



Q1 2026

FINANCIAL RESULTS

Earnings Call Transcript

26th May 2026

SPEAKERS



ÖMER TETİK

Chief Executive Officer

Ömer Tetik is the CEO of Banca Transilvania since 2013 and under his leadership BT has become the largest bank in Romania and South-East Europe. He is a member of the Board of Directors of BT Capital Partners and he is a strong supporter of the Romanian capital market development. He has over 20 years of banking experience in Romania, Russia and Turkey.

He started his career at ATA Securities in Turkey (Izmir) and a year later moved to Istanbul to join the treasury team of Finansbank. In 1997 he moved to Russia taking the position of Treasury and Capital Markets Department Coordinator of Finansbank Moscow. He moved to Romania in 2000, when the same bank gave him a new assignment as Deputy Vice President. Ten years later he became Vice President and then CEO of Credit Europe Bank, formerly Finansbank.



GEORGE CĂLINESCU

Deputy Chief Executive Officer - Chief Financial Officer

George Călinescu has over 20 years of experience in banking and audit. As a member of the BT's team, since 2013, he is part of one of the youngest executive management teams from the Romanian banking system. In addition to the bank's financial team, he coordinates the data and information management at the level of Banca Transilvania Financial Group. His management style is based on supporting the coordinated team to achieve excellence.

He is a senior member of ACCA, one of the largest organizations of accounting experts worldwide. In 2019, he was named the best Chief Financial Officer in the relation with investors (BVB and AR&IR Gala).



CĂTĂLIN CARAGEA

Deputy Chief Executive Officer - Chief Risk Officer

Cătălin Caragea brings more than two decades of risk management experience to Banca Transilvania Group. He has worked in Romanian and international banks such as Raiffeisen Bank Romania, BCR and Erste Group Vienna.

At Banca Transilvania, he coordinates the risk management and compliance area, namely: integrated risk management, risk modelling, risk management and analysis of credit, market and liquidity risks, compliance, operational, including anti-fraud, information and technology security and business continuity.



AUREL BERNAT

Executive Director Financial Institutions & Investor Relations

Aurel Bernat has 20 years of experience in banking and asset management. He has been a member of the BT Team since 2005. Starting with 2007 until recently he held various positions within BT Asset Management, until 2017, when he became the CEO of the subsidiary.

As of August 2023, he is the Executive Director Financial Institutions & Investor Relations at Banca Transilvania, coordinating the International Relations and Financial Institutions Department, the ESG Integration & Investor Relations Department and the Macroeconomic Research Department. He is the Chairman of the BT Pensii (Pension fund) Board of Directors.

MODERATOR



DIANA MAZURCHIEVICI

Director ESG Integration and Investor Relations

Diana Mazurchievici has been part of the banking system since 2017. She is the Head of ESG Integration and Investor Relations at Banca Transilvania since June 2022, responsible for overseeing ESG and sustainability

initiatives, mergers and acquisitions, and investor relations.

She is a member of ACCA and holds an Executive MBA from the Maastricht School of Management. With a vast experience and a strong commitment to positive change, Diana Mazurchievici contributes to the success of Banca Transilvania's ESG initiatives.

Q1 2026: FINANCIAL RESULTS

 **Play video**

 **Presentation**

OPERATOR

Ladies and Gentlemen, thank you for standing by. I am Maria, your Chorus Call operator. Welcome and thank you for joining the Banca Transilvania conference call to present and discuss the First Quarter 2026 Financial Results.

At this time, I would like to turn the conference over to Mr. Ömer Tetik, CEO Mr. George Călinescu, Deputy CEO – CFO, Mr. Cătălin Caragea – Deputy CEO, CRO & Mr. Aurel Bernat – Executive Director Financial Institutions & Investor Relations.

Mr. Tetik, you may now proceed.



ÖMER TETIK

Good afternoon or good morning, depending on where you are joining from. Thank you for being with us today. We appreciate your time and your continued interest in joining our calls and sending us questions. Before we begin the presentation, I would like to provide a brief update on our sometimes-challenging environment, not only in Romania, but also in light of the political challenges we are currently facing, which clearly add to the backdrop. Still, when we look at the impact of fiscal consolidation measures, still-elevated inflation, and some political uncertainty, we can say that both the private sector and the banking sector, and especially Banca Transilvania, have been performing quite well in terms of business growth, new business generation, profitability, capital generation, and valuable returns for our shareholders.

First Quarter results, as you already saw last week, were very strong. They were supported by the merger and acquisition activity in which we were highly active last year, both in Romania and in the Republic of Moldova. As a result, we increased our net profit by 30%. Even excluding the acquisitions, the underlying trends remain encouraging, particularly in terms of revenue growth and cost control.

We see growth in non-risk income, bank insurance, and payments. In the First Quarter alone, we opened almost 150,000 new accounts across both corporate and household customers. Overall, the numbers are tracking according to budget, and as already reflected in the capital

markets, we have also been delivering good returns for our investors.

We remain comfortable with fulfilling the budget, which was also approved at the last General Shareholders' Assembly at the end of April, together with the dividend payouts and the appointment of the new board members. We believe the market has already shown confidence in our business model and in the results we can deliver, as reflected in the exceptional interest shown in April in our new bond issuance, through which we raised EUR 1 billion. As far as we know, this is the highest amount in Central and Eastern Europe so far. Also, mainly based on the methodological changes, but also due to our robust growth, strong results and strong capital position, Fitch upgraded our rating to BBB.

If we look at the trends further, we believe that, with our digital banking applications, BT Pay and BT Go, together with strong customer satisfaction and confidence levels, we will continue to deliver good and strong results in the coming quarters. I am sure that the challenges in Romania, with which we have become almost familiar over the last two or three decades, will have only a minor impact on our business development.

I will now ask Aurel to give a brief update on the Romanian economy and banking sector trends, after which we will come back to our numbers and results.



AUREL BERNAT

Thank you, Ömer. I will follow up on your comments on the Romanian environment by saying that we see a blend of positive and less positive developments around us. I will start with the positive side, where we still remain one of the main countries in Central and Eastern Europe in terms of future development and attractiveness for foreign direct investments.

We recorded strong growth between 2015 and 2025, although growth was more moderate in 2025 and 2026. Nevertheless, GDP per capita reached 78% of the EU-average, which is a meaningful level compared with where we stood previously.

What we see as a positive signal is that, within Romania, there are

still large disparities across regions. Bucharest, and to some extent the western part of the country, are well above this average, while the rest of the country is lagging. We view this as future development potential, as there is still room for a broader distribution of wealth across regions.

In terms of GDP, in the First Quarter of 2026, it decreased by 1.7% on an unadjusted basis, or by 1.5% on an adjusted basis. This is directly linked to the fiscal measures taken by the government. Nevertheless, these measures had a positive impact on the budget deficit, as you can see in the second chart. It narrowed to 1.03% in the First Quarter of 2026, almost half the level recorded in the previous year. You can also see our forecast through to the end of 2026, as well as the annualized forecast, which incorporates the First Quarter of this year.

The trade deficit decreased by 9.3% year-over-year, which gives us confidence in future trends. The current account deficit is also moving in a positive direction, although less so in terms of financial intermediation, where the ratio remains slightly above 20%. Once again, as I mentioned, this is a blend of positive and less positive developments. Still, we view this as another positive signal in terms of future development potential.

In terms of inflation, we remain in a higher inflationary environment because of all the fiscal consolidation measures we discussed in our previous calls. These relate to last year's VAT increase and other measures, such as the capping and subsequent liberalization of energy prices. As a result, inflation is currently running at around 9% year-over-year.

Most probably, by the end of this year, it should decline, as all the previous measures will begin to fade later in the year. Public debt to GDP remains at a lower level than the European average. The pace of increase is also slowing down, so at year-end 2025, we were at 59%.

Foreign direct investment showed a slightly negative trend. We saw a decrease from around EUR 1.8 billion to EUR 1.1 billion, partially offset by personal remittances during the First Quarter of this year, which increased by 16% compared to the previous year. For the banking sector, it still appears to be a relatively good year. In terms of corporate loans, we recorded an increase of more than 5%. Household lending is also performing well, at levels well above the European average. Deposits are showing better momentum after the dip in late 2025, although they remain slightly below the European average, with households more than compensating for the weaker corporate side.

Asset quality remains strong. According to EBA risk metrics, the non-performing loan ratio stands at 3.1%, below levels in other markets such as Poland, for example. In terms of capital adequacy, the Tier 1 ratio remains high at 22%.

Now, when it comes to our outlook, we have revised real GDP growth to 0.2%. This forecast clearly factors in external shocks such as the war in Iran and political uncertainty, which also comes with currency depreciation, a higher inflationary environment, and several other related pressures. The bottom line is that consumption remains weak, but since the First Quarter of 2025 we have seen a shift from consumption toward investments. This remains relevant today. It also represents an opportunity to develop the local economy on a broader basis, rather than relying only on consumption.

As positive news for this year, we see progress on OECD accession, with 24 of the 25 chapters now closed. In addition, in terms of tranches from the Resilience Fund, as well as European funds and SAFE funds, we have relevant amounts available. Most importantly, fiscal discipline and policy consistency should continue. These are essential anchors for macroeconomic stability, as also highlighted by the rating agencies.

Now I give the floor to George for the business performance, and I am thanking you very much.



**GEORGE
CĂLINESCU**

Thank you very much, Aurel. We are starting the First Quarter of 2026 with a very strong performance, continuing the trend we showed in the last quarters of 2025 as well. There are many numbers on this slide, but we will focus only on a few of them, leaving some of the information for the Q&A if you would like to go into more detail.

I will start with the fact that our net result in the First Quarter of 2026 increased by 25.6% at individual level and by 30% at consolidated level, also delivering a very strong return on equity for the First Quarter of 19.5% at bank level and 20.7% at consolidated level. What we want to point out is that, if we take into account the approved dividend payment in April, the return on equity for the First Quarter would have been slightly higher, reaching 20.37% at bank level.

When we talk about net interest income, it reached above RON 2 billion at Group level. This represents a 5.6% increase versus the same period of the previous year. At individual level, the increase was 8.7%, which is in line with the guidance given in the budget for the year. This increase was mainly volume-driven, as you will see, and was supported by the increase in our loans-to-deposit ratio. On this slide, you can see that at individual level it increased by 1 percentage point, and at group level by 1.21 percentage points.

Fees in general also increased. Ömer mentioned that we added more than 150,000 new clients during the period, which contributed to a good increase in fees and commissions, while the overall structure of fees and commissions remained broadly unchanged in 2026.

In terms of costs trends, we recorded a 17.7% increase at bank level. This was driven primarily by the increase in the turnover tax, which rose from 2% at the beginning of last year to 4% in 2026.

We will go into more details on the costs' slide, but if we focus on the balance sheet, we can say that, as mentioned before, the increase in the loans-to-deposit ratio was driven by loan growth. Loans increased by 2% at bank level and by 2.2% at Group level, resulting in a higher loans-to-deposit ratio at both individual and Group level. Assets increased by approximately 1.2% at both bank and consolidated level.

If we go further and look at the evolution of the income statement, we focus first on income. We see that net interest income contributes with approximately 65% of the bank's total income, placing BT around best practice levels in the banking sector. Non-risk revenues account for around 35%, providing the revenue mix and characteristics of a truly universal franchise for a financial institution.

In terms of net interest margin, we can say that it has remained at an approximately constant level over the last few quarters. If you look at the Bank level, at 3.43%, we are very close to where we ended last year and to the level we

had in 2024 as well. At Group level, at 3.93%, we are also very close to the figures recorded in 2024 and 2025.

In terms of the evolution of net fees and commissions, we note double-digit growth in both the individual and consolidated results. This reflects our strategy and, in particular, our subscription-based approach to the products we offer, which is leading to higher numbers and volumes of transactions with our customers, as well as a growing client base.

On net fees and commissions, in the cards' business we have over 8 million cards in circulation, the largest POS network, and a very strong merchant base. We also see, in the large corporate segment, an increase in supply chain financing and also other non-cash activities, such as letters of guarantee and letters of credit.

In terms of trading and FX income, the increase in the First Quarter of 2026 was driven by higher foreign exchange activity from our customers. We also recorded significant increases in other net income, which are not presented on this slide, and which represent bancassurance revenues. We strengthened this revenue stream in 2025 through revised incentive schemes and streamlined operational processes and platforms, including the integration of these services into BT Pay and BT Go.

If you look at the evolution of the P&L in the detailed financials, you may have noticed that we do not have a contribution to the Deposit Guarantee Fund in 2026. This reflects the current funding position of the Romanian Deposit Guarantee Fund, which has reached its target level in accordance with EU requirements. Under local and EU legislation, this allows the authority to suspend the annual contribution for a given year without eliminating the legal obligation to contribute in future periods, if needed. The framework remains in place, but for this year, we do not have a contribution neither to the Deposit Guarantee Fund nor to the Resolution Fund.

In terms of operating expenses, as I mentioned before, we recorded an increase in the First Quarter. If you look at personnel expenses, they increased by 11.5% at Bank level

and by 9% at Group level. This was driven primarily by an inflation-related adjustment, which this year was reflected as a one-time bonus rather than as a percentage salary increase. At Bank level, it also reflects the employees joining from OTP, approximately 200 people, from March last year, meaning that this year we see a full quarter, whereas last year only one month was reflected in the P&L under personnel expenses.

For operating expenses, the 32.5% increase was mainly driven by the turnover tax, which amounted to RON 166 million this year. This represents an increase of RON 90 million versus last year. As I mentioned, and I repeat here for the benefit of everyone listening, the percentage increased from 2% to 4% in July 2025.

If you take a look at the evolution of the OpEx line excluding the impact of the turnover tax, you will see that the increase at Bank level in the First Quarter was approximately 8% YoY. At Group level, however, we recorded a decrease in operating expenses of approximately 6% in the First Quarter, reflecting the fact that OTP was included in the consolidated results in the First Quarter of last year, and that we managed to consolidate OTP into the bank while significantly reducing the related expenses.

What this means from a cost-to-income perspective is that, both at Group level and at Bank level, we are at around 48%, including the turnover tax. However, if we exclude the effect of the turnover tax, the ratio drops to 41.6% at Bank level, which remains comfortably below the Romanian banking sector average.

I will stop here and leave some of the remaining points for the Q&A session, before handing over to Ömer to continue with the business update.



ÖMER TETİK

Thank you, George. When we come back to our core business, retail and corporate banking, I would say that, in retail, we are on track with the budgeted numbers. We have grown our loan book by 1.3%, in line with the market. As I have been mentioning in previous calls, and as there are also some questions about this, the Romanian market has indeed become highly competitive and has become somewhat decoupled from the inflation or interest rate situation in the market.

We are not necessarily entering into a price war. Still, we are pleased to remain the bank of choice for retail customers when they are looking for a consumer loan, credit card, or mortgage loan. In the First Quarter, we granted more than 2,800 new mortgage loans, totalling almost RON 1 billion, while new consumer loans reached RON 2.5 billion.

The positive development is that growth in online lending through the BT Pay application increased by more than 56% compared with last year. More than 20,000 loans were granted through our mobile banking application alone. We expect this number to continue growing at an accelerated pace, with most activity, especially in credit cards and consumer loans, shifting to online lending. This also helps us on the OPEX side and with a better management of the documentation process.

We are also pleased to have a quite diversified loan book in terms of both currency and product distribution. Slightly over 40% of our retail loans are consumer loans, while the remainder are mainly mortgage loans. Credit card lending, although the numbers are still relatively small, is one of our hook products in terms of current account management, CASA accounts, merchant network activity, and supporting corporate banking and SME banking on the other side.

We are also seeing that this strengthens our foothold. Amounts owed to customers have also remained stable. We have seen some shift from CASA accounts to term deposits, as inflationary pressures are making customers more attentive to market developments. At the same time, customers are also investing in the government's Fidelis program and in various investment funds, where BT Asset

Management and BT Capital Partners are clear beneficiaries.

I have seen a question about the net fees & commission income growth, where we see a significant impact from our asset management activities and bancassurance growth. Definitely, at Group level, we see higher activity compared to previous quarters, considering our two acquisitions in Moldova and our large acquisition in Romania which were completed last year.

In retail banking, we are also very attentive to customer demographics, and we see that we have 1.1 million Gen Z customers. For customers below 30 years old, we are the clear bank of choice, including among both traditional and neo banks. This represents a significant further growth potential for us.

Going back to corporate lending, the corporate loan book is growing at an accelerated pace, supported by European Union funds, government programs, and further appetite from companies to invest in their own infrastructure or production capacities. We have grown our loan book by almost 2.5% year-to-date during the First Quarter, which is well above the market average.

We also see a clear pickup in SME lending activity. Our SME loan book is now close to RON 28 billion. We also see strong growth in our agribusiness and healthcare divisions. These are two business lines in which we continue to invest in terms of customer attention, human resources, and products. Together, their contribution in the First Quarter was almost RON 800 million. This also shows that, in these specialized business units, we are already delivering results, while still seeing strong further growth potential. We are also considering additional specialized business lines.

In corporate lending, our loan book is almost evenly distributed by currency, with around 44%-45% in RON and the rest in foreign currency. This is also due to the fact that, in foreign currency, pricing is more competitive and the cost of borrowing from a bank is lower for customers. As our large corporate and multinational portfolio continues to

increase, we see this loan growth not as a risk for our foreign currency position, but as healthy and profitable growth.

Corporate deposits are mainly in local currency, with a slight increase, while 21% of total deposits are in foreign currency.

We also see growth in activity through BT Go. Almost RON 500 billion in payments have been routed through BT Go. Also, compared with two years ago, when we were announcing that we had 10,000-15,000 customers onboarded, now almost all of our corporate customers are digitized through BT Go, and the ratings of the app are also very strong.

We are also increasing our activity in business cards. I believe our colleagues in corporate banking are doing a good job of extending into all potential areas of business growth in Romania.

As infrastructure investments, energy investments, and green energy investments continue to increase, we also see growth in the syndicated loans market and in structured finance, where we are not just a small participant, but in most transactions we act as lead arranger or mandated co-arranger.

We also see BT Go being increasingly adopted by larger customers. This makes us proud and also encourages us to do more. These accounts come with vertical integration, as they bring smaller companies from their networks and salary accounts, which also helps us grow other business lines.

Despite higher inflation, slightly higher interest rates, and pressure from fiscal consolidation measures, we do not see an accelerated trend in NPL formation. I will now leave it to Cătălin to give you more details on the performance and quality of our portfolio.



**CĂTĂLIN
CARAGEA**

Thank you, Ömer. I will start with the capital position of the bank and the Group, which, as usual, remains solid and above both our target level and our risk appetite, namely 20% in both cases.

However, you may observe that in the First Quarter we saw a decline in the capital adequacy ratio at all levels, driven almost entirely by the phase-out of the transitional arrangements from which we benefited two years ago. As you probably remember, the bank is in a three-year process of phasing out these transitional arrangements, and the step taken in 2026 was the steepest one. However, as we also communicated throughout 2025, we have been building up capital in order to absorb this regulatory transition process.

Also, capital is utilized in the business growth, which is coming from both retail and large corporate clients. There was also a question linked to RWA density, which I would like to address now. I would like to highlight the fact that the increase in RWA density is solely because of the phase-out of these transitional arrangements. In particular, I am referring to euro-denominated sovereign bonds, where the risk weight increased from 10% to 25% as part of this phasing-out process.

If we move further to the MREL requirements, we see the same picture and the same evolution. While at year-end we were holding a buffer of 385 basis points above the minimum regulatory requirements, at the end of the First Quarter we remain within our risk appetite. As you may remember, we target, on a continuous basis, to maintain a buffer of 50 basis points above the minimum regulatory requirements. We still maintain a buffer above the minimum regulatory requirement, with the decline in MREL capacity being driven, similarly to the capital position, by these phasing-out of the transitional arrangements.

However, I would like to mention that the EUR 1 billion bond issuance adds approximately EUR 250 million of eligible liabilities compared with the similar position in December 2025. This is not yet included here because this bond issuance was settled in the Second Quarter.

If we move to the last slide of the risk section, we will focus

on asset quality. Starting with the NPL ratio, we are seeing a slight increase in the NPL rate, according to the EBA definition, from 2.40% at the end of 2025 to 2.55% in the First Quarter of 2026. The reason for this slight increase in the NPL ratio is a one-off default in the large corporate segment. I would like to mention that the rest of the portfolio is behaving very similarly to last year, so we do not observe any other adverse developments.

Although the environment, both in Romania and abroad, is not the most favourable one, the portfolio, up until this moment, is showing good resilience. Compared with the market, we continue to maintain a positive gap. The market NPL ratio stood at 2.83% at the end of the First Quarter, while our level remained lower, which shows that BT consistently has a better portfolio quality relative to the market.

Cost of risk presents a more favourable evolution than in the First Quarter of 2025. As a reminder, in the First Quarter of 2025 we recorded a cost of risk ratio of 1%, which we still consider a normalized level for Romania based on our internal definitions. At 70 basis points for the Bank and 80 basis points for the Group, the current level is fully in line with our budgeted assumptions and remains consistent with the guidance we provided, reflected in the budget approved by the General Assembly last month.

If we look at the stage distribution and provisioning coverage, the overall picture remains stable. At Group level, you may notice a slight increase in Stage 2 exposures, driven mainly by the acquisition of the Microinvest portfolio in Moldova at the end of last year. Given the nature of its business model, this portfolio naturally carries a somewhat higher share of Stage 2 exposures, which is normal for its business profile.

That concludes the risk section. I will now hand over to Ömer for the General Assembly decisions.



ÖMER TETİK

As you may have seen, at the end of April we held our General Shareholders' Meeting, at which shareholders approved the distribution of cash dividends of RON 1.4 billion, corresponding to a gross dividend of RON 1.28 per share. The ex-date for this dividend is 15th of June, with payment on 30th of June.

Our budget was also approved, targeting total assets growth of 6.4%, loan growth of 8.5%, and profit before tax of RON 5.1 billion, +6.1% growth. Based on the results achieved so far, we remain comfortable with our commitment to deliver these targets.

Shareholders also approved the issuance of 157 million new shares at a nominal value of RON 10 each, which will further support our capital base.

Shareholders also approved the appointment of the new Board of Directors for a four-year mandate. The newly appointed board brings strong expertise, and several of the names are already familiar to those following the Romanian market. In addition to the existing board members, Mr. Ciorcila, Mr. Gueorguiev, Mrs. Bordea, and Mr. Predescu, the new Board will also include Mrs. Nistor, Mr. Lionachescu, and Mr. Torgie.

Shareholders also approved a buyback program of 5 million shares for our stock option plan. This represents 0.46% of the Bank's total shares and carries a maximum purchase price of RON 45 per share. Importantly, this approved amount should be viewed as a ceiling rather than a target. The program is designed to support staff incentive schemes across all levels, based on the Bank's performance.

BT shares have delivered a strong performance on the stock exchange so far this year. We believe this reflects the results delivered in 2025 and investor confidence in our outlook for 2026, and we are pleased to see that shareholder expectations continue to be met.

I have seen some questions about dividends, and we will come back to them shortly. Historically, we have

maintained a payout ratio in the 30% to 40% range, with the remaining profit retained to support our capital base. If we also take into account the additional dividend paid last autumn, the overall distribution increases to more than 55%. We would once again like to thank both our retail and institutional investors for their trust and continued support, which is reflected in BT's stock market performance.

With that, I will hand over to Aurel for the sustainability update.



AUREL BERNAT

Thank you again. Very briefly, I would like to highlight two main points. First, on ESG reporting, we published our second Sustainability Statement, fully aligned with the CSRD requirements. This marks a meaningful step forward in the quality of our ESG reporting.

Second, our Green Asset Ratio continues to improve. Compared with last year's figure, it increased by 11 percentage points, reaching 13.3% in 2025. This reflects the faster alignment of new lending with the European Taxonomy principles.

On the financing side, I would highlight two key projects that demonstrate our continued strong green lending activity. We acted as mandated lead arranger for a EUR 460 million green financing for a major renewable energy project, one of the largest in Central and Eastern Europe. In addition, we contributed with approximately EUR 40 million to the expansion of a LEED Platinum-certified office building in Bucharest.

Last but not least, we continue to promote inclusion. In March, we hosted the "Accessibility Beyond Limits" program in Cluj, which reinforced our commitment to accessibility and inclusive design.

With that, I will hand back to Ömer for the digital updates. Thank you.



ÖMER TETİK

Thank you, Aurel.

BT Pay remains both a best-in-class solution and the most widely preferred digital wallet in Romania. We have also received confirmation from card settlement providers that, in terms of business volumes, BT Pay ranks among the leading digital wallets in Europe, not only in Romania or the wider CEE region.

We are seeing strong growth in mobile and NFC payments, as well as in fund transfers. BT Pay is also contributing to the growth of the fees and commission income by offering both bancassurance and asset management products. Since late 2024, BT Asset Management products have been available through BT Pay, which is having a very positive impact on the fees and commission income growth.

We have introduced a broad range of new features, many of which you are already familiar with. From insurance and eSIM services to trading accounts, BT Pay is increasingly evolving into a super app for Romanian households across all age groups, with particularly strong growth in young generation and children's accounts.

In addition, 90% of BT Asset Management transactions are now executed through BT Pay, and we are also seeing strong growth in pension sales through the platform.

BT Go, our newer all-in-one banking platform for companies and entrepreneurs, now has almost 600,000 enrolled businesses. Around 85% of these customers are active on an almost daily basis for payments and other transactions. Transaction volumes routed through BT Go have reached RON 511 billion, which is a very strong figure.

As I mentioned, the app ratings are also very strong, which is encouraging to see. Customers have clearly embraced the platform, and we have been able to respond well to their needs and expectations. The product continues to grow, and we will keep investing in it. Our ambition is to further develop BT Go into a true super app for companies and entrepreneurs.

With that, let us move back to the Financial Group performance.



**GEORGE
CĂLINESCU**

Thank you very much, Ömer. We will focus on the main highlights from this page.

I will start with BT Capital Partners, which continues to hold a leading position in the brokerage market, with more than 26% market share on the Bucharest Stock Exchange. BT Asset Management also continues to perform strongly, with assets under management of over RON 10 billion.

Among the other businesses that delivered a very good evolution in the First Quarter, BT Mic and BT Broker reported net profit growth of 28% and 35%, respectively.

In the Republic of Moldova, both Victoriabank and Microinvest also made a meaningful contribution to the Group's consolidated results. Victoriabank's net profit increased by 31% quarter-on-quarter, and it is now the number one bank in the Republic of Moldova in the business-to-business instant payments segment. Microinvest joined the Group at the end of last year and serves more than 50,000 clients. The First Quarter of 2026 marks the first period in which its results reflect a full quarter of contribution, which is also influencing some of the Group-level ratios you see for Q1/2026.

I will stop here and then maybe we can move to Q&A. Thank you.



**DIANA
MAZURCHIEVICI**

Hello everyone, and thank you for joining us.

We will begin the Q&A session with questions from Simon Nellis, Citigroup. First question is: Do you expect contributions to the Deposit Guarantee Fund to increase at some point in the future, and if so, to what level?

Second: consolidated fee income is growing somewhat faster than at the parent bank. Do you expect annual fee

growth to exceed the 13% growth rate budgeted for the parent bank? And what is driving this strong growth in fees?



ÖMER TETİK

Thank you, Simon. On your first question regarding the Deposit Guarantee Fund, the contribution is broadly linked to market share and the growth of the deposit base. There is no fully transparent formula available to us, as the final figures are communicated by the authority. That said, we already factor in the expected impact into our pricing and business model. We do not expect any change in the calculation methodology. However, as our deposit base grows, which we aim to do, contributions may increase on a pro rata basis. As I mentioned, this is already embedded in our pricing and business model.

And to your second question on net fee and commission income growth, we see several factors supporting a more sustainable trend. It is not dependent on a single business line or subsidiary. Rather, it reflects the broader contribution of businesses such as Microinvest and the former BCR Chişinău operations, now included within Victoriabank's figures.

BT Asset Management is also delivering accelerated growth, supported by distribution through BT Pay. In parallel, our bancassurance business continues to grow steadily. These are two of the main factors supporting the overall momentum in net fee and commission income. We have also recently launched our ETF, and we expect its contribution to become more visible in the coming quarters.

That said, as we have also noted in relation to interest rates, the market remains highly competitive. We may therefore make selective adjustments to our fee structure in order to maintain our competitive position. Even so, we remain committed to delivering growth in net fee and commission income up to low double-digit rates.



**DIANA
MAZURCHIEVICI**

Jovan Sikimic from ODDO has submitted several questions. First, net interest margin appears to be under pressure on both the assets and funding sides. How do you see it evolving going forward? Second, what is behind the increase in staff costs in the First Quarter?



**GEORGE
CĂLINESCU**

Thank you very much for the questions. On net interest margin, we are indeed seeing some pressure. However, as I mentioned earlier, the increase in the loans-to-deposits ratio has helped us keep the margin broadly stable. As shown in the business performance charts, BT has been able to maintain a relatively consistent net interest margin at both Bank and Group level, even during periods when reference interest rates were moving up or down.

Regarding the increase in staff costs in the First Quarter, as we mentioned earlier in the discussion of the results, there were two main drivers. First, a smaller portion reflects the inflation adjustment, which this year was granted as a one-off bonus amount rather than as a salary increase, with a particular focus on the more vulnerable part of the workforce. Second, at Bank level, we are now seeing the full-quarter impact of the approximately 200 employees who joined from OTP. In the comparable period of last year, only one month of their personnel costs was included in the P&L.



**DIANA
MAZURCHIEVICI**

Thank you. We have follow-up questions from Mr. Sikimic. Where do you expect risk-weighted assets as a percentage of total assets to settle after the increase to 46% in the First Quarter? And what CET1 ratio would you consider comfortable over the cycle?



**CĂTĂLIN
CARAGEA**

As I mentioned during the presentation, we expect RWA density to increase again in 2027, reflecting the final step in the phase-out of preferential risk weights for euro-denominated sovereign exposures. This is not a scenario or an expectation; it is a regulatory step that we know will occur, with the risk weight on this asset class will increase from 25% to 50%. We have already incorporated this into our capital planning in the long run. Beside that, we do not expect any further material increase in RWA density.

When we talk about CET1 through the cycle, the framework is somewhat different from cost of risk, because it is managed through our capital planning. In this context, the relevant reference point is our risk appetite. Across all our capital ratios: CET1, Tier 1, and total capital adequacy ratio, we aim to maintain, on a continuous basis, a buffer of around 2% above the minimum regulatory requirements.



**DIANA
MAZURCHIEVICI**

Thank you. We have two final questions from Mr. Sikimic. First, why was the stock dividend component from 2025 earnings significantly higher than the cash dividend component compared with previous years? Second, how do you see loan growth evolving this year in a recessionary and high-inflation environment?



ÖMER TETIK

I will start with the business question, namely loan growth. As I said, we remain comfortable with our budgeted target of 8.5% loan growth for the year, even though both fiscal consolidation and higher inflation are putting pressure on household incomes.

At the same time, we are seeing stronger growth in the mid and large corporate segments. As we have highlighted in recent calls and discussions, Romania is going through a necessary, albeit challenging, transformation, from a consumption-led economy toward one increasingly driven by production and investments.

Based on the projects currently underway and those in the pipeline, we remain confident in our ability to deliver these targets. Customers are not looking only at interest rates; they also value speed, availability, accessibility, and strong digital applications and platforms. This gives us a clear competitive advantage and keeps us top of mind. As a result, when demand is there, we are very well positioned to capture it more effectively than our competitors.

As regards the payout ratio, when we prepared the budget we started the process in the autumn, and the environment changed materially by the time we reached October. Further developments then followed up to the General Shareholders' Meeting, which added to the uncertainty. In this context, we decided to maintain higher reserves and therefore retained close to RON 700 million of distributable earnings, similar to what we did last autumn. We do not want to make a commitment at this stage. However, if business performance remains strong and macroeconomic indicators improve, we may return to shareholders with a proposal for an additional distribution. At the same time, we continue to view stock dividends as broadly comparable to cash for many investors, particularly institutional shareholders, who value holding shares that continue to perform well on the stock exchange.



**DIANA
MAZURCHIEVICI**

Thank you. The next questions come from Cristian Petre of NN Pensii. Could you please comment on the decrease in the capital ratios, including the main drivers and the minimum levels required by the National Bank of Romania? Also, have you noticed any change in corporates' behaviour since the start of the war in Iran?



**CĂTĂLIN
CARAGEA**

Thank you, Cristian, for the question. As I mentioned during the presentation, the decline in the capital ratios is solely because of the phase-out of the transitional arrangements, which had an impact of around 2 to 2.5 percentage points. This development was fully anticipated. We built up capital at the end of last year in order to absorb the phase-out, so there was nothing unexpected in the outcome. If we look at the total capital adequacy ratio, as shown in the presentation, the minimum regulatory requirement is around 18%. Ending the First Quarter above 20% therefore means that we continue to maintain a buffer of approximately 2%, in line with our guidance and risk appetite.

Turning to your question about the war in Iran, the answer is no: so far, we have not observed any adverse effects in our portfolio. It is still too early for such effects to become visible. Typically, any impact on a credit portfolio emerges with a lag after the triggering event.

What we are also hearing in discussions with investors is that this is largely a matter of timing. The longer the conflict lasts, the greater the potential impact on the portfolio. For the time being, however, we have not seen any adverse effects.



**DIANA
MAZURCHIEVICI**

We have a question from Steve Gorelik from Firebird US. What developments in the economy would need to occur for loan quality to deteriorate meaningfully, such that cost of risk would rise above 1%?



**CĂTĂLIN
CARAGEA**

It is true that, at first glance, the gap between 70 basis points and 1% may appear small, but in practice it is meaningful. For cost of risk to rise above 1%, we would likely need a combination of factors. One would be an external shock, which is outside our control, and another would be prolonged domestic disruption, including the political uncertainty we are currently seeing. In other words, for cost of risk to move above 1%, we would likely need both an adverse external shock and a deterioration in factors that are within our control, namely the quality of loan origination and the way we manage the existing portfolio. We continue to manage those internal factors closely. The external factor is outside our control. If either of these two factors moves materially in the wrong direction, then cost of risk could rise above 1%.



ÖMER TETİK

I would add that the 2008–2009 global financial crisis was an important lesson for households and smaller companies. Since then, we have seen a clear improvement in payment discipline and savings behaviour. In practice, cost of risk has exceeded 1%, or 100 basis points, only during the COVID period. In other words, it would take a highly disruptive external event for cost of risk to rise to that extent. In such periods, governments, supranational institutions, and the European Union typically step in with mitigating measures. As Cătălin also noted, given how we originate and manage the portfolio, such a jump would require a shock well beyond the factors within our control.

Even amid inflationary pressures and sudden changes in trade relationships, we continue to see strong payment behaviour from our customers, continuing to meet their obligations. Romania also has room to normalize from previously elevated levels of consumption, including areas such as food waste and overall consumption growth. As these trends moderate, they create additional space for savings and strengthen the resilience of households and smaller businesses.



**DIANA
MAZURCHIEVICI**

Thank you. Dan David, from Autonomous, has submitted several questions. First, what would be the impact on CET1 if First Quarter profit were included? Second, what are your issuance plans for the remainder of the year? Third, what is driving the reduction in other expenses? And finally, could you provide more detail on income related to financial assets at fair value through profit and loss?



**CĂTĂLIN
CARAGEA**

On your first question, First Quarter profit is not yet included in own funds. We typically follow a two-step approach to profit inclusion: first at mid-year, and then at year-end. If the First Quarter profit were included today, we estimate it would add roughly 1% to 1.5% to the total capital ratio.



**GEORGE
CĂLINESCU**

The second question relates to the reduction in other expenses in the first quarter of 2026 compared with the fourth quarter of 2025. The answer is fairly straightforward: we have been implementing cost-control initiatives and are closely monitoring the areas where expenses are rising most significantly.

As we mentioned earlier, we will continue our cost-control initiatives throughout 2026 in order to offset the significant impact of the higher turnover tax on the P&L, as shown in the presentation.

Turning to your question on the reduction in income related to financial assets at fair value through profit and loss: I believe this is purely related to treasury activity and reflects market volatility. It does not indicate any underlying trend or any specific event. Overall, if you look at the full year, compare last year with this year, or consider our forecast for 2026, the amounts remain within the budgeted levels we presented to our shareholders last year and again this year.



**DIANA
MAZURCHIEVICI**

Thank you. Could you also comment on the issuance plans?



ÖMER TETİK

We intend to remain active in the capital markets. The timing and size of any issuance will depend primarily on loan growth and funding needs. We are also monitoring potential regulatory changes from the European Central Bank and the European Banking Authority, whether temporary or permanent, as these may influence the structure and timing of our issuance plans.

As we have said consistently in previous periods, we intend to remain active in the market across different instruments and maturities. This approach allows us to build our yield curve, maintain a regular presence for asset managers and investors, and strengthen our positioning in the capital markets.



**DIANA
MAZURCHIEVICI**

Next question comes from Robert Brzoza of PKO BP Securities. What was the average NPL formation in Q1 2026 compared with both the previous quarter and the first quarter of 2025?



**CĂTĂLIN
CARAGEA**

If we compare the First Quarter of 2026 with the First Quarter of 2025, when we also had a one-off corporate default, the overall evolution is broadly similar, although slightly better in 2026. This reflects slower NPL formation in the micro and SME segments, while retail remained stable at very low levels. In the corporate segment, we saw a one-off event and, as a result, a slightly higher default rate.

Compared with Q4 2025, NPL formation in Q1 2026 was higher due to the one-off corporate default. Excluding this event, retail remained stable, while the micro and SME segments broadly stabilized and even improved slightly in some areas. The corporate segment, however, continued to show a somewhat higher trend.



**DIANA
MAZURCHIEVICI**

Thank you. We have several questions from Irina Railean of Mosaiq8. First, net interest income in the mid-corporate segment declined slightly. What drove this decrease? Second, was the increase in construction loans concentrated in a few large PNRR-related public infrastructure projects, or was it more broad-based? And finally, do you expect the migration from current accounts to term deposits to continue in 2026, and what is your net interest margin guidance for the year?



ÖMER TETİK

The decline in net interest income in the mid-corporate segment is not significant. It mainly reflects somewhat slower growth in lending activity. At this stage, we do not see this as a concern.

Coming back to your second question, construction loans growth was indeed driven mainly by infrastructure-related projects. When we refer to infrastructure, we mean primarily roads and hospitals, with some exposure to energy investments as well. We also have some exposure to logistics-related construction and, to a much smaller extent, to residential developments, although the latter remains limited due to the constraints introduced by the new legislation. That said, to come back to your question, growth was driven mainly by infrastructure lending under the Recovery and Resilience Facility.

Turning to your question on deposit guidance, our strategy remains disciplined and unchanged. We do not intend to enter into a pricing war. While we are not the highest-paying bank on deposits, we compete through the broader value proposition we offer to customers.

When customers, especially in retail, make their choices, they look beyond pricing. Accessibility, trust, and the overall strength of the bank all play an important role. In that respect, we benefit from strong brand recognition as a household name, a position also confirmed by Brand Finance. The independent international brand valuation firm ranks BT as the second strongest and second most valuable brand in Romania, and the leading bank in the country on their assessment. In addition, BT's brand strength ranks among the strongest globally in their analysis.

Beyond pricing, this reflects the broader range of services and value we offer to customers. We also offer customers faster access to financing. In addition, our credit card and debit card products, together with our extensive merchant network, provide meaningful day-to-day benefits. Through cross-selling and a broader share of wallet approach, we believe we position ourselves more effectively than by simply offering a few additional basis points on deposits. So, our guidance remains stable, with net interest margin expected to stay close to 350 basis points this year. We do not currently see any reason to change that view, even though growth is increasingly coming from the large corporate segment, which is generally a lower-margin business. At the same time, this segment also brings valuable current account activity and salary accounts, which support the broader relationship and overall profitability.



**DIANA
MAZURCHIEVICI**

Thank you. We have a follow-up question from Autonomous: Why did the total TSCR capital requirement rise in the First Quarter of 2026?



**CĂTĂLIN
CARAGEA**

This reflects the regular update to the TSCR requirement communicated by the National Bank of Romania, which became effective on 1 January 2026.

The increase was very small, only around 20 basis points, and should be seen as a normal development linked solely to BT's growth in size.



**DIANA
MAZURCHIEVICI**

Thank you. Follow-up questions coming from ODDO: What would be your view on turnover tax in 2027 and 2028?



ÖMER TETİK

There are two aspects to consider here: the legislative framework and our own expectations. Under the emergency ordinance that introduced the turnover tax, the tax is not expected to continue from next year. However, given the ongoing fiscal consolidation efforts, Romania's budget deficit challenges, and the strong profitability of the banking sector, starting with us, I believe banks remain an easy target for additional taxation. For that reason, my expectation is that the banking tax will most likely remain in place in 2027. Hopefully, the Ministry of Finance, the government, and the other relevant authorities will avoid

imposing an additional burden on banks and, ultimately, on banks' customers through this tax. On that basis, I would expect the tax to be phased out from 2028, although for next year it will most likely remain in place.



**DIANA
MAZURCHIEVICI**

There are no further questions. Thank you everyone for being with us. I would return to Management for final comments.



ÖMER TETİK

Thank you very much for joining our call and thank you again for your interest and continued support. Your questions also help us focus on the matters that matter most.

If there is anything we have not addressed, please do not hesitate to contact Diana and her team through Investor Relations, and we will do our best to respond to your questions in a timely manner.

We look forward to speaking with you again in three months, when we present our second-quarter results, and hopefully with more positive news on the Romanian political and macroeconomic environment.

Until then, I wish you all the best.

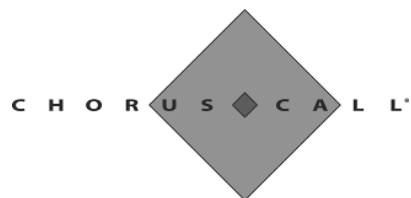
Thank you.

Q1 2026: FINANCIAL RESULTS

 **Press Release**

 **Fact Sheet**

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