



National Bank of Moldova

Mortgage Lending in Moldova: Market Perspectives and Development Pathways

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Governor of the National Bank of Moldova

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GENERAL FACTS AND ECONOMIC DEVELOPMENTS



General facts about Moldova

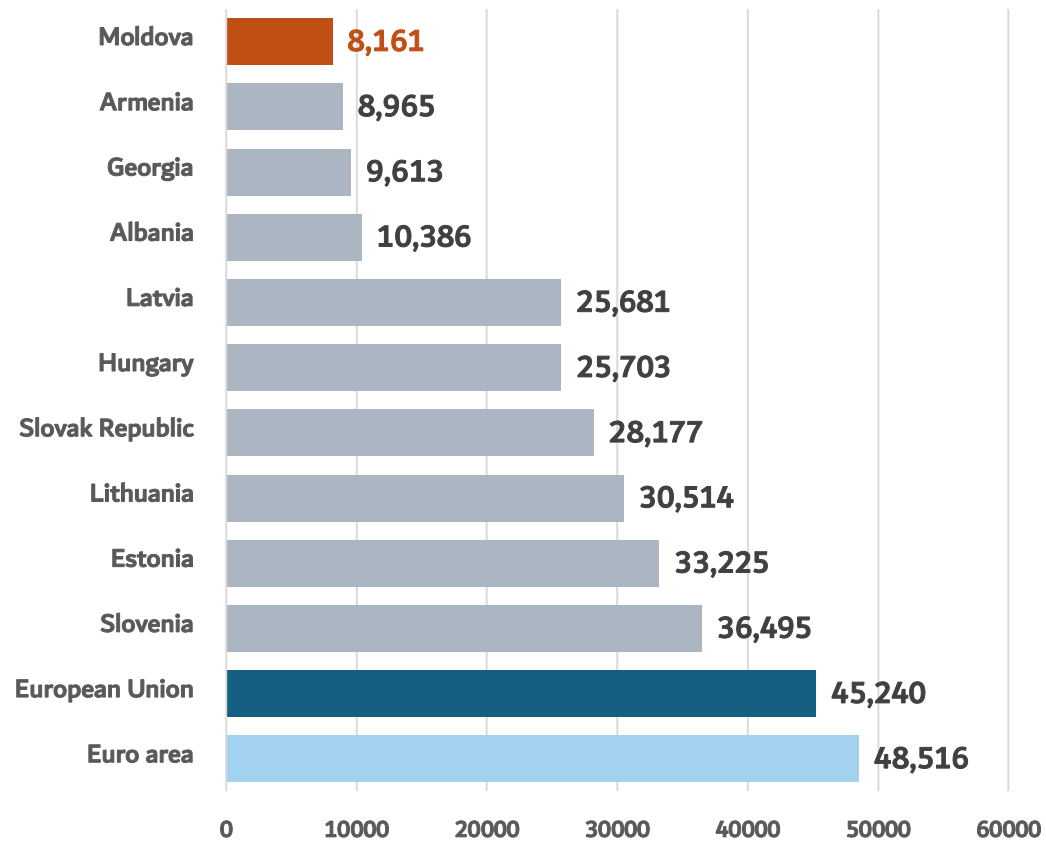


- Parliamentary Republic
- Area: 33,8 thousand km²
- Usual resident population (1 Jan 2025): 2,4 million
- Life expectancy at birth (2024): 72 years
- Currency: Moldovan Leu (MDL)
- GDP, current prices: 16,82 bn. EUR (2024) & 17,9 bn. EUR (2025)
- GDP per capita, current prices: 6940 EUR (2024) & 7513 EUR (2025)
- Unemployment rate: 4,0% (2024) and 3,8% (2025)
- EU candidate country: since 23 Jun 2022
- EU accession negotiations: since Dec 2023 (Eur. Council decision)
- Free-trade agreements with EU, UK, EFTA, CEFTA and Türkiye
- Ongoing program with IMF (under ECF/EFF and RSF arrangements)
- Country rating: Moody's rating: B2 stable (since Apr 2026)

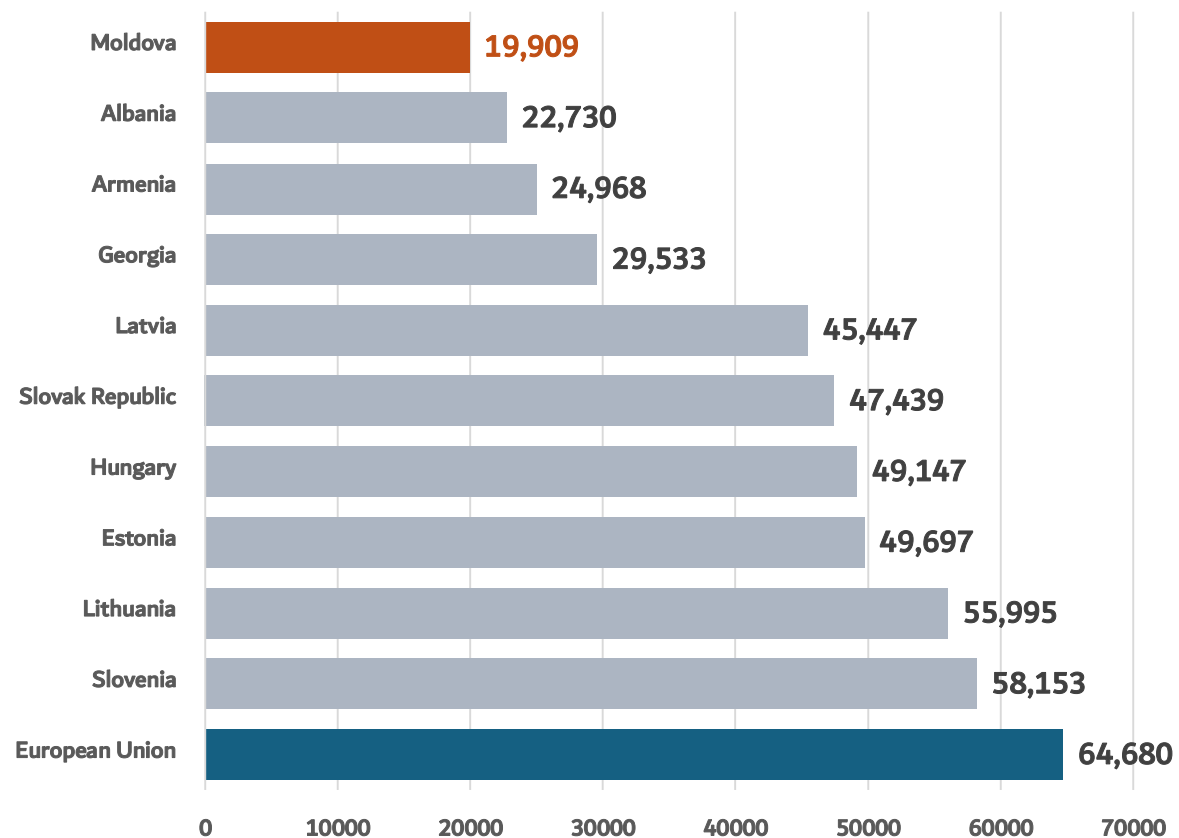


GDP per capita

Current prices, forecast 2025



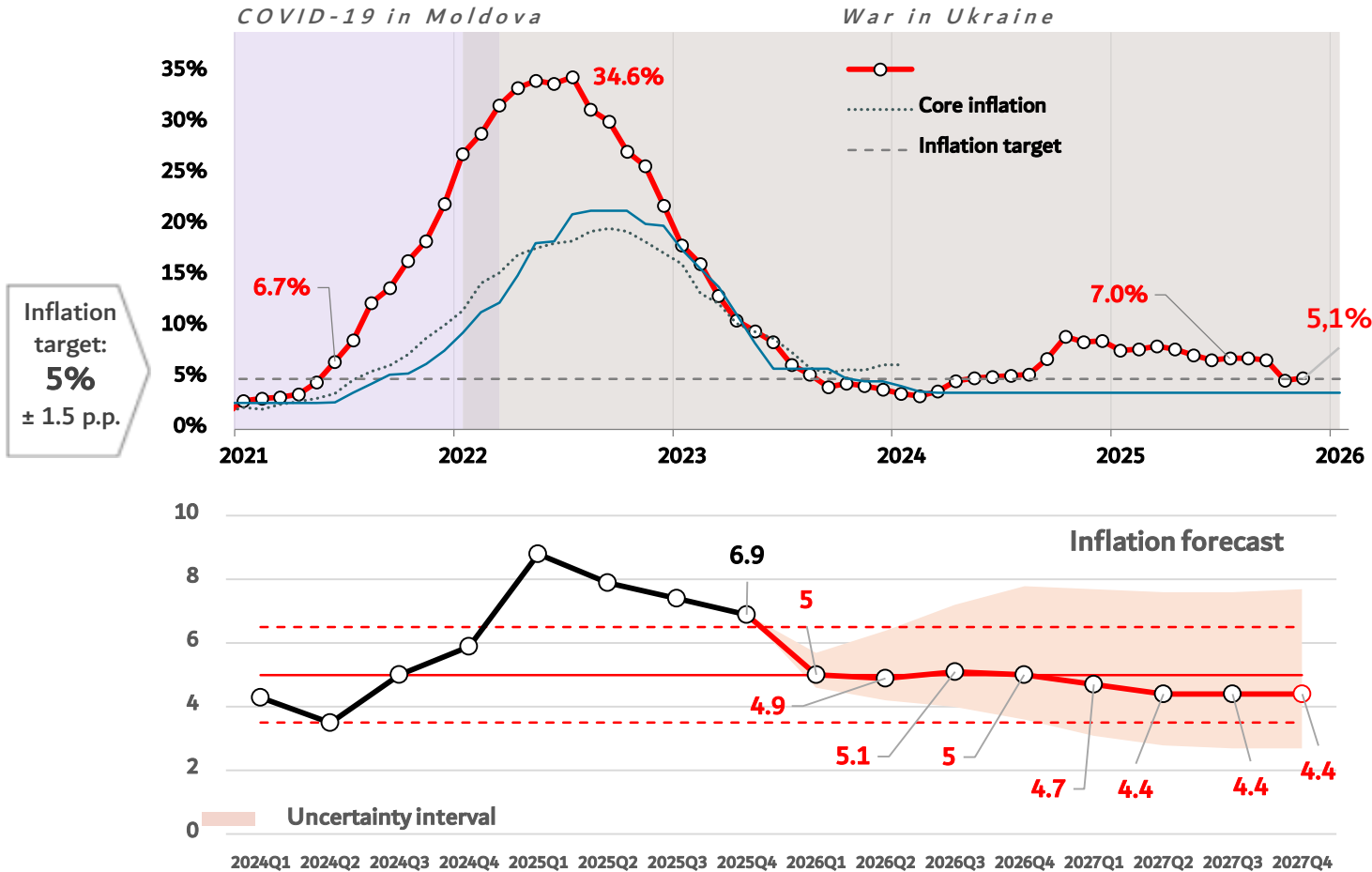
GDP per capita, current prices (PPP); int. USD, 2025



Source: International Monetary Fund

Inflation

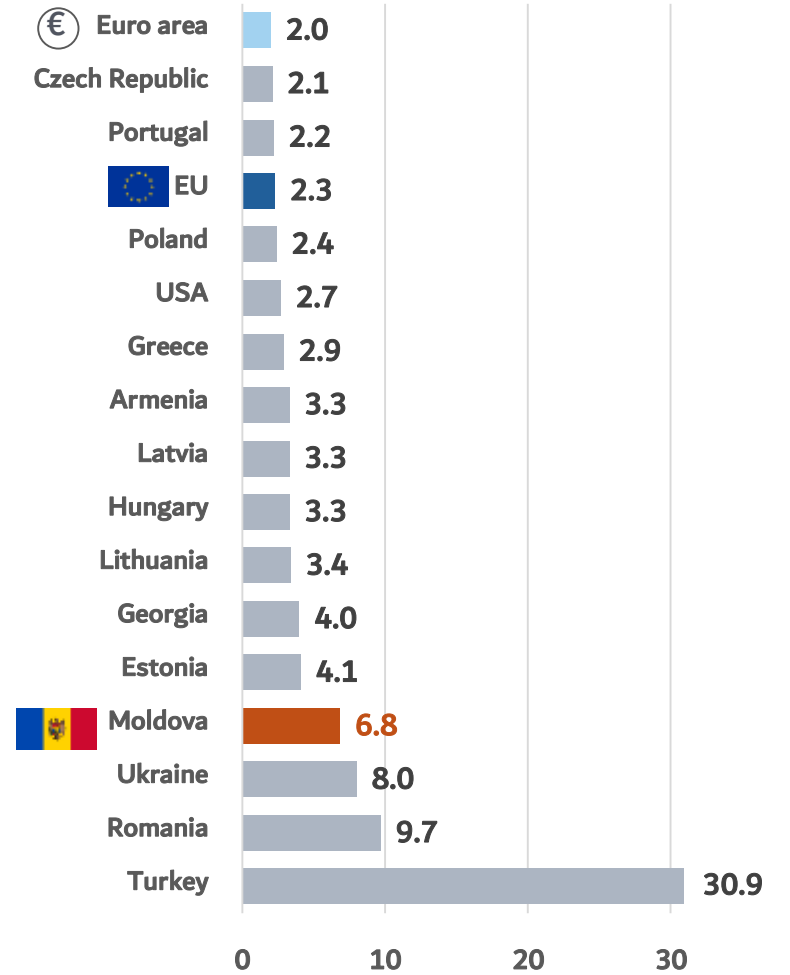
Inflation has eased from its 2022 peak and is moving toward the target range.



Source: National Bureau of Statistics of Moldova & National Bank of Moldova.

Forecast of average annual inflation rate:
 2026: 5% 2027: 4,4%

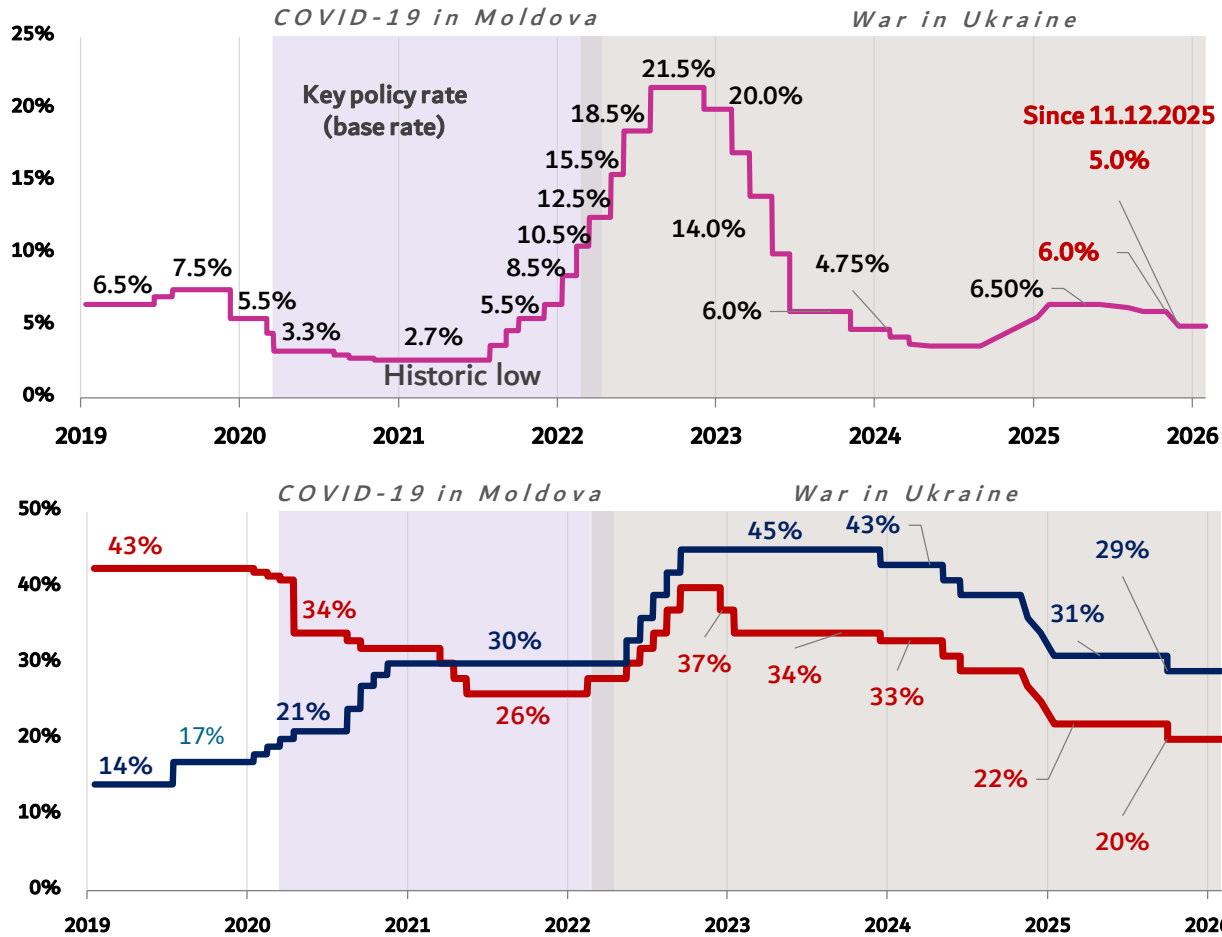
Inflation rate, December 2025



Source: central banks & national statistical offices websites.

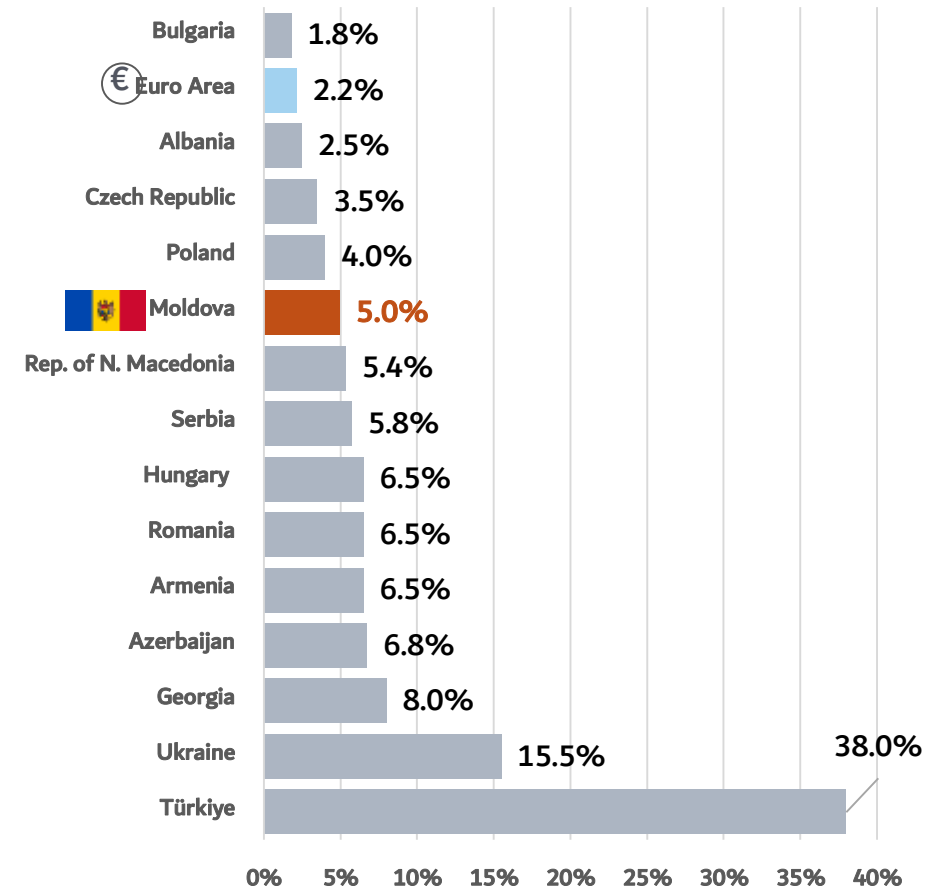
Monetary policy

The policy rate and reserve requirements were reduced to support economic activity.



Source: National Bank of Moldova.

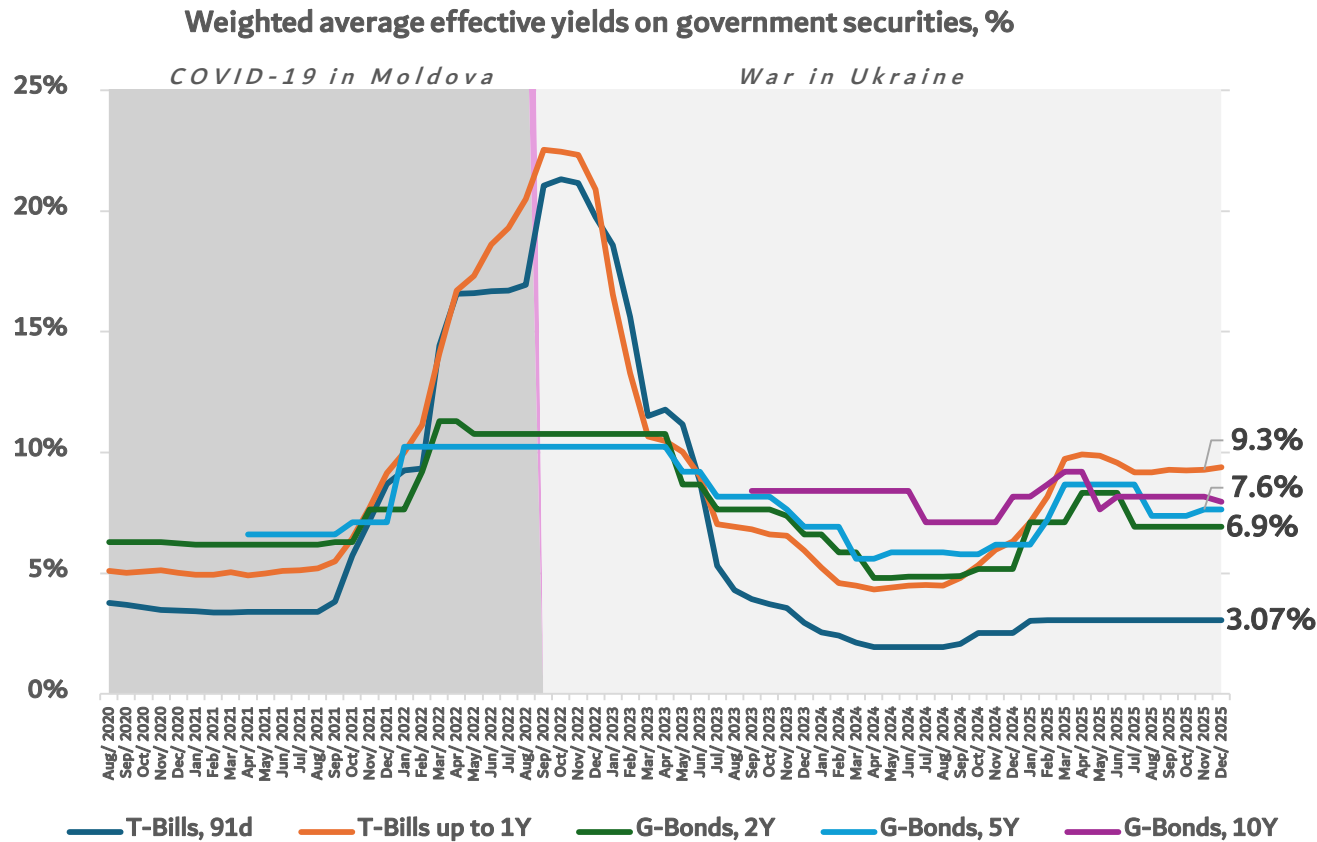
Interest rate, as of 28 January 2026



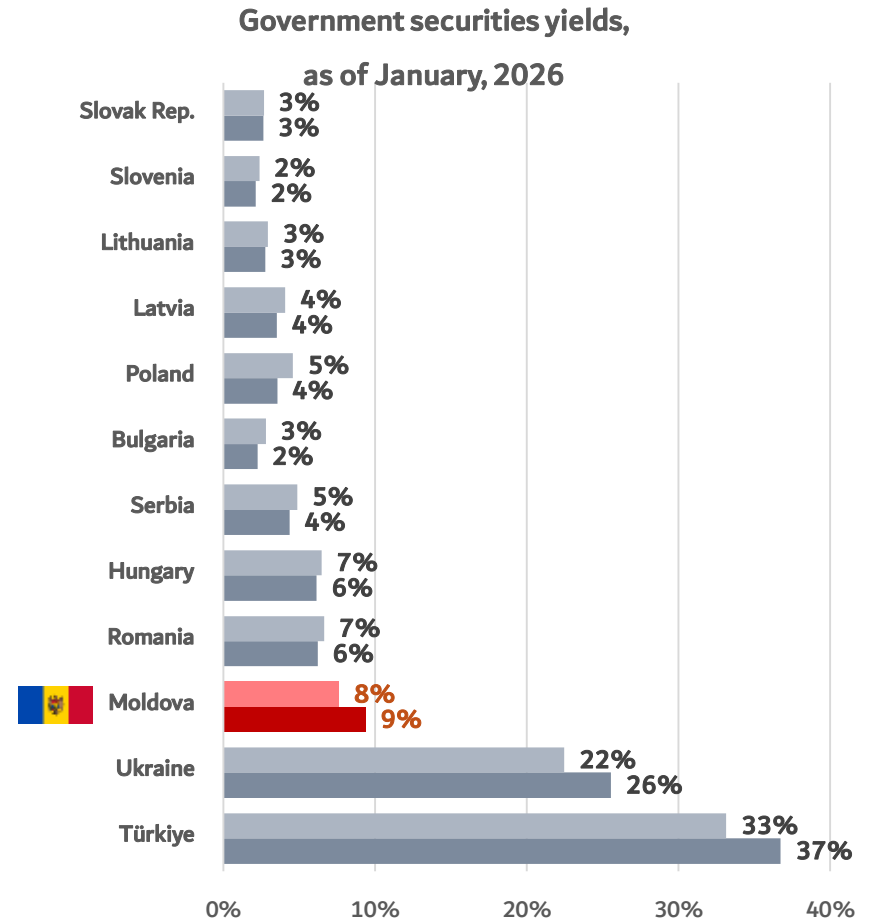
Source: central banks websites.

Financial markets

Yields on government securities remain relatively attractive compared with regional peers, particularly in the context of moderating inflation.



Source: National Bank of Moldova.



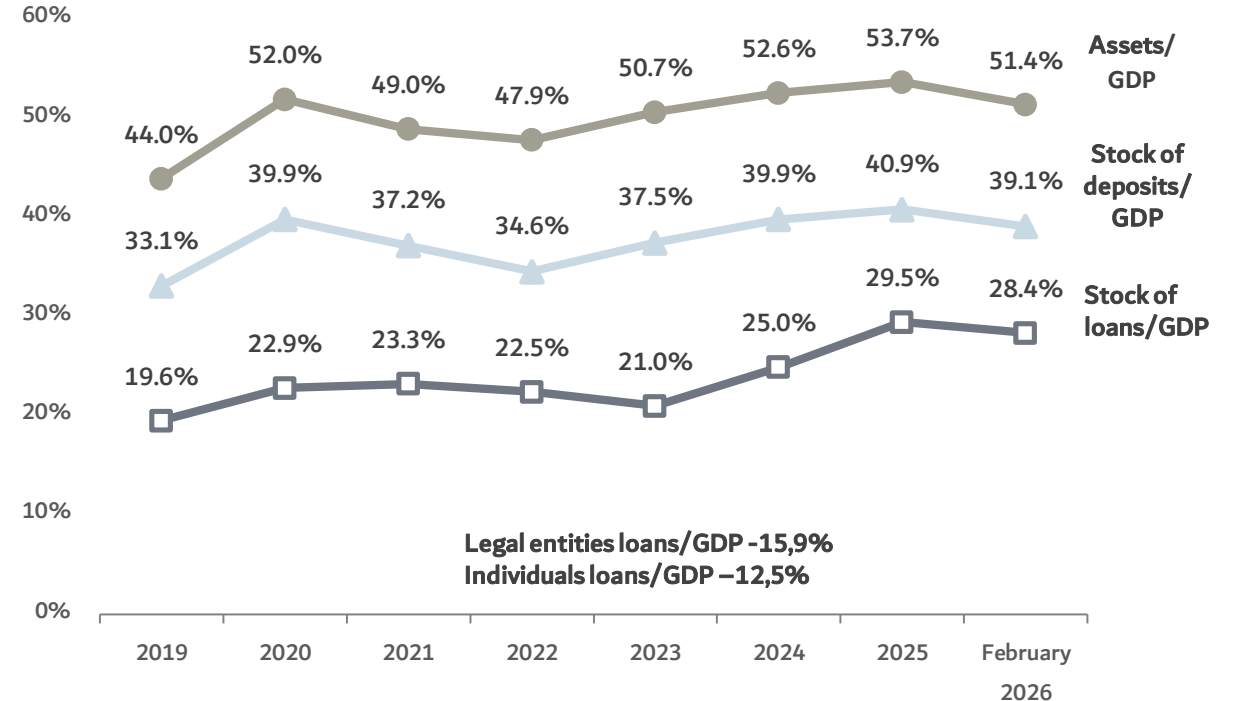
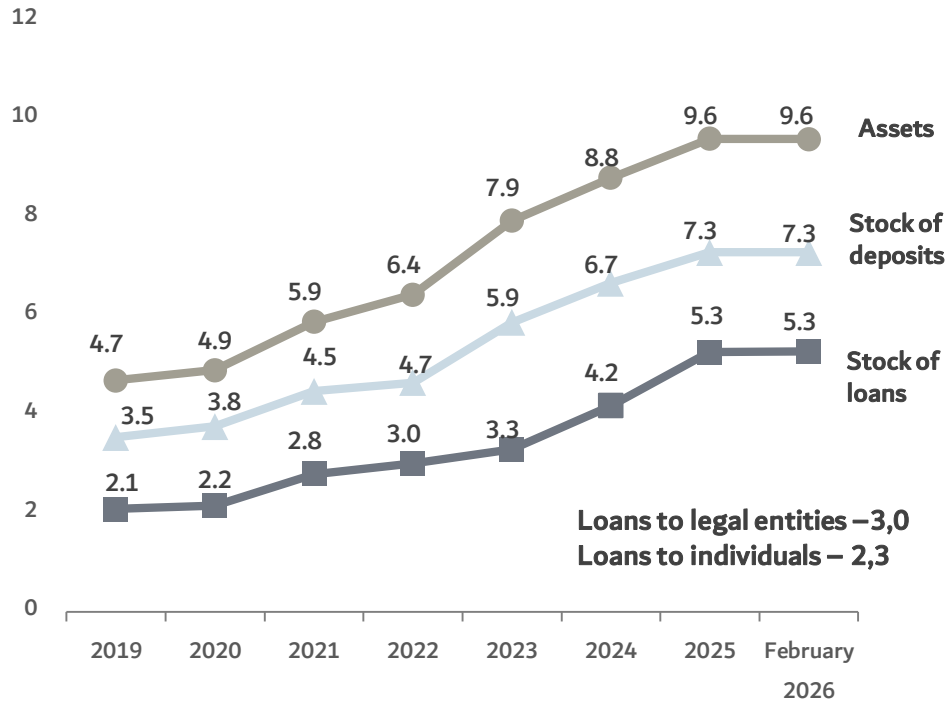
* As of date, or the rate at the latest issue.
Source: Bloomberg/central banks web sites.

BANKING SECTOR



Main indicators of banking sector

Banking assets and deposits have expanded steadily, while credit penetration remains moderate but rising.



Source: National Bank of Moldova, National Bureau of Statistics of Moldova and Ministry of Economic Development and Digitalization

* GDP for 2026 forecast of MEDD, updated on 03.12.2025.

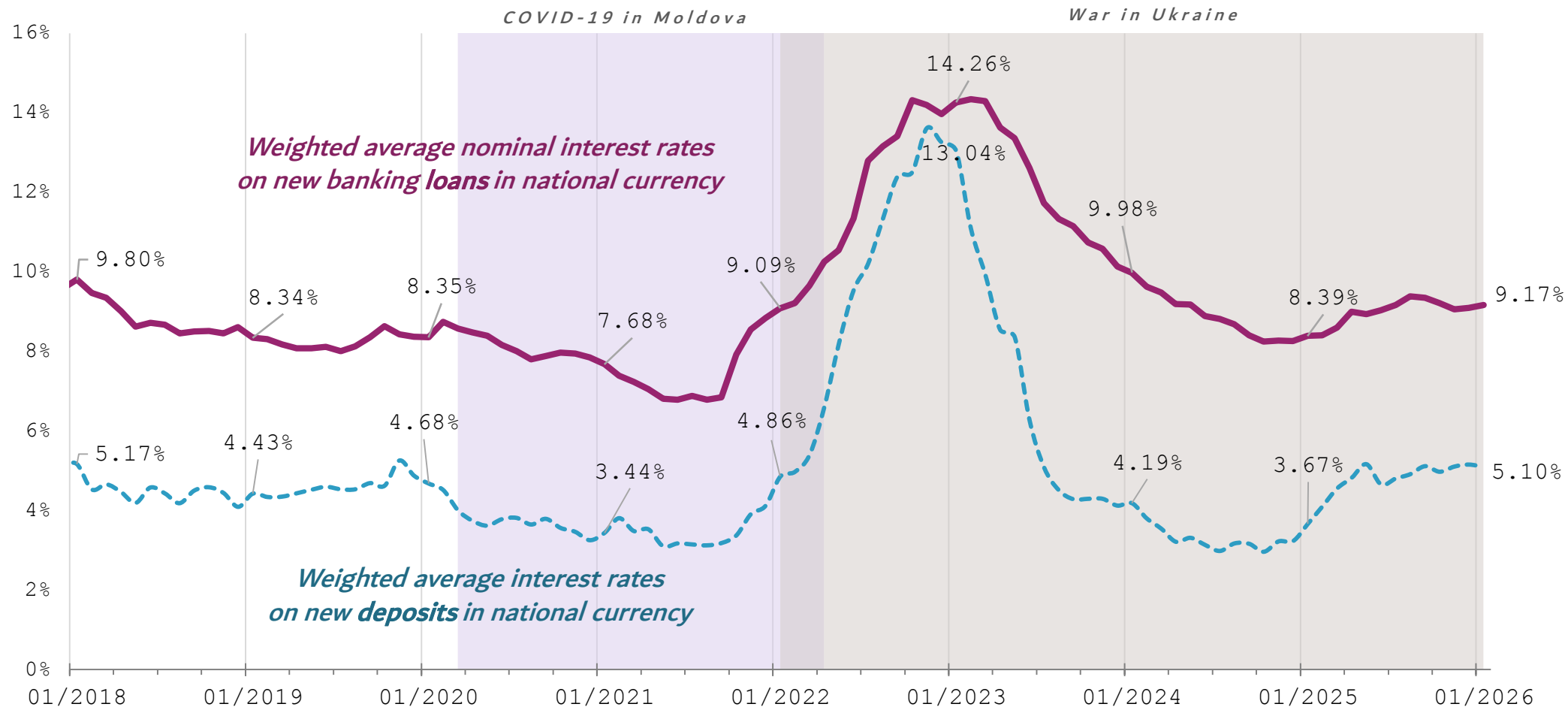
* Total loans to GDP for December 2024 in Georgia – 73,4%, North Macedonia – 51,6, Latvia – 50,3%, Romania – 40,3%, Albania – 34,4% and in Ukraine – 17,0%.

* Total assets to GDP for December 2024 in Georgia – 112,8%, North Macedonia – 81,8%, Albania - 81,8%, Latvia – 59,3%, Romania – 51,0% and in Ukraine – 42,7%.

Source: The data was calculated using information provided by IMF Data, Financial Soundness Indicators and official websites of the central banks of the respective countries.

Interest Rates on new loans and deposits

Interest rates peaked after the inflation shock and have since declined, supporting a gradual recovery in lending.

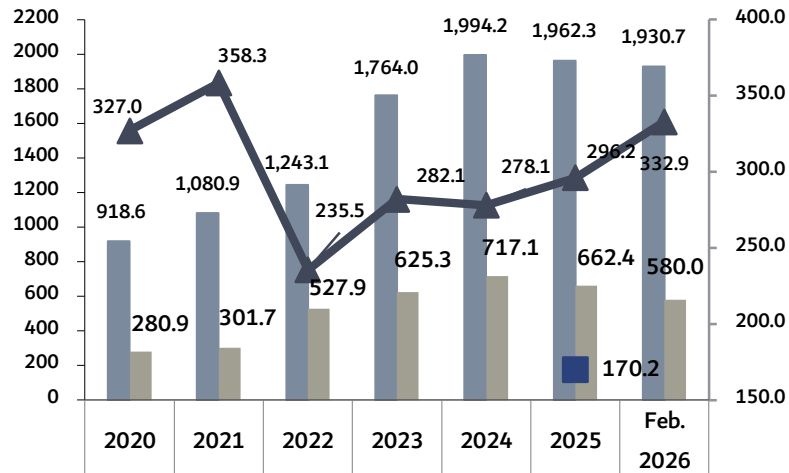


Source: National Bank of Moldova.

Banking sector liquidity

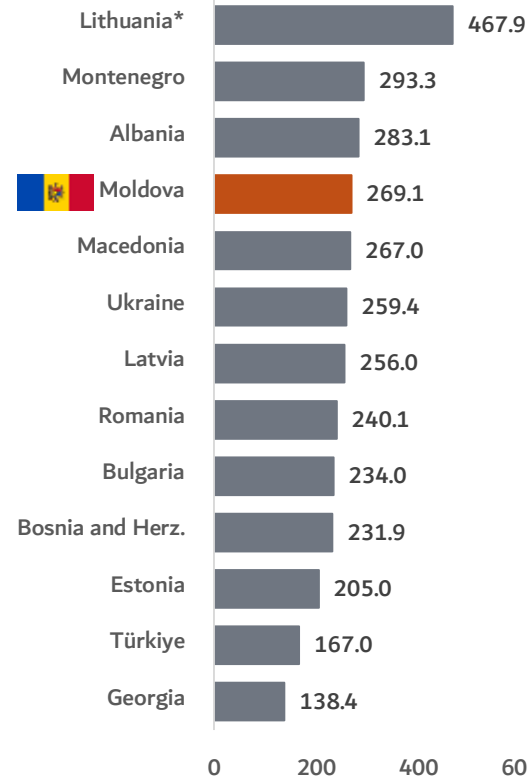
Banking liquidity remains strong, with Moldova's LCR well above regulatory requirements and regional averages.

Liquidity coverage ratio and Net Stable Funding Ratio, %

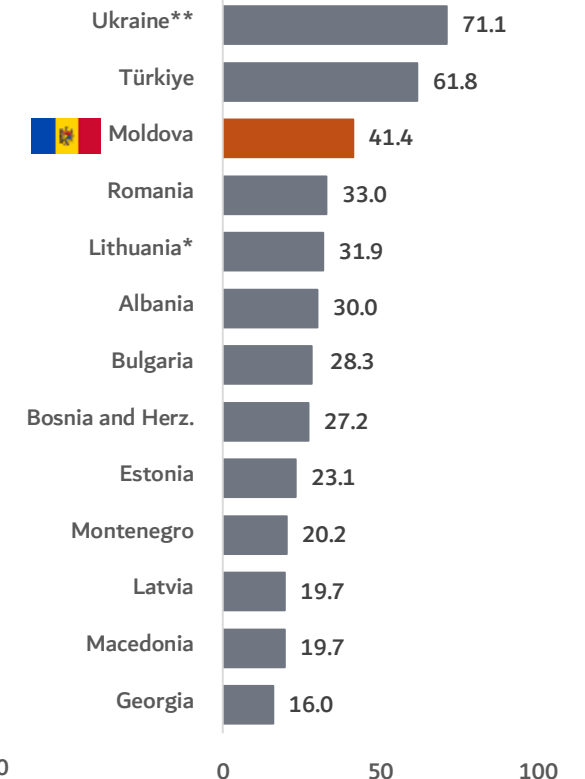


Liquidity reserve (million lei)	918.6	1,080.9	1,243.1	1,764.0	1,994.2	1,962.3	1,930.7
Net cash outflows (million lei)	280.9	301.7	527.9	625.3	717.1	662.4	580.0
Liquidity coverage ratio (LCR) (≥100%) in force since Oct. 2020	327.0	358.3	235.5	282.1	278.1	296.2	332.9
Net Stable Funding Ratio (NSFR) (≥100%) in force since Sep. 2025						170.2	

Liquidity Coverage Ratio, Q3 2025, %



Liquid Assets to Total Assets, Q3 2025, %

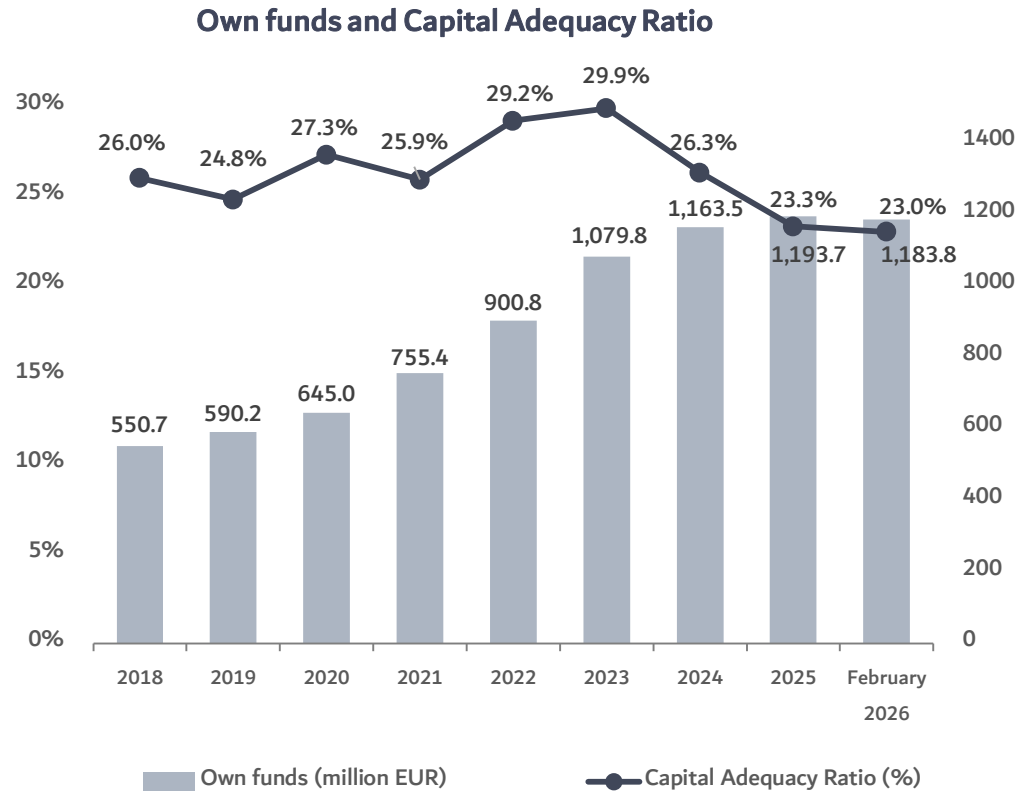


*- data for Q2 2025, **- data for Q3 2022

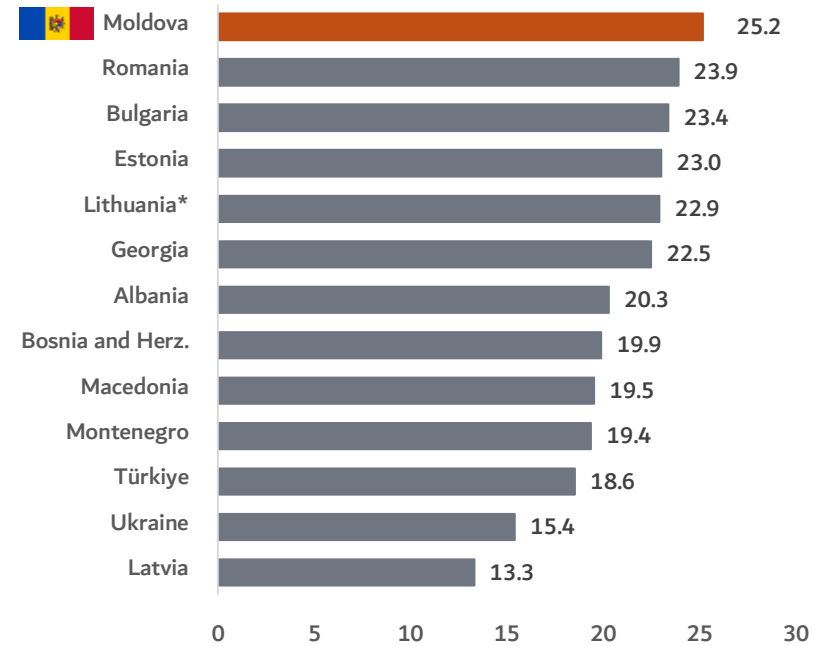
Source: National Bank of Moldova, IMF Data (Financial Soundness Indicators)

Banks are well capitalized

Banks remain well capitalized, with Moldova showing one of the strongest capital adequacy positions in the region.



Regulatory Capital to Risk-Weighted Assets, %



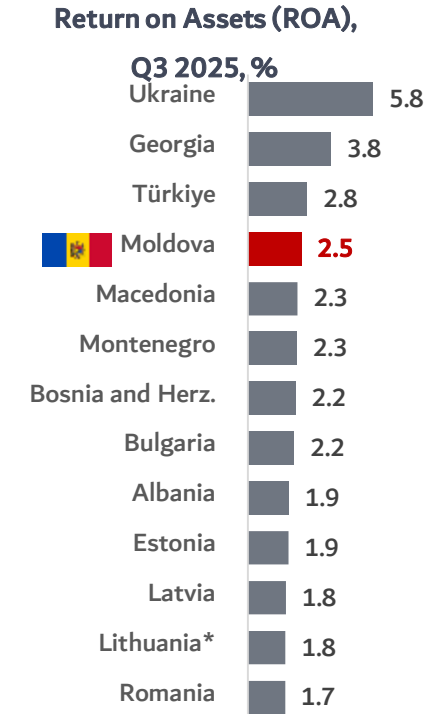
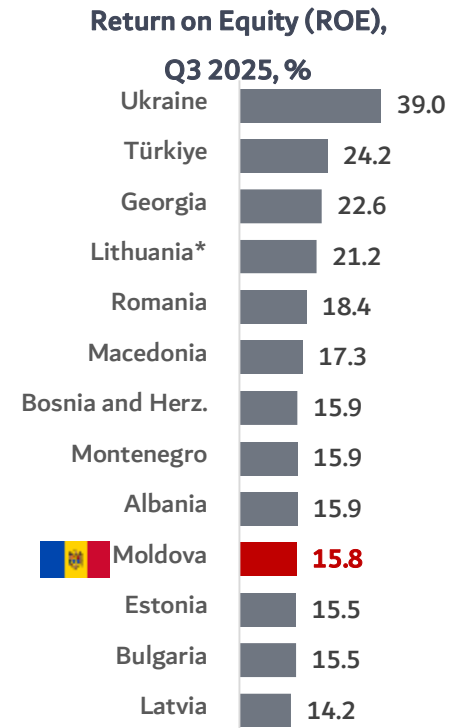
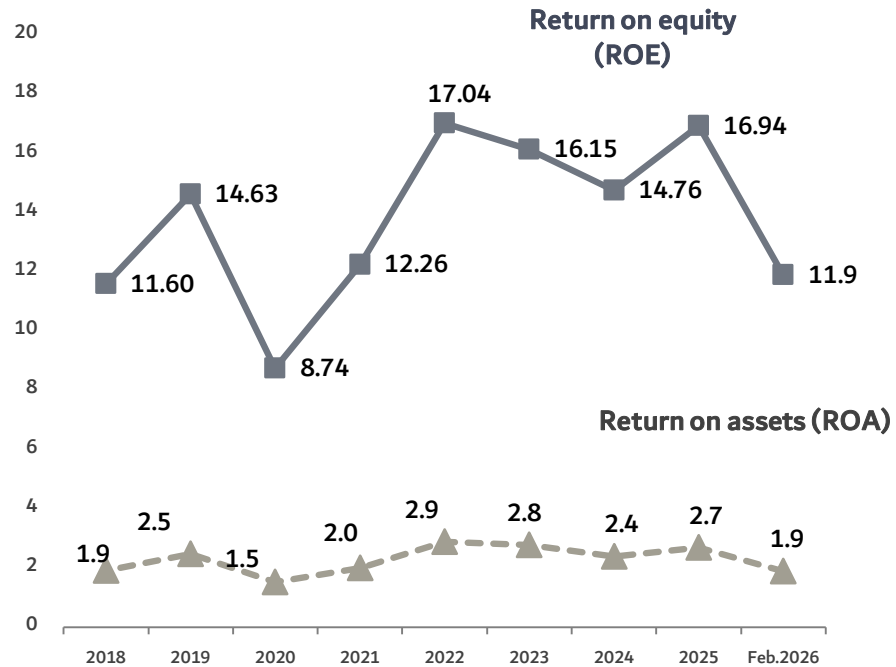
Note: BASEL III capital standards starting from Jul-2018
Source: National Bank of Moldova.

Source: IMF Data (Financial Soundness Indicators),
National Bank of Moldova
*-data for Q2 2025

Source: National Bank of Moldova.

Profitability of the banking sector

Bank profitability is solid, with ROE close to regional peers and ROA among the stronger performers.



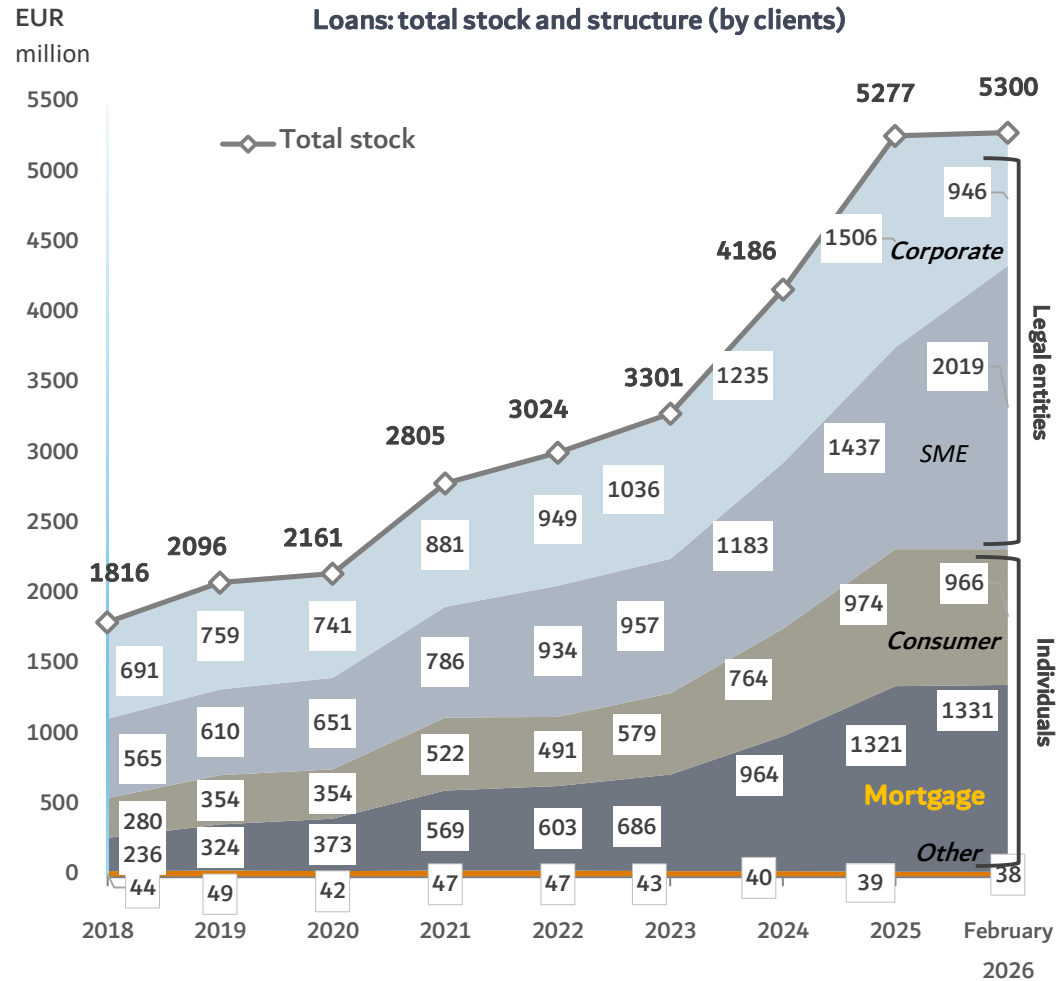
Source: IMF Data (Financial Soundness Indicators), National Bank of Moldova, data for Q2 2025

MORTGAGE LENDING IN MOLDOVA



Banking Credit Activity

Mortgage lending is expanding rapidly, strengthening the case for long-term market-based funding



Mortgages

- **Strong mortgage growth:** from EUR 236m in 2018 to EUR 1.33bn in February 2026
- **Sharp acceleration after 2023:** mortgage stock almost doubled from EUR 686m to EUR 1.32bn in 2025
- **Key driver of retail lending:** mortgages dominate the individual loan segment.
- **Need for long-term funding:** growth supports the case for covered bonds and other market-based instruments.

Source: National Bank of Moldova.

Progress and Trends

Housing finance is expanding, but remains anchored in traditional bank lending, state support, and household remittances.

Banks

- Main channel for mortgages
- Traditional instruments – convert short-term deposits into long-term lending
- One bank becomes very active in issuing corporate bonds

First House (Prima Casa)

- The Government's programme oriented to help young families buy their first home
- Capacities and financing from the Government are quite limited

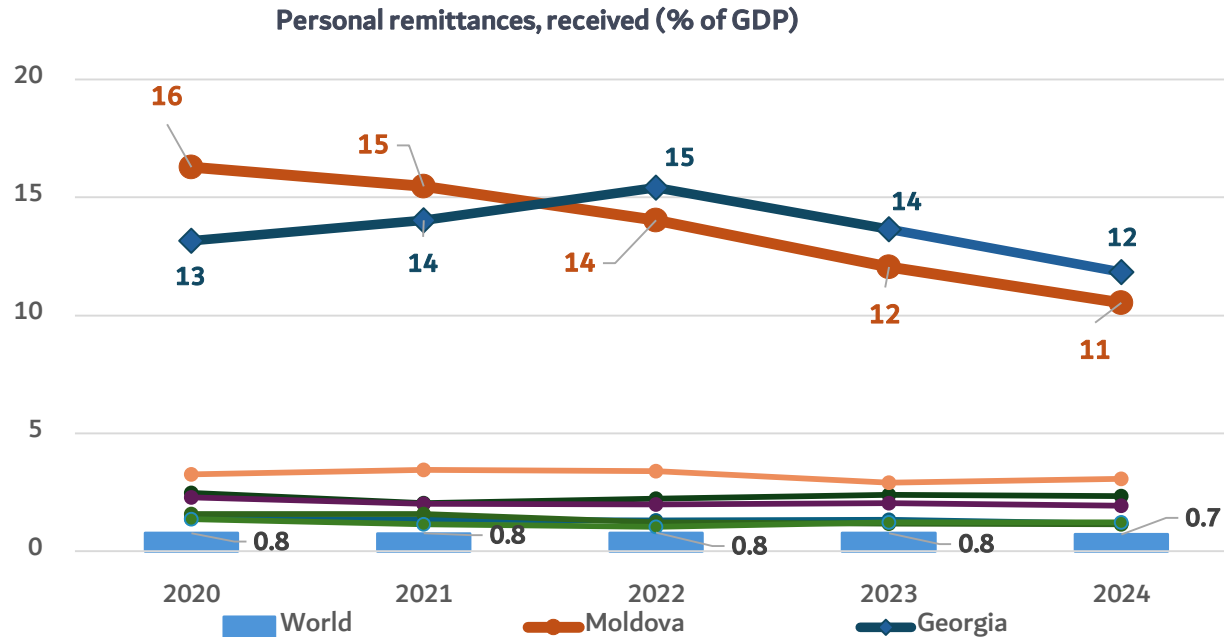
Remittances

- Remittances remain an important source of household financing, including for housing-related investment
- High reliance on remittances does not fully support a scalable, sustainable, market-based housing finance model

Mortgage lending continues to grow, but it remains largely dependent on traditional bank financing, public support schemes, and remittance flows.

Progress and Trends

Remittances continue to be significant for housing finance, but their role is declining.

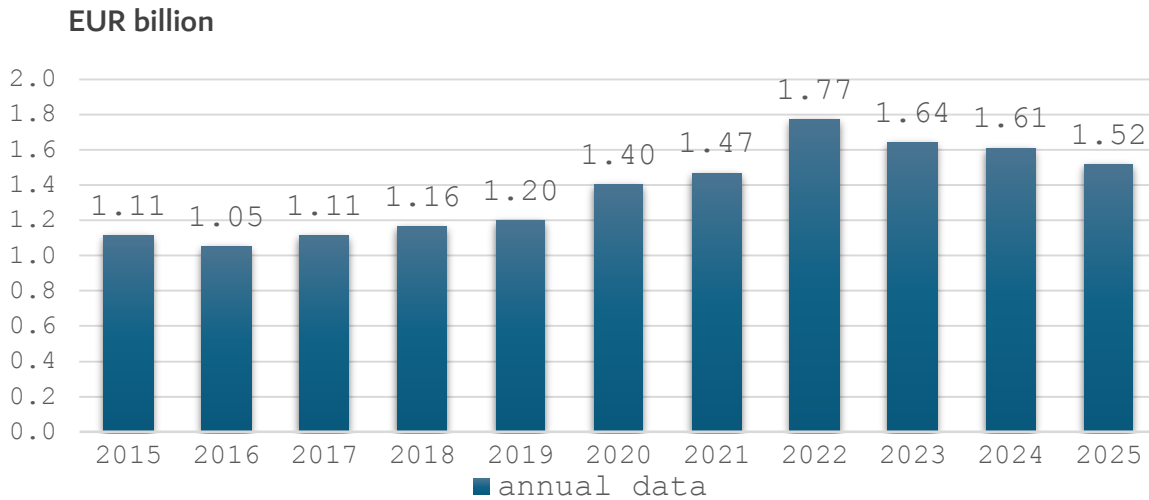
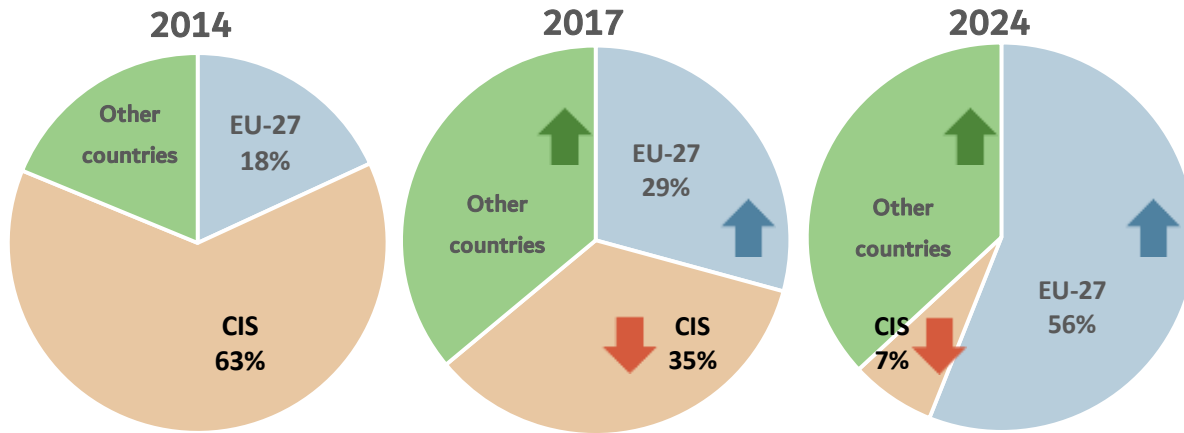


Remittances

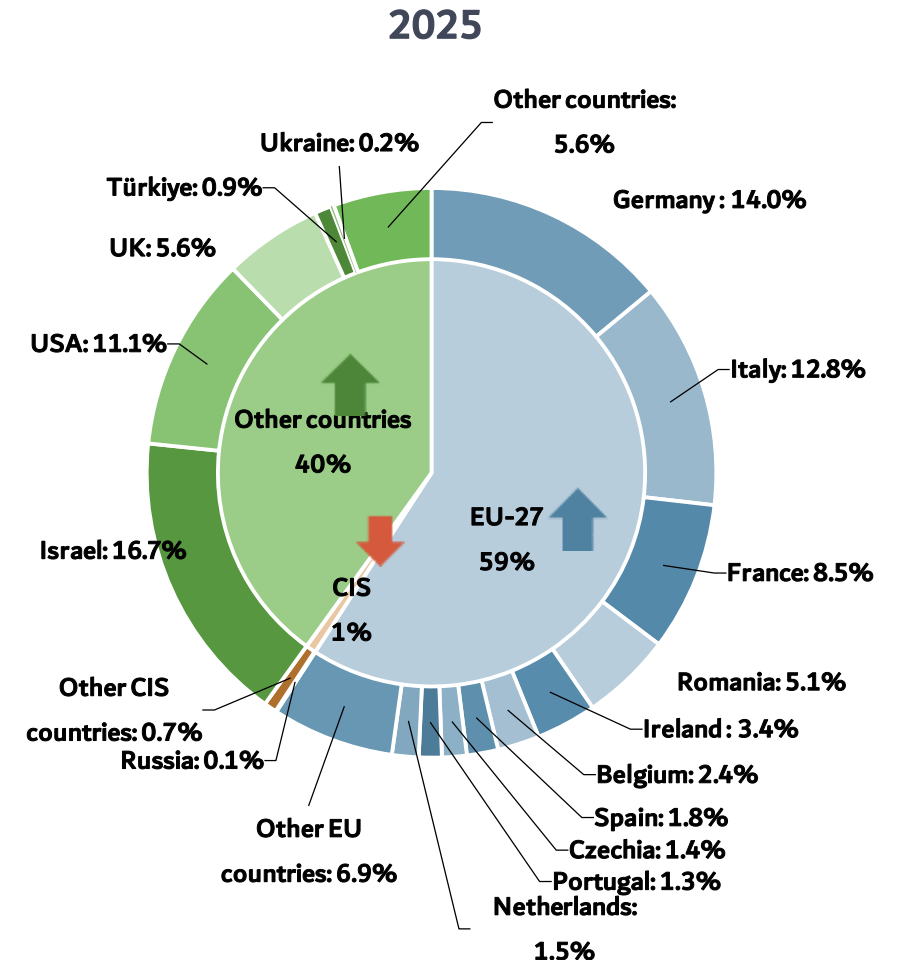
- Remittances are the major source of housing investment, although but often outside formal intermediation
- High reliance on remittances does not support a scalable, sustainable, market-based model for housing finance

Progress and Trends

Remittances to individuals via banks and post.



Source: National Bank of Moldova.



Note: EU – European Union.
CIS – Commonwealth of Independent States.

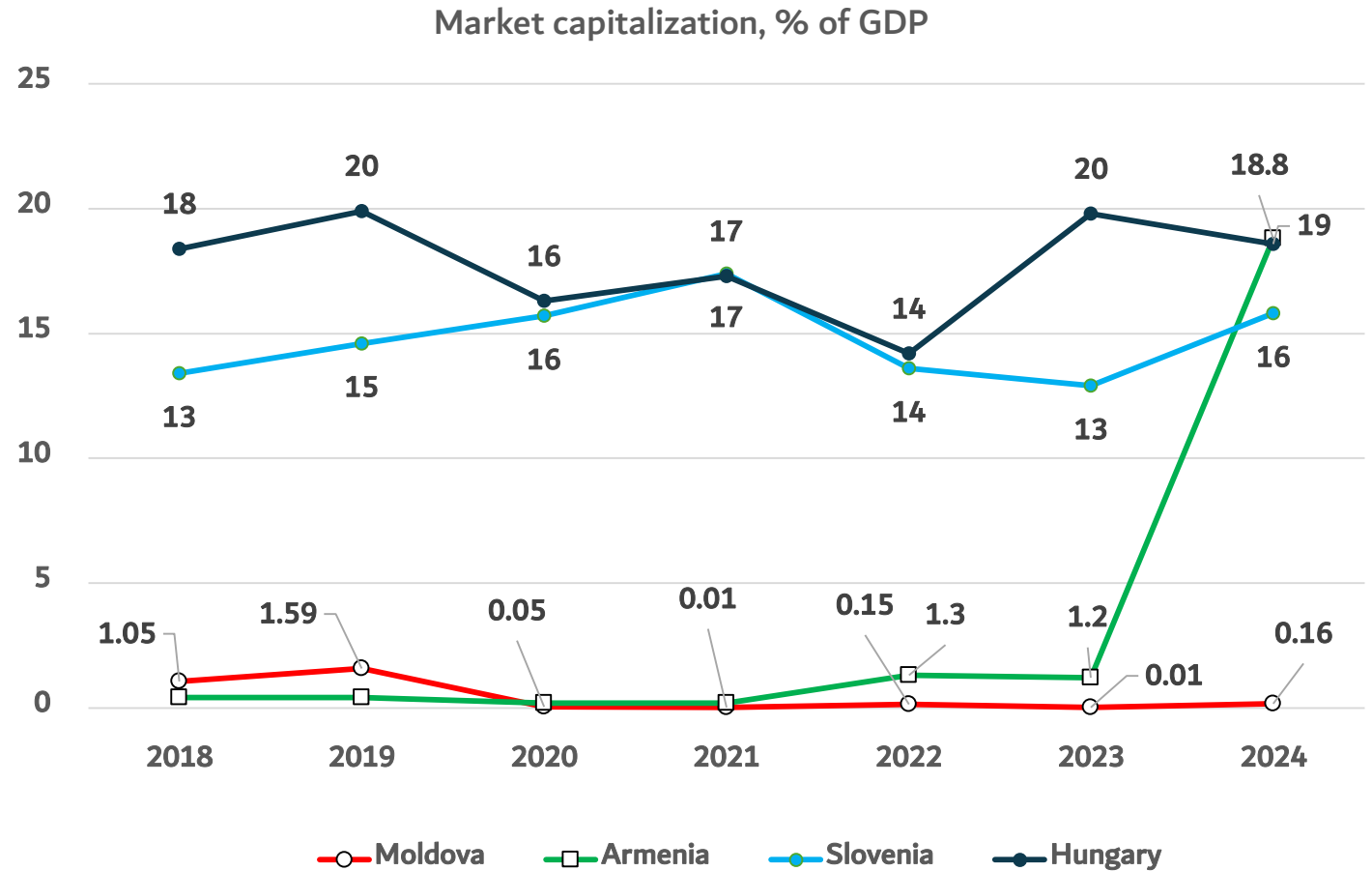
Capital Market Perspectives

Moldova's capital market remains at an early stage, with very low capitalization and significant room for development.



Current Realities

- Early-stage capital market
- Limited liquidity, narrow investor base, lack of long-term investment instruments, poor intermediation
- Stock market capitalization is around 0,16% of GDP



Capital Market Perspectives

Key infrastructure reforms create a stronger basis for EU-driven growth.



Current Realities

- Early-stage capital market
- Limited liquidity, narrow investor base, lack of long-term investment instruments, poor intermediation
- Stock market capitalization is around 0,16% of GDP



Foundations in place

- Post-trade infrastructure reform (a unified CSD)
- Advanced payment infrastructure
- A new stock exchange under development with the Bucharest Stock Exchange



Strategic direction

- Orientation toward integration into the EU financial market
- Capital Market Development Strategy aiming to diversify instruments, offer liquidity and improve intermediation

An early-stage capital market, showing initial signs of activity, but with significant prospects for development and EU accession-related growth.

NBM's Approach for Mortgage Growth

NBM's approach supports prudent mortgage growth through stronger funding, EU integration, and sustainable housing finance.

1 Covered Bonds Framework

Draft Covered Bonds Law, supervisory standards for safe mortgage refinancing

2 Capital Account Liberalization

Gradual liberalization of foreign exchange operations and capital account transactions

3 EU market integration

Implement omnibus accounts and links with EU central securities depositories

4 Green Housing Pipeline

Use the taxonomy to develop green mortgages, renovation loans and green bonds

Prudent Mortgage Growth: promote sustainable expansion of the mortgage market by improving access to housing finance, while maintaining a robust prudential framework that safeguards borrowers, credit quality, and overall financial stability.

NBM's Approach for Mortgage Growth

Law on Covered bonds

will create an EU-aligned framework for covered bond issuance by credit institutions



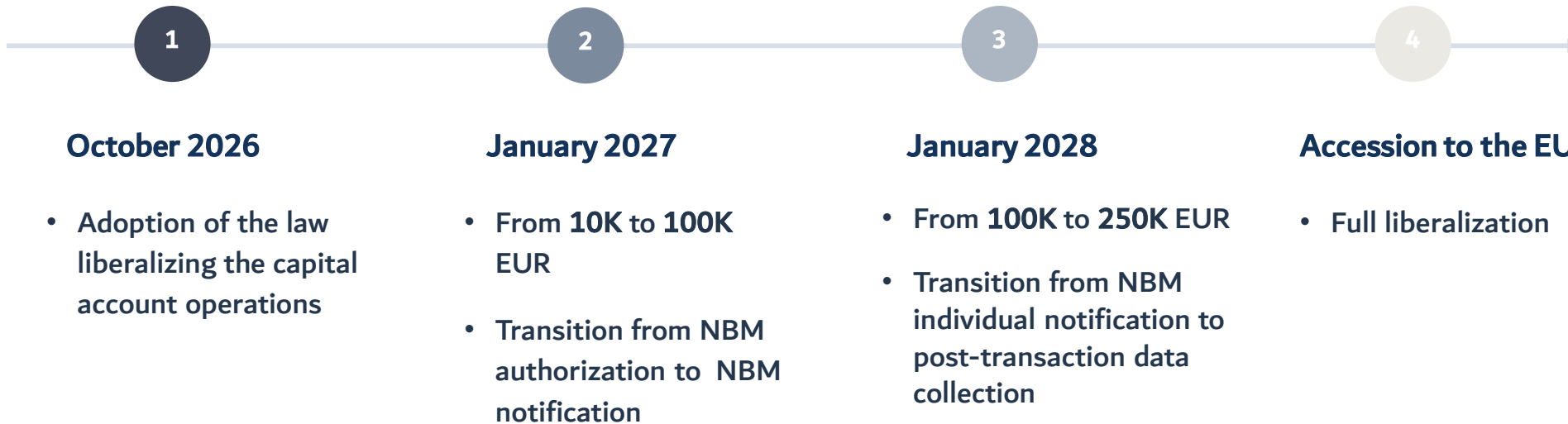
Objective: shifting from bank-based mortgage lending toward market-based, long-term financing

NBM role: prior authorisation of programmes • public supervision • reporting • sanctions • investor disclosure

NBM's Approach for Mortgage Growth

Liberalization of Capital Account Operations

gradual liberalization of foreign exchange operations and the capital account

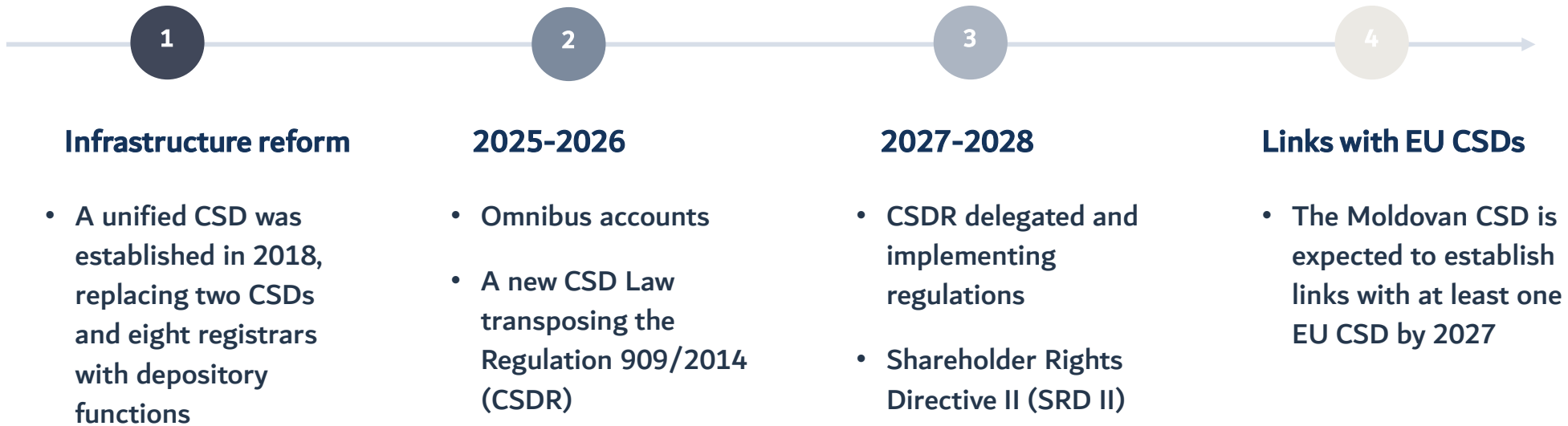


Objective: progressively remove remaining restrictions and align the regulatory framework with international standards, with the explicit goal of achieving full liberalization of capital account operations.

NBM's Approach for Mortgage Growth

Integration into the EU capital market

post-trade reform enabling cross-border settlement and custody

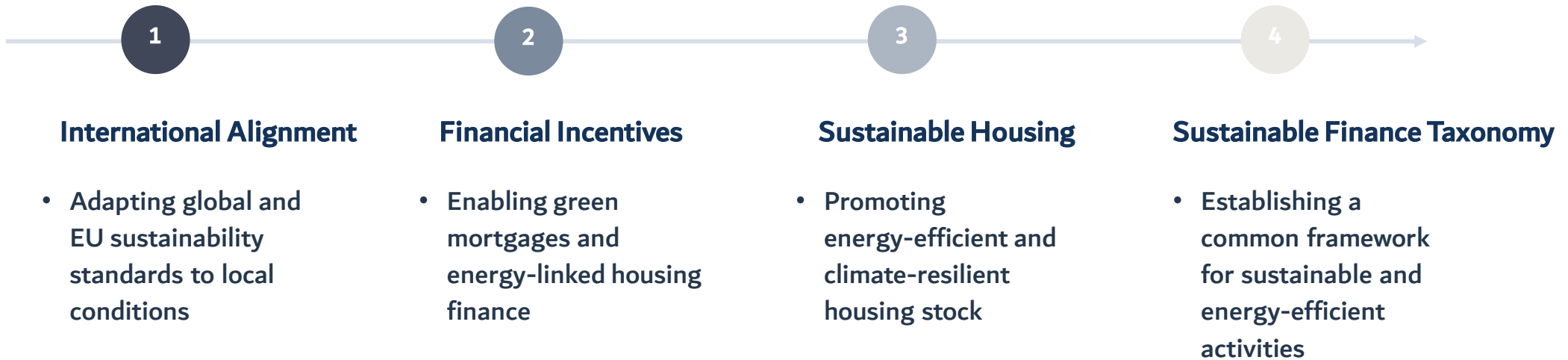


Objective: upgrade the regulatory and operational framework in line with EU standards to integrate the domestic capital market into the EU market and enable seamless cross-border capital operations.

NBM's Approach for Mortgage Growth

Green Housing Pipeline

adapting local realities to the best international practices and standards



Objective: building a coherent framework for sustainable housing finance by aligning international best practices with national priorities on climate, affordability, and financial-sector development.



National Bank of Moldova

Thank You for Your Attention

