

# MAIB goes from strength to strength

Since the acquisition of 41.09% of MAIB's shares by an international consortium, the Moldovan lender has forged ahead with its digitalisation plans and signed several agreements to enhance the competitiveness of its loan portfolio.



Serghei Cebotari, chairman of the management board at MAIB, and Henry Russell, director at the EBRD, sign the EBRD's EU4Business credit line

Moldova Agroindbank (MAIB) has been strengthening its status as leader of Moldova's banking sector ever since its foundation in 1991. The bank's continuous efforts, aimed at stepping up its dominant position among the 11 banks operating in the market, has created one of the country's largest financial institutions. MAIB's market share currently stands at about 30% in terms of loans, deposits, assets and profit.

Known as a highly reliable bank in Moldova, MAIB has recently bolstered its reputation both nationally and internationally, when a consortium of fit-and-proper international investors acquired 41.09% of its shares in late 2018. Both the bank's leadership and the consortium, made up of the European Bank for Reconstruction and Development, and the US and Latvian equity funds Horizon Capital and respectively Invalda INVL, saw the move as "a new development stage" in the bank's history. MAIB has become even stronger, with benefit to its clients and the country's economic development.

"MAIB provides banking and financial services to about 1 million clients - both private and legal entities [the country's population stands at 2.7 million], which makes us one of the main pillars of Moldova's financial system. Hence, we clearly understand the responsibility

that we bear in keeping pace with the latest developments in the international banking market, to provide our customers with up-to-date products and services. In this respect, extending access to advantageous loans and improving the digital services that are already in place, and developing new ones remain among our priorities," says Serghei Cebotari, Moldova Agroindbank's CEO.

## PRESSING AHEAD

Several months after the new shareholders entered the bank, MAIB managed to resume cooperation with international financial institutions, signing several financial agreements, thus enhancing the competitiveness of its loan portfolio and extending access of the bank's clients running small and medium sized enterprises and those dealing with export/import operations to more advantageous loans.

Concurrently, the bank pressed ahead with its digitalisation plans. MAIB is known for having the best Internet banking service in Moldova, which is viewed by its clients as a perfect tool to conduct a wide range of banking operations. Yet, to secure even more comfortable banking conditions, Moldova Agroindbank has launched its mobile banking application – MAIBank for private entities. The user-friendly application helps clients to do

banking safely and quickly regardless of their whereabouts. The application allows users to pay a wide range of utilities online, to make person-to-person transfers (P2P), account-to-account transfers, CashByCode operations and transfer-to-card transactions (T2C). Users can monitor and manage their accounts on a permanent basis. At the same time, MAIB has made great efforts to prevent the risks implied by digitalisation, by investing in IT to strengthen its security.

## OBJECTIVES MET

Against a background of increasingly better results, the bank's shares recorded a record-high price, going up from about 2,200 Moldovan lei (over 110 euros) in early 2019 to exceed 2,900 Moldovan lei (almost 150 euros) in October per one share with a face value of 200 lei (over 10 euros).

MAIB CEO Serghei Cebotari sees the price dynamic as "a natural and expected outcome". "We have been working hard to reach this result over the past five years, streamlining our efforts in four directions at a time: quality corporate management, aggressive and quality lending, transparency of shareholders, digitalisation of banking processes and the fight against money laundering. The fact that the objectives set were met brought about the current results, when, for instance, the largest loan portfolio in the banking system, MAIB's, has the lowest NPL index. As of 30 September 2019, it stood at 5.4%," says Cebotari.

The high quality of MAIB's portfolio is not the only achievement, Cebotari notes, specifying that over the past years, the bank practically doubled its assets, capital and profit. Cebotari is highly optimistic of the bank's evolution particularly now that it has new fit-and-proper shareholders. "I have to say that the current price of 2,900 lei per share has still not reached the real cost, if we take into account the balance-sheet value of 3,922 lei (over 200 euros) and the huge potential of MAIB. We do not rule out listing MAIB shares on a regional stock exchange. This bank is worth it."

Sponsored by  
Moldova Agroindbank (MAIB)