



EXIMBANK

# 2023 Annual Report

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# Message of the General Manager & CEO

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Dear madams and sirs,

I am honored to present **EXIMBANK's results** for the financial year ended on **December 31, 2023** - a year significantly marked by market volatility, financial regulations and geopolitical events. Despite all the challenges, thanks to the well-defined strategy, prominent objectives and consolidated efforts, EXIMBANK reaffirms its position as a key player in the domestic financial system, which actively responds to market dynamics.

The year 2023 therefore ends with a **positive cumulative financial result in the amount of 49.1 million MDL**, achieved by higher operating margin and lower provisions for non-lending financial instruments. The figures reported as of December 31, 2023 also show the following increases:

- ❖ *Total assets* in the amount of 5,587 mln MDL are higher by 6.2% (328 mln MDL) compared to the budget, and by 8.9% (455 mln MDL) vs Dec 2022;
- ❖ *Customer deposits* in the amount of 3,656 mln MDL are higher than the budget by 14.0% (448 mln MDL) and by 10.0% (334 mln MDL) compared to Dec 2022;
- ❖ *The deposits portfolio for the Corporate and SME segment* increases by 374.9 mln MDL compared to Dec 2022;
- ❖ *The deposits portfolio for individuals* increases by 185.8 mln MDL compared to the end of 2022;
- ❖ *Total loans* in the amount of 2 169 mln MDL are higher than the budget by 0.9% (20 mln MDL) and by 1.6% (34 mln MDL) compared to Dec 2022;



- ❖ The loan portfolio granted to the Corporate and SME segment increases by 28.1 mln MDL compared to Dec 2022;
- ❖ The loan portfolio granted to the Retail segment shows an increase of 5.8 mln MDL compared to the end of the previous year.

EXIMBANK is still a top banking institution, which occupies an honorable position on the financial market. An important landmark in this regard is the efficient management of the loan portfolio, which allows for sustainable growth and maintaining the low rate of non-performing loans, a key indicator of the Bank's financial health. Thus, at the end of 2023, EXIMBANK is positioned in the **Top 3 banks** on the local market according to the **quality of the loan portfolio**.

We are honored to be once again appreciated among the best as well for our activity on the Government Securities market. Thus, for the year 2023, the Bank is placed by the Ministry of Finance on the **2nd place in the ranking of primary dealers for the**

**activity carried out on the domestic Government Securities market.** This performance is achieved due to a very high activity on the secondary market of Government Securities with the Bank's clients, as well as due to a very balanced investment strategy of the Bank in terms of invested volume, portfolio profitability, liquidity indicators and assumed risks.

EXIMBANK continues to follow its development strategy focused on aligning with the highest European banking standards and expanding services for individuals, marking a significant strategic transition. Our success is closely linked to the ability to innovate and offer financial services that meet the ever-evolving needs of our customers. In this sense, we invest significantly in technology, to ensure a modern and accessible banking experience.

In this context one the main news consists of the possibility to discover the freedom of simple and secure payments with **Google Pay**. Starting from December 2023, EXIMBANK clients have access to fast and secure payments through Google Pay. The service has become available for both Android and WearOS devices.

The reference period is also marked by the preparation of the launch together with the National Bank of Moldova of a new option of interbank transfers, available in the mobile application – **MIA Instant Payments**. Now, EXIMBANK customers can easily make instant transfers safely, quickly and free of charge, having only the recipient's phone number at their disposal.

These technology initiatives are essential to keep pace with global

digital trends and improve operational efficiency.

Corporate social responsibility is another pillar of EXIMBANK's strategy. We have an active role in supporting sustainable economic development and in adopting responsible practices, which requires increased attention to our impact on the environment and the community. This commitment is reflected in offering financing solutions that contribute to economic progress, paying at the same time attention to social or environmental aspects.

In this regard, **EXIMBANK concludes a new loan agreement with the EBRD**. It allows providing valuable support to the SME sector in the country, the funds being accessed by businesses affected by the socio-economic and energy crisis in the region, and 35% of the total value of 10 million euros will be directed to women-driven businesses.

I am honored to reiterate that the role of an active actor involved in the community life of the country was also confirmed during the year by the Chamber of Commerce and Industry of the Republic of Moldova, which awarded the Bank the **gold medal** for the nomination "*SOCIALLY RESPONSIBLE COMMERCIAL BRAND*", at the "*Trademark of the Year 2022*" contest.

In the same contest, EXIMBANK also obtained the **trophy** for the "*FAMILY FRIENDLY WORKPLACES*" nomination, a sign of high appreciation for the efforts to effectively manage the well-being and safety of employees. The actions and programs implemented by EXIMBANK are part of the HR strategy followed by the Intesa Sanpaolo Group- "People first" where people are positioned at the center of attention,

the inclusion and well-being of our employees always remaining a priority.

Among the Bank's actions during 2023 aimed at ensuring the well-being of employees, we mention a large-scale project carried out at the level of the Intesa Sanpaolo Group - **Global Core HR**. It is intended to create a new HR infrastructure, supporting one of the strategic pillars of the parent company - People First, as well as responding to the need for automation and digitization of processes, this being one of the key factors of progress. Thus, from 2023, all EXIMBANK employees have access to the **#People** platform - a digital portal that helps us to always be up to date with human resources information relevant to us, but also to benefit from new content related to well-being.

We are proud of the continuous successes of the parent company and the privilege of taking over successful models in all areas of the Bank's activity. **Intesa Sanpaolo registers record results for the financial year 2023, with a record net profit for the Group of 7.7 billion euros**. This allows the distribution of cash dividends of 5.4 billion euros and places Intesa Sanpaolo on the 1st place in Europe in terms of their yield for the year 2023.

Belonging to an international Group of such a weight allows us to take over and transpose in the local context the most advanced standards and practices in the banking field, a fact that makes us feel privileged, but also responsible for the proper management of these extremely valuable assets. The support and

expertise of the Intesa Sanpaolo Group & CEO serve as one of the main driving forces in our continuous efforts to align ourselves with the needs of our customers, which materialize through the development and implementation of advanced business technologies. These, in turn, enable the provision of qualitative, fast, secure and more convenient banking services, improving the customer experience and effectively meeting market requirements. One of our major ongoing projects is expanding our presence in the retail segment. We aspire to become one of the reference banks for this segment through a full range of customized products and services, designed to meet the diverse needs of customers.

On behalf of the entire management team, I express my deep gratitude and appreciation to all the Bank's employees, for their dedication, high professionalism and valuable contribution to the Bank's prosperity.

At the same time, I sincerely thank EXIMBANK's clients and partners for their trust and continued cooperation, the Board members and shareholders for their support and contribution to EXIMBANK's growth and development.

Best regards,

Marco SANTINI,  
General Manager



# Key Financial Indicators

Indicator	UM	31 of December	31 of December
		2023	2022
<b>Capital</b>		X	X
Share capital	mil. lei	1,250.00	1,250.00
Own funds	mil. lei	1,062.00	1,009.79
Total amount of risk exposure	mil. lei	2,397.21	2,084.41
Total capital ratio ( $\geq 10\%$ )	%	44.30	48.44
<b>Assets</b>		X	X
Balance of non-performing credits debt (principal amount)	mil. lei	86.76	73.76
Balance of non-performing credits debt (principal amount) / Own funds	%	8.17	7.30
Balance of net non-performing credits debt (principal amount) / Own funds	%	1.87	1.98
Balance of non-performing credits debt (principal amount) / Balance of credit debt (principal amount)	%	4.00	3.45
Balance of net non-performing assets / Own funds	%	1.91	2.04
Total past due credits	mil. lei	57.92	71.48
Monthly average value of interest-bearing assets / Monthly average value of assets	%	85.85	82.08
The value of the maximum exposure to a client or to a group of connected clients / Eligible Capital ( $\leq 15\%$ )	%	10.09	2.22
The value of the maximum exposure to affiliated person or to a group of connected clients with the bank's affiliated person / Eligible Capital ( $\leq 10\%$ )	%	0.01	0.26
The sum of the aggregated amount of credit exposures to affiliated persons or a group of connected clients with the bank's affiliated persons / Eligible capital ( $\leq 20\%$ )	%	0.01	0.28
<b>Income and Profitability</b>		X	X
Return on assets (ROA)	%	1.00	1.44
Return on equity (ROE)	%	4.08	5.89
Interest-related net income / Total income	%	43.94	50.17
Non-interest related expenditure / Total income	%	67.58	72.01
Annualised interest-related income / Monthly average interest-bearing assets	%	8.23	8.68
Net interest margin (NIM)	%	5.42	6.74
<b>Liquidity</b>		X	X
Principle I - Long-term liquidity ratio ( $\leq 1$ )		0.70	0.80
<b>Liquidity Coverage Ratio (LCR)</b>	%	661.59	571.13
Principle III - Liquidity on maturity bands ( $>1$ )		X	X
- up to 1 month inclusively		2.79	2.34
- between 1 and 3 months inclusively		124.33	182.33
- between 3 and 6 months inclusively		45.75	50.69
- between 6 and 12 months inclusively		71.60	54.58
- over 12 months		7.11	8.86
<b>Sensitivity of Market Risk</b>		X	X
Share of balance sheet assets in foreign currency and foreign currency-linked assets in total assets	%	35.95	37.46
Share of balance sheet liabilities in foreign currency and foreign currency-linked liabilities in total assets	%	35.73	37.58
Total balance sheet assets in foreign currency / Total assets	%	35.95	37.46
Total balance sheet liabilities in foreign currency / Total liabilities	%	46.70	49.70

# Macroeconomic Environment and the Banking Sector

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## Macroeconomics

After a deep contraction of GDP, which amounted to -8.3% in 2020 due to the COVID-19 double shock and severe drought, the Moldovan economy recovered in 2023. For 2023, expectations were quite positive, but were downgraded after the war between the Russian Federation and Ukraine, which further shook a fragile country that had been struggling with the pace of inflation for several years. However, social and political aspects are fairly stable, investment appetite of both local and foreign investors remains influenced by regional risk concerns.

According to preventive information published by the National Bureau of Statistics, GDP for the first 9 months of 2023 amounted to 214.4 billion MDL recording a decrease of the economy of -0.4% compared to the same period of last year (Ministry of Economic Development and Digitalization estimates a GDP of 312.4 billion MDL for 2023, and +2.0% vs 2022, table 1).

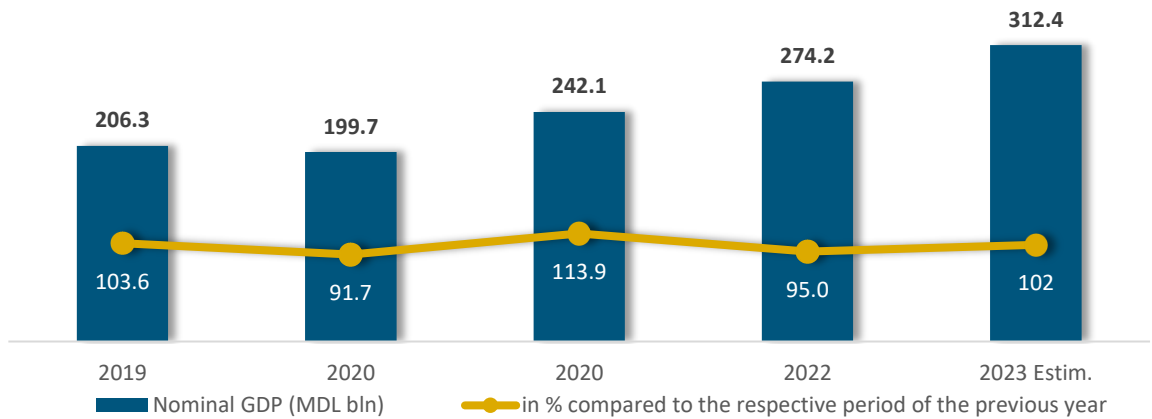
The most significant negative contributions on the physical volume index of GDP had:

- wholesale and retail trade; maintenance and repair of motor vehicles and motorcycles (causing a 3.0% decrease in GDP), with a 15.2% share in GDP formation and a 17.1% reduction in GAV for these activities;
- education (-0.5%), with a 4.1% share in GDP formation and a 13.5% decrease in GAV for these activities;
- transport and storage (-0.4%), with a 4.9% share in GDP formation and a 9.2% decrease in GAV.

The following sectors have had a positive influence on GDP increase:

- agriculture, forestry and fisheries (generated GDP growth of 5.7%), with a 13.1% share in GDP formation and a 37.7% increase in GAV for these activities;
- information and communication (+0.7%), with a 6.5% share in GDP formation and an 11.7% increase in GAV in these activities;
- health and social work (+0.5%), with a share of 5.8% in GDP formation and an increase of 9.9% in GAV for these activities;
- real estate transactions (+0.5%), with a 5.9% share in GDP formation and a 9.5% increase in GAV for these activities;
- accommodation and food service activities (+0.4%), with a share of 1.8% in GDP formation and an increase of 29.8% in GAV for these activities.

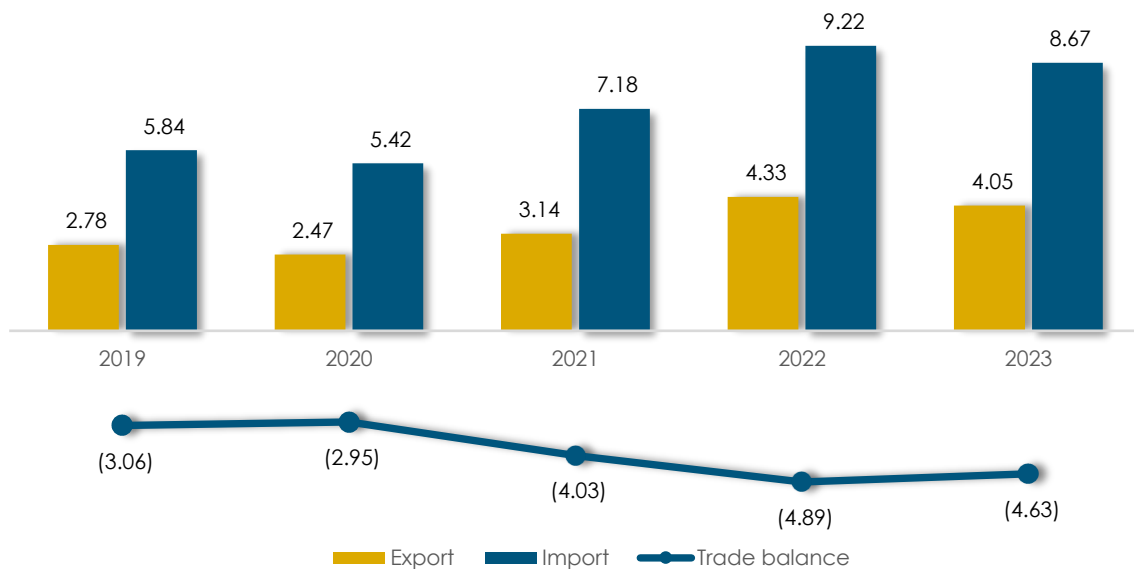
**Table 1. Gross Domestic Product (MDL bln; %)**



Source: Ministry of Economic Development and Digitalization

In 2023, exports of goods amounted to 4,048.6 million USD lower by 6.5%, compared to that recorded in 2022 and imports amounted 8,673.7 million USD lower by 5.9% vs 2022. The considerable gap between exports and imports resulted in a trade balance deficit of 4,625.1 million USD in 2023, or 261.8 million USD (-5.4%) less than in 2022.

**Table 2. Evolution of foreign trade (MDL bln)**



Source: National Bureau of Statistics

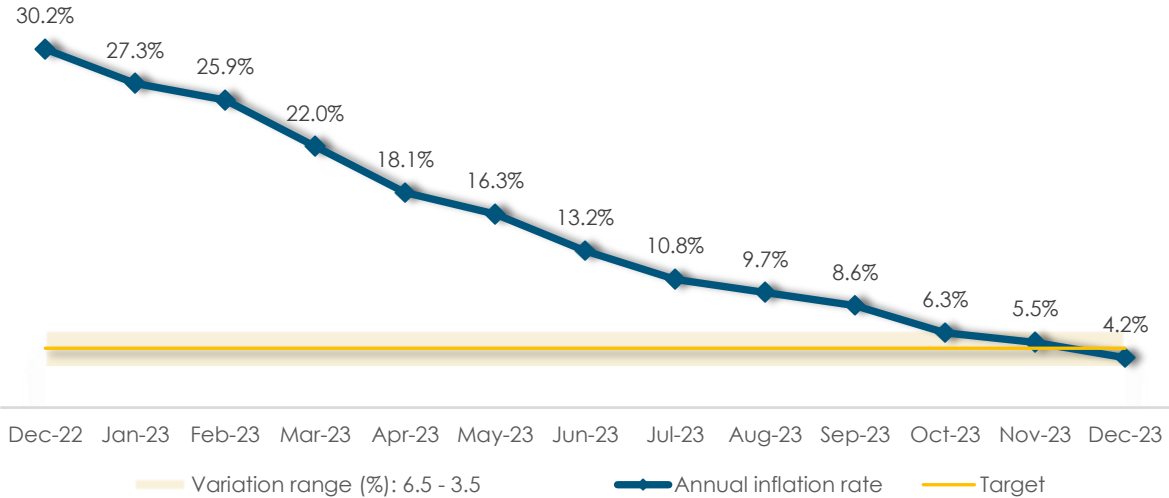
The stock of NBM's foreign exchange reserve assets at the end of December 2023 reached a new historical record of 5,453.12 mln USD, increasing by 22.8% compared to the level recorded at the end of 2022 and by 5.6% - compared to previous month.

Inflation was on a downward trend in 2023. The annual inflation rate in Moldova decelerated to 4.2% in December 2023, down from 5.5% in the prior month. This marked the lowest reading since July 2021, primarily driven by a sharp slowdown in



service prices (2.5% vs 7.9% in November). Food inflation also continued to ease, reaching a 29-month low of 4.6% (vs 5%). Also, it is to be mentioned that from beginning of the year, monthly inflation rate dropped from 27.9% in January to 4.2% at the end of December 2023. At the same time, the annual average inflation rate exceeds the variation range of the inflation target established by the National Bank of Moldova (5% +/- 150 b.p.), reaching 13.4% as of December 2023, remaining under pressure raised by both internal and external factors.

**Table 3. Inflation Rate Evolution (%)**

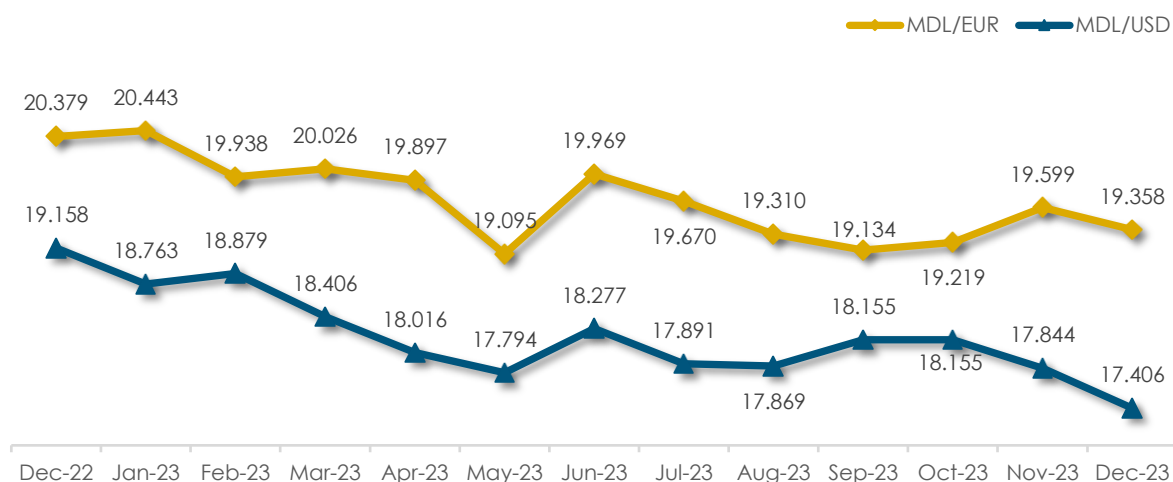


Source: National Bank of Moldova

National currency has appreciated against the US dollar and the EUR. In January-December 2023, the national currency appreciated by 9.14% against the US dollar in nominal terms (from 19.158 MDL for 1 US dollar on 01.01.2023 to 17.406 MDL on 31.12.2023). Against the EUR, the Moldovan leu appreciated by 5.01% terms (from 20.379 MDL for 1 EUR to 19.357 MDL on 31.12.2023).

The main factors influencing the exchange rate fluctuations of the US dollar and the EUR are the evolution of international currency markets; supply of foreign currency higher than demand on the domestic foreign exchange market and interventions of the National Bank of Moldova on the domestic foreign exchange market in the form of foreign exchange purchases.

**Table 4. Exchange rate evolution**



Source: National Bank of Moldova

## Banking Sector

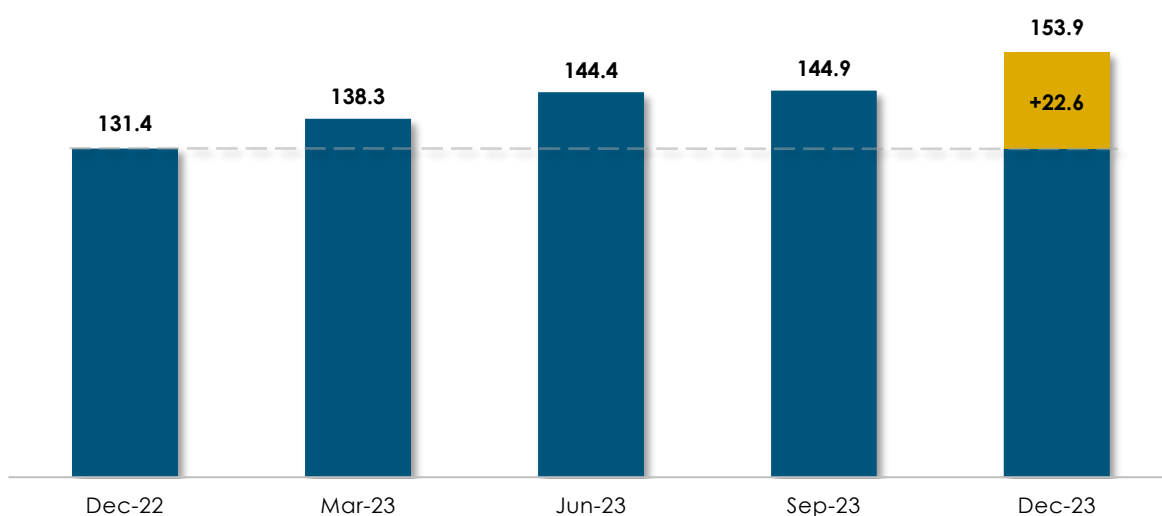
By 2023, the banking system in the Republic of Moldova demonstrates that it remains strong and resilient and can fulfil its implicit mandate. Solvency and liquidity indicators place the banking sector among the strongest sectors of the economy. Since the onset of the pandemic, the soundness indicators of the banking system have allowed a proactive approach, absorbing customer problems and increasing lending at a sustained pace.

At the same time, reforms have continued for the development of a transparent and stable banking sector, which will provide the basis for the sustainable growth of the national economy. As of 31.12.2023, 11 banks licensed by the National Bank of Moldova (NBM) were active in the banking system, with about 8.5 thousands employees.

During 2023, the banking sector continued to consolidate its own funds, while maintaining a fairly high level of liquidity and profitability in times of crisis. Assets and deposits also continued to grow. Compared to the end of 2022, there was an increase in the loan portfolio in the banking sector. During the year, the share of non-performing loans in loan portfolios slightly increased, however, it remains quite high.

The total assets of the banking system (*table 5*) as of 31.12.2023 amounted to 153.9 billion MDL, increasing during 2023 by 17.2% (22.6 billion MDL).

**Table 5. Dynamic of total assets (MDL bln)**

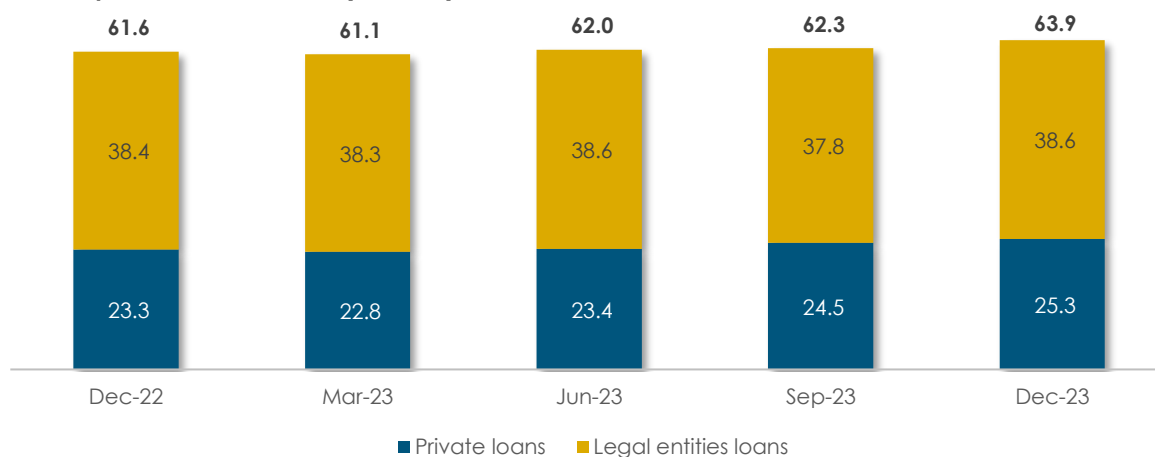


Source: National Bank of Moldova

At 31.12.2023, the loan portfolio (*table 6*) accounted for 41.5 percent of total assets or 63.9 billion MDL and recorded an increase of 3.7 percent (2.3 billion MDL) compared to 31.12.2022.

The increase in the loan portfolio is mainly due to the increase in the credit balance of private loans by 8.6% (2 billion MDL), which at the end of 2023 amounted to 25.3 billion MDL. At the same time, there is an increase in the loan portfolio of legal entities by 0.5% or 0.2 billion MDL.

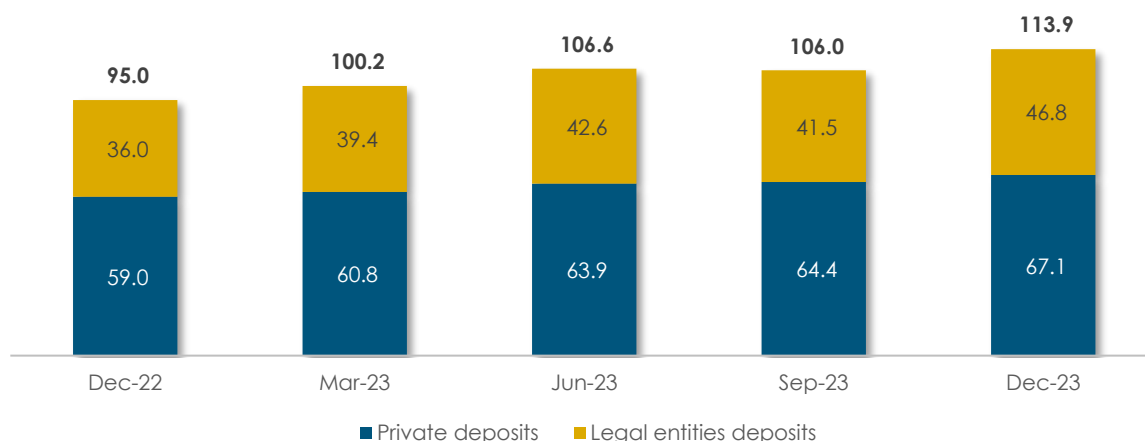
**Table 6. Dynamic of total loans (MDL bln)**



Source: National Bank of Moldova

During 2023, the trend of increasing the balance of deposits continued in the banking sector (*table 7*). Highest weight in total deposits growth is due to legal entities by 30% (10.8 billion MDL), also the increase of 13.73% (8.1 billion MDL) was generated by individuals.

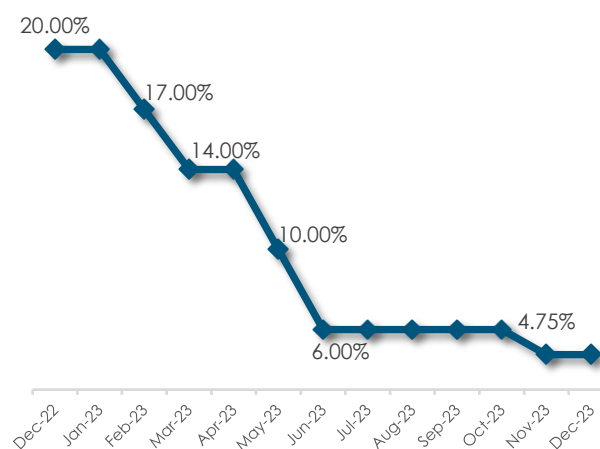
**Table 7. Dynamic of total deposits (MDL bln)**



Source: National Bank of Moldova

Total Equity of banks during 2023 increased by 20.1 percent (3.9 billion MDL), amounting to 23.3 billion MDL. The increase in banks' capital was mainly due to the profit of 3.7 billion MDL.

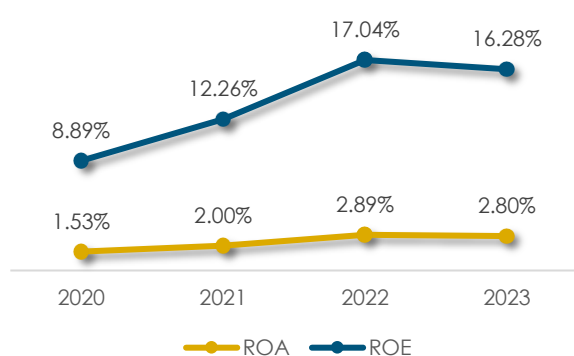
**Table 8. Rate base**



Source: National Bank of Moldova

This decision continues the string of stimulus measures adopted by the NBM in the last period and aims to create the necessary monetary conditions to bring inflation back within the variation range of  $\pm 1.5$  percentage points from the inflation target of 5.0 percent and maintain it in this medium-term interval.

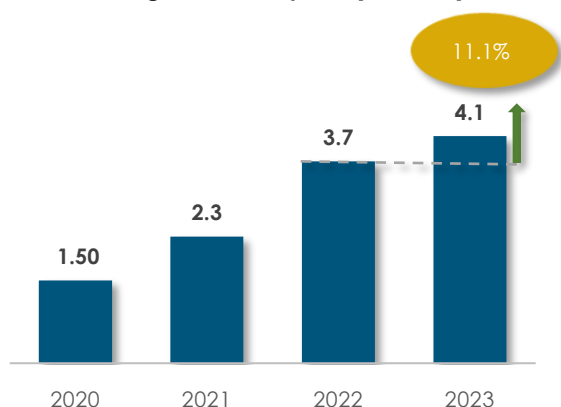
**Table 9. Return on assets (ROA), Return on equity (ROE) in the banking system**



Source: National Bank of Moldova

At 31.12.2023, the return on assets (ROA) registered 2.80% and the return on equity (ROE) constituted 16.28% (table 9). The positive evolution of the banks' profit was a central factor that determined an increase of the main profitability indicators.

**Table 10. Banking sector net profit (MDL bln)**



At 31.12.2023, the profit for the year on the banking system amounted to 4.1 billion MDL (table 10). Compared to the previous year, the profit increased by 11.1%, mainly due to the increase of net interest income due to the increase of the loan portfolio.

Source: National Bank of Moldova

The year 2023 was the best year for the Moldovan banking system since the last financial crisis. The banking system has shown that it is part of the solution. Banks have supported the Moldovan economy and the population through financing.

In the context of inflationary pressures, the main monetary policy instruments of the NBM have evolved as follows:

- the base rate decreased - from 20.0% (December 2022) to 4.75% (December 2023);
- obligatory reserves for funds attracted in MDL decreased - from 37.0% (December 2022) to 33.0% (December 2023) and those in VLC also decreased from 45.0% (December 2022) to 43.0% (December 2023);
- overnight loans and deposits rate decreased - from 22.0% (December 2022) to 6.75% (December 2023) for overnight loans and from 18.0% (December 2022) to 2.75% respectively (December 2023) for overnight deposits.

# General Presentation of the Bank and Highlights of the Bank's Strategy

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## **General presentation of the Bank and of the Intesa Sanpaolo Group**

EXIMBANK is a universal commercial Bank, which offers quality services both for the corporate segment, which operates in all the branches of the national economy throughout the country, as well as for the retail segment. Currently, in addition to the traditional banking services package (cash and settlement operations, loans, opening and servicing deposit accounts, securities transactions), the Bank offers hi-tech services and products, such as operations with bank cards, and products based on Internet technologies (Internet banking "EXIMBANK ONLINE" and Mobile Banking). The territorial extensions, which represent an exceptional possibility of dissemination of banking services and products, offer the possibility of serving clients both in the capital and in the cities: Balti, Orhei, Ungheni, Hincesti and Cahul. Thus, at the end of the reference period, EXIMBANK registers over 33 thousand active customers.

Since March 2018, EXIMBANK is part of Intesa Sanpaolo Group, after completion of the acquisition of 100% of EXIMBANK share capital by Intesa Sanpaolo.

Intesa Sanpaolo is Italy's leading banking Group – serving families, businesses and the real economy – with a significant international presence. Intesa Sanpaolo's distinctive business model makes it a European leader in Wealth Management, Protection & Advisory, highly focused on digital and fintech, in particular with Isybank, the Group's digital bank. An efficient and resilient Bank, it benefits from its wholly-owned product factories in asset management and insurance. The Group's strong ESG commitment includes providing 115 billion EUR in impact lending by 2025 to communities and for the green transition, and 500 million EUR in contributions to support people most in need, positioning Intesa Sanpaolo as a world leader in terms of social impact. Intesa Sanpaolo is committed to Net Zero by 2030 for its own emissions and by 2050 for its loan and investment portfolios. An engaged patron of Italian culture, Intesa Sanpaolo has created its own network of museums, the *Gallerie d'Italia*, to host the bank's artistic heritage and as a venue for prestigious cultural projects.

## **Our mission and reference values and principles**

We work to provide quality banking and financial services to our customers and activate ways to promote development in all the areas in which we operate.

Conscious of the value of our activities in Republic of Moldova, we promote a style of growth that focuses on sustainable results and the creation of a process based on the trust deriving from customer and shareholder satisfaction, a sense of belonging on the part of our employees and close monitoring of the needs of the community and the local area.

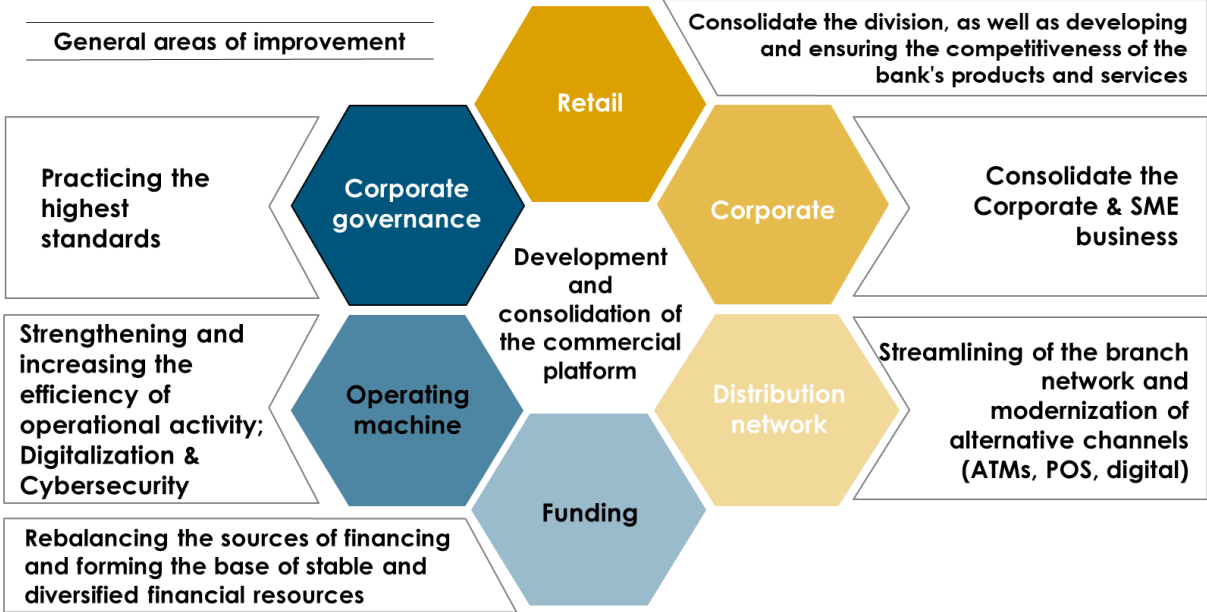
We compete on the market with a sense of fair play and are ready to cooperate with other economic entities, both private and public, whenever necessary to reinforce the overall capacity for growth of the economy of the country in which we operate.

We take responsibility for prudent savings management, we commit to extending free access to credit and financial instruments, and we support sustainable development of the entrepreneurial system, aware that our decisions have a significant direct and indirect impact on the natural environment and on the community. We want to contribute to the growth of the well-being (not only material) of both by supporting and implementing cultural initiatives and projects for the common good.

Our growth strategy aims at creating solid and sustainable values from the economic and financial, social and environmental standpoints, built on the trust of all our stakeholders and based on the following values: integrity, excellence, transparency, equality, responsibility in the use of resources.

**Highlights of the Bank’s Strategy and Planned Development**

EXIMBANK plans for the next three years an ambitious strategy to strengthen the position of an innovative bank, by aligning itself with the highest European banking practices, as part of the Intesa Sanpaolo Group, as well as ensuring the continuity of its activity in optimal financial conditions for growth and satisfying the requests and needs of the customers, employees, shareholders and the company, while offering the protection of their interests. Digitization of products and services is a key process in business development and customer journey improvement, process simplification and documentation optimization. The bank will continue to implement sustainability principles in its business, ESG products, for all customer segments.



An illustration of the key steps is represented by the diagram above. The Bank will continue to keep the pace with the overall Intesa Sanpaolo Governance process by synchronizing its internal control system and the Bank's governance to the one of the Parent Bank.

**Retail**

The retail strategy is grounded on several pillars, such as focusing on the consolidation niches generating profits, developing the Distribution Network team, optimization of

processes, and ongoing alignment of the internal normative framework, of the service principles to the standards of the Intesa Sanpaolo Group.

As practical steps, the retail team would work towards the:

- Focus on high value clients for the Bank, attracting new clients from high-potential areas: IT, healthcare, financial companies, communications, international bodies and organizations;
- Extension of active clients' portfolio, to be served with a wide range of banking solutions according to their needs;
- Consolidation of the product offer for retail clients through application of the competitive pricing and increasing the accessibility of the Bank's products and services;
- Increasing commercial effort in lending activity, focusing on complex products related to combined mortgages and personal loans.

### **Corporate and SME**

Consolidation of the Corporate and SME functions has taken the next level: the functions have been centralized, the teams have been created and running and the corporate activity reinvigorated. To better serve the clients' needs the corporate area plans to implement segment analysis, which will enable the Bank to individualize approaches to clients.

As a general process, the corporate area aims to:

- Focus on digital projects: expansion and improvement of digital channels (Mobile Banking, Internet Banking);
- Valorisation on international financial resources from the EBRD through the lens of Green Economy projects;
- Expanding the customer base that would include both importers (currency buyers) and exporters (currency sellers), to boost the volume of foreign currency in order to increase revenues.

### **Distribution network**

The distribution network is the structural pillar of the strategy and the compelling force for a sound commercial activity of the Bank. The Bank is continuously analyzing the feasibility of improving its distribution network by relocating and / or expanding the network as well as expanding and modernizing the Bank card service infrastructure (ATMs, POS-terminals).

### **Funding**

Continuous monitoring of the funding basket and its associated costs to ensure the proposed business objectives.

### **Operating machine**

Continuous analysis of the Bank's operational activities, in order to identify opportunities to improve the organization of business processes, so that they bring added value to the institution, respecting the optimal cost - benefit ratio.



# Retail Banking

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## Private Individuals

- Maintaining of market share in order to increase the dynamic of all commercial and financial indicators.
- Continuous implementation of new products and services, along with improving digital channels.

Improving of the commercial efficiency is kept as one of the main objectives of the activity of EXIMBANK during 2023, focusing on cost reduction, process improvement, workflows optimization, more efficient usage of the resources.

Among EXIMBANK'S core priorities the basic ones are considered the following: customer orientation, increasing the clients' satisfaction degree, optimization of commercial animation efficiency by implementing, in cooperation with the Intesa Sanpaolo team, of the commercial management tools, standardized sales practices, segmentation of customers portfolio and establishment of dedicated managerial relationship.

In 2024 EXIMBANK will keep developing commercial technologies, extension of the market share on private individuals' segment, aiming at the recognition of the Bank by the clientele as a bank of reference on the local market.

**The efforts of the commercial team during 2023 were aimed at developing and optimization of range of products and services that fit the needs of existing and potential customers.**

The Retail segment has shown in 2023 an evolution that corresponds to the geopolitical situation and economical crisis. The basic principles that ensure business development are: establishing long-term relationships with clients and partners of the Bank, promoting mutually beneficial collaboration, proactivity and continuous support of the individual and professional projects of the clients.

The dynamics of the number of active clients - private individuals – registered a decrease in 2023, reaching 28.4 thousand of customers at the end of the year, representing a decrease by 11.78% as compared to the end of 2022. The decrease is caused by the presence of a strong competition in the banking sector and the pace of digitization of banking products and services.

In the reporting year, EXIMBANK maintained the partnerships with developers and real estate companies which continue to contribute, through mutually fruitful collaboration, to accessibility and popularization of mortgage loans in the Republic of Moldova. At the same time, in 2023, EXIMBANK offered a fixed period of interest rate for mortgage loans for private individual debtors that protects the debtor from risk of interest rate modification and offers stability, taking into account the economical instability and inflation ratio.

According to market data, EXIMBANK ranks on the 3rd place in the banking sector, according to the number of the granted mortgage loans, with a market share of 10.82% and after the outstanding of mortgage loans, ranks the 5th place in the

banking sector at the end of 2023, with a market share of 7.86%, being decreasing by around 4 b.p. as compared to 2022. This decrease was caused by the increase of the reference index of the NBM starting from 1st January 2023 and the adaptation to market conditions.

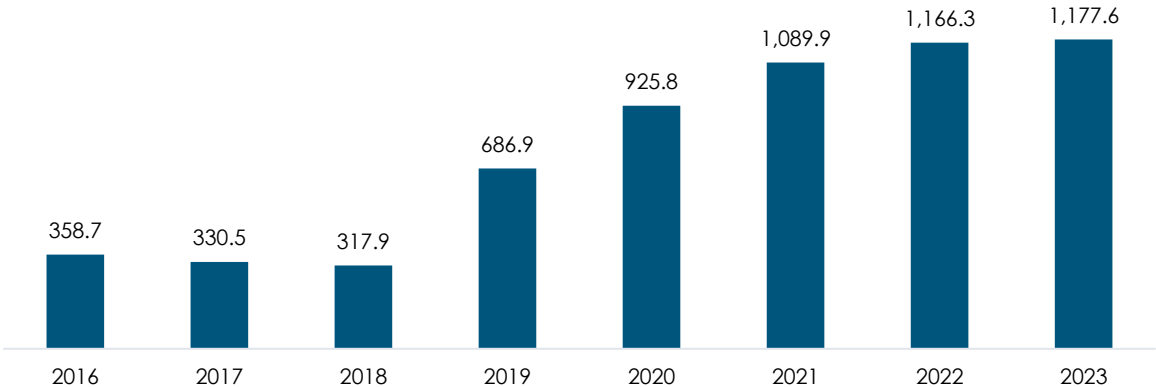
At the beginning of 2023, it can certainly be called the onset of challenges for the Retail area. In the context of rising interest rates due to inflation and in supporting debtors in meeting their financial commitments, we offered them the possibility of credit restructuring, and in some cases even proposed advantageous interest rates fixed until 01.07.2023.

It is noteworthy that the second semester of 2023 saw a growth in mortgage lending, about 2.3 times more compared to the second semester of 2022, primarily due to inflation slowing down and interest rates gradually decreasing in the financial market.

Despite the intense competition and volatile market conditions, including fierce competition, the Bank maintained its position on the market of all the loan products. The total loans granted to private individuals in 2023 reached the level of 1,177 million MDL, recording a slight increase of about 1% compared to 2022.

Despite halting credit card issuance on 20.10.2023 and of the difficulties that arose during the year, we remain positioned as the 5th place on the banking market in terms of loans portfolio, due to the business policy of the Intesa Sanpaolo Group, based primarily on transparency, excellence and stability, principles which EXIMBANK is guided, as a part of one of the most powerful financial groups in the world.

**Dynamics of credit balances granted to individuals, (mln MDL)**



Starting from the level of the Bank's liquidity which was more than enough, in general and on each currency in particular, during the reporting year the Bank's main objective was to ensure the administration and optimization of the cost of financing, as well as keeping the existing portfolio of deposits.

The increase in the volume of term deposits accepted from individuals throughout the year, by approximately 22%, primarily due to the high interest rates offered, is noteworthy.

It should be mentioned that, starting from March until the end of 2023, interest rates for all deposits, both short and long term, were gradually decreased as a result of the National Bank of Moldova's decision in the context of monetary policy easing.

**Dynamics of term deposits balance, accepted from individuals, (mln MDL)**



The Bank's commercial activity focused on continuous development in 2023, by addressing concepts that are supposed to support an upward trend in both the quality of customer interactions and their effectiveness. Thus, the Bank took into account the volatility of interest rates on the deposit market.

At the beginning of March 2023, the "LIBERO" deposit was reactivated and redesigned for a term of 48 months, which can be constituted in three currencies: MDL, EUR and USD. The deposit offers the freedom to fill it.

At the beginning of May 2023, the term deposit product "PENSIONATO" was reactivated with certain adjustments, including the ESG component, under a new commercial name - SENIOR intended for people with pensioner status. It is constituted for a term of 60 months, in three currencies: MDL, EUR and USD.

Also, a promotional campaign was launched when opening the SENIOR deposit, by offering a free accident insurance policy for 12 months upon opening the deposit from the minimum amount of 20,000 MDL or the equivalent amount of 1,000 EUR/USD.

**Bank cards**

At the beginning of 2023, EXIMBANK focused on the digitalization and improving of the Bank's services related to the field of the bank cards by completion of migration process to the new processing center.

In the context of the tendency of the inflation rate, the economic crisis and the geopolitical situation in the region, the merchants turned to optimizing their own networks, thus it was recorded an insignificant increase in their number by 5%.

In April 2023, it was taken the decision to consolidate the activity of issuing cards within the VISA International Payment System. Therefore, the issuance of credit cards under the VISA brand has also been aligned. It is worth noting that the management of a

single International Payment System has contributed to the optimization of efforts, costs and processes.

In order to promote actively and opening of social cards, it was launched the Promotional Campaign intended for pensioners "Take care of what really matters" held between June and December 2023. As part of the Campaign, the interest rate calculated on a positive balance was increased. Also, upon opening the card, beneficiaries of social payments were offered Gift Certificates to a clinic for testing. During the Campaign, there was a doubling of the number of social cards opened compared to the same period of 2022.

In order to stimulate VISA cardholders to perform transactions at POS-terminals within the network of merchants in the Republic of Moldova, but also in the online environment of merchants registered in the Republic of Moldova, to the expense of cash withdrawals, in the period October - December 2023, a promotional Campaign "Live the experience to the fullest" was carried out with the awarding of prizes according to the draws organized by the raffle. After the end of each month, three winners were drawn with prizes such as suitcases, backpacks and flight pillows. The grand raffle was organized after the completion of the Campaign and the grand prize was offered as a prize - a travel voucher.

In December 2023, the digital wallets Google Pay and Garmin Pay were launched. Thus, EXIMBANK customers can use the new payment method much simpler, faster and more conveniently, under maximum security conditions.

### **Direct Channels and Electronic Services**

EXIMBANK proudly reflects on a transformative year marked by significant achievements and innovations aimed at elevating the banking experience for our valued clients. This retrospective journey underscores the pivotal role played by our marketing endeavours in shaping the narrative of our success.

Our migration to a new processing center, a critical step toward optimizing services, was executed with transparency and effective communication, impacting 23.5k clients. Simultaneously, our territorial expansion with the opening of a new branch at Toro Centre strategically increased accessibility.

Celebrating 29 years of operation, JSCB "EXIMBANK" has consistently evolved to meet client needs. Our commitment to social responsibility was evident through the successful implementation of the Social Card campaign, benefitting clients with medical analysis vouchers. The Visa Signature event and Visa Raffle further engaged our clients, offering unique experiences and valuable prizes.

Technological advancements, such as the launch of Google Pay, responded to changing client preferences, providing a modern and secure payment management option.

The numbers speak volumes: on Facebook, we reached 3,341,548 people, and on Instagram, 1,355,762. Tailored traffic campaigns on social media generated 22,288,722 impressions and 243,002 clicks, while Google received 217,050 clicks and 50,644,759 views. Viber, SMS, and email contacts sent reached 135,774, 43,450, and 3,793 respectively. Google Analytics recorded 352,436 uses, with 286,417 being new.

Additionally, Jivo chat on [www.eximbank.md](http://www.eximbank.md) received 23,908 messages, including 3,480 online product requests.

EXIMBANK expresses gratitude to our clients for their trust and looks forward to continuing the journey of excellence in banking and community services. These accomplishments underscore our unwavering commitment to innovation, quality services, and meaningful social involvement.

### **Business Network**

At the end of the year 2023, the Bank had a network consisting of 17 Branches, 12 of which in municipality of Chisinau and 5 in other regions of the country. The following Branches are in line with the requirements and standards of the Intesa Sanpaolo Group.

The new EXIMBANK branches have a modern, pleasant appearance, in line with the basic elements of the Intesa Sanpaolo Group: space delimitation, colours and materials, internal and external signage, workplace ergonomics, commercial advertising rules, as well as standardised sales processes, including the proactive behaviour of Front Office staff: advice at the highest level, offering solutions and alternatives, all, of course, in a warm and welcoming manner.

Although 2023 was a challenging year, we managed to implement the necessary solutions to ensure that the proposed tasks were met:

- Supporting the private sector in the Republic of Moldova by EU4Business credit line;
- Promoting premium debit cards and increasing the number of cardholders;
- Promotion of ESG prerogative on social, governance and environmental responsibility.

The goals and methods applied to achieve them may vary from year to year, but the company's mission always remains the same. Thus, in 2023, the Bank's mission has remained to contribute to business development, meeting the needs of our customers by offering high-quality services and products, for all that matter.

### **Development prospects for 2024:**

- Relaunching of credit card loan products for individuals;
- Supporting the private environment in Republic of Moldova by launching products for Small Business;
- Launching instant payments "MIA INSTANT PAYMENTS". The service is developed by the National Bank of Moldova and will be delivered through banking and non-banking institutions in the country;
- Launching of Apple Pay functionality.

Our mission is to contribute to the development of the clients' business, meeting their needs by offering high quality services and products.

### **Small Business Segment**

#### **General Provisions**

In 2023, the process of developing the Small Business segment continued as a result of the improvement actions in the given segment. The EXIMBANK network, being the

main financial services delivery channel of the Bank in the Small Business field, plays a key role in the development of this segment, thus its reconfiguration / optimization is an important part of the Bank's commercial strategy. This process continued both by improving the level of knowledge in the field of financial analysis of customer relations managers by organizing trainings including promoting and selling Small Business products, as well as by developing and conferring more credit and non-credit offers, designed to satisfy the needs of current/potential customers in this segment. In this respect, in 2023 the Bank came up with many attractive promotional credit campaigns, which allowed clients to benefit from uninsured loans with real collateral.

The Bank's main objective in the Small Business segment for 2024 remains to focus on building business solutions for its customers, based on a customer-centric approach, which involves meeting customer expectations and adapting to their specific needs. The Bank's efforts focused on the continuous improvement of the satisfaction of the clients legal entities and the strengthening of their loyalty, by creating a dynamic organizational environment, able to face the challenges arising from an ever-changing ecosystem. From the perspective of the customer service model, the managers responsible for clients act as financial-banking advisers, offering financial advice and assistance in identifying the most suitable products and financial solutions so that the clients' decisions are made based on correct information, which informs them, supports development plans.

## **Loans**

EXIMBANK offers its customers the following structure of products for the **Small Business** segment:

- Ordinary credit
- Credit line
- Investment Credit
- Commercial mortgage
- Business credit card
- Overdraft
- Investment Credit under the Investment Stimulus Program 373

Of which credits for the **agricultural sector**:

- Agrario Stagione
- Agrario Stagione Verde
- Agrario Investo
- Agrario Futuro

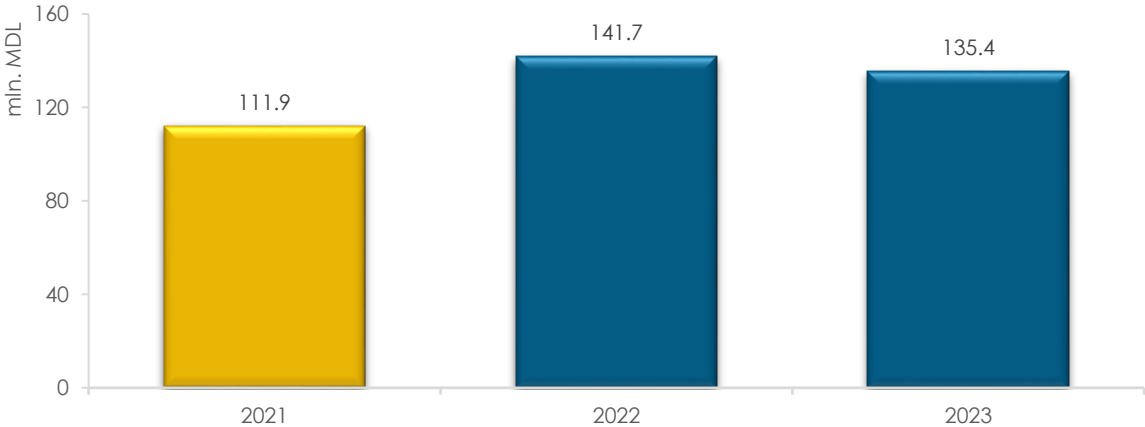
Each product has been designed to meet the needs and possibilities of customers both on short term as well as medium and long term.

### **⇒ *Statistic Data***

The balance of loans allocated to legal entities in the Small Business segment at the end of 2023 decreased insignificantly by approximately 5.97 million MDL compared to that of 2022, due to the efforts made by the commercial network in the challenging economic situation caused by external factors, the bank's results in this segment have practically not experienced major declines. Even under these conditions, the Bank

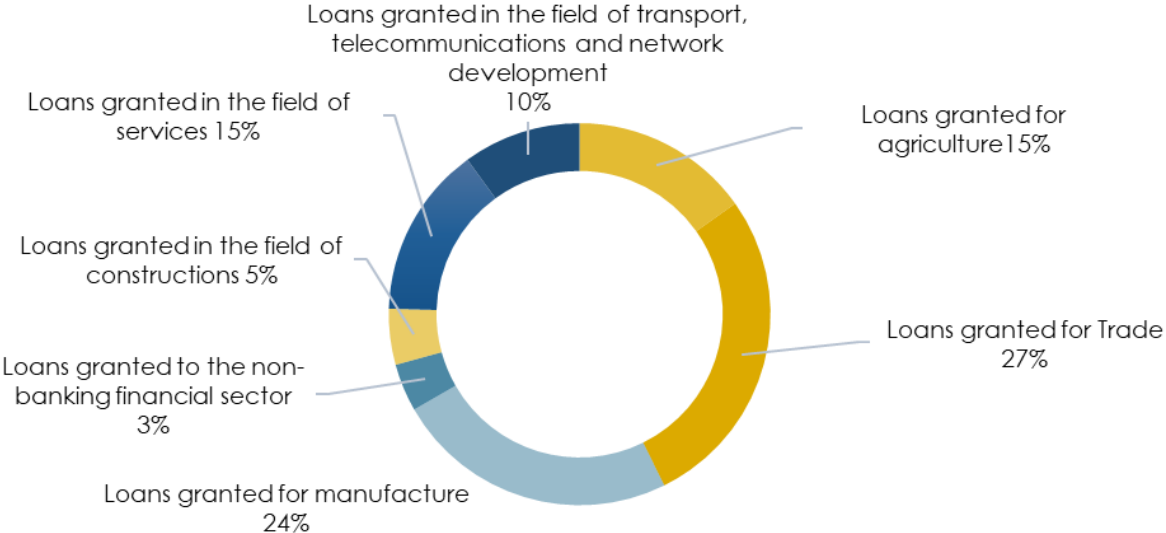
continued to offer a broad spectrum of competitive lending services and products, in order to meet the requirements of financial resources for investment purposes or to supplement the working capital, both from existing and potential clients. In addition, in 2023, the clients from the Small Business segment benefited from the advantages offered by the collaboration between the Bank and ODA, as a result of which they benefited from financial guarantees, in order to insure the requested loans. At the same time, we would like to mention that in 2023 the bank approved the Procedure for granting investment loans under the '373' Investment Stimulation Program in partnership with the Government of the Republic of Moldova. This initiative offers the Bank's customers the opportunity to benefit from interest rates subsidized by the state.

**Dynamics of credit balances granted to Legal entities, (mln MDL)**



EXIMBANK tends to lend to all sectors of the national economy, the distribution of the loan portfolio by branches reflecting their development trends. The diversification of the loan portfolio, as one of the basic directions of the Bank's lending policy, has allowed the granting of credit resources by implementing different projects in a number of economic sectors. It is worth noting the diversity of branches credited by the Bank, here being found representatives from all sectors of the national economy.

**The structure of the credit portfolio Legal entities at 31.12.2023**



Improving the commercial efficiency remained one of the main objectives of the activity of EXIMBANK during the year 2023, focusing on improving the products, but also on the credit processes, with an emphasis on speed and safety. In order to ensure the repayment of loans, the Bank has adopted prudent requirements regarding the quality and liquidity of the pledges. As a secondary source, together with the continuous improvement of the methods and procedures for evaluating the credited projects and the diversification of the loan portfolio by branches, contribute to minimizing the Bank's credit risks and maintaining at a high level of profitability of the lending activity.

**Deposits**

The total volume of deposits placed in the Bank by legal entities in the Small Business segment increased compared to the data from 2022, by approximately 64%. This growth was influenced by the increase in foreign currency deposits by about 47.9% compared to 2022.

	2021 (equivalent in mln. MDL)	2022 (equivalent in mln. MDL)	2023 (equivalent in mln. MDL)
Deposits (MDL)	39.6	45.6	63.8
Deposits (Foreign Currency)	4.1	12.9	26.9
<b>TOTAL</b>	<b>43.7</b>	<b>58.5</b>	<b>90.5</b>

**Goals and Strategy for 2024:**

- ⇒ optimization of the sales process;
- ⇒ increasing the number of active customers;
- ⇒ optimization of the sales workflow by simplifying the lending process, reducing response time and increasing efficiency;
- ⇒ digitization of products and services offered by the Bank;
- ⇒ continuous training of the sales force: improving the relational skills of the sales force, suitable for a professional business environment.



# Corporate Banking

During 2023 year, EXIMBANK continued the implementation of its long-term development strategy established by its shareholder - Intesa Sanpaolo S.p.A.

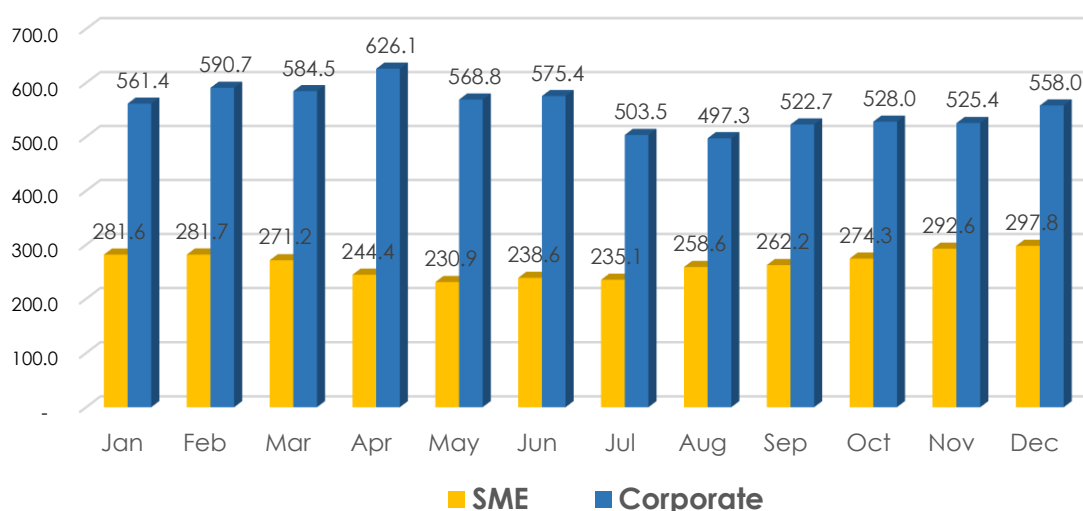
The main priorities of the Corporate & SME Division were:

- Acquisition of new high value clients;
- Diversification of the range of products and services in line with market practice and Intesa Sanpaolo rules;
- Automation of internal processes;
- Valorisation of the financial resources from the EBRD-EU4BUSINESS project;
- Focusing on the financing of transition projects to the Green Economy, which are part of the Bank's ESG classification values;
- Promotion of lending campaigns - EXIM-Invest and Unsecured Loans;
- Use of the risk sharing facility offered by the State Organization - ODA.

In terms of financial results, during 2023 Corporate and SME clients benefited of:

- Disbursed loans in the amount of 855 mln MDL (~44.2 mln EUR), which represents 86% of the total amount of credits granted to legal entities by the Bank;
- Bank guarantees amounting 107 mln MDL (~5.5 mln EUR), which represents 86% of the total amount of bank guarantees approved to legal entities by the Bank.

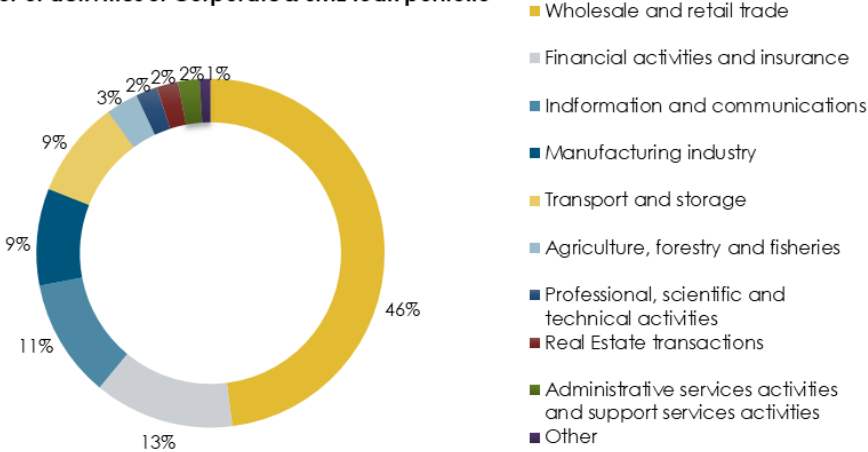
## Outstanding of loan portfolio in 2023, mln MDL



- The Bank's market shares on Legal Entities represents 2.57% as of 31.12.2023.
- 2023 ended with a total O/S of Corporate and SME loans in amount of 855 mln MDL (~44.2 mln EUR) which is higher by 3.4% vs 2022 (827 mln MDL ~40.6 mln EUR).
- Quality of Corporate and SME portfolio registered an improvement. NPL for Corporate and SME clients represents 0.86% of the portfolio at 31.12.2023 compared to 0.95% at 31.12.2022.

The managed portfolio is a diversified one in terms of sectorial concentration, covering a wide range of activities, such as: trade, financial activities, communications, manufacturing, transport and others. The breakdown by sector of the approved credits in 2023 to the Corporate and SME clients is presented in the graph below.

**Distribution by sector of activities of Corporate & SME loan portfolio**



The main objective of the team in 2023 was to apply individualized approach and to identify suitable solutions for each client in order to strengthen long-term partnerships. Thus, it has been confirmed that the range of banking products and services for customers in the managed segment is easily adaptable to the needs of each client. At the same time, taking into consideration the rapid digitization of the business environment, greater attention is paid to the modernization of electronic products and to remote banking, which allows the Bank's services to be adapted to the daily needs of the Bank's customers.

For the Corporate & SME Division, the development of long-term relationships with corporate clients is essential for our overall strategy, and the year 2023 has proved to be a successful one in this regard.

The activity of consolidating and developing the partnership relations with the largest companies of the national economy, collaborating with successful companies and facilitating the development of international business, represented in 2023 our priority directions.

**Goals and Strategy for 2024:**

- Consolidate the client base by acting as a client-oriented Bank with the aim at increasing the SME loans volume by 14.0% (41.6 mln MDL) and Corporate - by 13.8% (76.9 mln MDL), leveraging on the committed tranche of 5 mln EUR signed with EBRD;
- Focus on importers and exporters leveraging on the commercial tranche of 5 mln EUR signed with EBRD to improve the leverage on the non-interest income, especially net commissions (main target for 2024) and FX trading;
- Strong cooperation among business lines to boost cross selling opportunities (retail products to Corporate and SME clients' employees);
- Targeting Intesa Sanpaolo Group multinational and Italian related clients;
- Focus on digital projects.

## Treasury Activity

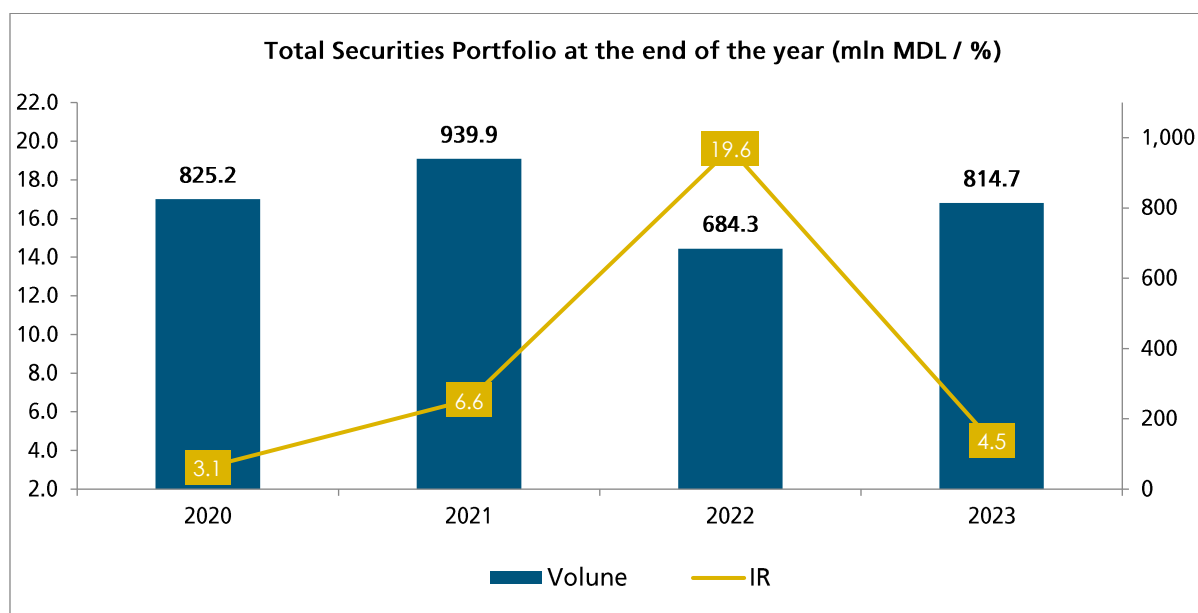
The year 2023 was affected by the consequences of the multiple crises that influenced the economy in the previous year, which led to the continued decrease in economic activity. On the background of well-founded premises associated with the creation of a disinflationary macroeconomic framework, the National Bank of Moldova approved in 2023 the measures to relax the monetary policy. Thus, the base rate was reduced from 20.00 p.p. in January to 4.75 p.p. in December 2023, and the norm of mandatory reserves for MDL from 34% to 33% and for foreign currencies from 45% to 43%.

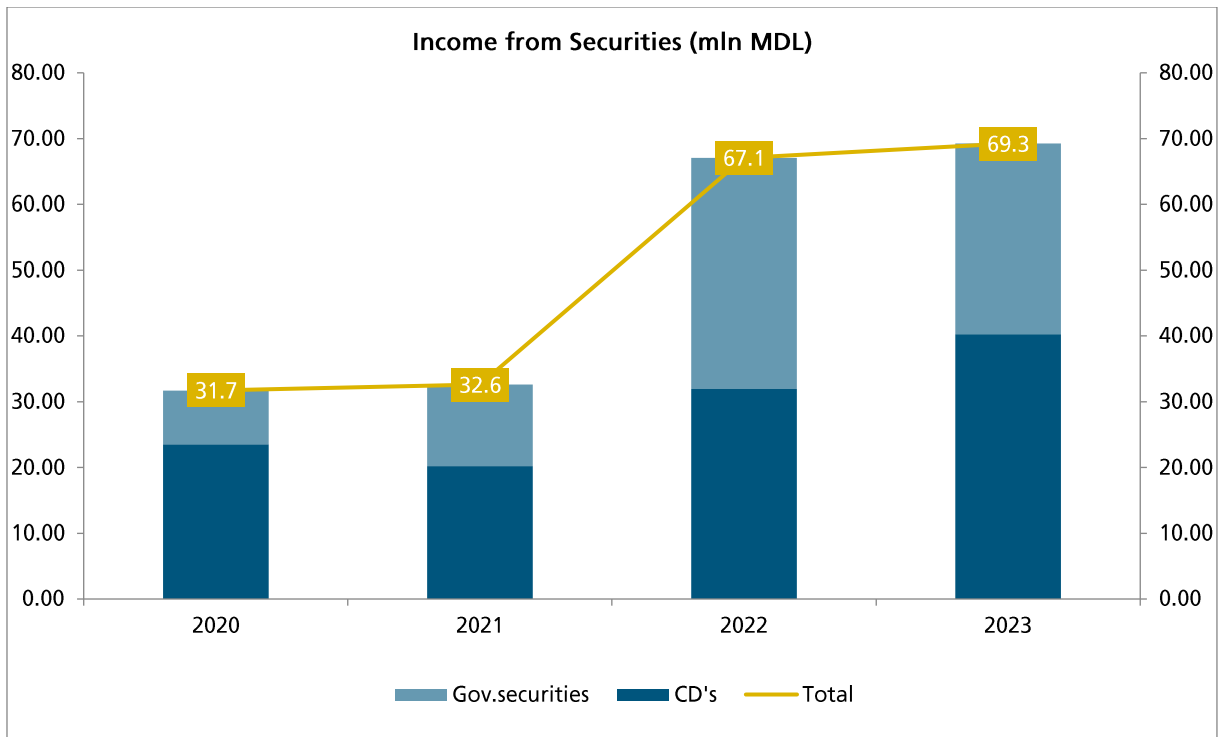
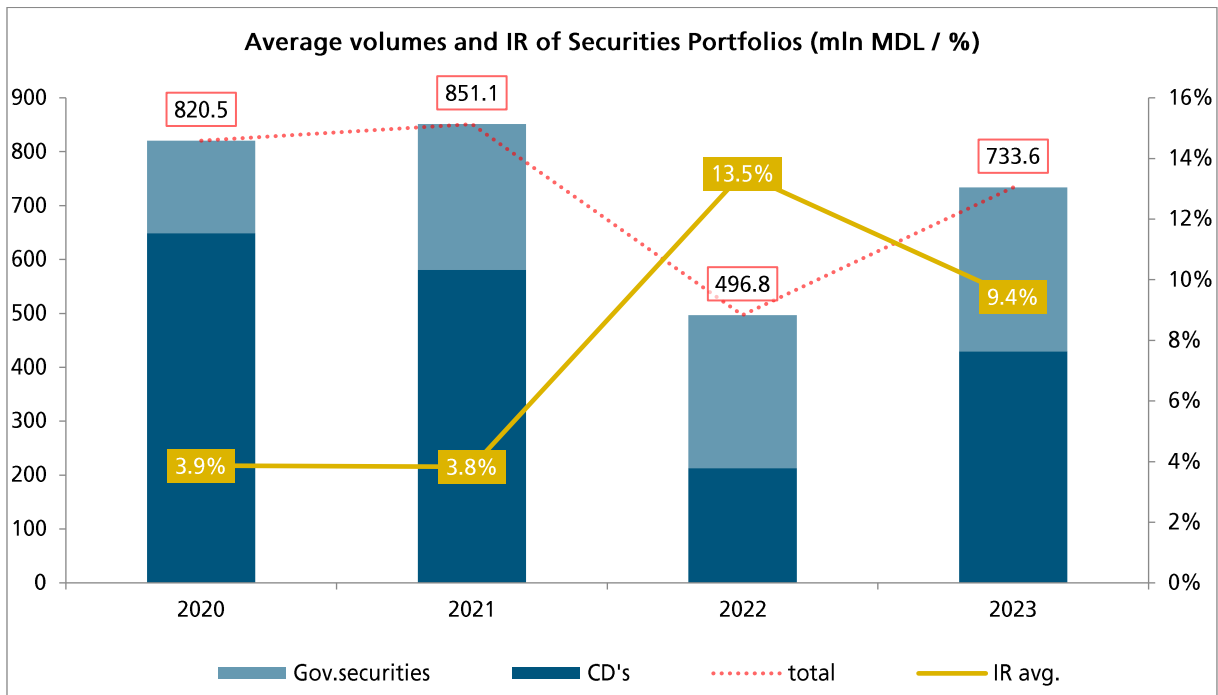
Under these conditions, started from the end of 2022 the annual inflation rate continued its downward trend, and in the last quarter of 2023 it entered the variation range of the inflation target, registering the level of 4.2% in December 2023.

The respective decisions of the regulator were intended to maintain monetary conditions for the further stimulation of aggregate demand, including by encouraging consumption, balancing the national economy and anchoring inflationary expectations.

As a consequence of the sharp decrease of the base rate, the yield on state securities and the certificates of the National Bank of Moldova also decreased significantly. Due to the fact that the decrease in the profitability of the Bank's investment portfolio has a gradually effect, in 2023 investments in securities recorded an unprecedented profitability.

The Treasury & ALM Department managed the securities portfolio, making investments in financial instruments with high liquidity and in strict accordance with the provisions of the Financial Portfolio Policy of EXIMBANK, which is in accordance with the high standards of the Intesa Sanpaolo Group and establishes the general management framework of investment portfolios, as well as the maximum plafond for these investments.

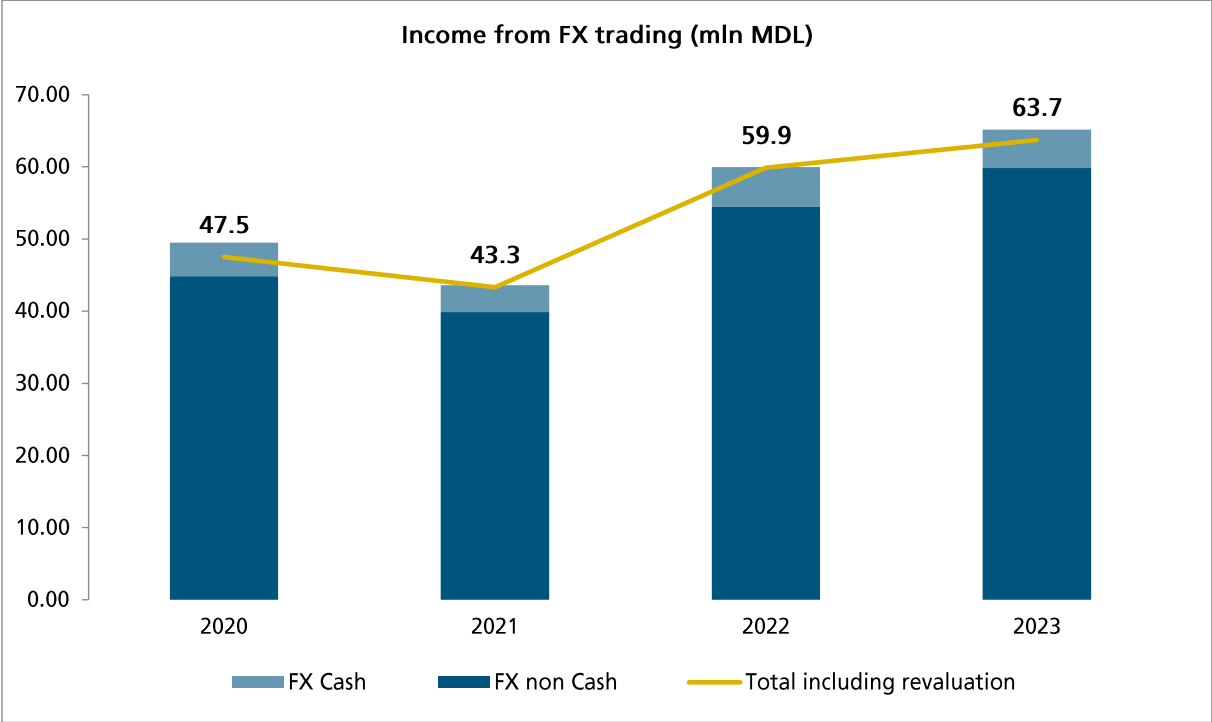




In 2023, the situation on the local FX market was relatively stable with a pronounced tendency for the Moldovan leu to appreciate against the US dollar and EUR.

The local currency marked a 9.1% appreciation against the US dollar in nominal terms (from 19.16 MDL for 1 US dollar on 01.01.2023 to 17.41 MDL on 31.12.2023). Compared to the EUR, the Moldovan leu appreciated by 5%.

Relating to the Bank's activity, in 2023 significantly increased the traded amount of foreign currency, as a consequence we registered the most profitable year in the history of the Bank in terms of FX trading. Under these conditions, the Treasury focused on cover the clients' needs in foreign currency, carefully monitoring the exposure to FX risk, maintaining a balanced foreign exchange position, executing transactions including on the interbank foreign exchange market.



## Bank Cards

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The beginning of 2023 was marked by the completion process of migration to the new Processing Center of transactions made with bank cards.

The migration project allowed the Bank to fully evaluate the portfolio of issued bank cards, the acquiring devices and related products. Therefore:

- The Bank managed to identify less efficient/competitive products, both for the customers and for the Bank. As a result, the customers migrated to more advantageous products and better performing cards with a much higher level of security.
- As a result of the replacement of old type ATMs with new ones, the execution time of ATM withdrawal and replenishment operations was optimized, thus increasing the degree of customer satisfaction. At the same time, this fact favoured the decrease in the number of errors and technical problems at ATMs. At several ATMs, the denominations were changed, which allowed their availability and insurance with cash. At the end of the year, the Bank had 63 efficient ATMs, of which 32 have the cash deposit function.
- The bank managed to evolve the performance of POS terminals, increasing the number of terminals that accept contactless technology to 95%, which represents a more advanced and modern payment solution. At the same time, the process of replacing old type terminals with new type ones, which offer a higher transaction processing speed, security and customer comfort, continued. As a result of finishing the migration process to the new processing center, it was possible to identify the inactive customers, and the technical problems that caused this fact were removed.

An important decision was made on the consolidation of the activity of issuing cards exclusively under the VISA brand. Therefore, starting with April, both debit and credit cards were issued exclusively of the VISA type. At the same time, it is to be noticed the decision taken to stop the issuing activity of credit cards in the month of October.

During the whole year, two promotional campaigns were carried out for card holders, the aim of which was to increase the number of active cards, but also to stimulate transactions by them.

# Corporate Governance

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The Corporate Governance of Bank includes the whole set of principles, rules and internal procedures that ensure the management of the Bank's activity in the best interest of its shareholders.

The model of internal governance of EXIMBANK complies with the corporate governance practices of the Intesa Sanpaolo S.p.A.

The Code of Corporate Governance of EXIMBANK together with the Corporate Governance Statement "Compliance or justification" are disclosed and can be accessed on the official website of the Bank, within the page disclosing information on the governance of the Bank: <https://eximbank.md/en/informatie-privind-guvernanta-bancii>

## **SHAREHOLDERS – GENERAL MEETING OF SHAREHOLDERS**

The General Meeting of Shareholders ("GMS" or "General Meeting") is the supreme governing body of the Bank, where shareholders exercise their rights. The attributions of the General Meeting of Shareholders are set out in the Law on Joint Stock Companies, the Law on the Activity of Banks, the National Bank of Moldova regulations, and the Bank's Article of Associations.

The shareholders exercise their rights in the General Meeting of Shareholders, which is the supreme authority of the Bank. The General Meeting of Shareholders is held at least once a year.

The resolutions adopted by the General Meeting of Shareholders on matters pertaining to its competencies are mandatory for the Board of Directors and Management Committee and the shareholders of the Bank.

General Meeting may be ordinary annual, which will meet once a year or extraordinary, which will meet whenever necessary, under conditions provided by Law no. 1134/1997 on Joint Stock Companies and the Articles of Association of the Bank.

## **Governing Bodies**

The Management Body of the Bank is represented by the Board of Directors and by the Management Committee of the Bank.

Board of Directors and Management Committee are responsible for the Bank's compliance with the legislation in force, and the fulfilment of all the requirements provided for by the Law on the Activity of Banks and the normative acts issued for its application, in accordance with the attribution set out in the Bank's Articles of Association.

## **Board of Directors of the Bank**

The Board of Directors performs the supervisory and monitoring role of the management decision-making process and is responsible for the Bank's overall activity and financial soundness. The Board of Directors represents the shareholders' interests in the period between the General Meetings. The Board of Directors reports to the

General Meeting of Shareholders and ensures efficient cooperation between the Bank and the National Bank of Moldova.

The Board of Directors defines and supervise the implementation of a corporate governance framework to ensure effective and prudent management of the Bank, including the segregation of duties within the Bank and the prevention of conflicts of interest. The members of the Board of Directors contribute to a sound corporate governance within the Bank, including through personal conduct, and, in carrying out their duties, must take into account the Bank's legal interests and of depositors and shareholders.

The Board of Directors ensures that at the individual and collective level, the experiences and knowledge of each of the member of the Board of Directors and of the Management Committee are consistent with the nature and the complexity of the Bank's activity and risk profile, set performance standards for the Management Committee in accordance with the Bank's strategy and policies and monitor the compliance of its performance with the respective standards.

The members of the Board of Directors are appointed by the General Meeting of Shareholders for a term office of 4 (four) years. The same persons can be reappointed an unlimited number of times. The Board of Directors must be composed of a sufficient number of independent members, but not less than 1/3 of all the members appointed in the Board of Directors.

The Board of Directors consists of 7 (seven) members. The nominal composition of the Board of Directors is determined by the General Meeting of Shareholders per the provisions of the Articles of Association, the Law on Joint Stock Companies, the Law on the Activity of Banks and other normative acts of the National Bank of Moldova.

Nominal component of the Bank's Board of Directors during 2023 was as follows:

- Massimo Lanza – Chairman, Member of the Board of Directors
- Marco Capellini - Deputy Chairman, Member of the Board of Directors
- Giovanni Bergamini - Member of the Board of Directors
- Adriana-Carmen Imbarus - Member of the Board of Directors
- Veronika Vavrova - Member of the Board of Directors (until 13.07.2023)
- Francesco del Genio - Member of the Board of Directors (until 13.07.2023)
- Dragica Mihajlovic - Member of the Board of Directors (starting with 14.07.2023)
- Antonio Furesi - Member of the Board of Directors (starting with 14.07.2023)
- Jola Dima - Member of the Board of Directors (starting with 30.08.2023)

The Chairman and the Deputy Chairman of the Board of Directors are appointed by the General Meeting of Shareholders. All members of the Board of Directors must comply with the requirements provided for by laws for the position of member of the Board of Directors.

The Bank Board of Directors continued its activity, ensuring the fulfilment of all responsibilities, and subsequently assessing new candidates as members of the Board of Directors, submitting their candidacy to the General Meeting of Shareholders.



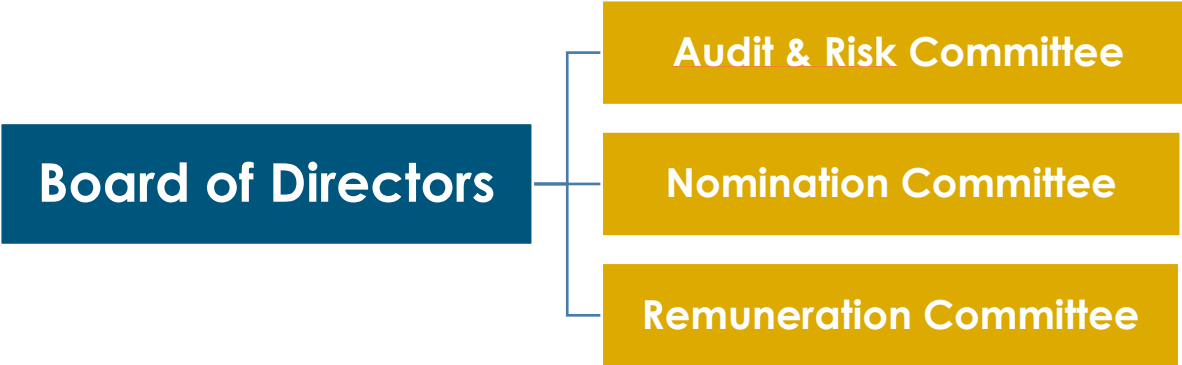
**Board of Directors meeting**

The procedure, the terms for convening and holding the meetings of the Board of Directors are established by the Law on Joint Stock Companies, by the Articles of Association and by the Regulation of the Board of Directors.

The ordinary meetings of the Board of Directors shall be held at least quarterly. The extraordinary meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors on his/her initiative, at the request of one of the members of the Board of Directors, at the request of the shareholders holding at least 5% of the Bank's voting shares, at the request of Bank's audit firm, at the proposal of the executive body of the Bank.

For the execution of its attributions, during 2023, 13 meetings of the Board of Directors were convened.

**Board Specialized Committees**



In order to assist the Board of Directors in performing its tasks related to the activity, the Bank established the following specialized Committees.

**Audit and Risk Committee** is responsible for monitoring the adequacy and effectiveness of the overall internal control, internal audit and risk management systems at the Bank level, supervising Bank's external auditors, and reviewing and approving the audit issues and frequency. The Committee is responsible for reviewing audit reports and verifying the timely adoption by the Management Committee of the necessary corrective measures to remedy the deficiencies of control, non-compliance with laws, regulations, policies and other problems identified by the auditors. Furthermore, the Audit & Risk Committee is responsible for advising the Board of Directors and Management Committee regarding the tolerance / appetite for risk and the current and future risk strategy of the Bank and for overseeing the implementation of the respective strategy.

**Nomination Committee** is responsible for identifying and recommending for approval of candidates for Board of Directors /Management Committee and of persons holding key positions, for assessing the suitability of members and of persons holding key functions, for the proposals related to the results of these assessments.

**Remuneration Committee** is responsible for developing the Remuneration Policy and practices within the Bank, the principles underlying them, for supervising directly the remuneration of members of the Management Committee and of persons holding key functions. The Remuneration Committee contributes to the development and implementation of Remuneration Policies and practices, including performance measurement methods and performance criteria, so that they are consistent and promote sustainable and effective risk management, including avoiding conflicts of interest.

In 2023, 21 meetings of the Specialized Committees took place.

### **Executive Body of the Bank**

The Executive Body of the Bank is the Management Committee. The Management Committee ensures the implementation of the resolutions of the General Meeting of Shareholders and of the Board of Directors and acts on behalf of the Bank in accordance with the legislation, the Bank's Articles of Association, the Regulation of the Management Committee approved by the Board of Directors.

The Management Committee carries out the Bank's current management under the direct oversight of the Board and shall manage the Bank's activity in an efficient and prudent manner, consistent with the Bank's strategy and business management framework approved by the Board.

The Management Committee is directly supervised by the Board of Directors. The Management Committee shall be in charge of managing the Bank's current activity and shall report to the Board.

The Management Committee consists of 3 persons appointed by the Board of Directors for a term of 4 (four) years.

The composition of the Management Committee includes:

- General Manager – Marco Santini
- First Deputy General Manager – Vitalie Bucataru
- Deputy General Manager – Irena Dzakovic

The General Manager of the Bank manages the Management Committee of the Bank and assumes personal responsibility for the implementation of the resolutions adopted by the Board of Directors. The orders and the dispositions of the General Manager are mandatory for all Bank employees.

### **Cooperation between the Board of Directors and Management Committee of the Bank**

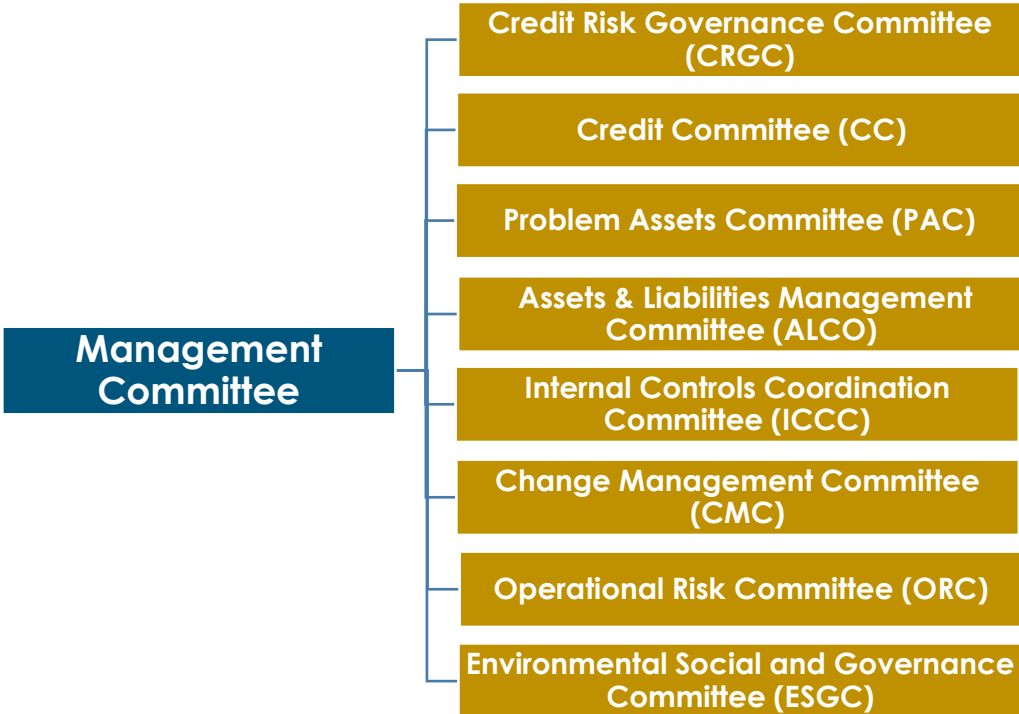
Board of Directors and Management Committee of the Bank cooperate continuously and on permanent basis on certain issues during its operation, especially for:

- defining of the banking business targets;
- strategies of realization and management of risks;
- Bank's risk profile;
- policies for business objectives accomplishment and objectives regarding the Bank's risk profile.

The Management Committee is responsible for providing full, accurate and essential information to the Board of Directors and Audit Company, which is performing the annual audit of the financial statements.

**Management Committee Meetings**

The Management Committee organizes its activity individually, its meetings being organized in such a way that it is possible to thoroughly examine the Bank's problems and discuss critical topics in order to maintain efficiency. Meetings of the Management Committee shall be held either in the presence of its members or by correspondence or in mixed form. Meetings may also be arranged by video conference or other means of communication, provided that it is possible to identify with certainty the participants in the meeting and can attend the meeting and see, listen, and discuss with each other so that they can identify clearly all participants; the persons attending this meeting are considered to be present in person.



The EXIMBANK'S Management Committee set up managerial committees to assist it in carrying out its duties.

The Credit Risk Governance Committee (CRGC) is permanent decision-making and advisory Committee whose mission is to ensure a qualified and coordinated management of credit risk within the exercise of credit prerogatives of the Bank and in compliance with the applicable laws, Group regulations and Parent Company strategic decisions. The Committee's main responsibility is to define and update credit risk strategic guidelines and credit management policies based on the constant credit portfolio monitoring and, for Product Governance purposes, to analyze and assess issues related to the launch and monitoring of the products that imply credit risk.

The Credit Committee (CC) is the highest permanent decision-making committee of the Bank regarding performing counterparties, whose main responsibility consists in adopting credit decisions in line with the issued strategic guidelines and credit policies, while acting within the credit prerogatives of the Bank and in compliance with the applicable laws and Group regulations.

The Problem Assets Committee (PAC) is the highest permanent decision-making committee of the Bank regarding risky and non-performing counterparties, whose main responsibility consists in taking the necessary measures in order to prevent and mitigate credit losses connected with risky and deteriorated assets while acting within the credit prerogatives of the Bank and in compliance with the applicable laws and Group regulations.

The Assets & Liabilities Management Committee (ALCO) is a permanent decision-making and consultative committee, focused on financial risks governance, on active value management issues, on the strategic and operative management of assets and liabilities, and financial and liability Products Governance in compliance with Parent Company guidelines, Bank's internal regulations, laws, rules, and regulations set by the competent Authorities.

The Internal Controls Coordination Committee (ICCC) is a permanent advisory committee, acting within the limits of the delegations and competencies established by the competent Corporate Body, with the aim to strengthen the coordination and cooperation among the various Bank's control functions facilitating the integration of risk management processes.

The Change Management Committee (CMC) is responsible for the strategic management of changes within the Bank's overall operations through the definition and monitoring of the Bank's project portfolio, prioritizing the respective projects and investments in line with the Bank's strategy, monitoring the related activities and spending as well as solving any escalated issues.

The Operational Risk Committee (ORC) is a permanent decision-making and advisory committee whose mission is to ensure a qualified and competent management of operational risk issues (ICT/cyber risk inclusive), in compliance with the applicable laws, Group regulations and internal procedures.

The Environment Social Governance Committee (ESGC) is a permanent consultative and decision-making committee of the Bank with the main goal to coordinate and steer ESG related matters and to ensure the correct implementation of the ISBD ESG strategy and respective Intesa Sanpaolo Group guidelines within the Bank.

## Risk Management System

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EXIMBANK continuously identifies, assesses, monitors and controls risks in compliance with the requirements of the National Bank of Moldova and the Parent Bank, thus providing an integral, prudent and consistent risk management system. The Bank's Board of Directors established through internal normative acts an appropriate system of risk management and internal control, which also includes a supervision of that system by the competent bodies of the Bank – the Board of Directors, the Management Committee, the Audit & Risk Committee, the Credit Committee, the Problem Assets Committee (PAC), Credit Risk Governance Committee (CRGC) and the Assets and Liabilities Committee (ALCO). The functioning of the system is regulated by the policies and procedures adopted individually for each risk type.

In order to maintain a system that complies with the highest quality standards and supports the decision-making process of governing bodies, the system underwent improvements during 2023. The enhanced risk management system continues to rely on the axioms of independence of the risk management function from risk-taking centres, the promptness of information flows that support the decision-making process, as well as transparency and correctness of submitted information.

The risks management process of the Bank is assured by Risk Management Department that comprises the adequate mechanisms of corporate governance, the clear lines of accountability at the organizational level (chain-of-command) and a well-defined and effective internal control system. The objective of the risk management strategy is to achieve a comprehensive and complete overview of risks - given the risk profile of the Bank - promote a culture of risk awareness and enhance the transparent and accurate representation of the risk level of the Bank's portfolios.

EXIMBANK, in line with the regulatory requirements and the Intesa Sanpaolo guidelines, established an independent risk management function, which is in terms of hierarchy and organization separated from the business areas. The Risk Management Department functionally reports to Intesa Sanpaolo Chief Risk Officer Area and organizationally is under the direct supervision and responsibility of the Bank's Board of Directors, the independence of which is ensured by reporting directly to the Bank's Board of Directors.

In coordination with the Parent Group requirements, the Risk Management Department proposes a framework for determining risk appetite, coordinates and verifies the implementation of the risk management policies, ensures the management of the risk profile of the Bank and reports to the Governing Bodies of the Bank.

During 2023 the Bank has continued the improvement of the quality of the staff from Risk Management Department - through - participation of employees in different trainings.

Being a part of internal control system, namely being in charge of the second level of control, Risk Management Department defines the procedures, the processes and the methodologies dedicated to the risk measurement and controls. These procedures are the prerequisites to the risk limits established for each specific risk category.

Main objectives of the risk management processes are related to the protection of the Bank's capital and its optimal allocation, increase in economic value for shareholders, monitoring of risk limits and/or risk measures for all identified risks. The existing system of limits, defined in the Risk Appetite Framework (RAF), gives the highest priority to the overseeing of minimum requirements related to capital adequacy, liquidity and operational risks.

The main risks identified by Risk Management Department during 2023 were:

### **Credit and counterparty risks**

In line with its commitment to prudential management on credit exposure, the Bank ensured an adequate segregation of duties, during the credit approval process, minimized the errors of participants in the credit process and centralized the management of credit exposure and controls. Such an approach required the participation of different organizational structures in the credit process. These structures, being subordinate to the member of the Bank's Management Committee, the Chief Lending Officer, in charge of the credit area, include:

- ✓ Credit Department (responsible for underwriting activity);
- ✓ Credit Portfolio Analysis and Administration Office (responsible for data quality and checking the credit agreements);
- ✓ Proactive Credit Exposure Management Function (responsible for the identification of Early Warning Signals able to determine the deterioration of the client's creditworthiness);
- ✓ Credit Management (Recovery and Workout) Department.

Credit Risk is monitored on a number of levels: by assessing customers' creditworthiness prior to loan approval, monitoring regular settlement of their liabilities and creditworthiness during the whole credit lifecycle, and also by collecting, and managing due receivables.

In addition to regular monitoring and reporting activities, annual review of internal acts regulating the credit risk area and activities related to supporting the Governing Bodies in the decision-making process, in 2023, one of the main achievements in the credit risk management area was the on-going process of implementation and alignment with Basel III and Parent Company standards.

At the same time, in the continuous pursuit of improvement of data management, especially with reference to credit data management, during 2023, the Bank continued enhancing its focus on the collateral data quality, credit reviews, early warning system, term limits on loan disbursement periods, forbearance measures, collateral checks, Proactive Credit Management monitoring, etc.

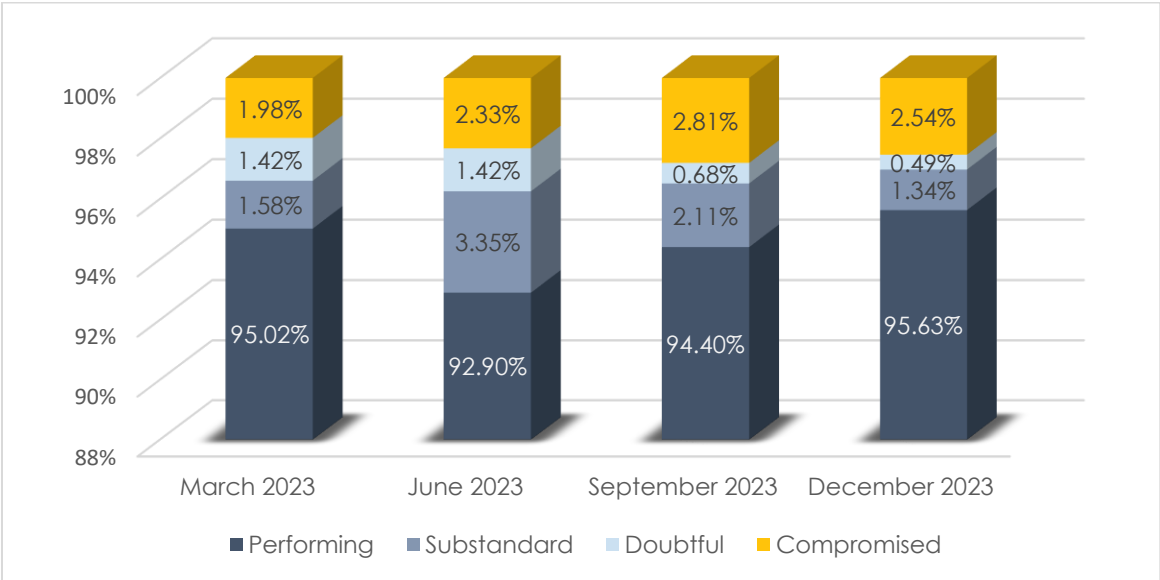
With particular reference to credit risk control, the Bank performed second level credit controls (Cre.Co) that focus on the evaluation of the proper implementation of credit risk management control processes, rules, policies and strategies.

The most important instruments to mitigate credit risk and provide additional credit protection in case of deterioration of a borrower's financial situation constituted: real estate property, means of transport, equipment, stocks, guarantees, especially government guarantees. The process of monitoring the collateral took place through

the periodic determination of the fair values, the verification of the ratio between the amount of exposure and the value of the collateral, and other collateral eligibility requirements.

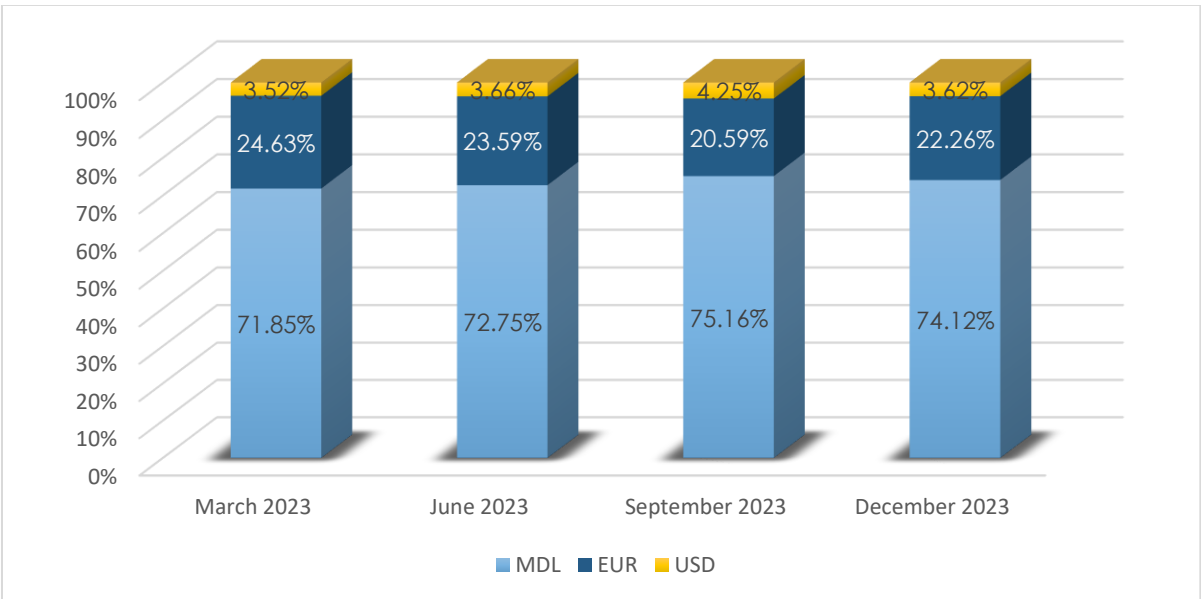
The evolution of loans portfolio quality during 2023 is reflected below:

**Credit portfolio quality by class (balance and off-balance sheet exposure)**



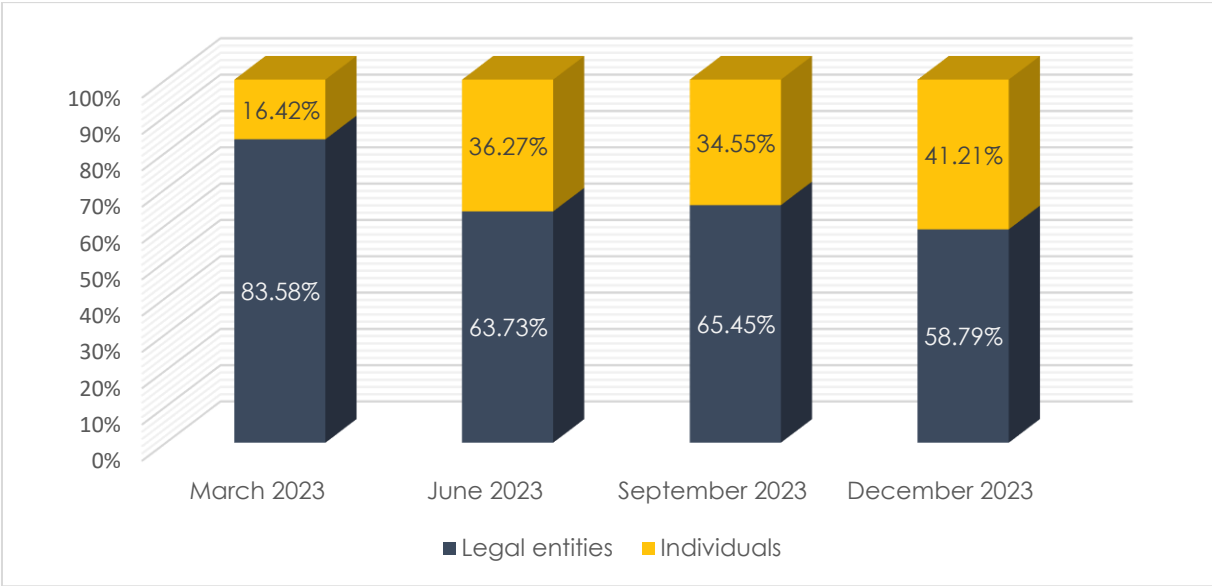
The evolution of loan portfolio classified by currency for the period 2023 is presented below:

**Structure of loan portfolio classified by currency for 2023:**



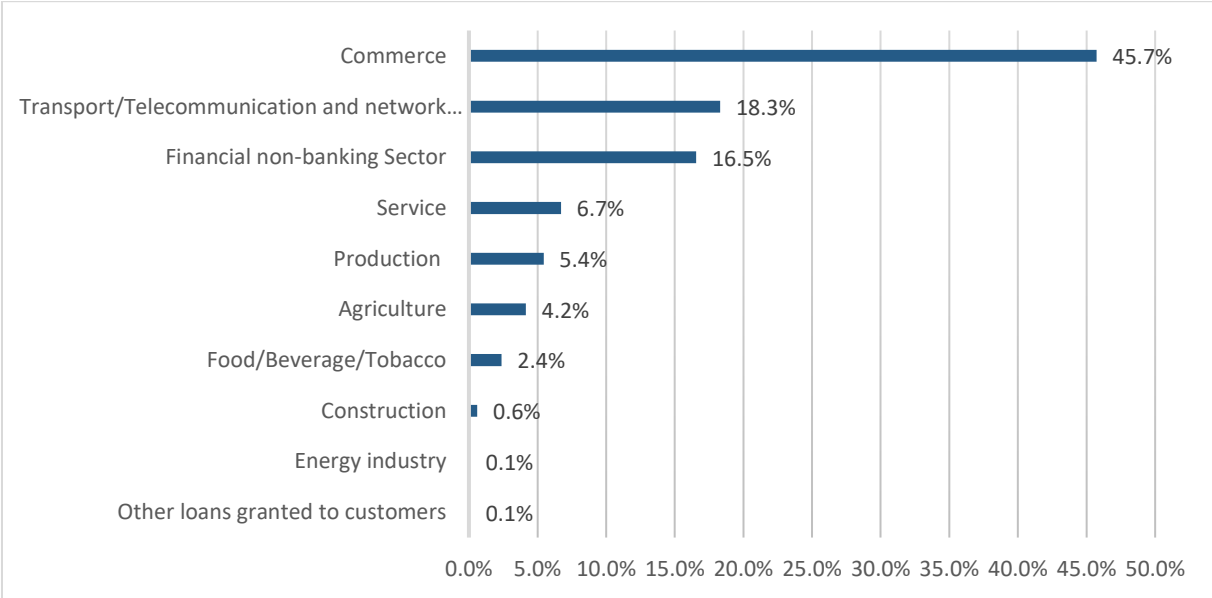
Evolution of credits granted to individuals and legal entities for 2023:

**The new granted loans portfolio divided by individuals and legal entities:**



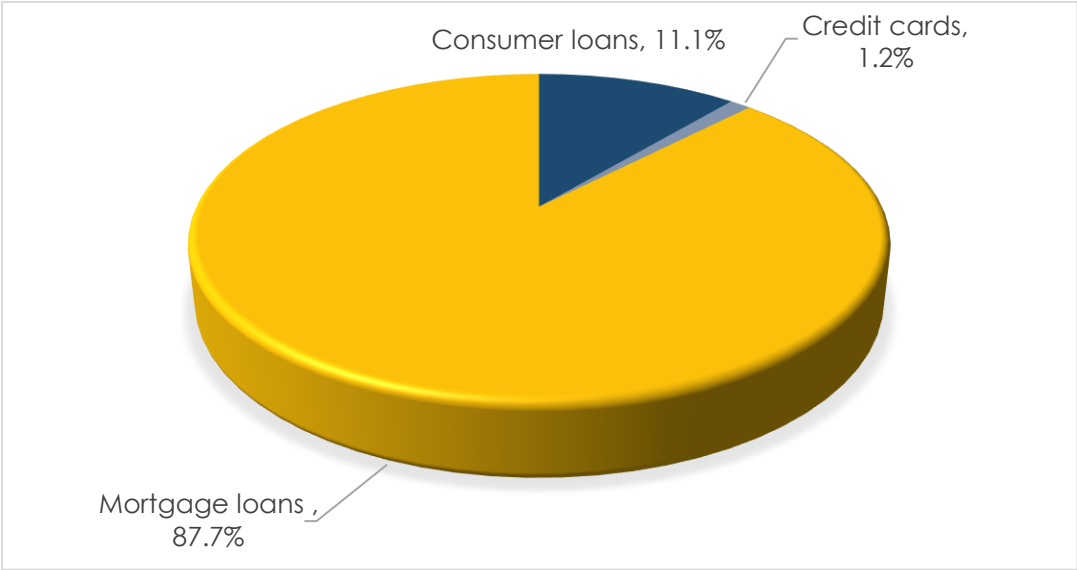
Credit portfolio distribution by industrial branches indicates a relatively proper portfolio diversification, as is reflected in the two charts below:

**Credit portfolio by industry at 31.12.2023**





**Credit portfolio breakdown by products for private individuals at 31.12.2023**



**Market risk**

General principles of market risk management are defined in accordance with regulatory rules, the standards of Intesa Sanpaolo Group, international best practices and standards, as well as internal acts. The system of market risk limits, defined in coordination with the Parent Group's relevant structures and approved by the Board of Directors, operationalises the market risk monitoring process. The system of limits is aligned with the strategic goals of the Bank.

For the purpose of managing the market risk, the Bank established the limits for the proper monitoring of the financial risk position (e.g. limits for currency risk).

Market risk limits are reported to the relevant functions of the Bank on a daily basis, while reporting to the Bank's Board of Directors is on a quarterly basis.

Being a part of the market risk, FX risk was monitored on an ongoing basis in the Bank in order not to breach the limits established by National Bank of Moldova and Parent Company. Reporting to Parent Company and to the National Bank of Moldova was carried out daily.

During 2023, the value-at-risk (VaR – value-at-risk) of the portfolio of financial instruments (bond portfolio from the banking book, currency position) was monitored on a weekly basis, which measures the inherent risk and is used for monitoring and controlling market risk.

**Interest rate risk of the banking book transactions**

In 2023, the Risk Management Department analyzed and monitored the Bank's risk profile exposed to interest rate risk, being mainly associated with the lending activity and with the management of the portfolio of securities held for liquidity purposes.

In addition to measuring the Bank's exposure to interest rate risk, which involves monitoring limits, the Risk Management Department also evaluated the sensitivity of net interest income to a positive/negative parallel change in interest rates of 50, 100 and 200 basis points in one-year period, as well as the sensitivity of the Bank's

economic value to parallel and non-parallel changes of the yield curve. The Risk Management Department, with the support of the Parent Company, kept under control the maximum exposure and prepared the report on these positions, thus monitoring the established limits.

The interest rate risk, being the exposure of the Bank's financial position to adverse movements in interest rates, was permanently monitored within the Bank, through various monthly and quarterly reports that the Risk Management Department prepared and sent to the Regulator and Parent Company.

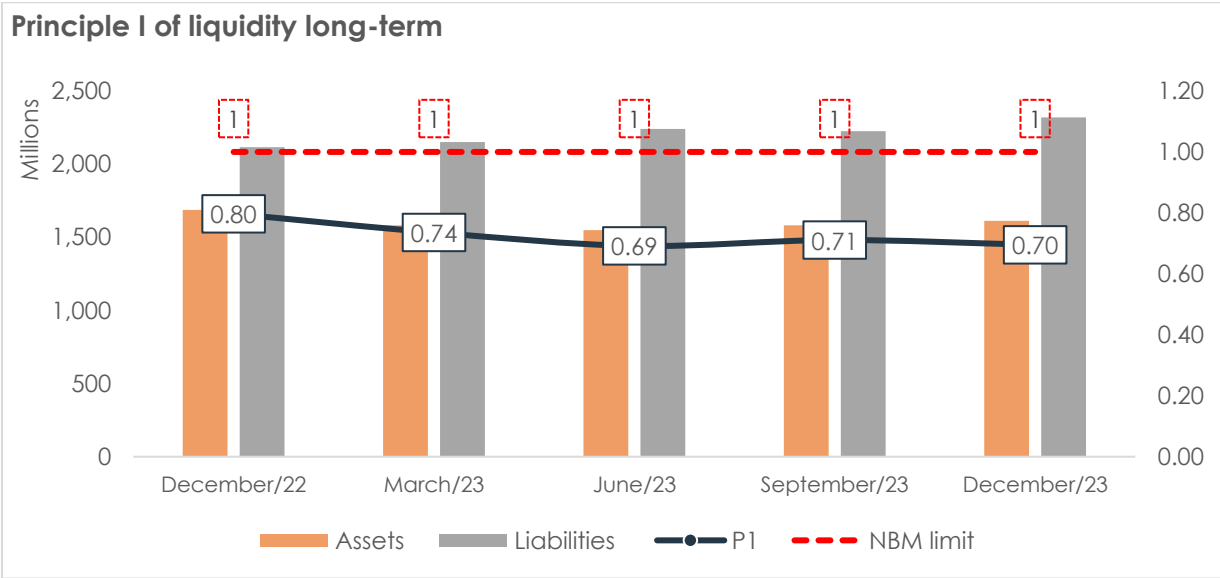
**Liquidity risk**

In 2023, the Risk Management Department monitored the Bank's liquidity position through analytical risk measures. Thus, the periodic (quarterly) reporting to the Bank's management bodies was carried out, as well as the monthly reporting to the Parent Company and to the National Bank of Moldova of the LCR and NSFR<sup>1</sup> indicators calculated in accordance with the Parent Company's requirements.

In addition to reporting to the Parent Company regarding the LCR and NSFR indicators, the Bank respected the limit and reported the LCR indicator to the National Bank of Moldova (NBM). More precisely, as a result of the implementation of the National Bank of Moldova Regulation regarding the requirements to cover the liquidity needs for banks, the Bank reported the LCR indicator to the National Bank of Moldova, the indicator being calculated according to the NBM principles. In addition, the Bank reported monthly to the NBM the two liquidity indicators requested by the regulatory authority in accordance with the Bank's Liquidity Regulation.

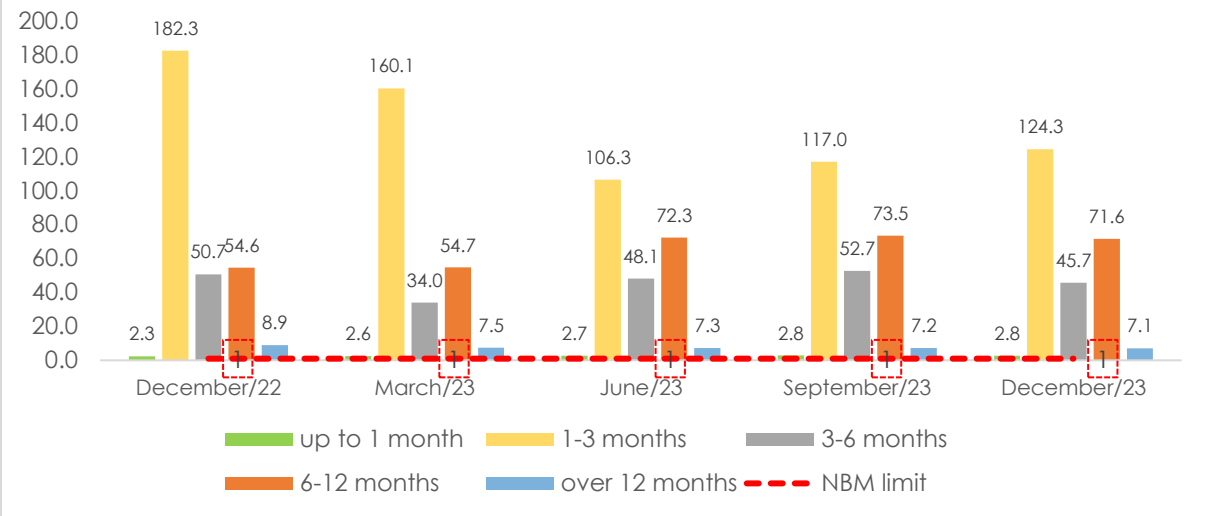
During 2023, all indicators related to liquidity, those regulated by the NBM, as well as those defined by the Parent Company, were permanently respected within the established limits.

**Trend of the liquidity ratios according to NBM requirements**

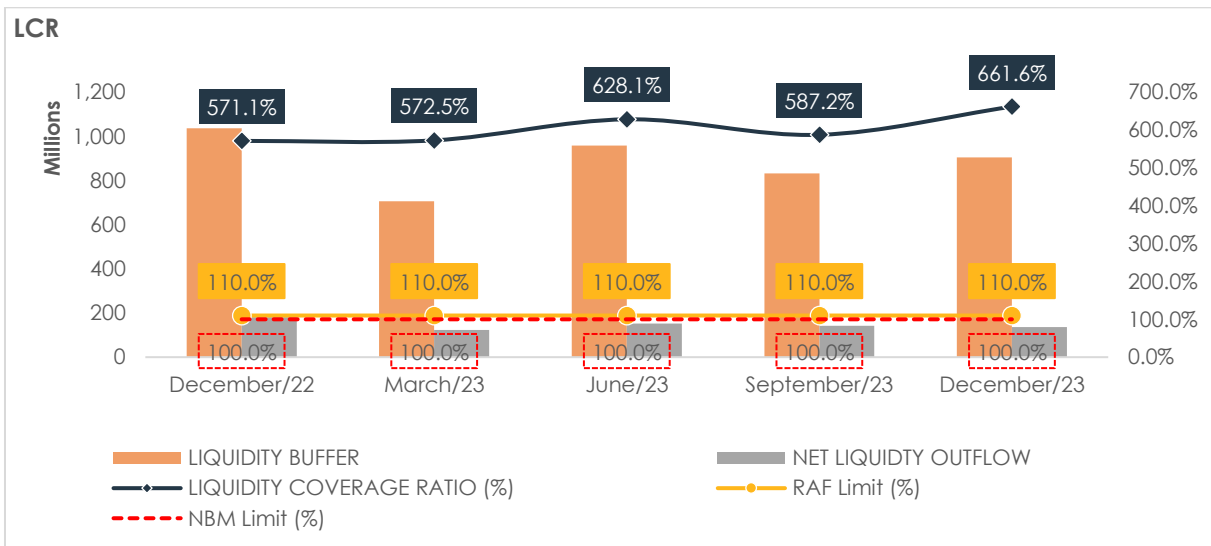


<sup>1</sup> Reporting of NSFR to the National Bank of Moldova is not required yet.

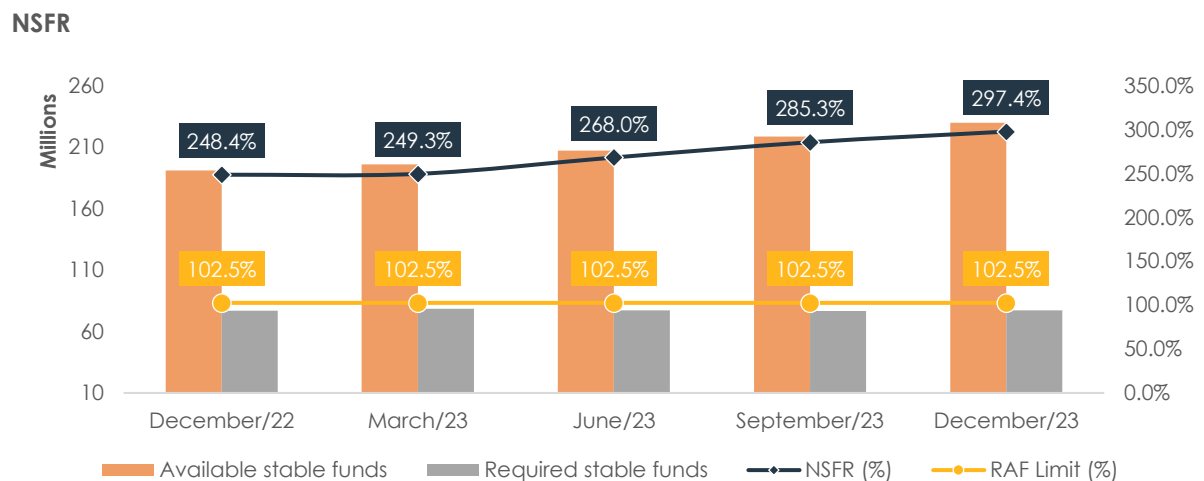
### Principle III (liquidity on maturity bands)



### Trend of Liquidity Coverage Ratio LCR



### Trend of Net Stable Funding Ratio NSFR



## Operational risk

In order to comply with the capital requirements related to operational risk, EXIMBANK applies the basic approach (BIA – Basic Indicator Approach) according to the NBM requirements.

The Risk Management Department was responsible for centralized operational risk management activities. In addition, the Risk Management Department was responsible for verifying the effective reduction of detected deficiencies, monitoring the implementation of mitigation measures and reporting operational risk events to the Bank's Governing Bodies.

The biggest events related to operational risk could occur as a result of errors related to execution and management processes, but also due to frauds.

At the same time, in 2023 the Risk Management Department carried out the Self Diagnosis (SD) process aimed to identify, measure, monitor and mitigate operational risks. The SD is an exercise carried out with an annual frequency that focuses on the assessment of Operational and ICT risks to which the Bank is exposed. This assessment takes into account the issues identified and the operational events actually occurred and is carried out with reference to all the main processes/IT Assets within the Bank. It includes two main components: Operational Risk Assessment and ICT Risk Assessment. The purpose of the Self Diagnosis process is to identify the main areas of operational and ICT risk exposure of the processes and ICT assets, and define, measure and put in place the mitigation actions for the critical issues that the Bank faces. During this process, the Risk Management Department analyzed its business environment, evaluated the relevance and potential impact of each risk factor to which it is or might be exposed, and assessed the potential losses that the Bank might incur as a consequences of various scenarios related to its operational activity.

As a result of the Self-Diagnosis exercise, the overall level of other operational risks was assessed as being MEDIUM to MEDIUM-HIGH, while the ICT residual risk was assessed as being MEDIUM to MEDIUM- HIGH level of relevance. During SD 2023, the Bank analyzed the existing issues recognised during the previous exercises and identified the new ones. It should also be noted that, similar to last year's exercise, were identified 12 potentially riskiest processes (based on the potential impact deriving from any loss of integrity of the data managed by the processes). Of the 12 processes, 2 have a MEDIUM-HIGH risk level, 9 have a MEDIUM level and one process has a MEDIUM - LOW risk level.

## Other activities

In order to determine the adequate level of capital needed to cover the current and future risks of the Bank identified in the business strategy, in 2023 the Bank's Risk Management Department performed **the ICAAP exercise**, on the reference date 31.12.2022. Therefore, it carried out a self-assessment of the current and future capital adequacy, necessary to cover the risks from Pillar I and Pillar II to which the Bank is or could be exposed. The capital adequacy was analyzed in 2 scenarios: the basic scenario for 4 years of projection and the adverse scenario for 2 years of projection.

The results of the ICAAP exercise confirmed the adequacy of the Bank's capital for the current year, as well as for those projected under both scenarios.

Besides ICAAP, another risk management tool is the Internal Liquidity Adequacy Assessment Process (ILAAP), which is the process of identifying, quantifying, managing and monitoring the Bank's internal liquidity. Both ICAAP and ILAAP are ongoing processes, that include recurring self-assessments, at least annually and which aim to describe the Bank's internal situation in terms of capital adequacy and liquidity position. Therefore, in 2023, the **ILAAP exercise** was carried out, on the reference date 31.12.2022. For ILAAP purposes, the Bank carried out an integrated ICAAP/ILAAP stress testing exercise that was divided into two phases: (i) defining the stress scenario and (ii) applying the scenario related to the liquidity position of the Bank projected to the base, and stress scenarios for each corresponding year (2023-2026). The self-assessment of Bank's internal liquidity adequacy on December 31st, 2022 focused on ensuring compliance with the main rates and limits requested by the NBM and the Parent Company, and which are stipulated in Bank's liquidity policy, and its Risk Appetite Framework. The results of the ILAAP exercise confirmed that the Bank has a solid liquidity position, both in the base scenario and in stress conditions.

In accordance with the NBM Regulation on Banking Activity Management Framework no. 322 of December 20th, 2018, the Bank must regularly carry out different stress testing exercises, over different time horizons, in order to identify and analyze the factors that could have a significant impact on its risk profile. The results of the stress tests are presented and discussed in detail by the management, and represent the basis for taking any remedial or risk mitigation measures to limit the Bank's exposures, to build a liquidity reserve and to ensure that the current exposures remain in line with the established liquidity risk tolerance.

During 2023, the Bank carried out crisis simulation exercises (along with the ILAAP and ICAAP exercises), namely, the one prescribed by the NBM Regulation on Banking Activity Management Framework no. 322 of December 20th, 2018 and the ad hoc, the bottom-up one requested by the National Bank of Moldova in accordance with letter no. 23-01007/3/2132 of 27.06.2023. The results of the first exercise showed that, even in strong crisis conditions, both the analyzed capital ratio and the liquidity position of the Bank are in line with the regulatory limits, and those related to the risk appetite framework in all the analyzed scenarios, thus, confirming the adequacy of the capital and its liquidity position. With reference to the ad-hoc Crisis Simulation Exercise requested by the NBM (letter no. 23-01007/3/2132 of 27.06.2023) it is mentioned that the bottom-up approach was used, the hypotheses and scenarios being formulated both by the National Bank of Moldova and independently by the Bank. The results of both crisis exercises were reported and approved by Bank's Board of Directors.

A particular attention was paid to the performed stress test for the scope of Recovery Plan, aimed at assessing the simultaneous impacts of multiple risk factors from a forward-looking perspective, at identifying Bank's main vulnerabilities, which would lead to the breach of at least one of Bank's Recovery thresholds in an effort to mimic a localized Recovery scenario.

With respect to the Bank's products and services offered to its clients, it was assessed the impact of risks associated with the new product proposal, as well as its consistency with the Risk Appetite Framework. Additionally, were determined and evaluated the liquidity risk management aspects, considering the risk profile of the new products and the impact on the Bank's overall liquidity structure.

### **Conclusions**

EXIMBANK identifies, assesses, monitors and controls risks in compliance with the NBM and Parent Company requirements, thus ensuring an integrated, prudent and consistent risk management system.

The Bank will continue to act on increasing the risk culture at all levels in order to improve the related controls, respecting the requirements and rules of the NBM, and those of the Parent Company.

# Compliance

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EXIMBANK's priority is to establish and promote an efficient and robust management framework, which will lead to promote and be consistent with an effective risk management.

As an important element of corporate governance, the Compliance Function, represent one of the components of the internal control system, together with the functions of risk management and internal audit, and has the mission to take the necessary measures for preventing the Bank's exposure to compliance risk (inclusively AFC risks (money laundering, terrorism financing, financial sanctions and ABC contexts)), to reputational risks and to events that may generate conflicts of interest. In this context, the Compliance Function assists the corporate bodies in identifying, evaluating, monitoring, mitigating and reporting the risk associated with the activities performed by the Bank, by advising on the compliance of the work carried out with the provisions of the regulatory framework, its rules and standards, the internal Code of Conduct, including the provisions of related information linked to developments in this area. Respectively, the Compliance Function regularly submits compliance reports to the Governing Bodies regarding the activities carried out.

EXIMBANK considers compliance a fundamental element of its integrity and, therefore, a basis for its sustainable and profitable development.

During 2023, EXIMBANK ensured the achievement of the role of the Compliance Function by aligning the Bank with the Intesa Sanpaolo Group's standards and to the relevant national novelties associated with the area, including by reviewing the internal regulatory framework, assurance of the second level controls (inclusively extension of its perimeter), adequate risk management, assistance and consulting (throughout delivering of the compliance opinions) and disseminating the risk culture and compliance culture, and also promoting, in the same context, zero tolerance against bribery and corruption.

At the same time, in the process of aligning the Bank's internal regulatory framework to the standards of the Intesa Sanpaolo Group and to the relevant national novelties associated with the area:

- was improved the internal regulatory framework related to the proper identification and management of risks that may arise from conflicts of interest, consumer protection requirements, disapproval/rejection of unauthorized payment transactions and management of donations, gifts and event expenses;
- were implemented/reviewed in the compliance AFC risks management etc., through which effective risk management tools have been set up;
- were adjusted internal processes, inclusively the reporting process to the local authorities.

In order to promote the compliance culture and reach an advanced level of it, the Bank gives priority to the improvement and diversification of the continuous training

programs of its employees, taking over the best practices of the Intesa Sanpaolo Group.

The Compliance Function ensures the management of compliance risk, AFC associated risks and reputational risk by evaluating them, issuance of the compliance opinions, conducting compliance tests, proposing mitigation measures and monitoring their implementation.

An important objective of the Compliance Function is to prevent and combat money laundering and terrorist financing. In this regard, at the Bank level, the internal regulations were continuously updated, relevant specialized processes were permanent automated, including the process of reporting operations / activities that fall under the Law on Prevention and Combating Money Laundering and Terrorism Financing, dedicated second level controls were continuously formalized and implemented to ensure proper monitoring of recurring risks.

As in 2023, the strategy of the Compliance Function for 2024 continue to be aimed to strengthen the compliance culture of the employees and the Bank' clients, further strengthening the macro compliance testing process, alignment of the regulatory framework of the EXIMBANK to the requirements of the Intesa Sanpaolo Group and local regulatory framework, in order to assure its clients with high quality and safe services.



# ICT & Cybersecurity Strategy

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EXIMBANK's IT strategy is focused on transforming the Bank IT to provide max value through concentrating on business centric projects in compliance with Intesa Sanpaolo Group's strategy and supporting the general business strategy of the Bank.

**IT Strategy implementation for EXIMBANK is related to honoring the following principles:**

- Maximizing synergies within the Group;
- Digital enhancement of the business to achieve business objectives within the challenges imposed in 2023.

**The IT mission consist of Digitalization and Innovation to support priorities of the Business Plan, as follows:**

- Maximizing digital enhancement;
- Streamlining and transforming business processes using information technology;
- Automation of processes;
- Upgrade of versions for aligning and complying with security objectives.

**The strategic objectives are:**

- Digitalization of the banking processes;
- Ensuring security management at the level of the entire institution, in compliance with the security strategy;
- Data management as an asset, in compliance with a data governance model;
- Applying the best principles and practices to provide a robust, secure and effective ICT service;
- Rationalization and simplification of the processes, without compromising the Bank's safety;
- Maintaining the appropriate level of Operational Risk mitigation.

In 2023, EXIMBANK continues to implement the ICT Strategy based on the business model.

**The key implementation of 2023 are:**

- Instant Payments Integration (alignment with NBM requirements for local (national) P2P/RTP transactions);
- Core banking migration to Oracle 19c version;
- Core-banking De-risking;
- Maintenance of distributed IT equipment;
- Business Continuity Tests for Critical Systems;
- Upgraded Systems:
  - Service Desk – (January – December 2023)
  - Oracle Weblogic Forms – (January – April 2023)
  - Credit on Web – (May 2023)
  - Elite Platform (October 2023)
  - VMWare (December 2023)
  - Swift/FLTS (November 2023)

## Cybersecurity & BCM projects:

### Implemented Projects

- **Web Application Firewall**  
(New system for the control and protection of banking services published externally)
- **McAfee Web Gateway**  
(New system for filtering web traffic of Bank employees)
- **Data Classification and labelling**  
(MS Azure Information Protection – system for labelling and classifying information)

### Ongoing Projects

- **Identity Governance and Administration** (SailPoint) Phase 2 (Password Manager);
  - **Endpoint Detection and Response** (Microsoft) – Phase 2 (Linux OS);
  - **Exchange Server** - Exchange Enterprise client access and archiving
- 
- ISP - Security Integration Plan (SIP), **the Bank has been achieved** the minimum target level of 70% defined within the Intesa Sanpaolo Group, so **the updated security posture level is 71.6%** - ongoing project / increasing resilience (according to Group resilience program);
  - Business Continuity Implementation (Disaster Recovery Plan) – annual renewal/Continuity Plan Testing Sessions;
  - EXIMBANK IT Security Plan 2023.

# Human Resources Management & Corporate Social Responsibility

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In an environment characterized by dynamic change, paying special attention to the needs and well-being of employees is essential for the success and sustainability of the organization. Prioritizing the digitalization of human resources processes, implementing flexible work solutions, and promoting diversity and inclusion contribute to creating a comfortable work environment tailored to individual needs, thus supporting employees in reaching their full potential, strengthening their commitment and loyalty to the organization, and ensuring sustainable long-term growth.

In 2023, the human resources strategies and policies of EXIMBANK focused on achieving the following objectives:

- Modernizing internal human resources processes to provide employees with a more convenient and sustainable experience, promoting efficiency and transparency in operations;
- Implementing solutions to support the overall well-being of employees, thus contributing to balancing professional and personal life, offering them advantages and flexibility in managing their time;
- Developing and implementing diversity and inclusion policies and practices, with a focus on promoting gender and age balance to create a fair and diversified work environment.

In an era defined by digitization and accelerated changes, adapting the field of human resources is crucial to ensure the provision of accurate and correct data in a user-friendly and sustainable manner. Throughout 2023, EXIMBANK took several concrete measures in this regard, including the implementation of the Global Core HR & #People platform - a digital HR portal that facilitates access to relevant information and interaction with colleagues, the digitalization of traditional HR processes, and the provision of new content on well-being. Additionally, administrative information communication to employees was automated, the exclusive use of electronic documents in internal workflows was implemented, and employee files were completely digitized. These initiatives led to improving the employee experience, streamlining internal processes, and strengthening a modern organizational culture focused on both the individual needs of team members and the positive impact on the environment.

Implementing solutions to support the general well-being of employees and contribute to balancing professional and personal life is a particularly important aspect for EXIMBANK. Among the actions taken include the implementation of Stimulus - an international program dedicated to mental health and workplace well-being, offered free of charge, anonymously, and unlimited for employees. To encourage physical activity and balance between work and personal life, employees have access to football and volleyball fields, and the more active and high-performing employees participated in an international

sport event organized by ISBD in Poreč, Croatia. Additionally, for employees' children, for the first time this year, a summer camp was organized in Marina di Massa, Italy, and on International Family Day, parents together with children attended an anniversary concert. The impact of these actions had also public recognition, namely receiving the trophy for "FAMILY-FRIENDLY WORKPLACES" nomination and the gold medal for "RESPONSIBLE SOCIAL BRAND" nomination at the "Brand of the Year 2022" competition.

Promoting gender and age balance within an organization is extremely important for creating a harmonious work environment where each member feels valued and integrated. In 2023, over half, specifically 52%, of managerial positions were held by women. This significant figure not only underscores our strong commitment but also highlights the crucial importance given to gender diversity in leadership positions. Thus, alongside a balanced policy in terms of equality of opportunities for colleagues of different genders or ages, various activities were undertaken throughout 2023 to increase visibility on these aspects, such as organizing workshops on "Gender Equality, Equal Opportunities," encouraging women entrepreneurs by allocating exhibition and sales space at Charity Bazaar 2023, an event at which EXIMBANK was the general sponsor.

At the end of 2023, EXIMBANK had 366 employees. The average age of employees was 36.7 years. The proportion of employees with higher education represents 84% of the total.

Training and development of employees constitute a fundamental pillar in the strategy of any future-oriented organization, playing an essential role in its adaptation and continuous evolution in a dynamic business environment. By investing in professional training, employees not only maximize their potential but also contribute to the sustainable development of the company, ensuring its long-term competitiveness. In 2023, EXIMBANK identified and prioritized several essential training directions: strengthening control functions and risk culture development; increasing sales skills and improving service quality offered to customers; developing managerial competencies; improving digital skills; and promoting ESG culture. These directions reflect the Bank's commitment to excellence, innovation, and social responsibility, emphasizing the importance of continuous adaptation to market requirements and its customers' needs.

Throughout 2023, EXIMBANK had focused on individualized coaching programs, long-term training sessions focused on developing technical skills (hard skills) and their international certification, efficient integration of new employees into operational processes, and strengthening a knowledge culture in key areas, analyzing ESG aspects.

Sustainability and corporate social responsibility have become essential elements for a sustainable presence in the community. Therefore, it becomes crucial to support and implement initiatives related to corporate social responsibility (CSR) and environmental, social, and governance (ESG) within the Bank. This is done to meet the expectations of employees and the community while aligning with Intesa Sanpaolo Group directives.

Investing in youth development is an integral part of EXIMBANK's strategy for building a progressive future, offering interactive internships that facilitate the acquisition and development of essential professional skills. In 2023, EXIMBANK continued to support

young people through internship programs, focusing on teamwork and providing opportunities to gain valuable professional experience. Additionally, EXIMBANK promoted financial education through a series of educational initiatives, including public lessons and workshops, thus strengthening ties with the academic community and contributing to shaping financial and ecological awareness among young people.

In addition to these educational efforts, the Bank took active measures to promote social responsibility and sustainability. The EXIMBANK team joined the national reforestation campaign "Plant Your Future," planting approximately 3,000 oak and ash saplings in the "Pădurea Domnească" Natural Reserve. On World Environment Day, the Bank organized a clean-up action in a park in Chişinău, preceded by theoretical training on ESG topics. In partnership with a non-governmental organization, videos were created for employees to promote energy-saving methods, and an awareness campaign about the need to protect the environment was conducted. Furthermore, in collaboration with the Savings Museum and Intesa Sanpaolo Group, during Global Money Week, was organized the ECO-QUIZ - an educational online game for students from "Dante Alighieri" High School.

EXIMBANK did not limit itself to external actions but also encouraged internal development by organizing an interactive financial laboratory for employees' children where they developed their financial skills. Additionally, the tradition of donating books to schools continued; the EXIMBANK team contributed to enriching the library fund of "Spiridon Vangheli" Primary School in Ungheni. For the second consecutive year, the Bank sponsored Moldova's participation in the International Linguistics Olympiad. Finally, in the spirit of winter holidays, EXIMBANK provided children from underrepresented groups with a memorable experience at the "Winter Soul" show; furthermore, it continued the tradition of gifting disadvantaged children on Christmas Eve in collaboration with a local non-governmental organization. These actions highlight EXIMBANK's commitment to community development and promoting a sustainable future.

## Main Correspondent Banks

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Bank name	SWIFT	Country	City	Currency	Account number
INTESA SANPAOLO S.P.A.	BCITITMM	ITALY	MILANO	EUR	100100004667
				CHF	IT64B0306940101100100020610
				GBP	IT41C0306940101100100020611
				CAD	IT18D0306940101100100020612
				CNY	IT62S0306940101100100022064
BANK OF NEW YORK MELLON	IRVTUS3N	U.S.A.	NEW YORK	USD	8900720743
INTESA SANPAOLO ROMANIA S.A.	WBANRO22	ROMANIA	BUCHAREST	RON	RO14WBAN009996085425RO01
BANCA TRANSILVANIA	BTRLRO22	ROMANIA	CLUJ-NAPOCA	RON	RO97BTRLRONLORO000886001
BANCA INTESA	KMBBRUMM	RUSSIA	MOSCOW	RUB	30111810110000000022

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# Branch Network

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City	Name	Address
Chisinau	Branch no. 1	64/2, Decebal boulevard
Chisinau	Branch no. 3	2, Moscova boulevard
Chisinau	Branch no. 6	76, Mihail Kogalniceanu street
Chisinau	Branch no. 7	27, Dacia boulevard
Chisinau	Branch no. 8	6, Pantelimon Halippa street
Chisinau	Branch no. 9	16, Grigore Vieru boulevard
Chisinau	Branch no. 11	64, Stefan cel Mare si Sfant boulevard
Chisinau	Branch no. 13	11, Mircea cel Batran boulevard
Chisinau	Branch no. 19	6, Stefan cel Mare si Sfant boulevard
Chisinau	Branch no. 20	171/1, Stefan cel Mare si Sfant boulevard
Chisinau	Branch no. 22	168, Alba Iulia street
Chisinau	Branch no. 23	1, Socoleni street
Ungheni	Branch no. 2	16, Decebal street
Orhei	Branch no. 5	44, Vasile Lupu street
Cahul	Branch no. 15	4/J, 31 August 1989 street
Hancesti	Branch no. 16	149, Mihalcea Hancu street
Balti	Branch no. 18	6/2, Stefan cel Mare si Sfant boulevard