

# **NATIONAL BANK OF MOLDOVA**

## ***CONDENSED FINANCIAL STATEMENTS***

***For six months ended on 30 June 2013  
Prepared in Accordance with  
International Accounting Standard 34 (IAS 34)  
(unaudited)  
(free translation<sup>1</sup>)***

**Chişinău, July 2013**

---

<sup>1</sup> Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

---

<b>Contents:</b>	<b>Page</b>
Balance Sheet.....	1
Statement of Comprehensive Result.....	2
Statement of Cash Flows.....	3
Statement of Changes in Capital and Reserves.....	4
Notes to the Financial Statements.....	5-28

---

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**BALANCE SHEET – unaudited**  
**As on 30 June 2013**

	Notes	30 June 2013 MDL'000	31 December 2012 MDL'000
<b>ASSETS</b>			
Cash and short-term placements with banks	4	10,817,903	12,820,877
Monetary gold	5	36,784	47,593
Due from international financial institutions		2,371,292	2,303,437
Securities issued by the Government of the Republic of Moldova		2,074,474	2,075,425
Loans granted to banks and individuals		258,865	305,818
Investment securities	6	19,997,065	17,454,682
Property and equipment	8	20,822	21,957
Intangible assets	8	17,009	13,787
Other assets	9	26,962	4,623
<b>TOTAL ASSETS</b>		<b>35,621,176</b>	<b>35,048,199</b>
<b>LIABILITIES, CAPITAL AND RESERVES</b>			
<b>Liabilities</b>			
National currency issued into circulation		15,551,394	14,557,241
Due to the Government of the Republic of Moldova		1,832,061	1,895,034
Due to banks	10	5,400,820	5,976,044
Certificates issued by the National Bank of Moldova		3,564,131	3,741,385
Due to international financial institutions		7,917,641	7,922,010
Other liabilities	11	21,696	175,815
<b>Total liabilities</b>		<b>34,287,743</b>	<b>34,267,529</b>
<b>Capital and reserves</b>			
Authorized capital		330,017	330,017
General reserve fund		(596,400)	(596,400)
<b>Total statutory capital</b>		<b>(266,383)</b>	<b>(266,383)</b>
Reserve of unrealized foreign exchange gains from foreign currency stocks' revaluation		743,974	743,974
Reserve of unrealized gains on revaluation of investment securities		300,911	300,911
Other reserves		(8,504)	2,168
<b>Total capital and reserves</b>		<b>769,998</b>	<b>780,670</b>
Profit available for distribution*		68,980	-
Differences from revaluation of currency stocks		560,264	-
Differences from revaluation of investment securities		(65,809)	-
<b>TOTAL LIABILITIES, CAPITAL AND RESERVES, INCLUDING REVALUATION DIFFERENCES, PROFIT AVAILABLE FOR DISTRIBUTION</b>		<b>35,621,176</b>	<b>35,048,199</b>

\* Profit available for distribution is calculated for purposes of presentation, which is recorded only at the end of the year, according to art. 20 of the Law on the National Bank of Moldova no. 548-XIII dated 21 July 1995.

The accompanying notes 1 – 19 are an integral part of these condensed Financial Statements.

These condensed Financial Statements were approved by the Council of Administration of the National Bank of Moldova on 25 July 2013.

**Dorin Drăguțanu**  
**Governor**

**Vasile Munteanu**  
**Deputy Director of the Budget, Finance**  
**and Accounting Department**

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**STATEMENT OF COMPREHENSIVE RESULTS – unaudited**  
**For 6 months ended on 30 June 2013**

	Notes	30 June 2013	30 June 2012
		MDL'000	MDL'000
Interest income from short-term placements	12	14,154	19,750
Interest income from securities	12	174,658	203,511
Interest income from loans and Repo agreements	12	386	688
		189,198	223,949
Interest expenses on loans received	13	(14,886)	(11,130)
Interest expenses on deposits and mandatory reserves	13	(31,491)	(30,465)
Interest expenses on transactions with securities and Repo agreements	13	(88,733)	(105,145)
		(135,110)	(146,740)
<b>Net interest income</b>		<b>54,088</b>	<b>77,209</b>
Gains from foreign currency transactions and foreign exchange rate differences	14	627,432	580,047
(Losses) /gains from the revaluation of securities	15	(66,588)	75,234
Other income		13,881	20,888
Operating expenses	16	(65,378)	(38,493)
<b>Net Operating Income</b>		<b>509,347</b>	<b>637,676</b>
<b>NET PROFIT</b>		<b>563,435</b>	<b>714,885</b>
Revaluation of securities issued by the Government of the Republic of Moldova		137	(2,253)
Revaluation of monetary gold		(10,809)	489
<b>COMPREHENSIVE RESULT</b>		<b>552,763</b>	<b>713,121</b>

*Calculation of the profit available for distribution*

<b>NET PROFIT</b>		<b>563,435</b>	<b>714,885</b>
Covering /(allocation) of unrealized losses /(gains) on foreign exchange revaluation of investment securities		65,809	(68,363)
Allocation of unrealized gains on revaluation of foreign currency stocks		(560,264)	(522,856)
<b>PROFIT AVAILABLE FOR DISTRIBUTION*</b>		<b>68,980</b>	<b>123,666</b>

\* Profit available for distribution is calculated for purposes of presentation, which is recorded only at the end of the year, according to art. 20 of the Law on the National Bank of Moldova no. 548-XIII dated 21 July 1995.

The accompanying notes 1 – 19 are an integral part of these condensed Financial Statements.

These condensed Financial Statements were approved by the Council of Administration of the National Bank of Moldova on 25 July 2013.

**Dorin Drăguțanu**  
**Governor**

**Vasile Munteanu**  
**Deputy Director of the Budget, Finance  
and Accounting Department**

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**STATEMENT OF CASH FLOWS – unaudited**  
**For 6 months ended on 30 June 2013**

	<u>Notes</u>	<u>30 June 2013</u>	<u>30 June 2012</u>
		<u>MDL'000</u>	<u>MDL'000</u>
<b>Cash flows from operating activities</b>			
Interest receipts		176,034	187,136
Interest payments		(134,939)	(146,224)
(Loss) /gain from investment securities		(779)	6,871
Other receipts		13,880	22,131
Payments to personnel and suppliers		(93,041)	(41,532)
<b>Cash flows before changes in assets and liabilities</b>		<b>(38,845)</b>	<b>28,382</b>
(Increase) /decrease in amounts due from international financial institutions		(29,687)	9,692
Decrease in loans granted to banks and individuals		46,955	55,515
(Increase) /decrease in investment securities		(2,107,631)	541,042
<b>(Increase) /decrease in operating assets</b>		<b>(2,090,363)</b>	<b>606,249</b>
Increase in the national currency issued into circulation		994,153	556,522
Decrease in balances due to Government of the Republic of Moldova		(64,549)	(517,886)
Decrease in balances due to banks		(637,041)	(185,707)
(Decrease) /increase in certificates issued by the National Bank of Moldova		(175,852)	558,268
(Decrease) /increase in balances due to international financial institutions		(121,954)	828,094
(Decrease) /increase in other liabilities		(26,046)	29,157
<b>(Decrease) /increase in operating liabilities</b>		<b>(31,289)</b>	<b>1,268,448</b>
<b>Net cash flows from operating activities</b>		<b>(2,160,497)</b>	<b>1,903,079</b>
Property, equipment and intangible assets acquisitions		(7,760)	(3,559)
<b>Net cash flows used in investing activities</b>		<b>(7,760)</b>	<b>(3,559)</b>
Payments to the State Budget with regard to profit distribution		(113,549)	(35,460)
<b>Net cash flows used in financing activities</b>		<b>(113,549)</b>	<b>(35,460)</b>
Differences from revaluation of cash and cash equivalents		277,881	230,896
<b>(Decrease) /increase in cash and cash equivalents</b>		<b>(2,003,925)</b>	<b>2,094,956</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>14,896,302</b>	<b>9,949,083</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>12,892,377</b>	<b>12,044,039</b>
<b>Analysis of cash and cash equivalents</b>		<b>30 June 2013</b>	<b>31 December 2012</b>
Cash and coins in national currency	4	3,445	3,027
Cash on hand in foreign currency	4	772	1,046
Nostro accounts	4	369,614	1,620,394
Term deposits in foreign currency	4	10,444,072	11,196,410
Securities issued by the Government of the Republic of Moldova		2,074,474	2,075,425
<b>Cash and cash equivalents</b>		<b>12,892,377</b>	<b>14,896,302</b>

The accompanying notes 1 – 19 are an integral part of these condensed Financial Statements.

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**STATEMENT OF CHANGES IN CAPITAL AND RESERVES – unaudited**  
**For 6 months ended on 30 June 2013**

	Authorized capital	General reserve fund	Reserve of unrealized foreign exchange gains from foreign currency stocks' revaluation	Reserve of unrealized gains on revaluation of investment securities	Other reserves	Net profit	Total Capital and reserves
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
<b>Balance as at 1 January 2012</b>	<b>288,923</b>	<b>(709,949)</b>	<b>29,155</b>	<b>169,720</b>	<b>1,898</b>	-	<b>(220,253)</b>
Profit	-	-	-	-	-	714,885	-
Other comprehensive result:							
Differences on revaluation of securities issued by the Government of the Republic of Moldova	-	-	-	-	(2,253)	-	(2,253)
Differences on revaluation of monetary gold	-	-	-	-	489	-	489
<b>Other comprehensive result, total</b>	-	-	-	-	(1,764)	-	(1,764)
Comprehensive result at the end of the period	-	-	-	-	(1,764)	714,885	713,121
<b>Other transactions with the Government</b>							
Authorized capital increase through the contribution of monetary gold	41,094	-	-	-	-	-	41,094
<b>Balance as at 30 June 2012</b>	<b>330,017</b>	<b>(709,949)</b>	<b>29,155</b>	<b>169,720</b>	<b>134</b>	-	<b>(180,923)</b>
Differences from revaluation of currency stocks	-	-	522,856	-	-	-	522,856
Differences from revaluation of investment securities	-	-	-	68,363	-	-	68,363
<b>Balance as at 1 January 2013</b>	<b>330,017</b>	<b>(596,400)</b>	<b>743,974</b>	<b>300,911</b>	<b>2,168</b>	-	<b>780,670</b>
Profit	-	-	-	-	-	563,435	-
Other comprehensive result:							
Differences on revaluation of securities issued by the Government of the Republic of Moldova	-	-	-	-	137	-	137
Differences on revaluation of monetary gold	-	-	-	-	(10,809)	-	(10,809)
<b>Other comprehensive result, total</b>	-	-	-	-	(10,672)	-	(10,672)
Comprehensive result at the end of the period	-	-	-	-	(10,672)	563,435	552,763
<b>Balance as at 30 June 2013</b>	<b>330,017</b>	<b>(596,400)</b>	<b>743,974</b>	<b>300,911</b>	<b>(8,504)</b>	-	<b>769,998</b>
Differences from revaluation of currency stocks	-	-	560,264	-	-	-	560,264
Differences from revaluation of investment securities	-	-	-	(65,809)	-	-	(65,809)

The accompanying notes 1 – 19 are an integral part of these condensed Financial Statements.

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

## **1. General information about the National Bank of Moldova**

The National Bank of Moldova (further referred to as the Bank) is the central bank of the Republic of Moldova and it was established in 1991. The activity of the Bank is regulated by the *Law on the National Bank of Moldova no.548-XIII dated 21 July 1995*. In accordance with the mentioned Law, the Bank is an autonomous public legal entity that is responsible to the Parliament of Republic of Moldova.

The primary objective of the Bank is to achieve and maintain price stability.

The registered head-office of the Bank is 1 Grigore Vieru Avenue, Chişinău, Republic of Moldova. The Bank has no representation offices or branches.

## **2. Basis of preparation**

The condensed Financial Statements of the Bank have been prepared in accordance with the *Law on the National Bank of Moldova* and International Accounting Standard 34 (IAS 34) – „Interim Financial Reporting”.

The condensed Financial Statements do not contain all information and disclosures required by annual Financial Statements, thus they need to be analyzed jointly with the Financial Statements for the year ended 31 December 2012, which are prepared in accordance with International Financial Reporting Standards (IFRS).

The condensed Financial Statements are prepared according to the same accounting policies, principles and methods of evaluation of assets, liabilities, capital and reserves, income and expenses, applied at the preparation of the latest annual Financial Statements of the National Bank of Moldova.

The condensed Financial Statements are presented in Moldovan lei (“MDL”), the currency of the Republic of Moldova, rounded to the nearest thousand in Moldovan lei (MDL '000).

The Bank was not involved in any cyclical or seasonal activities during the current reporting period. All activities of the Bank are taking place depending on the essence and the time of performance of the transactions, according to the going concern principle for an indefinite period of time.

## **3. Risk management**

### **3.1 Risk management framework**

Through its normal operations, the Bank is exposed to a number of risks of an operational and financial nature.

The Bank’s risk management is developed and regulated based on internal instructions and procedures, and is monitored by the management of the Bank that analyses the issues related to the monetary, investment and foreign exchange policy of the Bank. The risk management framework is permanently updated depending on markets trends, Bank’s policies or structure, etc.

---

\* Translator’s explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

**3. Risk management (continued)**

**3.1 Risk management framework (continued)**

The main categories of financial risk to which the Bank is exposed are: credit risk, liquidity risk, market risk, which includes interest rate risk and currency risk. The structure of assets and liabilities is primarily determined by the nature of legal functions of the National Bank of Moldova, rather than commercial considerations. At the same time, the Bank permanently manages its exposure to risk, through a variety of risk management techniques.

**3.2 Credit risk**

The table below sets out the Bank's financial assets based on long-term rating:

**30 June 2013**

Long-term rating <sup>1</sup>	Cash and short-term placements with banks	Monetary gold	Due from international financial institutions	Securities issued by the Government of the Republic of Moldova <sup>2</sup>	Loans granted to banks and individuals	Investment securities	Other financial assets	Total financial assets
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
AAA	266,029	-	2,371,292	-	-	9,821,044	-	12,458,365
AA+	3,174,092	-	-	-	-	10,176,021	-	13,350,113
AA-	4,351,875	-	-	-	-	-	-	4,351,875
A+	2,144,580	-	-	-	-	-	-	2,144,580
A	877,436	-	-	-	-	-	-	877,436
A-	57	-	-	-	-	-	-	57
BBB+	63	-	-	-	-	-	-	63
BBB	318	-	-	-	-	-	-	318
BB+	8	-	-	-	-	-	-	8
Without rating	3,445	36,784	-	2,074,474	258,865	-	22,868	2,396,436
<b>Total</b>	<b>10,817,903</b>	<b>36,784</b>	<b>2,371,292</b>	<b>2,074,474</b>	<b>258,865</b>	<b>19,997,065</b>	<b>22,868</b>	<b>35,579,251</b>

\* Ratings are expressed in the format used by agencies Standard & Poor's and Fitch Ratings. Due to the fact that credit rating agency Moody's uses a different form of presentation, to these ratings are assigned equivalents of Standard & Poor's or Fitch Ratings, using the equivalence tables.

<sup>1</sup> Established by applying the minimum rating amongst the rating assigned by international rating agencies (Standard & Poor's, Moody's and Fitch Ratings).

<sup>2</sup> Taking into consideration the Bank's role as the state's fiscal agent and the special relationship between the Bank as the Central Bank of the state and the Government, the securities issued by the Government of the Republic of Moldova are included in the category "Without Rating". However, as at 30 June 2013 the Republic of Moldova was rated only by Moody's Agency with the B3 rating (as at 31 December 2012 – B3).

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.



**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

**3. Risk management (continued)**

**3.2 Credit risk (continued)**

**31 December 2012**

Long-term rating	Cash and short-term placements with banks	Monetary gold	Due from international financial institutions	Securities issued by the Government of the Republic of Moldova	Loans granted to banks and individuals	Investment securities	Other financial assets	Total Financial Assets
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
AAA	500,044	-	2,303,437	-	-	9,181,920	-	11,985,401
AA+	6,833,502	-	-	-	-	8,272,762	-	15,106,264
AA-	4,250,180	-	-	-	-	-	-	4,250,180
A+	1,229,213	-	-	-	-	-	-	1,229,213
A	83	-	-	-	-	-	-	83
A-	3,825	-	-	-	-	-	-	3,825
BBB	995	-	-	-	-	-	-	995
BB+	8	-	-	-	-	-	-	8
Without rating	3,027	47,593	-	2,075,425	305,818	-	1,572	2,433,435
<b>Total</b>	<b>12,820,877</b>	<b>47,593</b>	<b>2,303,437</b>	<b>2,075,425</b>	<b>305,818</b>	<b>17,454,682</b>	<b>1,572</b>	<b>35,009,404</b>

In order to quantify the credit risk of investments made in foreign currency, the Bank estimates the credit risk associated with the investment portfolio based on default rates determined by the Standard & Poor's agency per each credit rating category, the investments being classified in ten categories, according to default rates, with annual maturity of up to and including ten years.

As at 30 June 2013 the credit risk of the investment securities portfolio in foreign currency, quantified based on the default rates published by Standard & Poor's, is as follows:

	Held-to-maturity		At fair value		Total		Portfolio share, %
	MDL'000	USD'000	MDL'000	USD'000	MDL'000	USD'000	
30 June 2013	25,542	2,039	15,104	1,206	40,646	3,245	0.13
31 December 2012	23,332	1,934	14,628	1,213	37,960	3,147	0.13

In order to control credit risk exposure, while performing Repo transactions within Bank's open-market transactions, the following control procedures are implemented:

- Setting a haircut percentage – when securities are purchased at interest rates higher than those prevailing in the market, the Bank protects itself from eventual losses, in case the counterparty bank fails to reimburse the funds.
- Requiring additional collateral to maintain the initial haircut percentage, determined by the Bank, in case the market price at which the Bank purchased these state securities under a Purchase Repo transaction has decreased substantially.

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**3. Risk management (continued)**

**3.3 Liquidity risk**

The weighted average maturity of the investment portfolio managed by the Bank, excluding the portfolio of securities held-to-maturity and obligations in foreign currency, is as follows:

	<u>30 June 2013</u>	<u>31 December 2012</u>
	(days)	(days)
Investment portfolio held in foreign currency managed by the Bank	393*	366
Liabilities in foreign currency	1,210	1,326

\* weighted average maturity of total investment portfolio is of 778 days as at 30 June 2013, compared to 758 days as at 31 December 2012.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

**3. Risk management (continued)**

**3.3 Liquidity risk (continued)**

The analysis of financial assets and liabilities classified according to their contractual maturity date as at 30 June 2013 is set out below:

	<b>0-3 months</b>	<b>3-6 months</b>	<b>6-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>	<b>Undefined maturity</b>	<b>Total</b>
	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>
<b>30 June 2013</b>								
<b>Assets</b>								
Cash and short-term placements with banks	10,817,903	-	-	-	-	-	-	10,817,903
Monetary gold	-	-	-	-	-	-	36,784	36,784
Due from international financial institutions	50,232	-	-	-	-	-	2,321,060	2,371,292
Securities issued by the Government of the Republic of Moldova	2,074,474	-	-	-	-	-	-	2,074,474
Loans granted to banks and individuals	23,866	23,946	48,277	97,359	57,644	7,773	-	258,865
Investment securities	556,334	937,500	1,743,761	4,612,674	7,953,020	4,193,776	-	19,997,065
Other assets	22,868	-	-	-	-	-	-	22,868
<b>Total financial assets</b>	<b>13,545,677</b>	<b>961,446</b>	<b>1,792,038</b>	<b>4,710,033</b>	<b>8,010,664</b>	<b>4,201,549</b>	<b>2,357,844</b>	<b>35,579,251</b>
<b>Liabilities</b>								
National currency issued into circulation	-	-	-	-	-	-	15,551,394	15,551,394
Due to the Government of the Republic of Moldova	1,832,061	-	-	-	-	-	-	1,832,061
Due to banks	5,400,820	-	-	-	-	-	-	5,400,820
Certificates issued by the National Bank of Moldova	3,564,131	-	-	-	-	-	-	3,564,131
Due to international financial institutions	67,447	81,773	165,768	425,735	2,162,274	2,690,684	2,323,960	7,917,641
Other liabilities	21,686	-	-	-	-	-	-	21,686
<b>Total financial liabilities</b>	<b>10,886,145</b>	<b>81,773</b>	<b>165,768</b>	<b>425,735</b>	<b>2,162,274</b>	<b>2,690,684</b>	<b>17,875,354</b>	<b>34,287,733</b>
<b>Net liquidity gap</b>	<b>2,659,532</b>	<b>879,673</b>	<b>1,626,270</b>	<b>4,284,298</b>	<b>5,848,390</b>	<b>1,510,865</b>	<b>(15,517,510)</b>	<b>1,291,518</b>
<b>31 December 2012</b>								
<b>Total financial assets</b>	<b>15,352,513</b>	<b>464,592</b>	<b>1,574,022</b>	<b>3,836,842</b>	<b>7,657,779</b>	<b>3,791,875</b>	<b>2,331,781</b>	<b>35,009,404</b>
<b>Total financial liabilities</b>	<b>11,833,588</b>	<b>80,723</b>	<b>142,367</b>	<b>358,182</b>	<b>1,942,610</b>	<b>3,065,217</b>	<b>16,844,830</b>	<b>34,267,517</b>
<b>Net liquidity gap</b>	<b>3,518,925</b>	<b>383,869</b>	<b>1,431,655</b>	<b>3,478,660</b>	<b>5,715,169</b>	<b>726,658</b>	<b>(14,513,049)</b>	<b>741,887</b>

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

**3. Risk management (continued)**

**3.3 Liquidity risk (continued)**

The table below presents the analysis of total financial liabilities, including future interest cash flows according to their contractual maturity as at 30 June 2013.

The amounts of future obligations were calculated using the information available as at 30 June 2013 (official exchange rate of the Moldovan Leu, interest rates on monetary-credit instruments, etc.)

	<b>0-3 months</b>	<b>3-6 months</b>	<b>6-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>	<b>Undefined maturity</b>	<b>Total</b>
	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>
<b>30 June 2013</b>								
<b>Liabilities</b>								
National currency issued into circulation	-	-	-	-	-	-	15,551,394	15,551,394
Due to the Government of the Republic of Moldova	1,832,395	-	-	-	-	-	-	1,832,395
Due to banks	5,401,397	-	-	-	-	-	-	5,401,397
Certificates issued by the National Bank of Moldova	3,566,398	-	-	-	-	-	-	3,566,398
Due to international financial institutions*	75,094	89,419	183,989	461,260	2,246,270	2,725,983	2,323,960	8,105,975
Other liabilities	21,686	-	-	-	-	-	-	21,686
<b>Total financial liabilities</b>	<b>10,896,970</b>	<b>89,419</b>	<b>183,989</b>	<b>461,260</b>	<b>2,246,270</b>	<b>2,725,983</b>	<b>17,875,354</b>	<b>34,479,245</b>
<b>31 December 2012</b>								
<b>Liabilities</b>								
National currency issued into circulation	-	-	-	-	-	-	14,557,241	14,557,241
Due to the Government of the Republic of Moldova	1,895,438	-	-	-	-	-	-	1,895,438
Due to banks	5,976,886	-	-	-	-	-	-	5,976,886
Certificates issued by the National Bank of Moldova	3,744,023	-	-	-	-	-	-	3,744,023
Due to international financial institutions*	52,433	87,913	156,905	393,002	2,029,509	3,108,927	2,287,589	8,116,278
Other liabilities	175,803	-	-	-	-	-	-	175,803
<b>Total financial liabilities</b>	<b>11,844,583</b>	<b>87,913</b>	<b>156,905</b>	<b>393,002</b>	<b>2,029,509</b>	<b>3,108,927</b>	<b>16,844,830</b>	<b>34,465,669</b>

\* For the funds received under the Extended Credit Facility (ECF) (previously Poverty Reduction and Growth Facility (PRGF)) from the IMF and included in Due to international financial institutions, for the period 7 January 2010 – 31 December 2013, no interest is calculated, according to the resolution of the IMF Executive Board.

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

---

**3. Risk management (continued)**

**3.4 Market risk**

The market risk for the portfolio of investment securities is managed and monitored based on a value at risk methodology (VaR), which represents the correlation between risk variables. The Bank applies on a monthly basis the VaR methodology to assess the market risk positions held and to estimate the potential economic losses based upon a number 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 portfolio of investment securities in foreign currency based on a 95% confidence level and assuming a 1-month holding period. This calculation is provided by the Bloomberg Informational System.

The value of exposure at risk (VaR) of securities portfolio in foreign currency is as follows:

	Held-to-maturity		At fair value		Total		Portfolio share, %
	MDL'000	USD'000	MDL'000	USD'000	MDL'000	USD'000	
30 June 2013	142,009	11,337	255,538	20,399	397,547	31,736	1.98
31 December 2012	128,199	10,627	192,648	15,970	320,847	26,597	1.81

Although the VAR method is one of the basic tools for measuring the market risk, the assumptions on which the VAR model is based give rise to certain limitations as set out below.

- The VaR calculations are performed monthly, for the following month, considering the portfolio as at month end and assuming that no transaction will be performed;
- It is assumed a 95% probability that losses will not exceed the estimated VaR. Thus, there is a slight probability of 5% that actual losses will exceed the estimated outcome according to VaR methodology.
- The use of historical data as basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature.
- The outcomes of VAR tool depends on the volatility of market prices.

VAR methodology limitations are applied to the entire portfolio of foreign currency securities.

Taking into account the fact that the VaR method shows the maximum loss with a certain probability (95%), the Bank uses an additional indicator that measures market risk called CVaR, which estimates the average of losses higher than those covered by the confidence level of the VaR method.

Thus, as at 30 June 2013, the value of exposure at risk of securities portfolio in foreign currency, calculated by using CVaR is as follows:

---

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

**3. Risk management (continued)**

**3.4 Market risk (continued)**

	Held-to-maturity		At fair value		Total		Portfolio share, %
	MDL'000	USD'000	MDL'000	USD'000	MDL'000	USD'000	
30 June 2013	189,140	15,099	340,024	27,144	529,164	42,243	2.64

**3.4.1 Interest rate risk**

The analysis of financial assets and liabilities as at 30 June 2013 according to their contractual re-pricing and interest rate renewal dates is as follows:

	0-3 months	3-6 months	6-12 months	1-2 years	2-5 years	More than 5 years	Non-interest bearing	Total
	MDL '000	MDL '000	MDL'000	MDL '000	MDL'000	MDL'000	MDL'000	MDL'000
<b>30 June 2013</b>								
<b>Assets</b>								
Cash and short-term placements with banks	10,809,643	-	-	-	-	-	8,260	10,817,903
Monetary gold	-	-	-	-	-	-	36,784	36,784
Due from international financial institutions	50,221	-	-	-	-	-	2,321,071	2,371,292
Securities issued by the Government of the Republic of Moldova	2,074,474	-	-	-	-	-	-	2,074,474
Loans granted to banks and individuals	30,311	23,857	47,688	95,271	53,963	7,773	2	258,865
Investment securities	601,882	889,263	1,658,225	4,575,121	7,953,020	4,193,776	125,778	19,997,065
Other assets	-	-	-	-	-	-	22,868	22,868
<b>Total financial assets</b>	<b>13,566,531</b>	<b>913,120</b>	<b>1,705,913</b>	<b>4,670,392</b>	<b>8,006,983</b>	<b>4,201,549</b>	<b>2,514,763</b>	<b>35,579,251</b>
<b>Liabilities</b>								
National currency issued into circulation	-	-	-	-	-	-	15,551,394	15,551,394
Due to the Government of the Republic of Moldova	1,739,148	-	-	-	-	-	92,913	1,832,061
Due to banks	3,912,147	-	-	-	-	-	1,488,673	5,400,820
Certificates issued by the National Bank of Moldova	3,564,131	-	-	-	-	-	-	3,564,131
Due to international financial institutions	2,871,832	81,773	165,768	331,537	1,078,360	1,059,410	2,328,961	7,917,641
Other liabilities	-	-	-	-	-	-	21,686	21,686
<b>Total financial liabilities</b>	<b>12,087,258</b>	<b>81,773</b>	<b>165,768</b>	<b>331,537</b>	<b>1,078,360</b>	<b>1,059,410</b>	<b>19,483,627</b>	<b>34,287,733</b>
<b>Interest rate gap</b>	<b>1,479,273</b>	<b>831,347</b>	<b>1,540,145</b>	<b>4,338,855</b>	<b>6,928,623</b>	<b>3,142,139</b>	<b>(16,968,864)</b>	<b>1,291,518</b>
<b>31 December 2012</b>								
<b>Total financial assets</b>	<b>15,364,654</b>	<b>439,903</b>	<b>1,550,436</b>	<b>3,768,680</b>	<b>7,652,663</b>	<b>3,791,875</b>	<b>2,441,193</b>	<b>35,009,404</b>
<b>Total financial liabilities</b>	<b>12,302,092</b>	<b>80,723</b>	<b>142,367</b>	<b>327,281</b>	<b>1,044,509</b>	<b>1,229,460</b>	<b>19,141,085</b>	<b>34,267,517</b>
<b>Interest rate gap</b>	<b>3,062,562</b>	<b>359,180</b>	<b>1,408,069</b>	<b>3,441,399</b>	<b>6,608,154</b>	<b>2,562,415</b>	<b>(16,699,892)</b>	<b>741,887</b>

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

---

**3. Risk management (continued)**

**3.4 Market risk (continued)**

**3.4.1 Interest rate risk (continued)**

To determine the interest rate risk associated with demand and term deposits held in foreign currency, the Bank calculates the expected gains /losses assuming a scenario of a 0.5 p.p. raise /fall of the interest rates on these financial instruments.

According to the average balance of demand and term deposits for the 1<sup>st</sup> semester of 2013, the expected amount of gains /losses from increase /decrease in interest rate with 0.5 p.p. is as follows:

	<b>MDL'000</b>	<b>MDL'000</b>
1 <sup>st</sup> semester of 2013	+/-28,644	+/-2,287
Year 2012	+/-50,817	+/-4,213

The sensitivity of the investment portfolio of securities measured at fair value through profit or loss 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 at fair value 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 inverse nonlinear impact on the portfolio value calculated using the PV01 method.

As at 30 June 2013, the change of the yield by 0.01 p.p. leads to a change in the present value of the investment portfolio of securities measured at fair value through profit or loss of MDL 6,241 thousand or USD 498 thousand, which represents 0.03% of the portfolio of securities measured at fair value through profit or loss.

---

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

**3. Risk management (continued)**

**3.4 Market risk (continued)**

**3.4.2 Foreign currency risk**

As at 30 June 2013, the Bank held the following foreign exchange positions:

	<b>MDL</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>CHF</b>	<b>XDR</b>	<b>Other currencies</b>	<b>Total</b>
	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>
<b>30 June 2013</b>								
<b>Assets</b>								
Cash and short-term placements with banks	3,445	6,113,223	2,158,647	2,541,903	250	-	435	10,817,903
Monetary gold	-	-	-	-	-	-	36,784	36,784
Due from international financial institutions	-	-	-	-	-	2,371,292	-	2,371,292
Securities issued by the Government of the Republic of Moldova	2,074,474	-	-	-	-	-	-	2,074,474
Loans granted to banks and individuals	258,865	-	-	-	-	-	-	258,865
Investment securities	-	10,416,891	8,163,710	1,416,464	-	-	-	19,997,065
Other assets	1,020	232	21,616	-	-	-	-	22,868
<b>Total financial assets</b>	<b>2,337,804</b>	<b>16,530,346</b>	<b>10,343,973</b>	<b>3,958,367</b>	<b>250</b>	<b>2,371,292</b>	<b>37,219</b>	<b>35,579,251</b>
<b>Liabilities</b>								
National currency issued into circulation	15,551,394	-	-	-	-	-	-	15,551,394
Due to the Government of the Republic of Moldova	1,748,919	28,028	55,114	-	-	-	-	1,832,061
Due to banks	3,018,897	835,907	1,546,016	-	-	-	-	5,400,820
Certificates issued by the National Bank of Moldova	3,564,131	-	-	-	-	-	-	3,564,131
Due to international financial institutions	3,268	-	-	-	-	7,914,373	-	7,917,641
Other liabilities	21,674	12	-	-	-	-	-	21,686
<b>Total financial liabilities</b>	<b>23,908,283</b>	<b>863,947</b>	<b>1,601,130</b>	<b>-</b>	<b>-</b>	<b>7,914,373</b>	<b>-</b>	<b>34,287,733</b>
<b>Net position</b>	<b>(21,570,479)</b>	<b>15,666,399</b>	<b>8,742,843</b>	<b>3,958,367</b>	<b>250</b>	<b>(5,543,081)</b>	<b>37,219</b>	<b>1,291,518</b>
<b>31 December 2012</b>								
<b>Total financial assets</b>	<b>2,385,722</b>	<b>16,068,785</b>	<b>10,376,306</b>	<b>3,826,402</b>	<b>113</b>	<b>2,303,437</b>	<b>48,639</b>	<b>35,009,404</b>
<b>Total financial liabilities</b>	<b>23,967,522</b>	<b>823,923</b>	<b>1,549,254</b>	<b>5</b>	<b>-</b>	<b>7,926,813</b>	<b>-</b>	<b>34,267,517</b>
<b>Net position</b>	<b>(21,581,800)</b>	<b>15,244,862</b>	<b>8,827,052</b>	<b>3,826,397</b>	<b>113</b>	<b>(5,623,376)</b>	<b>48,639</b>	<b>741,887</b>

As at 30 June 2013 other currencies include monetary gold equivalent of MDL 36,784 thousand, Russian roubles – MDL 302 thousand, Japanese yen – MDL 78 thousand, Romanian Lei – MDL 31 thousand, Norwegian krone – MDL 23 thousand and Danish krone – MDL 1 thousand.

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.



**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

**3. Risk management (continued)**

**3.4 Market risk (continued)**

**3.4.2 Foreign currency risk (continued)**

In order to estimate the currency risk associated to assets and liabilities denominated in foreign currency, possible unrealized gains /losses have been computed assuming a change of +/- 5% of the official exchange rate of MDL against the currencies in which these assets and liabilities are denominated. As at 30 June 2013 and 31 December 2012, respectively, the amount of the potential impact on the profit and equity of the Bank is as follows:

	<b>30 June 2013</b>		<b>31 December 2012</b>	
	<b>MDL'000</b> <b>Profit</b>	<b>MDL'000</b> <b>Equity</b>	<b>MDL'000</b> <b>Profit</b>	<b>MDL'000</b> <b>Equity</b>
MDL against USD	+/- 792,715	+/- 792,715	+/- 762,243	+/- 762,243
MDL against EUR	+/- 437,369	+/- 437,369	+/- 441,442	+/- 441,442
MDL against GBP	+/- 197,918	+/- 197,918	+/- 191,320	+/- 191,320
MDL against CHF	+/- 12	+/- 12	+/- 6	+/- 6
MDL against XDR	+/- 277,154	+/- 277,154	+/- 281,169	+/- 281,169
MDL against other currencies	+/-22	+/-22	+/-52	+/-52

Note: In case the MDL appreciates against the respective foreign currencies, unrealized losses will be generated, and vice-versa, in case the MDL depreciates against the respective foreign currencies, unrealized gains will be generated, with the exception of XDR, where the appreciation of MDL against XDR generates unrealized gains, while the depreciation generates unrealized losses.

**4. Cash and short-term placements with banks**

	<b>30 June</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>
	<b>MDL'000</b>	<b>MDL'000</b>
Cash on hand in national currency	3,445	3,027
Cash on hand in foreign currency	772	1,046
Nostro accounts	369,614	1,620,394
Term deposits in foreign currency	10,444,072	11,196,410
	<b>10,817,903</b>	<b>12,820,877</b>

As at period end the term deposits in foreign currency were placed at financial institutions with ratings<sup>1</sup>: „AA+” – 29.40%, „AA-” – 41.67% and „A+” – 20.53% and „A” – 8.40% (as at 31 December 2012: „AA+” – 60.96%, „AA-” – 37.96% and „A+” – 1.08%).

<sup>1</sup>Established by applying the minimum rating assigned by international rating agencies (Standard & Poor's, Moody's and Fitch Ratings).

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

---

**5. Monetary gold**

	<b>30 June 2013</b>	<b>31 December 2012</b>
	<b>MDL'000</b>	<b>MDL'000</b>
Monetary gold	36,784	47,593
	<b>36,784</b>	<b>47,593</b>

The monetary gold is represented by the quantity of 74,133.48 grams (as at 31 December 2012 – 74,133.48 grams) of pure gold bullions of Good Delivery standard quality (based on the requirements of the London Bullion Market Association). As at 30 June 2013 the market price of gold was 496.1830 MDL/gram (as at 31 December 2012: 641.9843 MDL/gram).

**6. Investment securities**

The caption „Investment securities” of the Balance Sheet includes two categories of financial assets, as presented below:

	<b>30 June 2013</b>	<b>31 December 2012</b>
	<b>MDL'000</b>	<b>MDL'000</b>
<b>Securities in foreign currency measured at fair value through profit or loss</b>	<b>13,928,300</b>	<b>11,847,622</b>
Coupon securities in foreign currency	13,626,656	11,844,007
Discount securities in foreign currency	301,644	3,615
<b>Securities in foreign currency held-to-maturity</b>	<b>6,068,765</b>	<b>5,607,060</b>
Coupon securities in foreign currency	6,068,765	5,607,060
Discount securities in foreign currency	-	-
<b>Total investment securities</b>	<b>19,997,065</b>	<b>17,454,682</b>

The securities portfolio in foreign currency measured at fair value through profit or loss held by the Bank, comprises mainly securities issued by Governments and Governmental Agencies, of the United States of America, European Union and supranational securities.

The portfolio of securities in foreign currency measured at fair value, included in the caption "Investment securities" of the Balance Sheet, is detailed below:

---

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

---

**6. Investment securities (continued)**

	<b>30 June 2013</b>	<b>31 December 2012</b>
	<b>MDL'000</b>	<b>MDL'000</b>
Securities in foreign currency measured at fair value (nominal value)	13,760,321	11,618,457
Interest on securities in foreign currency measured at fair value	57,592	52,866
Revaluation of securities in foreign currency measured at fair value	110,387	176,299
<b>Securities in foreign currency measured at fair value through profit or loss</b>	<b>13,928,300</b>	<b>11,847,622</b>

The securities in foreign currency measured at fair value through profit or loss are revalued on a monthly basis and bear a fixed interest rate, within the range of 0.08% to 2.86% per annum (as at 31 December 2012: 0.16% to 2.86%), except for two securities in amount of USD 5.5 million and USD 3 million, bearing a floating interest rate with quarterly revision (as at 30 June 2013 the bearing interest rate was of 0.36% and 0.29% per annum).

As at 30 June 2013, the securities measured at fair value through profit or loss issued by non-residents held in the Bank's portfolio having the highest rating<sup>1</sup> – „AAA” constituted 47.37% and the securities with rating „AA+” constituted 52.63% (as at 31 December 2012: „AAA” - 53.41%, „AA+” – 46.59%). The increase of investments with „AA +” rating is due to the decrease of the rating held by Great Britain and the decrease in rating of British governmental agencies.

The amount of securities in foreign currency measured at fair value through profit or loss that were sold or which matured during the reported period amounted to USD 153,040 thousand; EUR 60,000 thousand and GBP 10,000 thousand in nominal values terms (in 2012 were sold and matured – USD 454,105 thousand; EUR 186,500 thousand and GBP 25,000 thousand). At the same time, during the reported period, the Bank purchased securities denominated in foreign currency at fair value in amount of USD 231,210 thousand and EUR 143,500 thousand in nominal values terms (in 2012: USD 555,065 thousand; EUR 133,500 thousand and GBP 20,000 thousand).

As at 30 June 2013 the carrying value of investment securities in foreign currency managed externally was MDL 2,547,352 thousand (as at 31 December 2012: MDL 2,458,744 thousand).

As at 30 June 2013 the share of held-to-maturity securities in the official reserve assets of the Bank was of 19.64% (as at 31 December 2012: 18.48%).

<sup>1</sup>Established by applying the minimum rating assigned by international rating agencies (Standard & Poor's, Moody's and Fitch Ratings).

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

---

**6. Investment securities (continued)**

	<b>30 June 2013</b>	<b>31 December 2012</b>
	<b>MDL'000</b>	<b>MDL'000</b>
Securities in foreign currency held-to-maturity (nominal value)	5,899,490	5,446,938
Interest on securities in foreign currency held-to-maturity	169,275	160,122
<b>Securities in foreign currency held-to-maturity</b>	<b>6,068,765</b>	<b>5,607,060</b>

Held-to-maturity securities bear fixed annual interest rates between 0.33% and 3.21%.

As at 30 June 2013, the share of securities with „AAA" rating was of 53.11%, while those with „AA+" ratings constituted 46.89% (as at 31 December 2012: „AAA" - 50.91%, and „AA+"-49.09%). The increase of „AAA" investments is due to the purchase of a security with rating „AAA", to maintain the level of securities held-to-maturity.

The portfolio of held-to-maturity securities comprises mainly securities issued by governments and governmental agencies from the United States of America, European Union and supranational financial institutions.

For the purpose of maintaining the level of securities held-to-maturity denominated in foreign currencies, the Bank has acquired securities in nominal amount of USD 25,000 thousand.

During the semester the Bank has not recognized any impairment allowances in respect of held-to-maturity securities.

**7. Fair value of financial instruments**

The Bank's financial instruments comprise cash and short term placements with banks, monetary gold, due from international financial institutions, investment securities, loans granted to banks and individuals, national currency issued into circulation, due to banks and to the Government of the Republic of Moldova, certificates issued by the National Bank of Moldova, due to international financial institutions, as well as other financial assets and other financial liabilities.

The Bank's financial assets are measured at fair value, except for the cash and short-term placements with banks, due to international financial institutions, loans granted to banks and individuals and investment securities held-to-maturity, which are measured at amortized cost. Financial liabilities are measured at amortized cost.

---

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

**7. Fair value of financial instruments (continued)**

The carrying amount and fair value of financial assets and liabilities is presented in the table below:

	At fair value through profit and loss	Held-to- maturity	Loans and receivables	Available for Sale	Other at amortized cost	Total	Fair Value
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
<b>30 June 2013</b>							
<b>Assets</b>							
Cash and short-term placements with banks	-	-	10,817,903	-	-	10,817,903	10,817,903
Monetary gold	-	-	-	36,784	-	36,784	36,784
Due from international financial institutions	-	-	2,371,292	-	-	2,371,292	2,371,292
Securities issued by the Government of the Republic of Moldova	-	-	-	2,074,474	-	2,074,474	2,074,474
Loans granted to banks and individuals	-	-	258,865	-	-	258,865	258,865
Investment securities							
At fair value	13,928,300	-	-	-	-	13,928,300	13,928,300
At amortized cost	-	6,068,765	-	-	-	6,068,765	6,167,200
Other assets			22,868			22,868	22,868
<b>Total financial assets</b>	<b>13,928,300</b>	<b>6,068,765</b>	<b>13,470,928</b>	<b>2,111,258</b>	<b>-</b>	<b>35,579,251</b>	<b>35,677,686</b>
<b>Liabilities</b>							
National currency issued into circulation	-	-	-	-	15,551,394	15,551,394	15,551,394
Due to the Government of the Republic of Moldova	-	-	-	-	1,832,061	1,832,061	1,832,061
Due to banks	-	-	-	-	5,400,820	5,400,820	5,400,820
Certificates issued by the National Bank of Moldova	-	-	-	-	3,564,131	3,564,131	3,564,131
Due to international financial institutions	-	-	-	-	7,917,641	7,917,641	7,917,641
Other liabilities	-	-	-	-	21,686	21,686	21,686
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,287,733</b>	<b>34,287,733</b>	<b>34,287,733</b>

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

**7. Fair value of financial instruments (continued)**

	At fair value through profit and loss	Held-to- maturity	Loans and receivables	Available for Sale	Other at amortized cost	Total	Fair Value
	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000	MDL'000
<b>31 December 2012</b>							
<b>Assets</b>							
Cash and short-term placements with banks	-	-	12,820,877	-	-	12,820,877	12,820,877
Monetary gold	-	-	-	47,593	-	47,593	47,593
Due from international financial institutions	-	-	2,303,437	-	-	2,303,437	2,303,437
Securities issued by the Government of the Republic of Moldova	-	-	-	2,075,425	-	2,075,425	2,075,425
Loans granted to banks and individuals	-	-	305,818	-	-	305,818	305,818
Investment securities							
At fair value	11,847,622	-	-	-	-	11,847,622	11,847,622
At amortized cost	-	5,607,060	-	-	-	5,607,060	5,889,330
Other assets			1,572			1,572	1,572
<b>Total financial assets</b>	<b>11,847,622</b>	<b>5,607,060</b>	<b>15,431,704</b>	<b>2,123,018</b>	<b>-</b>	<b>35,009,404</b>	<b>35,291,674</b>
<b>Liabilities</b>							
National currency issued into circulation	-	-	-	-	14,557,241	14,557,241	14,557,241
Due to the Government of the Republic of Moldova	-	-	-	-	1,895,034	1,895,034	1,895,034
Due to banks	-	-	-	-	5,976,044	5,976,044	5,976,044
Certificates issued by the National Bank of Moldova	-	-	-	-	3,741,385	3,741,385	3,741,385
Due to international financial institutions	-	-	-	-	7,922,010	7,922,010	7,922,010
Other liabilities	-	-	-	-	175,803	175,803	175,803
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,267,517</b>	<b>34,267,517</b>	<b>34,267,517</b>

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

---

**7. Fair value of financial instruments (continued)**

**Hierarchy of the fair value of the financial instruments**

The table below presents the financial instruments measured at fair value, subsequent to the initial recognition, classified in levels from 1 to 3 according to the valuation method used.

<b>30 June 2013</b>	<u><b>Level 1</b></u> <b>MDL'000</b>	<u><b>Level 2</b></u> <b>MDL'000</b>	<u><b>Level 3</b></u> <b>MDL'000</b>	<u><b>Total</b></u> <b>MDL'000</b>
Monetary gold	36,784	-	-	36,784
Securities in foreign currency measured at fair value through profit or loss	13,928,300	-	-	13,928,300
Securities issued by the Government of the Republic of Moldova	-	2,074,474	-	2,074,474
<b>Total</b>	<u><b>13,965,084</b></u>	<u><b>2,074,474</b></u>	<u><b>-</b></u>	<u><b>16,039,558</b></u>
<b>31 December 2012</b>				
Monetary gold	47,593	-	-	47,593
Securities in foreign currency measured at fair value through profit or loss	11,847,622	-	-	11,847,622
Securities issued by the Government of the Republic of Moldova	-	2,075,425	-	2,075,425
<b>Total</b>	<u><b>11,895,215</b></u>	<u><b>2,075,425</b></u>	<u><b>-</b></u>	<u><b>13,970,640</b></u>

The valuation methods and techniques used for determination of the fair value remained the same as in the previous reporting period and there were no reclassifications of financial instruments between levels of the fair value hierarchy.

Following the analysis performed, the Bank's management believes that given the short-term of placements with banks, the specific nature and scope of loans and receivables, as well as the lack of active market for the quota of the Republic of Moldova at IMF that is not measured at fair value in Financial Statements, the fair value of the respective financial instruments is not significantly different from the amount recorded in the Balance Sheet.

In addition, the management believes that the value of Bank's liabilities recorded on the Balance Sheet approximate their fair value due to their short-term placement period or due to the type of specific transactions performed by a central bank, and for which there was no distinct active market or valuation models to reliably estimate their fair value.

---

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

**8. Property, equipment and intangible assets**

	<b>Buildings</b>	<b>Equipment</b>	<b>Property and equipment in progress</b>	<b>Intangible assets</b>	<b>Intangible assets in progress</b>	<b>Total</b>
	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>	<b>MDL'000</b>
<b>Cost</b>						
As at 1 January 2013	36,420	77,140	4,831	38,059	2,863	159,313
Additions	-	233	770	1,640	3,306	5,949
Transfers	-	4,836	(4,818)	725	(725)	18
Disposals	-	(3,674)	-	(46)	-	(3,720)
<b>As at 30 June 2013</b>	<b>36,420</b>	<b>78,535</b>	<b>783</b>	<b>40,378</b>	<b>5,444</b>	<b>161,560</b>
<b>Accumulated amortization</b>						
As at 1 January 2013	24,302	72,132	-	27,135	-	123,569
Charge for the period	491	1,665	-	1,724	-	3,880
Charge for disposals	-	(3,674)	-	(46)	-	(3,720)
<b>As at 30 June 2013</b>	<b>24,793</b>	<b>70,123</b>	<b>-</b>	<b>28,813</b>	<b>-</b>	<b>123,729</b>
<b>Carrying value</b>						
As at 1 January 2013	12,118	5,008	4,831	10,924	2,863	35,744
<b>As at 30 June 2013</b>	<b>11,627</b>	<b>8,412</b>	<b>783</b>	<b>11,565</b>	<b>5,444</b>	<b>37,831</b>

**9. Other assets**

	<b>30 June 2013</b>	<b>31 December 2012</b>
	<b>MDL'000</b>	<b>MDL'000</b>
Prepaid expenses	233	970
Other receivables	22,868	1,572
Reevaluation differences on off-balance sheet items	1,905	-
Inventories	1,014	1,015
Goods and materials administered	1,003	1,126
<b>Subtotal</b>	<b>27,023</b>	<b>4,683</b>
Less: Provision for slow moving inventory and doubtful receivables	(61)	(60)
	<b>26,962</b>	<b>4,623</b>

The movement in the provision for slow moving inventory and doubtful receivables during the year is as follows:

	<b>2013</b>	<b>2012</b>
	<b>MDL'000</b>	<b>MDL'000</b>
<b>As at 1 January</b>	<b>60</b>	<b>61</b>
Increase during the year	1	-
Decrease during the year	-	(1)
<b>As at 30 June /31 December</b>	<b>61</b>	<b>60</b>

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.



**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

---

**10. Due to banks**

	<b>30 June 2013</b>	<b>31 December 2012</b>
	<b>MDL'000</b>	<b>MDL'000</b>
Current accounts of banks, including mandatory reserves	5,096,820	5,362,943
Deposits from licensed banks denominated in national currency	304,000	613,101
	<b><u>5,400,820</u></b>	<b><u>5,976,044</u></b>

Due to banks, including mandatory reserves, are the amounts placed on the Loro accounts of the resident banks, of the resident banks under the liquidation process, of the resident banks under the insolvency process, as well as the banks' mandatory reserves, held at the Bank in Moldovan Leu, USD and Euro.

According to the requirements of the mandatory reserves regime established by the Bank, as at 30 June 2013, banks are required to maintain mandatory reserves in Moldovan lei and in foreign currencies (US Dollars and Euro) at 14% (as at 31 December 2012: 14%) of the base, represented by the banks' attracted funds in corresponding currencies. The mandatory reserves in Moldovan Leu are maintained in average by banks on Loro accounts opened with the Bank during the maintenance period or on the account of mandatory reserves in national currency opened with the Bank. The mandatory reserves in foreign currency are registered in the Bank's accounting records, in the mandatory reserves in foreign currency account and are placed in the Bank's Nostro accounts with foreign banks.

According to article 17 of the *Law on National Bank of Moldova*, mandatory reserve balances that exceed 5% of attracted funds, are remunerated by the Bank as follows: for mandatory reserves in Moldovan lei by applying the current month average interest rate for overnight deposits of the Bank, and for the mandatory reserves in foreign currency (USD and Euro) – the average interest rate on interest bearing demand deposits in foreign currency attracted by banks, measured on a monthly basis by the Bank based on monthly reports presented by the banks in respect of the average interest rate on deposits attracted by banks.

The deposits denominated in the national currency, held by licensed banks, comprise of overnight deposits of banks placed with the Bank and the related interest accrued for the respective deposits. The interest rate on overnight deposits of the banks as at 30 June 2013 is of 0.50% (as at 31 December 2012 – 1.5%).

---

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

**11. Other liabilities**

	<b>30 June 2013</b>	<b>31 December 2012</b>
	<b>MDL'000</b>	<b>MDL'000</b>
Due to the State Budget for profit distribution	-	113,549
Due to other entities	21,671	49,788
Due to personnel	15	8,411
Other liabilities	10	4,067
	<b>21,696</b>	<b>175,815</b>

**12. Interest income**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	<b>MDL'000</b>	<b>MDL'000</b>
<b>Interest income from short-term placements:</b>		
Interests from term deposits with foreign banks	13,920	16,422
Interests from overnight deposits	189	989
Interests from cash and cash equivalents	45	2,339
	<b>14,154</b>	<b>19,750</b>
<b>Income from interest on securities:</b>		
Interest from securities in foreign currency measured at fair value	67,509	72,139
Interest from securities in foreign currency held-to-maturity	61,195	49,006
Amortization of the discount on the securities issued by the Government of the Republic of Moldova	45,954	82,366
	<b>174,658</b>	<b>203,511</b>
<b>Income from interest on the loans granted and REPO:</b>		
Interests from loans granted to the banks and REPO	331	640
Interests from loans granted to the employees	55	48
	<b>386</b>	<b>688</b>
	<b>189,198</b>	<b>223,949</b>

The average interest rate on state securities held in the Bank's portfolio during the 1<sup>st</sup> semester of 2013 was 4.37% (average interest rate during the 1<sup>st</sup> semester of 2012: 7.61%).

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

**13. Interest expense**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	<b>MDL'000</b>	<b>MDL'000</b>
<b>Interest expense for loans received:</b>		
Interests on the loans received from the International Monetary Fund	14,886	11,130
	<b>14,886</b>	<b>11,130</b>
<b>Interest expense on cash and cash equivalents:</b>		
Interests on the mandatory reserves	14,931	20,764
Interests on the deposits accepted from banks	1,452	3,302
Interests on the deposits accepted from the Ministry of Finance	14,156	6,399
Interests on Forward transactions	952	-
	<b>31,491</b>	<b>30,465</b>
<b>Interest expense on the operations with securities and REPO:</b>		
The amortization of the discount to the certificates of the National Bank of Moldova	88,733	105,145
	<b>88,733</b>	<b>105,145</b>
	<b>135,110</b>	<b>146,740</b>

The average daily balance of the Bank's certificates during the 1'st semester of 2013 amounted to MDL 4,248 million (during the 1'st semester of 2012: MDL 3,618 million). The average interest rate on Bank's certificates issued during the 1'st semester of 2013 was of 4.19% (during the 1'st semester of 2012: 5.65%).

**14. Gains from foreign exchange transactions and foreign exchange rate differences**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	<b>MDL'000</b>	<b>MDL'000</b>
Foreign exchange rate difference from reevaluation of foreign currency stocks	560,264	522,856
Net realized gains from transactions in foreign currency	67,168	57,191
	<b>627,432</b>	<b>580,047</b>

Realized gains arise from the sale of foreign currencies and represent the positive difference between sell exchange rate and the cost of currency stock (or the average exchange rate of the purchased currency) multiplied to the sales volume.

During the 1'st semester of 2013 the gains on foreign exchange were generated mainly by the positive difference between the sell exchange rates and cost of currency stock and by conversion operations (currency arbitrage).

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

**15. (Losses)/ Gains from the revaluation of securities**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	<b>MDL'000</b>	<b>MDL'000</b>
Difference from the revaluation of securities in foreign currency	(65,809)	68,363
Net (losses)/ gains from revaluation of securities in foreign currency	(779)	6,871
	<b>(66,588)</b>	<b>75,234</b>

Difference from the reevaluation of securities in foreign currency measured at fair value through profit or loss represent unrealized losses which were generated by the decrease in price in international financial markets, as a consequence of the insignificant increase in interest rates during the first 6 months of the current year. At the end of the year, unrealized gains are transferred to the reserve of unrealized gains on revaluation of investment securities. This reserve can be used only to cover some potential unrealized losses from the revaluation of securities in foreign currency. As at 30 June 2013 the reserve of unrealized gains on revaluation of investment securities was of MDL 300,911 thousand.

**16. Operational expenses**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	<b>MDL'000</b>	<b>MDL'000</b>
Expenses related to national currency	29,257	2,502
Personnel expenses	21,524	19,947
Expenses related to information, advisory and audit services	6,227	5,263
Expenses related to amortization of property, equipment and intangible assets	3,880	2,392
Buildings, transport and equipment maintenance expenses	2,040	1,842
Expenses with fees and commissions	418	4,816
Other operating expenses	2,032	1,731
	<b>65,378</b>	<b>38,493</b>

The personnel expenses include also the mandatory state social insurance contributions in amount of MDL 3,762 thousand and the mandatory medical insurance contributions in amount of MDL 560 thousand (as at 30 June 2012: MDL 3,490 thousand and MDL 521 thousand respectively).

As at 30 June 2013 the number of available positions within the Bank, including vacancies, was of 474 units, out of which the number of employed personnel was - 462 (as at 30 June 2012 the number of positions available in the Bank was 465 units, out of which the number of employed personnel was – 458).

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

---

**17. Related parties**

As at 30 June 2013 the remuneration of the Bank’s management, including middle management amounted to MDL 3,669 thousand (as at 30 June 2012: MDL 3,301 thousand).

During the same period, the expenses with the mandatory state social insurance and the mandatory medical insurance contributions related to the Bank’s management, including the middle management, amounted to MDL 836 thousand and MDL 124 thousand, respectively (as at 30 June 2012: MDL 753 thousand and MDL 111 thousand respectively).

The Bank grants loans to its employees. The table below represents the movement of the loans granted and the balance of the loans granted to the management of the Bank, including middle management:

	<b>Balance as at 1 January</b>	<b>Loans granted</b>	<b>Transfers</b>	<b>Reimburse- ments</b>	<b>Balance as at 31 December /30 June</b>
	<b>MDL’000</b>	<b>MDL’000</b>	<b>MDL’000</b>	<b>MDL’000</b>	<b>MDL’000</b>
2012	5,154	460	245	(830)	5,029
2013	5,029	400	-	(352)	5,077

The loans are granted to the management at the same interest rates as charged to all Bank’s employees in accordance with the Bank’s internal regulations. These loans are secured with collateral provided by each beneficiary, the amount of which as at 30 June 2013 constituted MDL 7,643 thousand (as at 31 December 2012: MDL 7,243 thousand).

As at 30 June 2013, these loans were classified as standard and therefore not requiring any allowance for impairment losses.

Considering article 1 of the *Law on the National Bank of Moldova*, which expressly stipulates that the Bank is an autonomous public legal entity responsible to the Parliament, the Government and any government related entities are not considered related parties of the Bank.

**18. Commitments and contingencies**

*Promissory notes issued*

As at 30 June 2013 the value of the promissory note issued by the Bank for the International Monetary Fund to secure the loans received within EFF facility amounted to MDL 2,809,387 thousand (as at 31 December 2012: MDL 2,764,758 thousand).

On 11 May 2012 the Parliament adopted the *Law for the increase of the Republic of Moldova’s quota in the International Monetary Fund*, according to which was approved the increase of the Republic of Moldova’s quota to the International Monetary Fund from XDR 123.2 million to XDR 172.5 million. The arisen obligations and the necessary measures to be taken, in order to ensure the increase of the Republic of Moldova’s Quota to the International Monetary Fund were delegated to the National Bank, based on its statute of agent of the Republic of Moldova.

---

\* Translator’s explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.

**NATIONAL BANK OF MOLDOVA**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS – unaudited**  
**For 6 months ended on 30 June 2013**

---

**18. Commitments and contingencies (continued)**

*Promissory notes issued (continued)*

As at 30 June 2013, the decision to increase the Moldova's quota has not been enforced, given that the *Fourteenth General Review of Quotas and the Reform of the Executive Board* (Resolution no. 66-2 from December 15, 2010 of the Board of Governors of the International Monetary Fund) was not executed within International Monetary Fund, conditioned by not meeting enough votes from the member states of the International Monetary Fund.

*Loan commitments*

As at 30 June 2013 (as well as at 31 December 2012) there were no loan commitments.

As at 30 June 2013 (as well as at 31 December 2012) there was no debt with expired limitation period.

*Capital commitments*

In accordance with contractual terms for the purchase of advisory services and IT solution, in force as at 30 June 2013 the Bank is committed to settle during the next years its financial obligations amounting to EUR 718 thousand or about MDL 11,716 thousand, for the acquisition of services for the development of SIRBNM software and advisory services in respect of the business process transformation and modernization of informational banking system project (as at 31 December 2012: around EUR 1,220 thousand, or about MDL 19,514 thousand).

*Litigations and contingencies*

As at 30 June 2013, the Bank was involved in 4 lawsuits against it and acted as a plaintiff in one case.

As at 30 June 2013 (as well as at 31 December 2012), the Bank did not record any provisions for litigations, as the Bank considered that there were not sufficient evidence regarding any related possible future outflows of economic resources.

**19. Subsequent events**

No significant subsequent events occurred after the Balance Sheet date.

---

\* Translator's explanatory note: The above translation of the Financial Statements is provided as a free translation from Romanian which is the official and binding version.