying amount						
On 1 January 2023	26,893	31,538	1,364	29,460	1,071	90,326
On 31 December 2023	33,821	40,655	589	25,730	13,116	113,911

14. Property, equipment and intangible assets (continued)

The category “Land, buildings, and similar constructions” includes right of use assets recognised under leases and their accumulated amortisation. Further details of additions and amortisation of the right-of-use asset are provided in Note 33.

Intangible assets comprise software, applications, and licenses both purchased and developed internally, including software for the Credit Risk Register, CSD, software for the licensing and notification process, AML/CFT software. Additions during the reporting period represent purchases of intangible assets from third parties, including the software financed with external funds (see Note 20).

In accordance with the Government Decision No 91/2019 on approval of Regulation on the use of state-owned land, the public property land held and managed by the Bank and recorded in the balance sheet of the Bank in the amount of MDL 8,636 thousand, remains in the use/under management of the Bank until the issuance, according to legislation, of other administrative acts regarding it. The registration of the administration right of the Public Property Agency in the Real Estate Register will be carried out within the limits of available financial resources.

15. Other assets

	CONSOLIDATED		BANK	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	MDL'000	MDL'000	MDL'000	MDL'000
Other assets in foreign currency				
<i>Financial assets</i>				
Other receivables	39	2,874	39	2,874
	39	2,874	39	2,874
Other assets in national currency				
<i>Financial assets</i>				
Other receivables	4,220	1,982	3,958	1,783
Expected credit losses	(13)	(17)	(8)	(5)
	4,207	1,965	3,950	1,778
<i>Non-financial assets</i>				
Advances	470	207	36	141
Prepaid expenses	8,580	6,371	8,580	6,371
Inventories	3,835	3,771	3,763	3,712
Other non-financial assets	-	165	-	165
Allowance for inventory	(46)	(56)	(46)	(56)
	12,839	10,458	12,333	10,333
	17,046	12,423	16,283	12,111
Total other assets	17,085	15,297	16,322	14,985

As at 31 December 2024 no amounts under clarification were recognised (31 December 2023: nil).

The Bank, in accordance with the provisions of IFRS 9, recognizes the expected credit losses on impaired receivables and establishes provisions on impaired receivables in the amount of 100%. As of the date of authorization of these financial statements, the amount of impaired uncollected receivables amounted to MDL 13 thousand.

15. Other assets (continued)

The other receivables presented in the financial assets category comprise the following:

	CONSOLIDATED		BANK	
	31 December	31 December	31 December	31 December
	2024	2023	2024	2023
	MDL'000	MDL'000	MDL'000	MDL'000
Commitment fees paid to the IMF	-	2,874	-	2,874
From commissions for processing within ADPS	1,713	1,406	1,713	1,406
From commissions for the service of securities	571	508	-	-
For IT services	-	-	309	309
Other receivables	1,975	68	1,975	68
Allowance for expected credit losses	(13)	(17)	(8)	(5)
	4,246	4,839	3,989	4,652

The item other receivables includes the value of banknotes in national currency amounting to MDL 1,922 thousand, temporarily exported for the purpose of adapting and testing banknote counting and packaging equipment.

16. National currency in circulation

CONSOLIDATED	31 December 2024		31 December 2023	
	Quantity	Value	Quantity	Value
	Units'000	MDL'000	Units'000	MDL'000
Banknotes	372,406	48,059,277	334,058	41,686,673
<i>MDL 1</i>	75,824	75,824	78,549	78,549
<i>MDL 5</i>	11,770	58,850	13,017	65,085
<i>MDL 10</i>	15,912	159,116	16,450	164,501
<i>MDL 20</i>	14,240	284,805	13,057	261,139
<i>MDL 50</i>	48,844	2,442,182	41,080	2,054,016
<i>MDL 100</i>	68,179	6,817,918	53,339	5,333,922
<i>MDL 200</i>	114,610	22,922,065	97,051	19,410,202
<i>MDL 500</i>	15,458	7,728,893	14,391	7,195,668
<i>MDL 1000</i>	7,569	7,569,624	7,124	7,123,591
Divisional coins	981,075	144,450	960,456	140,762
<i>MDL 0,01</i>	71,014	710	71,014	710
<i>MDL 0,05</i>	245,900	12,295	245,721	12,286
<i>MDL 0,10</i>	306,167	30,617	296,627	29,663
<i>MDL 0,25</i>	312,676	78,169	301,776	75,444
<i>MDL 0,50</i>	45,318	22,659	45,318	22,659
Metal coins in lei and mint sets	137,582	327,637	113,495	246,144
<i>MDL 1</i>	69,025	69,025	60,352	60,352
<i>MDL 2</i>	42,874	85,747	36,530	73,059
<i>MDL 5</i>	16,794	83,973	10,680	53,400
<i>MDL 10</i>	8,889	88,892	5,933	59,333
Commemorative banknotes and commemorative and jubilee coins	-	17,613	-	17,167
	-	48,548,977	-	42,090,746

16. National currency in circulation (continued)

BANK	31 December 2024		31 December 2023	
	Quantity	Value	Quantity	Value
	Units'000	MDL'000	Units'000	MDL'000
Banknotes	372,406	48,059,277	334,058	41,686,673
<i>MDL 1</i>	75,824	75,824	78,549	78,549
<i>MDL 5</i>	11,770	58,850	13,017	65,085
<i>MDL 10</i>	15,912	159,116	16,450	164,501
<i>MDL 20</i>	14,240	284,805	13,057	261,139
<i>MDL 50</i>	48,844	2,442,182	41,080	2,054,016
<i>MDL 100</i>	68,179	6,817,918	53,339	5,333,922
<i>MDL 200</i>	114,610	22,922,065	97,051	19,410,202
<i>MDL 500</i>	15,458	7,728,893	14,391	7,195,668
<i>MDL 1000</i>	7,569	7,569,624	7,124	7,123,591
Divisional coins	981,075	144,450	960,456	140,762
<i>MDL 0,01</i>	71,014	710	71,014	710
<i>MDL 0,05</i>	245,900	12,295	245,721	12,286
<i>MDL 0,10</i>	306,167	30,617	296,627	29,663
<i>MDL 0,25</i>	312,676	78,169	301,776	75,444
<i>MDL 0,50</i>	45,318	22,659	45,318	22,659
Metal coins in lei and mint sets	137,582	327,637	113,495	246,144
<i>MDL 1</i>	69,025	69,025	60,352	60,352
<i>MDL 2</i>	42,874	85,747	36,530	73,059
<i>MDL 5</i>	16,794	83,973	10,680	53,400
<i>MDL 10</i>	8,889	88,892	5,933	59,333
Commemorative banknotes and commemorative and jubilee coins	-	17,613	-	17,167
	-	48,548,977	-	42,090,746

National currency in circulation does not include cash in national currency held in the Bank's cash and treasury.

17. Deposits from the Government of the Republic of Moldova

	CONSOLIDATED		BANK	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	MDL'000	MDL'000	MDL'000	MDL'000
Deposits from the Government of the RM in foreign currency				
Amounts in foreign currency of the Ministry of Finance	2,371,026	1,273,531	2,371,026	1,273,531
	2,371,026	1,273,531	2,371,026	1,273,531
Deposits from the Government of the RM in national currency				
Term deposits of the Ministry of Finance, of which	65,232	103,071	65,232	103,071
<i>Term deposits</i>	<i>63,100</i>	<i>100,602</i>	<i>63,100</i>	<i>100,602</i>
<i>Accrued interest</i>	<i>2,132</i>	<i>2,469</i>	<i>2,132</i>	<i>2,469</i>
Demand deposits of the Ministry of Finance, of which	11,942,184	9,392,957	11,942,184	9,392,957
<i>Single treasury account</i>	<i>11,931,212</i>	<i>9,378,118</i>	<i>11,931,212</i>	<i>9,378,118</i>
<i>Accrued interest</i>	<i>10,972</i>	<i>14,839</i>	<i>10,972</i>	<i>14,839</i>
	12,007,416	9,496,028	12,007,416	9,496,028
Total	14,378,442	10,769,559	14,378,442	10,769,559

The Ministry of Finance's foreign currency holdings are non-interest-bearing.

For term deposits of the Ministry of Finance, the Bank pays an interest rate based on the term of the deposit, determined as the weighted average interest rate of state securities placed at the last auction for a similar term of the deposit. If the term of deposits is different from the term of state securities sold at the last auction, the interest rate is determined by linear interpolation / extrapolation.

The weighted average rate on the Ministry of Finance's term deposits outstanding on 31 December 2024 was 8.88% (31 December 2023: 9.01%).

Demand deposits of the Ministry of Finance bear a floating interest which is calculated monthly, based on the last three months' average interest rate in the banking system for the interest-bearing demand deposits in Moldovan currency attracted from legal entities. As of December 31, 2024, the interest rate of the Ministry of Finance's demand deposits was 1.62% (31 December 2023: 2.27%).

18. Deposits from banks

	CONSOLIDATED		BANK	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	MDL'000	MDL'000	MDL'000	MDL'000
Deposits from banks in foreign currency				
Required reserves	16,769,652	17,667,546	16,769,652	17,667,546
	16,769,652	17,667,546	16,769,652	17,667,546
Deposits from banks in national currency				
Current accounts of banks, including required reserves	17,236,958	22,377,085	17,236,958	22,377,085
Accrued interest on banks' required reserves	38,132	74,388	38,132	74,388
Deposits from banks	-	120,027	-	120,027
	17,275,090	22,571,500	17,275,090	22,571,500
	34,044,742	40,239,046	34,044,742	40,239,046

Deposits from banks represent the amounts placed in Loro accounts of the licensed banks and resident banks under liquidation, as well as the required reserves of licensed banks in the Bank, in Moldovan lei, US dollars and euro.

As at December 31, 2024, under the reserve requirements established by the Bank, licensed banks were required to maintain required reserves with the NBM in Moldovan lei at the level of 25% of attracted means, and in foreign currencies (US dollars and euro) at the level of 34% of the attracted means (31 December 2023: in MDL: 33%; in foreign currency (dollars and euro): 43%). The required reserves in Moldovan lei are held in Loro accounts with the Bank on average basis over the application period. Required reserves in foreign currency are maintained with the Bank in designated accounts for required reserves in foreign currency. During the maintenance period, a part of the required reserves in foreign currency (5% of the calculation basis) is maintained on average over the entire maintenance period, and the remaining part (determined as the calculation basis multiplied by the required reserves ratio diminished by 5 p.p.) of the required reserves remain unchanged.

According to the regulatory framework, when required reserves are remunerated, the Bank pays interest on the portion of required reserves that exceeds 5% of the liabilities forming the calculation base. The remuneration rates for required reserves are set by HCE No 139/2019 (see Note 24).

Deposits in national currency of licensed banks represent the overnight deposits of banks placed with the Bank and the accrued interest. As at 31 December 2024, the interest rate on overnight deposits placed by licensed banks was 1.60% (31 December 2023: 2.75%).

19. Certificates issued by the National Bank of Moldova

	CONSOLIDATED		BANK	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	MDL'000	MDL'000	MDL'000	MDL'000
Certificates issued by the Bank at selling price	9,759,848	11,169,946	9,759,848	11,169,946
Amortised discount	7,758	10,053	7,758	10,053
	9,767,606	11,179,999	9,767,606	11,179,999

19. Certificates issued by the National Bank of Moldova (continued)

Certificates issued by the NBM represent securities sold to licensed banks through auctions to absorb the excess liquidity on the monetary market. These are issued at a discount (zero-coupon bond) and redeemed at maturity at their nominal value. During 2024, the certificates of the Bank were issued mainly with a maturity of 14 days (2023: 14 days). The weighted average nominal interest rate of certificates issued by the Bank into circulation on December 31, 2024, was 3.60% (31 December 2023: 4.75%), while the effective interest rate – 3.66% (31 December 2023: 4.86%).

During the reporting period, no breaches of payment terms for the certificates issued by the Bank were registered.

20. Deposits from other clients and other liabilities

	CONSOLIDATED		BANK	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	MDL'000	MDL'000	MDL'000	MDL'000
Deposits from other clients in national currency				
Deposits from other clients	191,777	313,981	193,473	321,479
	191,777	313,981	193,473	321,479
Other liabilities in foreign currency				
<i>Financial liabilities</i>				
Trade payables	15,736	23,410	15,446	23,118
Lease liabilities	5,038	9,535	4,594	8,684
Other financial liabilities	270,425	254,422	270,425	254,422
	291,199	287,367	290,465	286,224
Other liabilities in national currency				
<i>Financial liabilities</i>				
Trade payables	4,582	5,634	4,575	5,633
Due to employees	109	17	105	17
Unused paid leave accruals	31,188	27,146	31,086	27,041
Other financial liabilities	-	-	302	330
	35,879	32,797	36,068	33,021
<i>Non-financial liabilities</i>				
Non-monetary debts	8,636	8,636	8,636	8,636
Deferred income from asset related grants	30,057	2,985	30,057	2,985
Other non-financial liabilities	520	20,968	17	20,297
	39,213	32,589	38,710	31,918
	75,092	65,386	74,778	64,939

Deposits from other clients include the bank accounts of the Deposit Guarantee Fund in the banking system, of CSD, Loro account of the Tiraspol Cash and Settlement Centre and current accounts of electronic money issuing entities.

Non-monetary liabilities include the Bank's liability related to the possession of state-owned land - state property, held and managed by the Bank. The land comprises the territory of which the Bank's head office building including its annexes is located.

20. Deposits from other clients and other liabilities (continued)

The deferred income represents the unamortised grants received from United States Agency for International Development (USAID) for the acquisition of IT software. During 2024 the Bank recorded the grant related to the AML/CFT software in amount of MDL 28,761 thousand, which was implemented by the National Bank of Moldova with the support of the USAID-funded “Moldova’s Financial Sector Transparency Activity” (FSTA) Program (the total value of the financed project, including training services and warranty prolongation, being USD 1,987.8 thousand). Grants are recognized in profit or loss on a systematic basis over the useful life of the assets, starting with the date the IT system was ready for use, while the grants for the compensation of the expenses incurred (the expenses in the contract purchasing the solutions), are recognized in profit or loss of the period in which it became receivable.

Other non-financial liabilities refer to the Bank’s liabilities on insurance contributions and income tax calculated regarding the employee remunerations, the value added tax calculated on imported services and liabilities related to other taxes and fees owed by the Bank and subsidiary.

21. Equity and reserves

As of 31 December 2024, the authorized capital increased by MDL 998,608 thousand up to MDL 2,122,980 thousand, and the general reserve fund increased by MDL 2,223,333 thousand up to MDL 4,245,959 thousand.

	Notes	CONSOLIDATED		BANK	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		MDL'000	MDL'000	MDL'000	MDL'000
Total liabilities		112,272,429	110,011,009	112,273,023	110,016,917
Consolidation adjustments		594	5,908	-	-
Total liabilities of the Bank		112,273,023	110,016,917	112,273,023	110,016,917
Monetary liabilities due to IMF	7	(4,974,304)	(5,063,104)	(4,974,304)	(5,063,104)
Monetary liabilities due to the Government of RM	17	(14,378,442)	(10,769,559)	(14,378,442)	(10,769,559)
Monetary liabilities		92,920,277	94,184,254	92,920,277	94,184,254
Authorized capital		2,122,980	1,124,372	2,122,980	1,124,372
General reserve fund		4,245,959	2,022,626	4,245,959	2,022,626
Statutory capital		6,368,939	3,146,998	6,368,939	3,146,998
Equity level, %					
before the profit distribution		3.39	3.05	3.39	3.05
after the profit distribution		6.85	3.34	6.85	3.34

The reserve of unrealized foreign exchange gains from revaluation of foreign currency holdings and precious metals includes net unrealized income from exchange rate differences on the revaluation of foreign exchange holdings and differences from the revaluation of precious metals.

As of December 31, 2024, to the reserve of unrealized foreign exchange gains from foreign currency stock’s revaluation were allocated unrealized gains in amount of MDL 2,753,773 thousand (31 December 2023: unrealized losses in amount of MDL 5,787,275 thousand, partially covered from the reserve of unrealized gains, the difference of MDL 293,718 thousand left in the profit available for distribution being implicitly covered from the general reserve fund), before the allocation the reserve balance being nil.

21. Equity and reserves (continued)

Net unrealized gains in the amount of MDL 30,106 thousand were allocated to the reserve of unrealized gains from revaluation of precious metals (31 December 2023: unrealized gains in the amount of MDL 3,221 thousand were allocated), with an increase up to MDL 70,076 thousand (31 December 2023: MDL 39,970 thousand).

The reserve for unrealised gains from revaluation of investment securities represents the legal reserve established under *Law No 548/1995* to cover unrealised losses from the revaluation of securities measured at fair value through profit or loss (formed under the accounting treatment of investment securities measured at fair value through profit or loss before IFRS 9).

Other reserves of the Bank comprise the differences from the revaluation of investment securities in foreign currency measured at FVOCI (the market value component and exchange rate differences related to revaluation) and allowance for expected credit losses of foreign currency securities measured at FVOCI for the next 12 months. Other reserves of the Group additionally comprise the undistributed result from the subsidiary's activity attributable to the Bank related to previous periods. All the elements of revaluation accounts are part of the Other comprehensive income, which are or may be redistributed to profit or loss. The movement in "Other reserves" is presented in the table below:

	CONSOLIDATED		BANK	
	2024	2023	2024	2023
	MDL'000	MDL'000	MDL'000	MDL'000
<i>Reserves from revaluation of foreign currency securities measured at FVOCI</i>				
Balance on 1 January	(22,436)	(247,698)	(22,436)	(247,698)
Differences from revaluation to market price	21,598	78,811	21,598	78,811
Reclassified to profit or loss on derecognition (Note 27)	53,607	146,451	53,607	146,451
Balance on 31 December	52,769	(22,436)	52,769	(22,436)
<i>Reserves from exchange rate differences from revaluation of securities in foreign currency measured at FVOCI</i>				
Balance on 1 January	15,648	534	15,648	534
Exchange rate differences from revaluation to market price	13,290	18,642	13,290	18,642
Reclassified to profit or loss on derecognition	(9,136)	(3,528)	(9,136)	(3,528)
Balance on 31 December	19,802	15,648	19,802	15,648
<i>Reserve from impairment of foreign currency securities measured at FVOCI</i>				
Balance on 1 January	7,813	4,349	7,813	4,349
Expected credit losses (Note 4.2)	362	3,963	362	3,963
Exchange rate differences (Note 4.2)	331	(499)	331	(499)
Balance on 31 December	8,506	7,813	8,506	7,813
<i>Undistributed result from the subsidiary's activity attributable to the Bank</i>				
Balance on 1 January	8,585	7,320	-	-
Financial result of the year	818	1,265	-	-
Balance on 31 December	9,403	8,585	-	-
	90,480	9,610	81,077	1,025

22. Calculation of the profit available for distribution

	CONSOLIDATED		BANK	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	MDL'000	MDL'000	MDL'000	MDL'000
Net profit/(loss) from Bank's activity	6,005,820	(5,215,924)	6,005,820	(5,215,924)
(Allocation)/Coverage of unrealised (gains)/losses from revaluation of foreign currency stocks (<i>Note 25, 26</i>)	(2,753,773)	5,493,557	(2,753,773)	5,493,557
Allocation of unrealized gains from revaluation of precious metals (<i>Note 25</i>)	(30,106)	(3,221)	(30,106)	(3,221)
Profit available for distribution	3,221,941	274,412	3,221,941	274,412
Distribution:				
Increase of authorized capital	998,608	-	998,608	-
Increase of the general reserve fund	2,223,333	274,412	2,223,333	274,412
Capital contribution required	-	620,372	-	620,372

During 2024, the Bank recorded a net profit in the amount of MDL 6,005,820 thousand (2023: net loss - MDL 5,215,924 thousand), including unrealized gains from exchange rate differences in amount of MDL 2,753,773 thousand (2023: unrealized losses in amount of MDL 5,493,557 thousand) and unrealized gains from the revaluation of precious metals in amount of MDL 30,106 thousand (2023: unrealized gains - MDL 3,221 thousand) which were allocated to the reserve of unrealized gains (2023: unrealized losses were partially covered from the reserve of unrealized gains), according to art. 20 of the Law No.548/1995. As a result, the profit available for distribution at the end of the reporting period amounted to MDL 3,221,941 thousand (2023: MDL 274,412 thousand).

As at 31 December 2024, the Bank's equity level before the distribution of the profit available for distribution was 3.39% of the total monetary liabilities, below the statutory minimum level of 4.00%. In accordance with *Law No 548/1995 on the National Bank of Moldova*, the entire profit available for distribution was allocated to the statutory capital, in the following proportions: the authorized capital up to 1/3 and the general reserve fund up to 2/3 of the statutory capital. Following this allocation, Bank's equity level at 31 December 2024 increased to 6.85%.

Accordingly, the Bank will not require any capital contribution from the Government's during 2025, the profit available for distribution as at 31 December 2024 was sufficient to restore the equity level above the minimum level of 4.00% of total monetary liabilities.

As at 31 December 2023, the Bank's equity level after the distribution of the profit available for distribution was 3.34% of the total monetary liabilities, below the statutory minimum level of 4.00%. Accordingly, during 2024 it was necessary that the Government, through the Ministry of Finance, transfer to the National Bank, during 2024, a capital contribution in the amount of MDL 620,372 thousand in the form of state securities, at a market interest rate, to increase the equity level to 4.00% of the total monetary liabilities of the Bank.

Until the end of 2024, the Government, through the Ministry of Finance, had not issued state securities in the amount of MDL 620,372 thousand that had been required to restore the equity level to 4.00% of the Bank's total monetary liabilities as of 31 December 2023.

22. Calculation of the profit available for distribution (continued)

In accordance with the Statute of the Central Securities Depository (CSD), approved by the Decision of the Constituent Assembly on 29 March 2018 and subsequently amended, the net profit of the CSD during the first ten years from its registration may be used only for the following purposes: to cover losses of prior years, to form reserve capital, and to make investments for development purposes.

23. Interest income

	CONSOLIDATED		BANK	
	2024	2023	2024	2023
	MDL'000	MDL'000	MDL'000	MDL'000
Interest income on official reserve assets				
Interest income on short-term placements				
Interest on term deposits with foreign banks	427,086	647,415	427,086	647,415
Interests on overnight deposits	152,815	211,328	152,815	211,328
Interest on Nostro accounts in foreign banks and other IFIs	3,347	2,250	3,347	2,250
Interest on IMF accounts	3,054	2,087	3,054	2,087
	586,302	863,080	586,302	863,080
Interest income on securities				
Interest on investment securities measured at FVOCI	2,877,394	2,388,332	2,877,394	2,388,332
Interest on investment securities measured at amortised cost	375,543	126,495	375,543	126,495
	3,252,937	2,514,827	3,252,937	2,514,827
	3,839,239	3,377,907	3,839,239	3,377,907
Interest income on instruments in national currency				
Interest income on loans and repo				
Interests on repo transactions	4,597	591	4,375	582
Interests on loans to banks	1,785	3,362	1,785	3,362
Interests on loans to other separates	914	1,115	914	1,115
	7,296	5,068	7,074	5,059
Interest income on securities				
Interest on state securities derived from state guarantees measured at amortised cost	596,196	611,468	596,196	611,468
Interest on state securities from previously converted debt measured at amortised cost	119,532	216,512	119,532	216,512
Interest on state securities held by CSD measured at amortised cost	1,835	3,798	-	-
	717,563	831,778	715,728	827,980
Interest income on other accounts	-	2	-	-
	724,859	836,848	722,802	833,039
Interest income calculated using the effective interest method	4,564,098	4,214,755	4,562,041	4,210,946

23. Interest income (continued)

The table below shows interest income and expense calculated using the effective interest rate method on financial instruments:

	CONSOLIDATED		BANK	
	2024	2023	2024	2023
	MDL'000	MDL'000	MDL'000	MDL'000
Interest income				
Financial assets measured at amortised cost	1,686,704	1,826,423	1,684,647	1,822,614
Financial assets measured at FVOCI	2,877,394	2,388,332	2,877,394	2,388,332
	4,564,098	4,214,755	4,562,041	4,210,946
Interest expenses				
Financial liabilities measured at amortised cost	1,218,659	3,027,734	1,221,259	3,030,334
Negative interest expenses on short-term placements	-	6	-	6
Net interest income using the effective interest method	3,345,439	1,187,015	3,340,782	1,180,606

24. Interest expenses

	CONSOLIDATED		BANK	
	2024	2023	2024	2023
	MDL'000	MDL'000	MDL'000	MDL'000
Interest expenses in national currency				
Interest expenses on deposits				
Interest on required reserves	657,549	1,508,600	657,549	1,508,600
Interest on deposits from banks	5,984	38,112	5,984	38,112
Interest on deposits from the Ministry of Finance	139,992	252,656	139,992	252,656
	803,525	1,799,368	803,525	1,799,368
Interest expenses on transactions with securities and repo				
Interest on certificates issued by National Bank of Moldova (<i>amortization of discount and commissions part of effective interest rate</i>)	376,466	1,181,823	379,066	1,184,423
	376,466	1,181,823	379,066	1,184,423
	1,179,991	2,981,191	1,182,591	2,983,791
Interest expenses in foreign currency				
Interest expenses on loans				
Interest on loans received from IMF	38,668	46,543	38,668	46,543
	38,668	46,543	38,668	46,543
Negative interest expenses on placements				
	-	6	-	6
	38,668	46,549	38,668	46,549
Interest expenses	1,218,659	3,027,740	1,221,259	3,030,340
Other similar expenses				
	396	569	256	340
	396	569	256	340

24. Interest expenses (continued)

During 2024, the required reserve ratio held by licensed banks in Moldovan lei and in non-convertible currency was gradually reduced: by 2 percentage points from 33% at the beginning of the year to 31% of the calculation basis, starting with the maintenance period of June 16, 2024 – July 15, 2024, by 2 p.p., down to 29% of the calculation basis, starting with the maintenance period of July 16, 2024 – August 15, 2024, by 2 p.p., down to 27% of the calculation basis, starting with the maintenance period of November 16, 2024 – December 15, 2024, and by another 2 p.p. down to 25% of the calculation basis, starting with the maintenance period of December 16, 2024 – January 15, 2025.

At the same time, the required reserve ratio from the funds attracted in freely convertible currency was gradually reduced as well: from 43% at the beginning of the year to 41% of the calculation basis, starting with the maintenance period of June 16, 2024 – July 15, 2024, then down to 39% of the calculation basis – starting with the maintenance period of July 16, 2024 – August 15, 2024, down to 36% of the calculation basis starting with the maintenance period of November 16, 2024 – December 15, 2024, and, lastly, down to 34% of the calculation basis, starting with the maintenance period of December 16, 2024 – January 15, 2025.

In line with the monetary policy rates, during the reporting period, the remuneration rate of required reserves attracted in MDL and non-convertible foreign currency decreased in 3 steps: from 2.75% down to 2.25% starting with February 6, 2024, from 2.25% down to 1.75% starting with March 21, 2024, and from 1.75% down to 1.60% starting with May 7, 2024 (2023: gradual 5-step decrease, range 18.00% - 2.75%).

During 2024, the remuneration rates of required reserves in USD ranged from 2.52% to 3.34%, whilst for the required reserves in EUR the remuneration rates ranged from 1.05% to 1.91% (2023: between January – October, until the DEB No 221/2023 became effective, the remuneration rate of foreign currency required reserves was maintained at the level of 0.01%; later the required reserves held in US dollars were remunerated at an annual rate of 3.32% in November and 3.34% in December, and the required reserves held in EUR - at 1.90%).

The average daily balance of the Bank's certificates during 2024 was MDL 9,657,093 thousand (2023: MDL 10,923,627 thousand). The average nominal interest rate on the Bank's certificates placed during the reporting period was 3.86% (2023: 10.60%).

25. Gains/(Losses) from transactions, exchange rate differences and revaluation of precious metals

	CONSOLIDATED		BANK	
	2024	2023	2024	2023
	MDL'000	MDL'000	MDL'000	MDL'000
Net realized gains/(losses) from foreign currency transactions	524,665	(151,822)	524,672	(151,886)
Net realized gains from exchange rate differences from revaluation of securities in foreign currency measured at FVOCI	9,136	3,528	9,136	3,528
Net unrealized gains/(losses) from foreign currency stocks revaluation	2,753,958	(5,787,275)	2,753,958	(5,787,275)
Net unrealized gains from revaluation of precious metals	30,106	3,221	30,106	3,221
	3,317,865	(5,932,348)	3,317,872	(5,932,412)

The above translation of the Financial Statements is provided as a free translation from Romanian, which is the official binding version.

25. Gains/(Losses) from transactions, exchange rate differences and revaluation of precious metals (continued)

During 2024, realized gains were incurred on the sale of foreign currency and represent the positive difference between the sale exchange rate and the cost of that currency stock (or the average rate of the currency purchased) multiplied by the volume of sales.

Realized gains and losses from exchange rate differences from revaluation of securities in foreign currency measured at FVOCI comprise cumulative exchange differences from the date of initial recognition of the instrument to the date of the transaction (maturity or sale) (Note 21).

Net unrealized gains and losses from exchange rate revaluation arise as a result of daily currency revaluation measured at amortised cost or at FVOCI, as the difference between the official exchange rate of Moldovan leu against the foreign currencies which create the respective currency stocks and the average cost of the currency stocks, and the revaluation of International Monetary Fund accounts during the financial year.

Net unrealized gains and losses on the revaluation of precious metals are formed on the revaluation of gold carried out during the reporting period at the price in MDL published by the Bank based on the PAu/USD quotation set by London Gold Market Fixing Ltd Company.

26. Losses on transactions with financial instruments measured at fair value through profit or loss

	CONSOLIDATED		BANK	
	2024	2023	2024	2023
	MDL'000	MDL'000	MDL'000	MDL'000
Net interest expense	(22)	(11,677)	(22)	(11,677)
Net realised losses from exchange rate differences	(253)	(4,252)	(253)	(4,252)
Net unrealised losses from foreign currency stocks revaluation	(185)	-	(185)	-
	(460)	(15,929)	(460)	(15,929)

Losses on transactions with financial instruments measured at fair value through profit or loss relate to swaps and forward transactions with IFIs (EBRD) or banks.

27. Losses on revaluation of securities

	CONSOLIDATED		BANK	
	2024	2023	2024	2023
	MDL'000	MDL'000	MDL'000	MDL'000
Net realized losses on revaluation of investment securities	(53,607)	(146,451)	(53,607)	(146,451)
	(53,607)	(146,451)	(53,607)	(146,451)

Revaluation losses are generated at maturity or sale of the securities and represent the cumulative revaluation of securities from the date of initial recognition to the date of the transaction (maturity or sale). During the holding of the securities in the Bank's portfolio, periodic unrealized revaluations are reflected in Other comprehensive income and Other reserves (see Note 21).

28. Other income

	CONSOLIDATED		BANK	
	2024	2023	2024	2023
	MDL'000	MDL'000	MDL'000	MDL'000
Fee and commission income	72,550	64,775	64,111	57,524
Other income	11,742	46,415	12,885	47,931
	84,292	111,190	76,996	105,455

In the following table, fee and commission income from contracts with customers in the scope of IFRS 15 is disaggregated by segments and sectors of the services provided:

CONSOLIDATED	Of which by sector:				
	Banks	Institutions	Other	2024	2023
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Automated Domestic Payment System	15,213	1,739	338	17,290	14,693
Cash operations	29,536	-	-	29,536	26,207
State's agent and banker activities	-	17,285	-	17,285	16,624
Commissions from CSD's activity	4,571	3,240	628	8,439	7,251
	49,320	22,264	966	72,550	64,775

BANK	Of which by sector:				
	Banks	Institutions	Other	2024	2023
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Automated Domestic Payment System	15,213	1,739	338	17,290	14,693
Cash operations	29,536	-	-	29,536	26,207
State's agent and banker activities	-	17,285	-	17,285	16,624
	44,749	19,024	338	64,111	57,524

Commission and fee income from contracts with customers is measured at the transactions' prices set in the contracts with customers and Bank's regulatory acts. Such income is recognized when the control over the service is transferred to a customer.

In the following table, other income from contracts with customers in the scope of IFRS 15 is disaggregated by segments and sectors of the services provided:

CONSOLIDATED	Of which by sector:				
	Banks	Institutions	Other	2024	2023
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Sale of commemorative coins	5,199	83	2,415	7,697	7,612
Other income	308	-	3,737	4,045	38,803
	5,507	83	6,152	11,742	46,415

BANK	Of which by sector:				
	Banks	Institutions	Other	2024	2023
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Sale of commemorative coins	5,199	83	2,415	7,697	7,612
IT services	-	-	1,143	1,143	1,516
Other income	308	-	3,737	4,045	38,803
	5,507	83	7,295	12,885	47,931

Under "Institutions" category are included revenues from transactions with the Ministry of Finance and other public institutions. Under "Other" category are included revenues from transactions with other third parties not included under "Banks" and "Institutions".

28. Other income (continued)

The category "Other income" from banks for the year 2023 includes the amount of interest overpaid for maintaining required reserves on "Loro" accounts at the Bank, determined as a result of a compliance control on the establishment of required reserves at a licensed bank, initiated in 2022 and completed during 2023.

The following table provides information on receivables arisen from contracts with customers related to "Other assets" (Note 15):

	CONSOLIDATED		BANK	
	31 December	31 December	31 December	31 December
	2024	2023	2024	2023
	MDL'000	MDL'000	MDL'000	MDL'000
Receivables from commission	2,271	4,771	1,705	4,275
Receivables from other income	-	-	309	309
	2,271	4,771	2,014	4,584

The following table provides information about the nature and timing of the performance obligations in contracts with customers, including significant payment terms, and related commission income and other income recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
<i>Fee and commission income</i>		
Automated Domestic Payment System	<p>The Bank manages the Automated Domestic Payment System (ADPS), the system whereby the payments in Moldovan lei are automatically processed in the Republic of Moldova. The Bank gives free access to ADPS to participants to process and settle payments. ADPS is composed of the Real-Time Gross Settlement system, the Designated-time Net Settlement system, and the Instant Payments system, introduced during 2024 and intended for instant payments processing.</p> <p>The Bank charges commissions for the processing of payment documents within ADPS, or packages of documents transmitted to ADPS participants, in accordance with ADPS participation Agreement and the <i>Regulation on the automated domestic payment system</i>.</p> <p>Based on the mandate assigned to the Bank, the commissions for the documents processed in the previous month are collected automatically from the ADPS participants' accounts at the beginning of the next month.</p>	Revenue obtained from the processing of documents in ADPS is recognized at the point in time when the transaction takes place.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Cash transaction	<p>The tariffs approved in the Bank's Acts are fixed and uniform for all the participants (sectors).</p> <p>As the single national currency issuing authority (monetary authority), the Bank exchanges the national currency in circulation in the Republic of Moldova.</p> <p>Under the <i>Regulation on cash transactions in banks of the Republic of Moldova, approved by the DEB of the Bank</i>, licensed banks can place and withdraw cash in national currency from the Bank.</p> <p>For the withdrawal operations of banknotes and metallic coins by licensed banks and other clients, the Bank charges commissions at the withdrawal date.</p> <p>The tariffs are fixed and identical for all licensed banks, based on the scope of the withdrawal. Withdrawals of cash made by the Deposit Guarantee Fund in the banking system for the payment of deposits that have become unavailable have zero commission.</p>	<p>Revenue obtained from cash withdrawal is recognized at the cash withdrawal date.</p>
Duties of the state agent and banker	<p>The Bank, as agent of the state, shall organize in the name of the Ministry of Finance, the placement of state securities (SS) on the primary market, through SS auction, under the Law on the National Bank of Moldova and State Agent Agreement.</p> <p>For the organization of SS auction, the Bank charges a fee from the nominal value of SS placed at the auction, collected on the day after the auction completion.</p> <p>As the State banker, the Bank processes the State's foreign currency payments, including the currency exchanges. The Bank charges commissions for each transaction on the date of processing the transaction (conversion, payment).</p>	<p>Revenue from commissions for organization of SS auctions is recognized at the date of completion of SS auction.</p> <p>Revenue from commission for foreign currency transactions of the state (payments and conversions) is recognized at the date of the related transactions.</p>
Commissions related to CSD' activity	<p>Pursuant to Law No 234 of 03.10.2016 on the Single Central Securities Depository and the CSD Supervisory Board decisions, the Bank's subsidiary provides services on:</p>	<p>Revenue is recognized over time as the services are provided. Revenue from</p>

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
	<ul style="list-style-type: none"> - opening and maintaining securities accounts; - registration of issuers and securities in the CSD System; - registration operations in the system of accounts registration, processing, and settlement of securities; - securities deposit; - ancillary services provided by the CSD etc. <p>The amounts of fees are determined by sectors and types of instruments (separately for state securities and financial instruments of the National Bank and for regulated market or Multilateral Trading Facility (MTF), outside the regulated market or MTF), and are relative (in %) for account recording, settlement, redemption operations, registrations of guarantee, storage of values in accounts, and in absolute values for keeping records of shareholders, processing orders, etc. Fees are charged at the beginning of the month from CSD participants' s accounts for transactions processed in the previous month in participants' settlement accounts except for fees for transactions with corporate values that are charged on the date of transactions.</p>	<p>transactions/activities carried out in certain periods of time (specific transactions) are recognized in the period when these take place.</p>
<i>Other income</i>		
Sale of commemorative banknotes and jubilee and commemorative coins, including mint sets	<p>As the single national currency issuing authority (monetary authority), the Bank issues also commemorative and jubilee banknotes and coins, which have numismatic value and are legal tender in Moldova. Moreover, they represent a component of the national currency once put into circulation (sale). The commemorative and jubilee coins are sold (issued) to licensed banks under the regulatory acts of the Bank, public authorities under customer contracts, and to other persons.</p> <p>Commemorative coins are sold at a price set monthly by the Bank. The consideration paid at the sale of commemorative and jubilee coins is collected on the day of sale.</p>	<p>Revenue from sale (issuance) of commemorative coins are recognized on the issuance date at the sale price of commemorative coins.</p>
IT services	<p>Pursuant to Law No 234/2016 on the Single Central Securities Depository and the</p>	<p>Revenue is recognized over time as the</p>

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
	<p>Agreement on outsourcing information technology services, the Bank provides to CSD assistance in the field of information.</p> <p>The price of the services represents the costs incurred by the Bank for service provision, in the field of ensuring the functionality of information solutions of the subsidiary (external costs re-invoiced) and the cost of IT corporative services, integrated network services and information security services provided by the Bank.</p> <p>Revenue derived from respective services is recognized over time as the services are provided, based on incurred costs (re-invoiced costs) (quarterly), being paid in the following month from the date of service invoicing.</p>	<p>services are provided. Revenue from transactions/activities carried out in certain periods of time (specific transactions) are recognized in the period when these take place.</p>

Revenue from technical assistance and grants from IFIs

During 2024 and 2023, the Bank received technical assistance from certain IFIs in form of compensation for operating expenses incurred by the Bank (consulting, training, and travel expenditures, etc.). The Bank presents the income from grants of international financial assistance received for the compensation of expenses net of the compensated operational expenses (Note 30).

29. Revenues by activity segment and geographical area

The Group and the Bank operate only in the Republic of Moldova.

Analysis of interest income, commissions and other income, differences from the revaluation of investment securities, differences from foreign currency transactions, exchange rate differences and revaluation of precious metals, for the reporting period, according to activities and geographical areas (country of issuer/borrower of the financial instrument) is presented in the table below:

29. Revenues by activity segment and geographical area (continued)**CONSOLIDATED**

Country of issuer/debtor	Foreign reserves management	Monetary policy	National currency	Financial relations with state bodies	Transactions, exchange rate differences and revaluation	Other	Total
2024:	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Moldova	-	5,922	37,233	739,827	3,317,865	23,706	4,124,553
USA	1,979,788	-	-	-	-	1,689	1,981,477
Germany	705,660	-	-	-	-	-	705,660
France	343,455	-	-	-	-	-	343,455
Great Britain	204,129	-	-	-	-	-	204,129
IFIs	156,484	-	-	-	-	-	156,484
The Netherlands	138,386	-	-	-	-	2	138,388
Canada	120,469	-	-	-	-	-	120,469
Sweden	57,322	-	-	-	-	-	57,322
Finland	36,875	-	-	-	-	-	36,875
Singapore	13,985	-	-	-	-	-	13,985
Austria	12,410	-	-	-	-	-	12,410
South Korea	8,172	-	-	-	-	-	8,172
Belgium	4,043	-	-	-	-	-	4,043
Denmark	2,239	-	-	-	-	-	2,239
Norway	1,765	-	-	-	-	-	1,765
Other countries	758	-	-	-	-	4	762
Total	3,785,940	5,922	37,233	739,827	3,317,865	25,401	7,912,188
2023:							
Moldova	-	(11,976)	33,819	853,356	(5,932,348)	56,310	(5,000,839)
USA	1,834,858	-	-	-	-	552	1,835,410
France	398,351	-	-	-	-	-	398,351
IFIs	302,428	-	-	-	-	-	302,428
Germany	288,953	-	-	-	-	-	288,953
The Netherlands	124,545	-	-	-	-	-	124,545
Great Britain	123,630	-	-	-	-	-	123,630
Canada	62,886	-	-	-	-	-	62,886
Singapore	43,714	-	-	-	-	-	43,714
Sweden	35,467	-	-	-	-	-	35,467
Finland	7,036	-	-	-	-	-	7,036
Austria	4,308	-	-	-	-	8	4,316
Norway	3,374	-	-	-	-	-	3,374
South Korea	1,172	-	-	-	-	-	1,172
Other countries	755	-	-	-	-	19	774
Total	3,231,477	(11,976)	33,819	853,356	(5,932,348)	56,889	(1,768,783)

National Bank of Moldova

29. Revenues by activity segment and geographical area (continued)

BANK Country of issuer/debtor	Foreign reserves management	Monetary policy	National currency	Financial relations with state bodies	Transactions, exchange rate differences and revaluation	Other	Total
2024:	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Moldova	-	5,700	37,233	734,752	3,317,872	19,650	4,115,207
USA	1,979,788	-	-	-	-	1,689	1,981,477
Germany	705,660	-	-	-	-	-	705,660
France	343,455	-	-	-	-	-	343,455
Great Britain	204,129	-	-	-	-	-	204,129
IFIs	156,484	-	-	-	-	-	156,484
The Netherlands	138,386	-	-	-	-	2	138,388
Canada	120,469	-	-	-	-	-	120,469
Sweden	57,322	-	-	-	-	-	57,322
Finland	36,875	-	-	-	-	-	36,875
Singapore	13,985	-	-	-	-	-	13,985
Austria	12,410	-	-	-	-	-	12,410
South Korea	8,172	-	-	-	-	-	8,172
Belgium	4,043	-	-	-	-	-	4,043
Denmark	2,239	-	-	-	-	-	2,239
Norway	1,765	-	-	-	-	-	1,765
Other countries	758	-	-	-	-	4	762
Total	3,785,940	5,700	37,233	734,752	3,317,872	21,345	7,902,842
2023:							
Moldova	-	(11,985)	33,819	846,160	(5,932,412)	53,971	(5,010,447)
USA	1,834,858	-	-	-	-	552	1,835,410
France	398,351	-	-	-	-	-	398,351
IFIs	302,428	-	-	-	-	-	302,428
Germany	288,953	-	-	-	-	-	288,953
The Netherlands	124,545	-	-	-	-	-	124,545
Great Britain	123,630	-	-	-	-	-	123,630
Canada	62,886	-	-	-	-	-	62,886
Singapore	43,714	-	-	-	-	-	43,714
Sweden	35,467	-	-	-	-	-	35,467
Finland	7,036	-	-	-	-	-	7,036
Austria	4,308	-	-	-	-	8	4,316
Norway	3,374	-	-	-	-	-	3,374
South Korea	1,172	-	-	-	-	-	1,172
Other countries	755	-	-	-	-	19	774
Total	3,231,477	(11,985)	33,819	846,160	(5,932,412)	54,550	(1,778,391)

The above translation of the Financial Statements is provided as a free translation from Romanian, which is the official binding version.

29. Revenues by activity segment and geographical area (continued)

Net results from unrealized and realized exchange differences are shown separately from other activities. It represents the cumulative result derived from the Bank's activities in the implementation of monetary policy operations (foreign exchange intervention, foreign currency reserve requirements), the servicing of foreign currency payments and receipts of the Government and directly from foreign exchange reserve management activities. Income from financial relations with public institutions includes income from interest on state securities held in the Group's and the Bank's portfolio (Note 23) and other income from the exercising the function of state agent and banker (Note 28).

	Notes	CONSOLIDATED		BANK	
		2024	2023	2024	2023
		MDL'000	MDL'000	MDL'000	MDL'000
Foreign reserves management		3,785,940	3,231,477	3,785,940	3,231,477
Interest income on short-term placements	23	586,302	863,080	586,302	863,080
Interest income on securities in foreign currency	23	3,252,937	2,514,827	3,252,937	2,514,827
Losses on revaluation of securities	27	(53,607)	(146,451)	(53,607)	(146,451)
Other income	28	308	21	308	21
Monetary policy		5,922	(11,976)	5,700	(11,985)
Interest income on repo transactions	23	4,597	591	4,375	582
Interest income on loans to banks	23	1,785	3,362	1,785	3,362
Losses on transactions with financial instruments measured at fair value through profit or loss	26	(460)	(15,929)	(460)	(15,929)
National currency		37,233	33,819	37,233	33,819
Other income - Sale of commemorative coins	28	7,697	7,612	7,697	7,612
Other income - Cash operations	28	29,536	26,207	29,536	26,207
Financial relations with state bodies		739,827	853,356	734,752	846,160
Interest income on securities in national currency	23	717,563	831,778	715,728	827,980
Other income - State's agent and banker activities	28	17,285	16,624	17,285	16,624
Other income - Automated Domestic Payment System	28	1,739	1,556	1,739	1,556
Other income - Commissions from CSD's activity	28	3,240	3,398	-	-
Transactions, exchange rate differences and revaluation	25	3,317,865	(5,932,348)	3,317,872	(5,932,412)
Other		25,401	56,889	21,345	54,550
Interest income on loans to other separates	23	914	1,115	914	1,115
Interest income on other accounts	23	-	2	-	-
Other income	28	24,487	55,772	20,431	53,435
Total		7,912,188	(1,768,783)	7,902,842	(1,778,391)

30. Operating expenses

	CONSOLIDATED		BANK	
	2024	2023	2024	2023
	MDL'000	MDL'000	MDL'000	MDL'000
Expenses on remuneration and other benefits	311,084	255,814	303,651	248,805
Mandatory state social insurance contributions	89,149	74,065	87,393	72,328
Other personnel expenses	597	454	597	454
Personnel expenses	400,830	330,333	391,641	321,587
Production of national currency expenses	169,031	21,678	169,031	21,678
Expenses related to depreciation of property and equipment	13,590	15,502	13,538	15,373
Expenses related to amortization of intangible assets	18,344	14,485	18,336	14,477
Expenses related to depreciation of right-of-use-assets	4,603	4,415	4,192	4,004
Depreciation and amortization expenses	36,537	34,402	36,066	33,854
Expenses related to IT, advisory and audit services	35,925	31,999	34,368	30,382
Buildings, transport and equipment maintenance expenses	12,805	13,747	12,590	13,533
Expenses with fees and commissions	2,316	1,933	3,263	2,890
Other expenses	28,457	18,080	28,102	17,751
Other operating expenses	79,503	65,759	78,323	64,556

To ensure an appropriate level of remuneration for its employees, comparable to and not below the level of remuneration for similar jobs, in terms of impact and complexity, within the banking sector and/or general labour market of professional services, according to the applicable legislation, NBM's updates its pay structure on a regular basis taking into account the relevant market trends. Effective January 2024, Bank's pay structure has been adjusted to the relative annual evolution indicator calculated on the basis of the data related to the average gross monthly earnings by economic activities published by the National Bureau of Statistics, this being a key driver of the increase in personnel expenses. Another factor contributing to the increase in personnel expenses was the 6.4% increase in the number of active employees compared to the same period of the previous year. The latest is due to strengthening the institutional resilience and the organisational structure in the main activity areas and those related to governance and support, particularly in the regulation and supervision areas, considering the assumption of responsibilities related to the non-banking financial sector and its involvement in the EU integration process.

Additionally, personnel expenses include expenses related to unused paid leave accruals.

30. Operating expenses (continued)

As of December 31, 2024, the number of active employees of the Group was 586, and of the Bank – 568 (as of December 31, 2023: Group: 551 employees, Bank: 534 active employees).

The average number of employees allocated by category during the period was:

	CONSOLIDATED		BANK	
	2024	2023	2024	2023
	employees	employees	employees	Employees
Managers	118	115	116	113
Specialists	367	319	354	307
Technical staff	64	66	64	66
	549	500	534	486

The auditor of the Bank's financial statements for the financial years 2024 and 2023 is KPMG Moldova SRL, and the auditor of the subsidiary - Baker Tilly Klitou and Partners SRL. In 2024, the Bank's invoiced audit fee expenses amounted to MDL 1,307 thousand (2023: MDL 1,149 thousand) (audit fees for the audit of the annual financial statements were set at MDL 1,307 thousand), and the subsidiary's audit fee expenses - MDL 176 thousand (2023: MDL 176 thousand). No other services were contracted from the Bank's and subsidiary's auditors during the reporting periods.

Fees and commissions expenses include commissions for:

CONSOLIDATED	Of which by sector:			2024	2023
	Banks	IFIs	Others		
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Foreign currency acquisition services	-	-	-	-	530
Credit lines	-	9	-	9	-
Account services	2,307	-	-	2,307	1,403
	2,307	9	-	2,316	1,933

BANK	Of which by sector:			2024	2023
	Banks	IFIs	Others		
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Safekeeping of state securities	-	-	947	947	957
Foreign currency acquisition services	-	-	-	-	530
Credit lines	-	9	-	9	-
Account services	2,307	-	-	2,307	1,403
	2,307	9	947	3,263	2,890

The commissions for the safekeeping of state securities refer to the commissions charged by the CSD for the safekeeping of state securities portfolio registered and held by the Bank, including securities from repo transactions, in CSD's system (DEPO/x). The commissions relate to financial assets that are not measured at fair value through profit or loss.

30. Operating expenses (continued)

Operating expenses (training, consultancy) offset by international technical assistance and provided by several IFIs have been presented on a net basis with the related revenue. During 2024 and 2023, the Bank received assistance from the United States Agency for International Development, the World Bank's Treasury, the United States Treasury, the European Fund for Southeast Europe, the International Monetary Fund, and certain central banks.

31. Related parties

The related parties of the Group are the Joint Stock Company Single Central Securities Depository and Bank's management (members of the Supervisory Board, Executive Board, and mid-level managers), and the related parties of the Bank represent the Bank's management.

Group and Bank's management

Remuneration and compensation expenses related to the Group's management during 2024 amounted to MDL 76,914 thousand, including MDL 5,705 thousand for the members of the Supervisory Board (Bank: MDL 5,089 thousand, subsidiary: MDL 616 thousand) and MDL 1,565 thousand for mandatory state social insurance contributions (Bank: MDL 1,417 thousand, subsidiary: MDL 148 thousand); for the members of the Executive Board - MDL 13,947 thousand remuneration (Bank: MDL 11,792 thousand, subsidiary: MDL 2,155 thousand), MDL 3,932 thousand mandatory state social insurance contributions (Bank: MDL 3,415 thousand, subsidiary: MDL 517 thousand); and for middle managers - MDL 40,186 thousand remuneration (Bank: MDL 40,186 thousand), MDL 11,579 thousand mandatory state social insurance contributions (Bank: MDL 11,579 thousand).

Remuneration and compensation expenses related to the Group's management during 2023 amounted to MDL 64,593 thousand, including MDL 5,261 thousand for the members of the Supervisory Board (Bank: MDL 4,776 thousand, subsidiary: MDL 485 thousand), and MDL 1,397 thousand for mandatory state social insurance contributions (Bank: MDL 1,280 thousand, subsidiary: MDL 117 thousand); for the members of the Executive Board - MDL 14,777 thousand remuneration (Bank: MDL 12,666 thousand, subsidiary: MDL 2,111 thousand), MDL 4,173 thousand mandatory state social insurance contributions (Bank: MDL 3,666 thousand, subsidiary: MDL 507 thousand); and for middle managers - MDL 30,230 thousand remuneration (Bank: MDL 30,230 thousand), MDL 8,755 thousand for mandatory state social security contributions (Bank: MDL 8,755 thousand).

The remuneration expenses comprise salaries and short-term benefits. Factors that have led to the increase in remuneration expenses are listed in Note 30.

Transactions with the management of the Bank during the reporting period comprise the transactions related to loans granted. Below are presented: the balance of loans to the Bank's management, grants and repayments during the period, as well as their movement resulting from changes in staff structure (internal transfers from / to middle management positions).

	Balance on 1 January	Loans granted	Transfers	Reimburse- ments	Balance on 31 December
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Mid-level managers					
2024	1,462	350	-	(1,216)	596
2023	1,930	200	-	(668)	1,462

31. Related parties (continued)

Loans were granted at interest rates and under conditions similar to those applicable to all employees according to the provisions of the internal regulatory acts of the Bank. These loans are fully secured by collateral provided by each debtor, and as of 31 December 2024, the collateral value is MDL 1,766 thousand (31 December 2023: MDL 3,304 thousand). As of 31 December 2024, and 31 December 2023, these loans are classified as standard (stage 1 of the ECL), being fully collateralized, with no impairment triggers and no expected credit losses incurred. During 2024 and 2023 the Bank did not grant any loans to members of the Supervisory Board and the Executive Board.

Bank's subsidiary

The Bank holds 98.36% of the share capital of the Joint Stock Company Single Central Securities Depository and appoints four out of seven members of the Supervisory Board of CSD. Therefore, under IFRS 10 provisions, the Bank controls the Single Central Securities Depository as a subsidiary of the Bank.

The balances and transactions of the Bank with the JSC Single Central Securities Depository are:

<i>Balances</i>	31 December 2024	31 December 2023
Assets	MDL'000	MDL'000
Investments in subsidiaries – cash contribution to the capital	24,000	24,000
Other short-term receivables	309	309
	24,309	24,309
Other liabilities		
Current account of subsidiary in the Bank	1,696	7,499
Other liabilities	302	330
	1,998	7,829
<i>Transactions</i>	2024	2023
	MDL'000	MDL'000
Interest income		
Commissions from settlement of auction results related to repo transactions	(222)	(9)
	(222)	(9)
Other income		
Income from compensation of expenses for the IT services outsourcing	1,143	1,516
	1,143	1,516
Interest expenses		
Commissions from settlement and clearing of certificates issued by the Bank	2,600	2,600
	2,600	2,600
Operating expenses		
Commissions for state securities safekeeping	947	957
	947	957

The Bank has not identified any indication of impairment of its investment in the subsidiary, and no impairment losses have been recognized. The receivables due from the subsidiary were classified in the standard category, were collected on time and no expected credit loss allowances were recognised as of the reporting date.

31. Related parties (continued)

The Bank's expenses with the subsidiary were recorded at the standard rates approved by the subsidiary's Supervisory Board (level of commissions) and similar conditions applied by the Bank on other financial liabilities (levels of interest rates). Income from the IT services provided to the subsidiary under the outsourcing agreement was charged at the level of costs incurred by the Bank in providing the outsourcing services for IT services.

Equity

The authorized capital of the Bank is held exclusively by the State. Considering Art. 1 of the Law on the National Bank of Moldova, which expressly provides that the Bank is an autonomous public legal entity responsible to the Parliament, the Government and Government related entities are not considered to be related parties of the Bank. However, transactions with these entities are disclosed in the corresponding notes of the financial statements.

32. Commitments and contingent liabilities*Promissory notes issued*

As of 31 December 2024, the value of the promissory note issued by the Bank in favour of the International Monetary Fund to secure the loans received under the EFF facility amounted to MDL 673,495 thousand (as of 31 December 2023: MDL 842,697 thousand).

Investment commitments

On 31 December 2024, the Bank concluded 1 transaction for the purchase of securities with a nominal value of USD 31,650 thousand (equivalent in national currency on December 31, 2024 - MDL 584,864 thousand) and 4 transactions for the sale of securities with a nominal value of USD 81,000 thousand (equivalent in national currency on 31 December 2024 - MDL 1,496,807 thousand), all with settlement date on 2 January 2025. On 30 December 2024, the Bank concluded 6 transactions for the purchase of securities with a nominal value of EUR 269,000 thousand (equivalent in national currency on 31 December 2024 - MDL 5,194,551 thousand), all with a settlement date on 2 January 2025.

Within the external reserves management program, the World Bank concluded on 31 December 2024, 2 transactions for the purchase of securities with a nominal value of USD 9,600 thousand (equivalent in national currency on 31 December 2024 - MDL 177,399 thousand), with a settlement date on 2 January 2025. On 30 December 2024, the World Bank concluded a transaction for the purchase of securities in the nominal value of USD 3,000 thousand (equivalent in national currency as of December 31, 2024 - MDL 55,437 thousand) and 2 transactions for the sale of securities with a nominal value of USD 5,400 thousand (equivalent in national currency on 31 December 2024 - MDL 99,787 thousand), all with a settlement date on 2 January 2025.

Loan commitments

As of 31 December 2024, and 31 December 2023, there are no conditional commitments of creditor nature.

Capital commitments

As of 31 December 2024, according to the concluded contracts, the Group and the Bank were committed to settle during the following years their financial obligations regarding the acquisitions of property, equipment, and intangible assets in amount of MDL 16,738 thousand (in original currency EUR 391 thousand, USD 322 thousand and MDL 3,223 thousand) (as of December 31, 2023: MDL 13,349 thousand, in original currency USD 300 thousand, EUR 99 thousand and MDL 6,202 thousand).

32. Commitments and contingent liabilities (continued)*Litigations and contingent liabilities*

As of 31 December 2024, the Group was involved in 52 litigations (31 December 2023: 44 litigations). As of 31 December 2024, the Bank is involved in 26 litigations as defendant, 12 litigations as co-defendant and 9 litigations as a third party or supervisory authority (31 December 2023: 19 litigations as defendant, 14 litigations as co-defendant and 9 litigations as a third party or supervisory authority).

Among these, 4 litigations in which the Bank is involved as defendant are litigations initiated by former shareholders of B.C. "Energbank" S.A. challenging DEB of the NBM No 13 of 11.01.2019 "On the concerted action of shareholders of B.C. "Energbank" S.A. (hereinafter referred to as *the NBM Decision No 13/2019*), DEB of the NBM No 188 of 10.07.2019 and DEB No 167 of 10.07.2020 rejecting the shareholders' requests for extension of sale deadlines for shares of B.C. "Energbank" S.A. and the litigations initiated in 2022 regarding the claims for damages allegedly caused by the NBM Decision No 13/2019.

By NBM Decision No 13/2019, it was found that several shareholders of B.C. "Energbank" S.A. acted in concert and together held a total qualified holding of 52.55% of the share capital of the bank, without the approval of the NBM. In line with Law No 202/2017 on the activity of banks the rights of the respective shareholders were suspended, and they were required to sell the shares within 3 months. Shares not sold within this period were to be cancelled by, B.C. "Energbank" S.A. followed by issuance of new shares to be sold on the stock exchange, with proceeds transferred to the former shareholders. As the shareholders failed to sell the shares in due time, BC Energbank S.A. cancelled the shares, issued new ones and offered them for sale in accordance with Law No 202/2017. On 18.03.2021, the NBM approved the share buyback by B.C. "Energbank" S.A. of the new shares issued new ones and subsequently offered them for sale. The proceeds from the cancelled shares were transferred to the former shareholders.

Meanwhile, 9 of the shareholders envisaged by NBM Decision No 13/2019 filed lawsuits for the annulment of Decision No 13/2019. By the Decision of the Chişinău Court of Appeal of 21.12.2021, NBM Decision No. 13/2019 was annulled.

The Decision of the Chişinău Court of Appeal of 21.12.2021 was upheld by the final Decision of The Supreme Court of Justice of 29.03.2023. On **18 September 2024**, the Supreme Court of Justice rejected the NBM's request for revision of the judgment.

In January 2022, the former shareholders envisaged by NBM Decision No 13/2019 (11 in total) filed claims with the NBM for compensations of material damage allegedly caused by this decision, damages being determined by them as the difference between the price of the cancelled shares, assessed by the shareholders as the "real"/"correct" price, and the amount received from B.C. "Energbank" S.A. as a result of the buyback of the newly issued shares, and for non-material damage compensations. NBM rejected these claims. As a result, in March 2022 the former shareholders (10 legal entities and individuals) filed lawsuit to claim damage compensations with the Chisinau Court of Appeal (currently the "Central Court of Appeal").

The examination of the merits of these claims for damage compensations in the Central Court of Appeal has not yet commenced (up to the reporting date, only procedural matters have been considered by the court).

32. Commitments and contingent liabilities (continued)*Litigations and contingent liabilities*

Considering the nature and current status of the lawsuits and the conditions for determining the existence and amount of the alleged material damage in the absence of an independent and objective assessment, based on legal opinion of the Bank's counsel and assessing the risks related to this case at 31 December 2024 (as well as at 31 December 2023), the Bank's management concluded that the disclosure of a contingent liability in the financial statements is sufficient to satisfy the requirements of IAS 37, therefore the Bank has not recognised a provision for this case. The Bank will continue to monitor the proceedings of this case at each reporting date in line with the relevant provisions of IFRS and regulations.

Another dispute involving the Bank relates to its designation as a civilly liable party in criminal proceedings against former members of the management bodies, a Bank employee, and other individuals.

By the decisions of the Chisinau Court of 22.01.2024 and 27.03.2024, the Bank was recognized as a "civilly liable party" (a person who, under the law or in accordance with civil action, may be held materially liable for the material damage caused by the actions of the defendants) in the civil action filed by the Ministry of Finance in connection to the criminal proceedings brought against former members of the management bodies, an employee of the Bank and other individuals, one of the trials in the file commonly referred to "Bank Fraud" case. Considering the current status of the criminal proceedings and the legal and factual circumstances of the case, the Bank's management concluded that the disclosure of a contingent liability in the financial statements satisfies the requirements of IAS 37, as there are no sufficient evidence of probable future outflows of economic resources related to them.

Effective 1 July 2023, Bank assumed certain responsibilities previously held by the National Commission for Financial Markets (NCFM), in line to Article X para. (5) and (16) of Law No 214/2023 on amending certain legislative acts (ensuring the transfer of responsibilities according to Law No 178/2020 on amending certain legislative acts). Consequently, in pending court disputes (31 December 2024: 21 cases; 31 December 2023: 20 cases) related to acts issued by the NCFM in exercise of its responsibilities, the Bank is involved either as co-defendant or supervisory authority.

However, according to Article X para. (18) of Law No 214/2023, NCFM remains liable from its own budget, for the damages and legal expenses arising from its acts, administrative acts, operations concluded, issued, performed, or manifested up to 1 July 2023, in connection with the exercise of the responsibilities stipulated in Article VIII para. (3) of Law No 178/2020 on amending certain legislative acts, provided that the court concludes that the NCFM, acting in bad faith or negligence, committed or omitted any act or deed related to exercising its responsibilities, which caused harm to third parties. Hence, the Bank will not be held liable for such damages and legal expenses, even formally participating in these proceedings.

As of 31 December 2024 (as well as of 31 December 2023), the Bank has not recognised any provisions for litigations, considering that there was no sufficient evidence regarding any related probable outflows of economic resources.

As of 31 December 2024, CSD was involved in 2 litigations as plaintiff and 3 litigations as accessory intervener (31 December 2023: 2 litigations as plaintiff) and has not recognized any provisions for litigations, as it estimates no probable future outflows of economic resources.

33. Leases

The Group and the Bank utilize leased administrative premises.

The Bank's lease agreement is effective until 31 December 2025, with the option to extend the lease term for successive annual periods, provided there are no objections from either party. The Bank has the right to terminate the lease with one month notice without incurring termination fees. Accordingly, in 2023, the asset related to the right-of-use and the corresponding liability for the Bank's lease agreement were recorded, considering the lease term extending to 31 December 2025. The present value of future lease payments was calculated using a borrowing rate derived from the deposit rate published by the IMF at the recognition date.

Since 2018, the subsidiary has leased administrative space under a lease agreement. This lease was concluded for a period of 3 years with the possibility of termination, requiring a notice period of 15 working days, without incurring any termination costs. On 11 October 2022, the contract was extended for an additional period of three years, with the present value of lease payments reviewed using the NBM base rate.

Right of use assets

The right-of-use assets refer to the leased administrative premises and are included in Note 14 under the category "Land, buildings, and similar constructions":

Administrative spaces	CONSOLIDATED		BANK	
	2024	2023	2024	2023
	MDL'000	MDL'000	MDL'000	MDL'000
Balance on 1 January	9,114	3,563	8,383	2,421
Additions	32	11,665	-	11,665
Depreciation charge for the year	(4,603)	(4,415)	(4,192)	(4,004)
Disposal	-	(1,699)	-	(1,699)
Balance on 31 December	4,543	9,114	4,191	8,383

Amounts recognized in statement of comprehensive result

	CONSOLIDATED		BANK	
	2024	2023	2024	2023
	MDL'000	MDL'000	MDL'000	MDL'000
Expenses on depreciation of right-of-use assets	(4,603)	(4,415)	(4,192)	(4,004)
Interest expense on lease liabilities	(396)	(569)	(256)	(340)
	(4,999)	(4,984)	(4,448)	(4,344)

Amounts recognized in cash flow statement

	CONSOLIDATED		BANK	
	2024	2023	2024	2023
	MDL'000	MDL'000	MDL'000	MDL'000
Total cash outflow for leases	(4,886)	(4,428)	(4,312)	(3,836)
	(4,886)	(4,428)	(4,312)	(3,836)

34. Changes in liabilities from financing activities

CONSOLIDATED				
31 December 2024	Notes	Due to Budget MDL'000	Lease liabilities MDL'000	Total MDL'000
Balance on 1 January	20	-	9,535	9,535
Calculated financial liabilities		-	32	32
Cash flow from financing activities				
Payments of lease liabilities		-	(4,490)	(4,490)
Net cash flow from financing activities		-	(4,490)	(4,490)
Exchange rate differences		-	(39)	(39)
Balance on 31 December	20	-	5,038	5,038
31 December 2023				
Balance on 1 January	20	-	3,814	3,814
Calculated financial liabilities		-	9,878	9,878
Cash flow from financing activities				
Payments of lease liabilities		-	(3,859)	(3,859)
Net cash flow from financing activities		-	(3,859)	(3,859)
Exchange rate differences		-	(298)	(298)
Balance on 31 December	20	-	9,535	9,535
BANK				
31 December 2024	Notes	Due to Budget MDL'000	Lease liabilities MDL'000	Total MDL'000
Balance on 1 January	20	-	8,684	8,684
Calculated financial liabilities		-	-	-
Cash flow from financing activities				
Payments of lease liabilities		-	(4,056)	(4,056)
Net cash flow from financing activities		-	(4,056)	(4,056)
Exchange rate differences		-	(34)	(34)
Balance on 31 December	20	-	4,594	4,594
31 December 2023				
Balance on 1 January	20	-	2,544	2,544
Calculated financial liabilities		-	9,878	9,878
Cash flow from financing activities				
Payments of lease liabilities		-	(3,496)	(3,496)
Net cash flow from financing activities		-	(3,496)	(3,496)
Exchange rate differences		-	(242)	(242)
Balance on 31 December	20	-	8,684	8,684

35. Maturity analysis of assets and liabilities

The table below shows the classification of assets and liabilities by period of their expected recovery or maturity, into current (up to one year) and noncurrent (more than one year):

CONSOLIDATED	Notes	2024			2023		
		Current	Noncurrent	Total	Current	Noncurrent	Total
		MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Assets							
Cash and short-term placements	5	18,862,810	-	18,862,810	19,831,357	-	19,831,357
Investment securities	6	44,232,318	40,127,700	84,360,018	36,986,981	37,811,355	74,798,336
IMF related assets	7	21,683	4,141,816	4,163,499	203,829	4,063,317	4,267,146
Monetary gold	8	-	115,639	115,639	-	85,533	85,533
Securities issued by the Government of the RM	10	2,862,202	11,022,264	13,884,466	1,792,708	12,459,335	14,252,043
Loans to banks and others	11	156,360	31,833	188,193	2,902	19,085	21,987
Property and equipment	14	-	80,515	80,515	-	75,949	75,949
Intangible assets	14	-	62,443	62,443	-	38,894	38,894
Deferred tax assets		-	13	13	-	15	15
Other assets	15	17,085	-	17,085	15,297	-	15,297
Total assets		66,152,458	55,582,223	121,734,681	58,833,074	54,553,483	113,386,557
Liabilities							
National currency in circulation	16	48,548,977	-	48,548,977	42,090,746	-	42,090,746
Deposits from the Government of the RM	17	14,378,442	-	14,378,442	10,719,459	50,100	10,769,559
Deposits from banks	18	34,044,742	-	34,044,742	40,239,046	-	40,239,046
Deposits from other clients	20	191,777	-	191,777	313,981	-	313,981
Certificates issued by the NBM	19	9,767,606	-	9,767,606	11,179,999	-	11,179,999
IMF related liabilities	7	4,366,065	608,239	4,974,304	4,252,912	810,192	5,063,104
Due to other IFIs	7	18	26	44	1,795	26	1,821
Derivatives	9	192	-	192	-	-	-
Current tax liabilities		54	-	54	-	-	-
Other liabilities	20	327,598	38,693	366,291	336,476	16,277	352,753
Total liabilities		111,625,471	646,958	112,272,429	109,134,414	876,595	110,011,009
Net assets at 31 December		(45,473,013)	54,935,265	9,462,252	(50,301,340)	53,676,888	3,375,548

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35. Maturity analysis of assets and liabilities (continued)

BANK	Notes	2024			2023		
		Current	Noncurrent	Total	Current	Noncurrent	Total
		MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
Assets							
Cash and short-term placements	5	18,862,647	-	18,862,647	19,831,322	-	19,831,322
Investment securities	6	44,232,318	40,127,700	84,360,018	36,986,981	37,811,355	74,798,336
IMF related assets	7	21,683	4,141,816	4,163,499	203,829	4,063,317	4,267,146
Monetary gold	8	-	115,639	115,639	-	85,533	85,533
Securities issued by the Government of the RM	10	2,830,286	11,022,264	13,852,550	1,766,782	12,459,335	14,226,117
Loans to banks and others	11	156,360	31,833	188,193	2,902	19,085	21,987
Investments in subsidiaries	12	-	24,000	24,000	-	24,000	24,000
Property and equipment	14	-	80,044	80,044	-	75,065	75,065
Intangible assets	14	-	62,403	62,403	-	38,846	38,846
Other assets	15	16,322	-	16,322	14,985	-	14,985
Total assets		66,119,616	55,605,699	121,725,315	58,806,801	54,576,536	113,383,337
Liabilities							
National currency in circulation	16	48,548,977	-	48,548,977	42,090,746	-	42,090,746
Deposits from the Government of the RM	17	14,378,442	-	14,378,442	10,719,459	50,100	10,769,559
Deposits from banks	18	34,044,742	-	34,044,742	40,239,046	-	40,239,046
Deposits from other clients	20	193,473	-	193,473	321,479	-	321,479
Certificates issued by the NBM	19	9,767,606	-	9,767,606	11,179,999	-	11,179,999
IMF related liabilities	7	4,366,065	608,239	4,974,304	4,252,912	810,192	5,063,104
Due to other IFIs	7	18	26	44	1,795	26	1,821
Derivatives	9	192	-	192	-	-	-
Other liabilities	20	326,550	38,693	365,243	335,298	15,865	351,163
Total liabilities		111,626,065	646,958	112,273,023	109,140,734	876,183	110,016,917
Net assets at 31 December		(45,506,449)	54,958,741	9,452,292	(50,333,933)	53,700,353	3,366,420

36. Subsequent events

After the balance sheet date, there have been significant events which do not, however, lead to an adjustment of the results recorded at the balance sheet date.

1. *Monetary policy decisions*

The Bank's Executive Board decided to increase the base rate applicable to the main short-term monetary policy operations, on January 10, 2025, from 3.60% up to 5.60%, and on February 5, 2025, from 5.60% up to 6.50%. On the same dates, interest rates on overnight deposits were increased up to 4.50%, on repo transactions – up to 6.75%, and on overnight loans – up to 8.50% per annum.

The decisions have no significant impact on the valuation of financial instruments held by the Bank as at 31 December 2024, as the financial instruments (monetary liabilities) to which these rates apply are measured at amortised cost and are short-term or demand nature.

2. *Replacement of the reference currency for setting the official exchange rate of the Moldovan Leu*

Starting January 2, 2025, the Bank replaced the US Dollar with Euro as reference currency for setting the official exchange rate of the Moldovan Leu.

The replacement of the reference currency is aimed at aligning with economic realities, as the European Union is Moldova's most important trading partner and the main source of remittances and foreign direct investment. The use of the Euro as the reference currency is a methodological decision aimed at aligning Moldova's financial structures with those of the European Union, without affecting the monetary policy of the NBM.

This change is expected to reduce the fluctuations in the exchange rate of the Moldovan Leu against the Euro and narrow the spreads between the buying and selling rates of the Euro, thereby supporting the economy and lowering foreign exchange costs.

As a consequence, the Moldovan Leu has strengthened against the US Dollar, in line with the trend of the US currency against the Euro on international markets. This resulted in unrealised losses from revaluation of foreign currency holdings in the Statement of comprehensive result of the Bank. As of the date of approval of these financial statements, the reserve of unrealized foreign exchange gains is sufficient to absorb the losses.

3. *Current uncertainties and risks*

After the balance sheet date, international financial markets continued to be affected by significant uncertainties, including the tightening of trade tensions following new tariffs imposed by the USA and the broader consequences of the ongoing regional military conflict.

These events have led to exchange rate and interest rate volatility and negatively affected investor confidence. In this context, the Bank's financial position may be influenced by the increased volatility of the foreign exchange markets and by fluctuations in the fair value of held financial assets.

As of the date of approval of the financial statements, no subsequent events that would require the adjustment of the information have been identified. However, the Bank continues to closely monitor the market trends to assess and manage potential effects on its balance sheet and on overall financial stability.