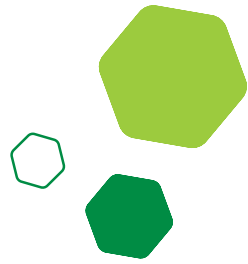


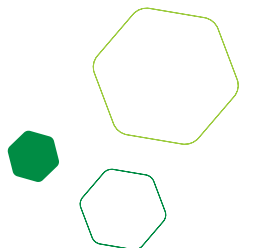


**20**  
**ANNUAL**  
**REPORT**  
**18**



# CONTENT

|                        |                                      |                                                                                                                                                                               |                                                                                                                                                                     |                                                      |                                                                                                                     |
|------------------------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| 4                      | 6                                    | 8                                                                                                                                                                             | 16                                                                                                                                                                  | 20                                                   | 21                                                                                                                  |
| PAG.                   |                                      |                                                                                                                                                                               |                                                                                                                                                                     |                                                      |                                                                                                                     |
| <b>FOREWORD</b>        | <b>FOREWORD<br/>FROM<br/>THE CEO</b> | <b>COMPANY OVERVIEW</b> <ul style="list-style-type: none"><li>○ Market overview<br/>and strategy</li><li>○ Our customers</li><li>○ Our products</li><li>○ Our staff</li></ul> | <b>RISK<br/>MANAGEMENT</b> <ul style="list-style-type: none"><li>○ Credit risk<br/>management</li><li>○ Financial and<br/>operational risk<br/>management</li></ul> | <b>CORPORATE<br/>GOVERNANCE AND<br/>SHAREHOLDERS</b> | <b>MANAGEMENT</b> <ul style="list-style-type: none"><li>○ Supervisory board</li><li>○ Top management team</li></ul> |
| 22                     | 24                                   | 30                                                                                                                                                                            | 32                                                                                                                                                                  | 36                                                   |                                                                                                                     |
| PAG.                   |                                      |                                                                                                                                                                               |                                                                                                                                                                     |                                                      |                                                                                                                     |
| <b>OUR<br/>LENDERS</b> | <b>CLIENT`S<br/>STORIES</b>          | <b>OUR<br/>PARTIES</b>                                                                                                                                                        | <b>STAFF<br/>TRAININGS</b>                                                                                                                                          | <b>FINANCIAL<br/>STATEMENTS</b>                      |                                                                                                                     |



# FOREWORD

## MICROINVEST

is a non - banking credit organization (NCO), which operates in Republic of Moldova from 2003. Currently company has 166 employees, being present in 11 branches throughout the country and 2 in capital city. Microinvest was gradually developing in retail, micro and small entrepreneurship lending, reaching 21 118 of clients. Microinvest maintained no.1 position on the NCOs market in 2018 covering 15% market share expressed in EUR 51 million of Loan Portfolio, and PAR30 of 1.98%.

## MICROINVEST AT A GLANCE



Total Clients:

**21 118**



Total Portfolio:

**MDL 997 MILLION**



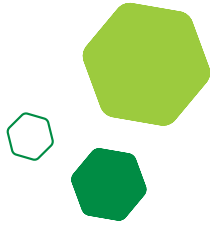
Employees:

**166**





## FOREWORD FROM THE CEO



We started 2018 with the aim of reaching MDL 1 billion loan portfolio. It was discussed in the teams, as a “big fat claim”, that sounded quite ambitious for MDL 569 million LP as starting point. The company continued the path of growth, consolidated its position as a leader of microfinance with 15% on the rapidly growing non-banking segment and has got Top 7 position by LP in the established banking market. Our aim was to obtain this growth through efficiency and at the same time to maintain customer-oriented company’s vision, keeping the focus on constant friendly communication with

our clients, avoiding bureaucracy and trying to understand their needs, things that helped us to provide suitable financial solutions for our core client group. Our clients are the reason why we tend to make changes and improve processes. In this way we applied for SMART certificate, the world benchmark in the client protection area in microfinance sector. We passed through the serious due diligence process and managed to get the certificate for the second time. We are proud as this was an outside confirmation of our position as a responsible lender. This process really helped us to understand what

we need to improve, what processes we need to simplify in order to make our customers feel more comfortable and safe at the same time.

2018 represented a boost in the microfinance market that manifested itself through fast changes and significant growth of LP, it was a challenge for us and we managed to get the result of MDL 1 billion loan portfolio that we have set. We were aware that this result can be achieved only by a consolidated and trained team. We continued „leadership” trainings for our employees and we are proud that at the end of the year, for the second time consecutively, we achieved a Top 3 place in the Best Employer Contest performed by AXA Management Consulting. Our special attitude towards each other and focus on staff development makes us more attractive for potential employees who are interested either in starting or developing a successful career. This year, it stimulated our team to grow with 34 colleagues reaching 154 employees.

The rapid and significant growth of loan portfolio was a clear target for us, but we didn’t want to achieve it on the expense of quality and customer care. We focused on efficiency and process automation. The strengthening of the IT team allowed us further increase automation and streamline the processes in order to be faster in operational activities and to provide qualitative services in a shorter time.

The company continued to strengthen its image and positioning. 2018 was a special year due to extension

of the branch network to Sorooca - a new city on Microinvest map. Another point of presence in our network means that we became closer to our customers and always ready to provide professional financial consultancy. As well as we pursued enlarging our branch network, we continued the process of rebranding. In 2018, four more branches obtained a new image corresponding to our brand book, which aims to align the design of all branches to a unique, modern concept and to provide comfortable working conditions and a pleasant atmosphere for our customers.

We gained a great experience in 2018, we reached MDL 1 billion loan portfolio. 75% growth having as starting point one of highest levels of portfolio in non-banking sector, is an extraordinary result. This achievement stimulates us to be confident in our future. We aim to continue our growth and development, but at the same time to maintain a good loan portfolio quality. We want to offer our clients easy access to finance, flexibility, speed and comfortable payment options. Being aware of digitalization which surrounds us, we will continue to keep the focus on efficiency and application of technological improvements in the way that does not limit the communication with our clients.

DUMITRU  
SVINARENCO



## MARKET OVERVIEW AND STRATEGY

In 2018 Moldova's economy maintained 2016, 2017 development trend. Tax reform, wage increases, and remittances stable inflow supported growth of disposable income, resulting in 3.2% contribution of private consumption to growth. Lower inflation of 3%, stronger domestic currency, decreasing interest rate stimulated investments, resulting in further economic growth and financial sector development by 11%. Throughout 2018 banking sector (11 banks) went through structural changes: 4 banks modified their ownership structure and as a result of it 70% from banking assets are managed by known international companies.

The non - banking financial sector grew by 45.3% with 199 players split by: pay - day lenders and bank - like companies, which continue penetration in the market and growth, and narrow product range - oriented (cars, mortgages) financial institutions.

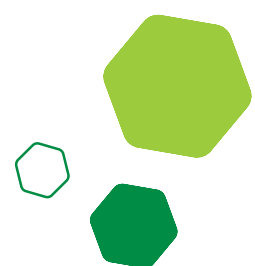
Microinvest became a leader in the non - banking sector by loan portfolio and increased its market position on the growing market from 12% in 2017 to 15% in 2018. The company consolidated its position, generating 75% growth (9% from financial sector) and gaining 3 350 new clients.

## COMPANY OVERVIEW

## PORTFOLIO DEVELOPMENT ACCORDING TO IFRS, 2011-2018 (MDL '000)

|                        | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    |
|------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Business income LP     | 171 580 | 159 732 | 165 099 | 170 373 | 164 298 | 277 473 | 420 702 | 659 579 |
| Non-business income LP | 35 734  | 54 303  | 64 940  | 65 349  | 80 602  | 100 787 | 148 694 | 337 866 |
| ROE, %                 | 12.38   | 4.19    | 6.68    | -2.76   | -8.47   | 7.3     | 25.7    | 34.4    |
| PAR30, %               | 5.49    | 3.87    | 4.38    | 6.15    | 6.27    | 2.32    | 2.27    | 1.98    |
| # of employees         | 96      | 104     | 109     | 109     | 102     | 122     | 120     | 154     |
| # of branches          | 16      | 16      | 16      | 16      | 14      | 14      | 12      | 13      |





## OUR CUSTOMERS

In our Loan Portfolio there are 21 118 clients: 2 805 clients with incomes from business activity and 18 313 salary and remittances receivers. 34% of our clients represent agriculture sector across the whole country. They grew crops, apple, plum, cherry orchards, vegetables. Other 66% are mostly concentrated in Chisinau

and practice retail trade, services and small production. Our private clients are salary receivers, crafters, pensioners - families who want to buy a car, make a home renovation or to purchase a new kitchen appliance. We want to be a number one choice for them on the market in home improvement segment.

We see Microinvest as an organization where our business clients can take a loan for a transporter vehicle and for the new private car, for warehouse building or house purchase. The same with retail clients - having done the first transaction with Microinvest we see them financing their significant personal purchases with us. Current and future client's customer care stands as one of the focuses of Microinvest. We believe, that improving the services, by

providing speed, collateral flexibility and extraordinary customer experience we differentiate ourselves from the market and build stronger relationship with both, our business and private clients. In 2018 we continued to empower our clients with better services.







## OUR CHANNELS

The company serves its customers through five different channels: branches, network of agents, paybox network, active call - center and web site.

Every of our 13 branches across the country has the regional segregation, potential and current client's portfolio and is responsible

to know and to communicate with them regularly. All branches are situated in the central locations and have innovative, comfortable design. Microinvest has branch - driven business model and considers the branches with loan officer and client advisers the core platform of acquiring and serving the clients.

We work successfully via our network of agents of more than 250 retail and business shops - home appliances, furniture, agricultural and trade equipment - which help us to promote retail and business loans and to increase brand awareness for our clients. This year we also added auto dealers to our range of partners, the fact which gives us opportunity to be more present on the market, to provide additional service to the client and to keep the main advantages of the agents' network - the possibility of obtaining goods and their financing at the same time and at the same place.

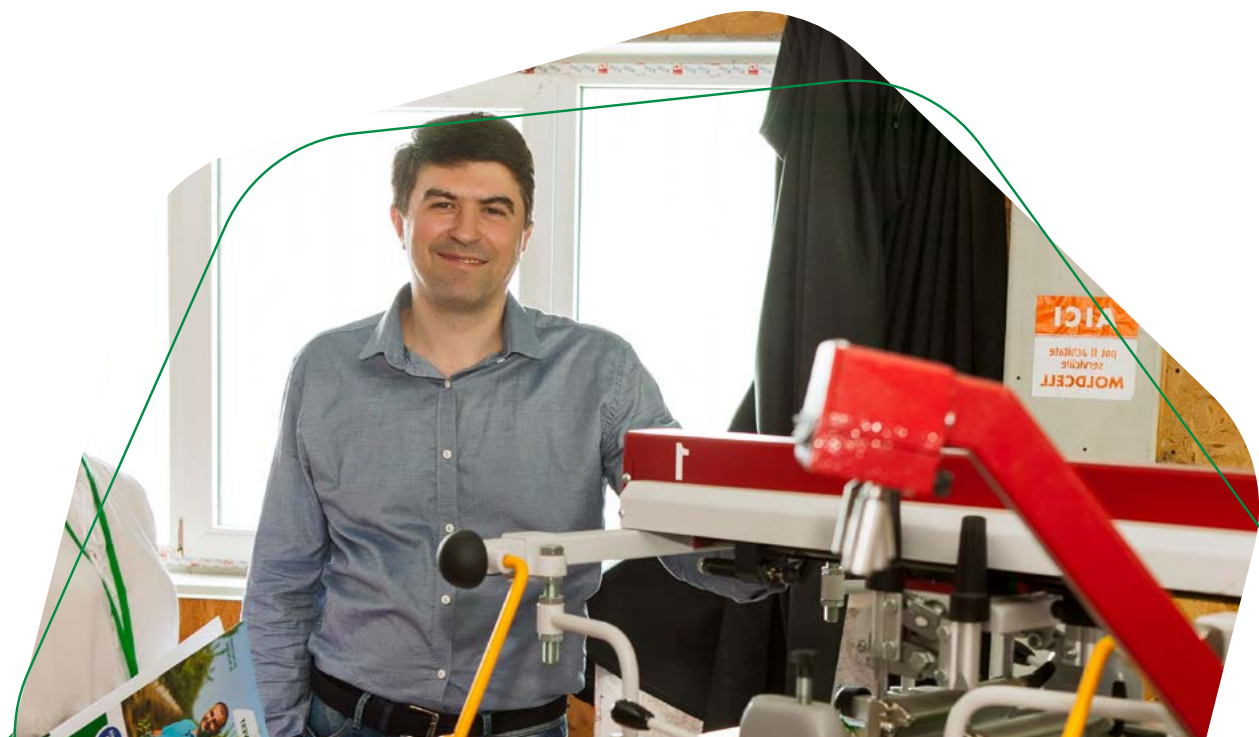
Microinvest site has changed, being a visit card for all clients, partners and potential employees. In 2018, it became more attractive for the clients and the number of visitors noticeably increased (from 5700 to 9400 monthly). We will continue to invest in our web site in the future.

We implemented active call center aiming to contact our current clients with product offers and upgrades, improving and maintaining our relationship through thousands of

incoming and outgoing calls. These gives possibility to answer the questions of the partners and clients, to get feed- back from the clients and to keep closer connection with them, reducing dropout rates.

To ease the way 40% of our regional business and private clients can pay their loans we established relationship with the network of payment terminals: MMPS, QIWI and Posta Moldovei. This means more than 1000 terminals and offices throughout the country which enlarge our network from payments encashment point of view and give the client 24/24 possibility to pay the loan in the most convenient location for him.

In all relations with the customers, MI is committed to contribute to fair communication and attitude towards the clients without exaggerated penalties or abusive commissions and we are grateful that our efforts are appreciated, not only by clients who have chosen to work with us in 2018, but also by a worldwide community, being the only company in Moldova awarded with Smart Certificate.







The HR Department continues to be a strategic direction and an important focus for the Company's leadership. The HR department has continuously supported the business by attracting the most ambitious and talented young people and now our family consists of 166 colleagues. The reality of the Human Resource Market is a challenge for us because we aim to be in daily contact with potential candidates through socializing

channels, visits to colleges and universities, career fairs, but the most important are internships offered to students. All these have allowed us to understand the expectations of young people and how we can meet today's expectations of tomorrow.

Attracting talented young people is only first step towards success, this year the Company has developed an integration program for new



employees, namely Welcome Seminar, where we say, «Welcome to the Team». In this seminar we offer the opportunity for new colleagues to get acquainted with the vision, core values and culture of the company. The company also continued to invest in the Leadership Program as an important process of creating leaders and encouraging individual autonomy. The company attracted more attention to increasing employee

## OUR STAFF

engagement and satisfaction, where, along with competitive rewards, employees have benefited from a wider list of benefits such as meal vouchers, English courses, thematic team buildings.

We are aware that the main competition will be for the people and will continue to invest in Microinvest as a best employer.



# RISK MANAGEMENT

## CREDIT RISK MANAGEMENT

The organizational structure with clear separation between business and risk functions at all layers follows main principle of segregation of duties and ensures balanced decision-making process. All credit risk decisions are centralized in Credit Risk Department.

Core objective of Microinvest is to provide responsible lending to both business and retail customers, despite the significant asymmetry of the market in terms of accessibility of client's credit history. To minimize

the debt burden on the client and assure diligent financial assessment of the client's payment capacity the company cooperates with two different credit bureaus.

However, continuously investing in the risk training of our loan officers, the Company ensures the quality filter on client's inflow, creating the unified standard of analyses and intensive arrears management as well as developing ownership attitude towards generated portfolios in the branches. During 2018 were

implemented important projects aiming to increase processing efficiency at all levels, as well as in Credit Risk Department and to improve the information quality that should support the decision-making process.

We highly value and strive to constantly improve on a balanced business and risk mindset throughout the organization, intending to achieve high risk awareness, conservative risk appetite and zero tolerance to negligence and fraud. We have a separate fraud prevention unit that constantly reviews a significant sample of our exposures, aiming to ensure uniform credit standards across the institution and detect fraudulent activities.

Following the international practices, the company has developed and implemented a new approach for loans provisioning in 2018, considering forward looking features based on IFRS 9 requirements which help to keep prudent approach for provisioning, adequate level of

coverage of non-performing Loan Portfolio and proactively react on changes in client's financial situation. This approach allows to continue sustainable development of the company on the long run.

One of the significant achievements of 2018, was improvement in quality of the loan portfolio, driving further decrease in PAR30 from 2,27% in 2017 to 1.98% in 2018. In the current year a special focus was directed to the management of the consumer clients loan portfolio quality. Lack of the common standards on this market lead to the high risk of over indebtedness and company successfully managed to be balanced in combining speed and responsibility.

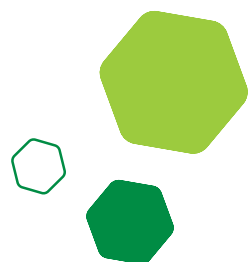
We see that preserving good level of the credit risk gives us possibility to offer more flexible and convenient conditions to our clients, that helps to enlarge our share and uniqueness on the market.







## FINANCIAL AND OPERATIONAL RISK MANAGEMENT



We pay close attention to financial and operational risk management via careful process design, detailed documentation of key processes, exhaustive staff training and setting up warning limits and controls. A conservative risk culture is spread throughout the institution. Our risk approach is characterized by

cautious limits for open currency position, liquidity, interest rate risk, funding and counterparty risks. We aim to keep those risks close to zero, and in any case, limit their impact at below 10% of equity. The 4-eyes controls principle is in place for all key processes. In cases when risks cannot be avoided, like the local

banks counterparty risk, we aim to minimize them.

We also have fully structured ALCO, Credit Risk, Financial and Operational Risk and HR committees, and standard reports and limits that allow us to consistently monitor and to react in a timely way to any emergencies. All warning limit violations are immediately escalated to Management, and all maximum limit violations to the Board.

The risk function conducts stress tests on a regular basis to assess company vulnerability in various extreme scenarios. The results are reported to the risk committees, which are responsible for assessing the risks and taking mitigation measures when necessary.





## CORPORATE GOVERNANCE AND SHAREHOLDERS

Microinvest has strong Supervisory Board meant to assure main companies' objectives fulfilment. Company's Board has solid knowledge of the specific of the region and expertise in the microfinance sector. It pays attention on keeping the balance between

business output and social goals and on strengthening the governance, control systems. Supervisory Board meets quarterly the Management Board and gets regular updates about company's compliance with relevant laws and regulations, about financial, operational risks and main business goals achievements.

The daily management of the company is organized by the Management Board, consisting of 3 members the Management team which has a solid and diversified background in the management of different areas and in the segment Microinvest is operating in. Each member has his/her own areas of responsibilities, but main decisions are taken on collegial bases.

We insure the business, risk and finance areas strict segregation and have clear framework of policies and procedures, which permits us to structure the activities and to

set the limits in the main financial, credit, operational risks areas. We have a structure of the formalized committees that assures permanent communication and more fast information transmitting and implementation.

Our everyday activity we built on criteria of full transparency open - door communication and close cooperation between front line and head office. This ensures free two-way communication, awareness and timely reaction to the client's and market needs.

|                                                                                             | 2018   |
|---------------------------------------------------------------------------------------------|--------|
| B.F.S.E. Holding B.V. - Olanda                                                              | 52.26% |
| Fundația Soros - Moldova - Republica Moldova                                                | 26.73% |
| «Oikocredit» Ecumenical Development Cooperative Society U.A. - Olanda                       | 12.81% |
| Driehaus Richard - SUA                                                                      | 4.78%  |
| Solidarite Internationale pour le Developpement et l'Investissement SA («SIDI SA») - Franța | 3.42%  |
|                                                                                             | 100%   |



**CLIVE MOODY**

*BFSE Chairman and member of the board since 2018*

*Managing partner, Co-founder of Balkan Financial Sector Equity Fund with over 30 years investment experience. Before founding and raising the impact investment Fund in 2005, has held the chair of Director of Private Equity group 3i plc and Fusion investments Limited.*



**MARCEL VAMARI**

*Soros Foundation Member of the board since 2014*

*Programme and Finance Manager of the Justice & Human Rights Department of the Soros Foundation-Moldova. His duties include planning and budgeting each project the Department undertakes, ensuring smooth implementation and a fair & efficient cost-to-output ratio.*



**DUMITRU SVINARENCO**

*Microinvest Member of the board since 2015*

*CEO of Microinvest since 2015. He is responsible for Company's Business Development and HR. Has more than 18 years of experience in banking and microfinance sector, including wide practice in credit risk management, business growth and staff training and development.*



**STEPHAN BOVEN**

*I.D. Inspiring Development member of the board since 2016*

*Managing partner at I.D. Inspiring Development GmbH, Germany. Has over 20 years of experience in finance development. He combines experience in establishing, guiding, and supervising retail banks oriented toward MSMEs with a proven track record in the areas of finance and MSME lending.*



**UWE KONST**

*Member of the board since 2008*

*Director of Geschäftsentwicklung International (International Business Development), Germany. Has over 25 years of experience in banking, including product and strategies development and coordination of international activities*

# IFI SUPPORT

Trustworthy IFI lending partners are essential for the mission and governance of Microinvest. We enjoyed continuous support from our partners, we are working for years, throughout 2018 and added 4 new lender partners. Due to strong social and financial performance, in 2018 Microinvest succeeded to reach two important aims. The company successfully managed to obtain for the first time a sub-debt loan from a foreign lender and accessed a loan secured with pledge over Loan Portfolio from a Local Bank. These facts emphasize the continuous trust of Microinvest's strategic partners, who are ready to support the company by providing sustainable funding. We are proud to have on board the lenders who support our mission, social impact and admission for growth. Our close working relationship with our lenders is an important part of finding the right funding solutions for our clients and, also, for being aware and implement best practices in governance, capacity building, risk and finance management.

## OUR LENDERS





### NAZARENCO VADIM

● Growing vegetables in green houses, grocery store

My daily activity deals with both agriculture and commerce. Morning starts in the shop, which is actually a family business, in which all the members are involved. Next, we try to make time to get to the greenhouse where we grow the most delicious vegetables. We distribute all the products between shops, as well as kindergartens in villages of our district. I wanted to stay close to my family, despite the current tendency to go abroad. I am glad that today the whole family works shoulder to shoulder, and though we

do not have many days of rest, it is important that we are together.

After an attempt to work with banks, we decided to take a loan from Microinvest. We were surprised that a MDL 500,000 loan is offered without colateral and that we received the money in the shortest time possible. A loan from Microinvest is the fastest solution when you are under time pressure and face many other challenges. In times of crisis, when options are limited, we turn to an expert from Microinvest.



## CLIENT`S STORIES

OXANA LUNGU



*Agriculture*

Due to our wish to stay in Moldova, me and my husband started the business by leasing lots of land from the people I knew. Today we process 200 hectares of land. We are a couple in everyday life, as well as in business. We support each other, make all the decisions together and enjoy our achievements hand in hand.

Agriculture requires ongoing investments, and Microinvest has simplified the financing process due to its flexibility and the minimal package

of documents, which is essential and critical for agriculture. We are long-time customers of Microinvest and have already established mutual trust. We are sure that Microinvest employees will always offer us the best solution based on our needs. In their turn, they trust us, because we are a responsible customer. In agriculture, every season calls for financing, even if it seems that this is not the case, for this reason you always need a trusted partner.



### ALEXANDREANU VASILE



*Furniture production*

I started this business in 2004. It was me and an assistant, with whom we handled all the procedures. The beginning was difficult, but things seemed to look up when we started exporting to Russia.

Running a business in Moldova is similar to sailing against the wind, and what I mean here is the phenomenon of emigration. Most people prefer UK salaries instead of jobs in their country, that is why many of them leave, and it is very difficult to build a team, but not impossible, because currently we have 17 colleagues.

Due to the frequent investments we have made to equip the workshop as good as possible, we are ready to start the export process to Belgium and England.

I believe that the secret of success lays in timely investment in equipment and calculations that will ensure that you can afford to return them. We managed to grow due to the financial support from Microinvest, loan after loan, detail after detail. We do not stop here, we have plans and hope that we will export to as many countries in Europe and not only.



# OUR PARTIES





# STAFF TRAINING







OCN MICROINVEST SRL  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2018

PREPARED IN ACCORDANCE WITH  
INTERNATIONAL FINANCIAL  
REPORTING STANDARDS



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of IM OMF Microinvest SRL

### Opinion

We have audited the accompanying consolidated financial statements of IM OMF Microinvest SRL and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2018 and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2018, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Moldova, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and those charged with governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

### On behalf of

ICS Ernst & Young SRL  
License Series A MMII  
No. 051506 dated 16.05.2006



Lilia Colin  
Licensed Auditor  
Series AG, Nr. 0036 dated 15.01.2016 issued by  
the Ministry of Finance of Moldova

Chisinau, Republic of Moldova  
22 May 2019



## I.M. OMF MICROINVEST SRL

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

(All amounts are in Moldovan Lei (MDL), unless otherwise stated)

|                                                                    | Notes | 2018               | 2017              |
|--------------------------------------------------------------------|-------|--------------------|-------------------|
| Interest income                                                    | 3     | 214,672,863        | 143,408,590       |
| Interest expense                                                   | 4     | (77,561,706)       | (60,954,456)      |
| <b>Net interest income</b>                                         |       | <b>137,111,157</b> | <b>82,454,134</b> |
| Provision for impairment of loans                                  | 5     | (19,399,134)       | (6,537,108)       |
| <b>Net interest income after provision for impairment of loans</b> |       | <b>117,712,023</b> | <b>75,917,026</b> |
| Recoveries of loans previously written off                         | 6     | 2,751,637          | 3,339,123         |
| Other operating income                                             | 7     | 2,315,710          | 7,716,145         |
| General and administrative expenses                                | 8     | (61,314,973)       | (52,647,909)      |
| Regulatory fee                                                     |       | (249,362)          | -                 |
| Provisions for legal services                                      |       | -                  | (47,000)          |
| Net foreign exchange (loss)/ gains                                 |       | (1,024,551)        | (769,918)         |
| <b>Income/(Loss) before income tax</b>                             |       | <b>60,190,484</b>  | <b>33,507,467</b> |
| Income tax (expense)/ credit                                       | 9     | (8,632,443)        | (4,534,182)       |
| <b>Income/(Loss) for the year</b>                                  |       | <b>51,558,041</b>  | <b>28,973,285</b> |
| <b>Total comprehensive income/(loss) for the year</b>              |       | <b>51,558,041</b>  | <b>28,973,285</b> |

The financial statements were authorized for issue on 22 May 2019 by the Executives of the Group represented by:

Mr Dumitru Svinareco  
Administrator



Mr Dumitru Strogoteanu  
Chief Financial Officer



1 of 87

## I.M. OMF MICROINVEST SRL

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

(All amounts are in Moldovan Lei (MDL), unless otherwise stated)

|                                                   | Notes | 31 December 2018     | 31 December 2017   |
|---------------------------------------------------|-------|----------------------|--------------------|
| <b>ASSETS</b>                                     |       |                      |                    |
| Cash and cash equivalents                         | 10    | 47,091,980           | 12,684,969         |
| Due from banks and other institutions             | 11    | 161,173,581          | 272,446,131        |
| Loans and advances to customers, net              | 12    | 978,761,571          | 564,355,847        |
| Premises and equipment                            | 13    | 17,445,223           | 12,838,385         |
| Deferred tax assets                               | 9     | 1,539,916            | 955,033            |
| Intangible assets                                 | 14    | 2,842,051            | 3,161,180          |
| Other assets                                      | 15    | 1,583,322            | 3,840,869          |
| <b>Total assets</b>                               |       | <b>1,210,437,644</b> | <b>870,282,414</b> |
| <b>LIABILITIES</b>                                |       |                      |                    |
| Interest-bearing borrowings                       | 16    | 977,947,951          | 723,463,159        |
| Subordinated debts                                | 17    | 29,181,857           | -                  |
| Other liabilities                                 | 18    | 29,571,717           | 20,475,646         |
| <b>Total liabilities</b>                          |       | <b>1,036,701,525</b> | <b>743,938,805</b> |
| <b>SHAREHOLDERS' EQUITY</b>                       |       |                      |                    |
| Share capital                                     | 19    | 103,046,693          | 103,046,693        |
| Secondary capital                                 |       | (858,398)            | (858,398)          |
| Share premium                                     |       | 3,357,781            | 3,357,781          |
| Statutory reserves                                |       | 10,304,668           | -                  |
| Accumulated deficit/profit                        |       | 57,885,375           | 20,797,533         |
| <b>Total shareholders' equity</b>                 |       | <b>173,736,119</b>   | <b>126,343,609</b> |
| <b>Total liabilities and shareholders' equity</b> |       | <b>1,210,437,644</b> | <b>870,282,414</b> |

The financial statements were authorized for issue on 22 May 2019 by the Executives of the Group represented by:

Mr Dumitru Svinareco  
Administrator



Mr Dumitru Strogoteanu  
Chief Financial Officer



The notes from pages 5 – 87 are an integral part of these consolidated financial statements.  
2 of 87





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