



YE 2025

FINANCIAL RESULTS

Earnings Call Transcript

2nd March 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.

YE 2025: FINANCIAL RESULTS

 **Play video**

 **Presentation**

OPERATOR

Ladies and Gentlemen, thank you for standing by. I am Konstantinos your Chorus Call operator. Welcome and thank you for joining the Banca Transilvania conference call to present and discuss the Preliminary Year-end 2025 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, Chief Risk Officer & Mr. Aurel Bernat – Executive Director Financial Institutions & Investor Relations

Mr. Tetik, you may now proceed.



ÖMER TETIK

Welcome to our earnings call and thank you for joining us. I am sure that for many of us, our focus and attention are currently drawn elsewhere, given the conflict — or the conflicts—surrounding us. Our thoughts and prayers are with the innocent people and civilians in the affected regions. I also hope that everyone participating today is safe, and that none of our loved ones have been directly affected by these events. At the same time, by continuing to focus on our day to day business is perhaps the best way to respond to the conflicts unfolding in the world.

Coming back to our call, we released our results on Friday morning, as already announced. We have received some feedback— many thanks for the positive comments as well as for the observations you shared. We indeed delivered a very strong fourth quarter performance. It was a quarter of growth, and at the same time, it marked the start of our cost control project.

Looking at profitability, if we exclude the Microinvest bargaining gain impact, the underlying business performance—both in terms of revenue and profit generation—was also exceptional. Throughout the year, we recorded higher loan production than in 2024. In addition, on an organic basis, we achieved very strong sales performance in leasing. We are pleased to see that our leasing subsidiary, following several acquisitions, is becoming one of the most established and significant

financial institution lenders in Romania.

We have increased our number of active customers and have entered new segments, particularly in the investments and private pensions area. While we were driving our business growth, Romania was also affected by political developments and fiscal consolidation. At the same time, and perhaps taking inspiration from the Romanian government, we began paying much closer attention to our operating expenses. This has delivered positive results; however, we did not compromise on the well being of our employees or our customers. I will also touch on the Net Promoter Score later in the presentation.

Regarding the cost to income ratio, if we exclude the impact of the banking tax, the ratio is below 40%. We believe this confirms that we are on the right track, and we will continue our efforts in this area.

I will now hand over to Aurel, who will provide a brief overview of the Romanian economy, after which we will return to the business results.



AUREL BERNAT

Thank you, Ömer. Very briefly, I will touch on what we observed during 2025. First of all, we start from a position of relatively high wealth in the CEE region, while there is still room for further convergence toward the European Union average. One important aspect we see is that the next stage for Romania may be internal convergence, driven by the significant investments currently taking place in infrastructure—covering highways, railways, and energy infrastructure.

As a result, this means that internal disparities are expected to be somewhat mitigated over the coming year. This should further support an increase in GDP per capita.

Regarding general government debt, based on the figures available for the third quarter of 2025—while we do not yet have the full year data—it stood at approximately 59%. By the end of this year, it is expected to be marginally above the threshold we have presented.

In terms of inflation, we saw a spike in mid 2025, and we closed the year at 8.6%. What we expect is for inflation to decline in the second part of this year, as the pressure from the VAT increase gradually fades.

Key economic indicators include GDP growth of 0.6% last year and the yield on 10 year Romanian government bonds, which declined to an average of 6.7%. We continue to place our confidence in Romanian financial intermediation, as it lags and remains underdeveloped. With a level below 25%—measured as the percentage of non-governmental loans to GDP—this represents a meaningful source of further growth potential for us.

In terms of the government deficit, we closed 2025 with a deficit of 7.65%. This is below the 8.4% target agreed with the European Commission. The full deployment of all fiscal packages will be entirely accounted for in 2026; therefore, the deficit is also expected to decline during this year. The trade deficit is on a positive downward trajectory supported by lower imports and higher exports.

Two particularly important indicators are foreign direct investment and remittances. Foreign direct investment increased by 45% year over year, while remittances grew by approximately 5%. These figures are important for the Romanian economy as, over the long term, they will provide additional support to investment activity. At the same time, we also believe that consumer consumption will increase during the second half of this year.

The evolution of the banking sector over the past year was favorable, in both segments: corporates and households. Corporate lending grew above the European average, while corporate deposits were broadly in line with that average. On the households' side, we saw a more positive development in both loans and deposits, with growth levels significantly higher than the European average.

In terms of non performing loans, the NPL ratio reached 3.4% of the overall banking system, according to the EBA methodology, which is the European standard for measurement. Regarding capital adequacy, Tier 1 capital stands at 21.5%, well above the European level of 17.6%.

Looking ahead, we continue to maintain our previous GDP growth expectation of 1.67%, as not all contributors for the last quarter and the full year are yet available. We are maintaining this 1.67% outlook based on our belief that investment activity will continue to increase and that Romania will become a more effective deployer of European funds.

Regarding inflation, we believe it will decline from current levels toward a range of 4.3% to 4.5%, driven by the factors I have already mentioned, including the fading impact from 2025.

In terms of monetary policy, we expect that during the second half of this year there could be two or three consecutive rate cuts, bringing the policy rate below the current level of 6.5%.

The opportunities remain very important and should at least be addressed. We are in the final stages of the OECD accession process, and we also have the RRF funds, where out of EUR 21.6 billion, around EUR 10 billion still needs to be deployed or attracted. In addition, the SAFE and Cohesion mechanisms remain in place with generous amounts to be attracted.

Credit sovereign ratings remain stable, with the BBB rating and negative outlook maintained. In summary, the year could look positive, provided that the investment led economic growth materializes as we expect.

Thank you. We are continuing with the Business Performance section, George you have the floor.



**GEORGE
CĂLINESCU**

Thank you very much, Aurel. Turning now to the bank's business performance in 2025, Ömer already mentioned that the fourth quarter was a very strong and exceptional period. This is clearly reflected in our financials, as we closed the last quarter with a profit of RON 1.4 billion, which is 7% higher than in the third quarter of 2025.

The fourth quarter included a one off item, namely the acquisition of Microinvest, which generated a bargaining gain of approximately RON 120 million. However, even excluding this impact, the underlying performance remains very solid, and the quarter clearly represents a very strong result.

Overall, looking at the bank's profitability for the year, I would like to focus on a few key figures, as the presentation contains a significant amount of detail. The bank closed the year above budget, both at the individual and the consolidated level.

At the individual level, we exceeded the budgeted net result by RON 177 million, representing an increase of approximately 4.5 percentage points. This performance was driven by both organic growth and the M&A activities carried out during the year.

When we combine net interest income with net fees and commissions, we delivered double digit growth throughout 2025, alongside very strong cost control. This allowed us to close the year with a better than expected bottom line result, despite a significant increase regarding the impact of the new turnover tax, which doubled compared to the level in place at the beginning of 2025.

Regarding the overall capital adequacy ratio and the cost of risk, Cătălin will provide more details on the next slides. I will now move on to income trends. Looking at income trends, approximately 70% of our total income comes from net interest income, which is a pattern that is very common in the Romanian market.

Looking at the bank's net interest margin, we can see that we successfully maintained a stable margin in 2025, both at the individual bank level and at the group level, at 3.5%

and 3.92%, respectively.

Regarding net fees and commissions, we achieved growth in 2025, driven by an approximately 20% increase in transaction volumes processed by the bank during the year. Trading income was primarily supported by foreign exchange transactions, which increased by 90% in value and around 11% in number.

In terms of net gains and losses from financial assets, the result remained stable in 2025 compared with the previous year and was driven by our strategy to balance the portfolio between fair value through OCI and held to maturity components in the P&L.

In terms of operating expenses, the main contributor remains personnel expenses. As mentioned in previous quarters, the increase at the beginning of the year was largely driven by the merger with OTP and the integration of the teams resulting from that transaction. However, looking at quarter on quarter growth, you can see that this increase declined quite significantly in the last quarter. Looking at the full year, we saw an 11% increase at the individual level and a 4% increase at the group level in 2025. In the last quarter, growth stood at 5% at the individual level and 2.6% at the group level.

Regarding other operating expenses, as mentioned earlier, the largest increase relates to the turnover tax, which rose from almost RON 270 million to nearly RON 500 million, primarily in the second half of the year. This represents an increase of 81% at the bank level and 73% at the Group level.

Excluding this impact, the increase in operating expenses amounts to approximately 13% at the bank level and 15% at the Group level.

The banking sector's cost to income ratio remains around 48%. Looking at the bank's cost to income ratio, we see that the bank ended the year at 44.4%, including the turnover tax, which is below the banking sector level. If we exclude the effect of the turnover tax, the cost to income ratio is below 40%, at 39.41% for 2025. This reflects strong

cost discipline, as Ömer highlighted earlier, and helped us finish the year with a result above budget.



ÖMER TETİK

Thank you very much, George. Turning back to our core business, the credit institution, when we look at loan growth in 2025, we clearly benefited from the positive impact of OTP, which helped us increase our loan book by almost 23%. However, even excluding the OTP loan portfolio transferred as part of the transaction, we still achieved nearly 13% growth, which is well above the 8% growth recorded by the Romanian banking sector.

We continued to record growth across all segments, with the strongest momentum coming from large corporates and larger mid corporate clients. At the same time, our loan growth was supported by a more efficient and improved loan to deposit ratio.

Looking at deposit growth, the consolidated figures include the OTP numbers. However, excluding OTP, our deposit growth amounted to 8.8%, close to 9%, which is well above GDP growth and also higher than the market average. In a market where our largest competitor was, in effect, the Romanian government through special bond programs, and when compared with GDP or savings growth, we believe we performed quite well.

In retail banking, we have reached 4.4 million active customers. I would also note that our customer base is highly digitalized, with BT Pay being one of the main tools used by the Romanian population for day to day transactions, as well as for asset management, pensions, and other financial needs.

Looking at loan growth last year, due to the relatively weak performance in the first two quarters, more than half of the growth was driven by consumer lending. However, mortgages continue to represent over 58% of our retail loan portfolio. Despite the low margin environment and high level of competition in mortgage lending, we continue to focus on this segment. We are focusing on mortgages as they are one of our key products for cross selling and up

selling, consequently they have been—and will continue to be—an important part of our offering.

Turning to the mid corporate and SME segment, last year we reached over 530,000 active customers, including customers acquired through OTP. We are very pleased with the retention of OTP customers in the small and medium sized segment, which exceeded 90%.

Also, within this segment, BT GO, our mobile banking application for corporate clients, has seen significant growth. Around a year ago, we were reporting approximately 30,000 to 40,000 users. Today, nearly 550,000 companies use BT GO for their corporate banking needs, and this is an area we envision to continue growing further.

Over one third of Romanian start ups start their journey as BT customers, with the remainder also becoming BT customers over time. Furthermore, more than 50,000 companies were financed by BT.

Through our digitalization initiatives and the provision of non banking financial services, we have also been able to increase customer wallet share.

The large corporate segment has been a key contributor over the past five years, and particularly over the last two years, where it has been the standout driver of loan growth.

We have been the main bank in project and infrastructure financing and one of the leading banks in the syndicated loan market. This is supported by the transition of Romania's growth from a consumer based model to a more investment and production focused one, which is positive for medium and long term economic development.

BT has played, and continues to play, an active role. Whereas around ten years ago we were less present in large corporate banking, today we are one of the market's most important players, and BT's voice is clearly heard both within our portfolio and across the broader market.

When we look at sectors of interest such as agribusiness

and healthcare, in the Healthcare division we hold close to a 50% market share based on opened accounts. In the Agricultural division, we also serve approximately one third of Romania's agricultural production.

Regarding NPS, despite being a high growth company with significant merger and acquisition activity and ongoing integrations over the last years, we have remained focused on customer satisfaction. We are pleased to see that, based on independent studies, we now rank first in the Romanian banking sector in terms of Net Promoter Score. Notably, 85% of previously passive customers have now become our promoters.

These surveys are conducted by third parties, with a sample size of more than 150,000 customers. We believe that delivering profitable growth while keeping both customers and employees satisfied is a very ambitious objective—one that we have successfully achieved consistently over recent years.

I will go back to Cătălin for the risk section.



**CĂTĂLIN
CARAGEA**

Thank you, Ömer. Looking at the capital position at both levels—BT Group on a consolidated basis and the bank on a standalone basis—we see a very similar picture. The bank continues to maintain its minimum capital guidance of 20%, with the capital adequacy ratio ending the year at 22.71%.

One of the significant developments in 2025 was the inaugural issuance of an AT1 instrument, designed to diversify BT's capital structure, alongside the bank's continued ability to strengthen its capital position through the regular partial incorporation of its profits.

Looking at RWA density, we observe a very stable picture over the past five years, including in 2025. A slight upward movement can be noted, from 38% in 2024 to 41% in 2025, driven by the regulatory phase out of certain temporary provisions affecting RWA calculation methodologies, together with a modest increase in market risk RWAs. The

latter reflects the AT1 issuance, which created a small FX position on the bank's balance sheet.

Moving further, we have introduced a new slide that provides a more detailed view of the evolution of all capital adequacy ratios, from CET1 through to the total capital adequacy ratio. Based on a straightforward assessment, following the AT1 issuance, it can be observed that the gap—or buffer, in other words the MDA restriction—has been equalized across all three ratios. This illustrates a much more balanced capital structure for the bank. Until now, we have focused more closely on the total capital adequacy ratio, as it had the smallest buffer. Following the AT1 issuance, we can now look at all three ratios, as the buffer from the minimum requirement to the reported level is broadly similar across them. This alignment is also part of our capital management strategy to achieve a more balanced capital structure.

Looking at asset quality, we can say that throughout 2025, based strictly on the NPL ratio, we ended the year at 2.4%. This remains below the market average, which stands at around 2.7% (under the NBR methodology). For comparison, if you recall the first quarter results, the NPL ratio was around 2.5%, at which time we explained that approximately 30 basis points were attributable to the incorporation of OTP Bank.

Overall, at the end of 2025, the bank succeeded in maintaining its NPL level, with no idiosyncratic deterioration, with the increase in the NPL ratio coming exclusively from the OTP integration.

This is, of course, also reflected in the risk cost ratio, which essentially met our guidance of 60 basis points at the bank standalone level and 70 basis points at the group level, starting from around 1% in the first quarter of 2025. This once again highlights the strong asset quality of the bank, given the circumstances of the operating environment.

Looking at the liquidity position, the bank also managed, based on a strong loan growth, to increase its loan to deposit ratio, while still maintaining a significant capacity to further support financial intermediation in the country. We

believe that a 65% loan to deposit ratio continues to offer opportunities for further loan growth.

When we look at MREL capacity, as we have continuously stated, we are targeting a minimum buffer of 50 basis points above the requirement. Following the AT1 issuance, we are now in a very comfortable position, with a buffer of 267 basis points as of December.

With regard to credit ratings in 2025, BT received an upgrade from Moody's and a reconfirmation of its ratings by Fitch. At the same time, outlooks were adjusted in line with the sovereign rating. Nevertheless, the ratings from both Moody's and Fitch reflect the strength of the bank's and the group's balance sheet and capital position and the overall financial standing.



AUREL BERNAT

Thank you, Cătălin. In terms of capital markets, we have prepared a few slides outlining the expectations and what we have delivered to date. As you can see, over the past five years our payout ratio has ranged between 30% and 40%. Last year, we paid a dividend yield of 7.5%, calculated based on both the current year's dividend and the dividend related to the previous year.

We maintain the same approach, as it has provided us with leverage to further develop our business. It has supported our growth, and the 30%–40% payout range reflects our vision with regard to cash distributions.

Last year, we tapped the international markets with our first AT1 issuance, a debut euro denominated transaction of EUR 500 million, structured as a perpetual non call 5.5. We were very impressed by the investor reception and would like to thank all investors for their strong support. The orderbook peaked at more than six times, with the final subscription being more than five times oversubscribed.

Also in the local market, we executed our largest bond issuance, totaling RON 1.5 billion, with approximately 50% subscribed by Romanian institutional investors.

Now, a few words on sustainability: the slide outlines the main ESG rating metrics.

It is important to highlight that we continue our commitment to the FIT program, "Finanțele pe Înțeleșul Tuturor," our financial education initiative. At the same time, through Via Transilvania, we support and promote Romanian tourism.

With regard to sustainable financing, our offering covers the full spectrum, including green mortgages, green mobility, and corporate green financing. You can see the relevant figures displayed on the slide.

Going back to George for a brief presentation of the BT Financial Group.



**GEORGE
CĂLINESCU**

Thank you, Aurel. I believe it is important to take a broader view and consider the entire group, including the group's contribution at the level of the consolidated financial results.

Looking at this newly included information, it becomes clear that the group's contribution to the consolidated results has increased when comparing 2025 with 2024.

For example, looking at total group assets, the group's contribution increased from 8% last year to 10% this year. Likewise, at the BT Group net profit level, the contribution also increased in 2025.

Looking at this, you can see that certain companies stand out with particularly strong performance. As Ömer mentioned at the beginning of the presentation, the leasing business delivered an exceptional result in 2025. In addition, the subsidiaries in Moldova, taken together, are also making an increased contribution at the consolidated level.

This strong collaboration across the group is generating revenue synergies, enhancing client coverage, and is expected to result in the full capitalization of our network effects. Going forward, I will ask Aurel to comment briefly on the evolution of each subsidiary during 2025.



AUREL BERNAT

We have very strong highlights across all subsidiaries, starting with BT Asset Management, which reached more than 500,000 customers. This was a key objective for us in strengthening the investment side of the business.

BT Capital Partners also remained the leader of the Bucharest Stock Exchange for the second year in a row and ranked first also in the bonds market. We are also placing strong emphasis on our digital footprint.

BT Pensii successfully completed the integration of the BRD acquisition for both the second and third pillars, with assets under management now exceeding RON 10 billion.

INNO Investments also showed an interesting development, having established its own alternative investment fund business through BT Property, a real estate alternative investment fund.

ICC has also growth of double digit in terms of total assets and a very good benchmark score within the profile companies in the industry.

As Ömer already mentioned, BT Leasing stood out not only for having one of the most active M&A profiles in the market, but also for delivering double digit asset growth last year and an almost 100% increase in net profit.

BT Broker is a new business line for us. You have the numbers as well. It has significant synergies and still a long way to grow and to develop.

BT Mic has a 52% market share in microfinancing as of December 2025 and continues to be a key player in this segment. As we have mentioned before, it also benefits from a very strong concept that is worth highlighting each time, namely BT Stup.

Victoriabank finalized the acquisition of Microinvest and posted a 28% total assets growth.

Salt Bank, which the small team of IR, is always mentioning in our meetings with different investors, represents a true challenger to other digital banks operating in Romania. The

gross loan portfolio increased threefold.
BT Direct also recorded double digit growth.

Overall, we believe that the bank's growth is stable and robust, while the group's companies are already—and will continue to—contribute increasingly to overall consolidated results.



ÖMER TETİK

As we walk through the numbers, we are receiving questions, including on guidance for 2026 and 2027. We will shortly be publishing the GMS notice, which will also include the budget proposal.

To the extent possible at this stage, we can share a limited view of how the executive management intends to propose these figures to the Board of Directors, which will subsequently decide and make a proposal to shareholders. The indicative numbers are presented on this slide of the presentation.

We continue to target high single digit loan book growth, broadly at a similar pace across all segments. We are not necessarily anchoring this to Romania's GDP growth, which remains an important reference point, as we have historically grown at a faster pace than GDP. As we have mentioned many times, Romania remains an under banked market, with a relatively low loans to GDP ratio in the banking sector. Therefore, we do not want to anchor ourselves to a specific benchmark, particularly one that we have consistently exceeded on a year on year basis.

We estimate deposit growth at around 6%, which also addresses one of the earlier questions regarding how we intend to balance net interest margins in a scenario where reference rates might begin to decline.

We are a very liquid bank, benefiting from a strong base of salary accounts. Around 43% of our customer deposits are held in current and savings accounts. At the same time, while we are active in term deposits, we have not been as aggressive or as competitive in pricing as some of our peers. Nevertheless, we delivered solid deposit growth.

This is also one of the steps we are taking given the current market conditions.

Net interest income is expected to grow by around 7%, while net fee and commission income is expected to increase by approximately 13%. In terms of net fees and commissions, we are reaching levels that could be considered best practice.

A couple of years ago, we were comfortable stating that we would deliver double digit growth, and we have continued to do so. In terms of revenue growth, combined with disciplined OPEX control, we expect the cost to income ratio, including the banking tax, to be around 45%–46%, and below 40% excluding the banking tax.

Risk cost is estimated at around 70–75 basis points, which supports a return on equity slightly above 20%, alongside a strong capital base with a capital adequacy ratio above 20%.

Now, we can go to the questions. I will ask Diana to read the questions, and we will try to answer them in the remaining time.



**DIANA
MAZURCHIEVICI**

Hello everyone and thank you for joining. We will move directly to the questions submitted through the platform. We will begin with a set of questions from Domenico Maggio of Jefferies, focusing on risk management and capital management. Domenico is asking for the latest guidance on the capital impact resulting from the removal of transitional benefits related to unrealized losses on the sovereign portfolio. He is also asking whether the reported capital figure includes the second dividend tranche of RON 700 million, and whether the capital adequacy ratio target of 22% remains valid for 2026.

In terms of provisioning, he is seeking clarification on the reasons for the increase observed in the fourth quarter of 2025.



**CĂTĂLIN
CARAGEA**

I will take this question. I will try to address the capital adequacy ratio in a single response. As presented, the bank's standalone capital adequacy ratio ended the period at 22.7%. Looking ahead, we estimate a maximum decrease of up to 2 percentage points in the capital ratio, driven by the phase out of temporary regulatory provisions. This is broadly in line with the figures we communicated previously. Yes, the RON 700 million dividend is already included in the current figure. This amount was incorporated starting with the Q3 figures, so it has been reflected since then. Our minimum capital guidance, as Ömer mentioned earlier and as we have consistently communicated, is a minimum capital adequacy ratio of 20%. This remains our target and forms part of our risk appetite, with the internal risk appetite statement aiming to maintain at least a 20% capital adequacy ratio on a continuous basis. Maintaining a slightly higher ratio is also meant to support our business growth. I believe this covers the questions on capital adequacy.

On provisions, as mentioned earlier, Q4 was one of the lowest quarters in terms of risk cost for both the bank and the Group. The only exception, at Group level, was the incorporation of Microinvest, which led to a modest increase in provisions of around RON 70 million as part of the adjustments related to the integration of Microinvest into the BT Group. But from a pure risk cost evolution, the 4th quarter of the year was the lowest quarter among all the quarters in 2025.



**DIANA
MAZURCHIEVICI**

Thank you. Next question comes from Cristian Petre, NN Pensii. Can you please provide your guidance on the medium term in respect to cost of risk and cost-to-income ratio? The guidance on net interest margin, fees and commissions, and loan book growth has already been provided by Mr. Tetik, but please elaborate a little more on those figures.



ÖMER TETİK

As we have tried to provide some positive insight into the proposed budget, we continue to target high single digit loan book growth, with the potential for a positive surprise in the form of low double digit growth. We see a solid pipeline, particularly in the corporate segment. At the same time, we do not see any warning signals in our portfolio or across the banking sector more broadly and therefore expect the cost of risk to remain at around 70 basis points.

To reiterate, although this is not explicitly budgeted, in retail banking, small business banking, and micro lending, a cost of risk of around 100 basis points would typically be considered a normal level. However, supported by the strength and resilience of Romanian companies and households, we have consistently managed to deliver better results than this.

We expect net interest income to increase by around 7%. Fee and commission income, strongly supported by higher transaction volumes, growth in bancassurance revenues, and growth in number of customers, is expected to increase by approximately 13%.



**DIANA
MAZURCHIEVICI**

A couple of questions coming from Miguel Dias, analyst at WOOD & Company. With regard to capital allocation, are you planning to maintain an approximately 40% payout ratio, or, in the absence of mergers and acquisitions in 2026, could a higher payout ratio be considered? In addition, what proactive measures would you take to protect the net interest margin once the National Bank of Romania begins to cut interest rates, potentially in late 2026?



ÖMER TETİK

As I briefly mentioned earlier, we are very cautious in our liquidity management, particularly in the context of lower interest rates and their impact on net interest margin. Both our treasury and business lines have demonstrated strong capability in managing low interest rate environments. If you recall, prior to and during the pandemic, Romania experienced significant interest rate volatility, including periods of low rates, followed by higher rates, and then

again lower rates until the onset of the war in Ukraine.

Overall, we have a high degree of flexibility in terms of customer funding. Lower interest rates have also reduced pressure on negotiated pricing with larger clients. At the same time, we are deliberately hedging our position, particularly by increasing exposure to longer term investment loans and mortgage lending.

The other question related to dividend guidance. Given the current environment and broader developments around us—even if they are not directly impacting us—they do affect markets, from energy prices to capital markets, which makes us more prudent in our approach. At this stage, we do not foresee and are not currently engaged in any merger or acquisition processes. As I said, in a few days you will be seeing our proposal together with the GMS notification, but we will be at or close to the levels that we have been delivering lately.



**DIANA
MAZURCHIEVICI**

We have another set of questions coming from Daniela Mândru from Swiss Capital. In terms of modelling the 2026 outlook, Daniela would like to understand whether we should view 2026 as a consolidation year following the strong profitability achieved, or whether there is scope for a reacceleration of profits.

Her second question relates to market income: do we see continued support from trading and securities revaluation gains in 2026, or should the market income recorded in 2025 be considered above normalized levels?



ÖMER TETİK

With regard to the first question, I do not believe that a reacceleration or aggressive acceleration of profit growth is realistic. As we have already mentioned, we consider ourselves ambitious given the current market conditions. At the same time, there are significant economic, fiscal, and social challenges facing Romania and Romanian customers.

Going forward, our focus remains on delivering a return on equity above 20%, rather than pursuing transactional or

opportunistic moves within the portfolio. 2025 was another strong year, and while this does not imply that 2026 will be weak, as reflected in the guidance we have provided, we do not expect exceptional growth in profitability.

This also reflects the fact that our growth is mainly driven by the corporate and SME segments, where margins are lower and competition is higher. As such, we are investing in the medium and long term sustainability of the bank—not at the expense of profitability, but acknowledging that further increases are not easy to achieve.

The other question related to the trading book. Fixed income trading is not our core activity, and we are not an investment bank. We are a traditional commercial bank, and we are very proud of that. As such, we are not budgeting for, nor relying on, trading income to fill any gaps in our financial plans.

Definitely, there would clearly be a positive impact if interest rates were to decline. However, at least in my personal view—and I believe my colleagues would share this—we do not expect a rapid decrease in interest rates this year. While we also do not expect rates to increase, we do not believe that the National Bank of Romania will rush to cut rates, given the ongoing inflationary challenges.



**DIANA
MAZURCHIEVICI**

Next questions come from Andreea Playoust at Mirova. One, what would be your credit exposure to investment funds? Is private credit a potential risk for the Romanian banking system? And secondly, what explains the strong increase in trading income in 2025?



ÖMER TETİK

Our investment exposure to investment funds is relatively limited, at below EUR 1 billion, representing less than 0.5% of our balance sheet. This level may change when making investments, but we are not pursuing an aggressive approach.

Regarding private credit, the market in Romania is still underdeveloped, and we currently have no exposure to it. We do not engage in this activity in any of our businesses, nor do we finance companies involved in private credit.

As I mentioned in response to Daniela's questions, we view this (i.e strong increase in trading income) as more aligned with investment banking activity. Our focus is on financing real investments and real businesses, rather than alternative financing structures, and we have been, let's say, very cautious in this regard. Trading income volumes naturally depend on market volatility. That said, Romanian markets continue to offer relative stability comparable to Western European markets, while still providing emerging market returns. As a result, we do not expect a significant increase, and, as mentioned earlier, we are not building material expectations or budget assumptions around trading income.



**DIANA
MAZURCHIEVICI**

Next question is coming from Simon Nellis from Citibank. Could you please elaborate on the credit risk environment and the annual guidance for the cost of risk, specifically explaining why it is increasing from around 60 basis points to 70 basis points? In addition, given the slowing economic environment, do you see a risk that the cost of risk could exceed the guided level this year? Finally, which segments do you expect to experience a deterioration in asset quality?



**CĂTĂLIN
CARAGEA**

I will take this question. Moving from 60 basis points to 70 basis points does not necessarily indicate a deterioration; it remains within a normal margin of variability. We do expect a slight upward drift in the cost of risk, partly reflecting the anticipated growth of the portfolio. At the same time, given that the macroeconomic environment is not fully predictable, we are taking a slightly more conservative stance. Nevertheless, as Ömer also mentioned, we consider the normalized cost of risk for the current economic environment and for this region to be around 100 basis points.

When looking at the portfolios, we do not expect deterioration in any specific segment. Our expectation is that portfolio trends in terms of delinquency will be maintained at current levels. This reflects our current view.



**DIANA
MAZURCHIEVICI**

Thank you. We have the next question coming from Jovan Sikimic from ODDO related to the local M&A market. What is your view regarding future market consolidation?



ÖMER TETIK

This question stems from the fact that we have been one of the most active participants in market consolidation, not only in banking, but also in leasing, asset management, and pensions. Compared with 10 to 15 years ago, the number of banks in Romania has nearly halved, which means that consolidation opportunities are becoming limited. At the same time, we see international banking groups increasingly pursuing consolidation at a regional level. We continue to look for further opportunities and reiterate—perhaps repeatedly, that leasing, asset management, and pensions remain key areas of interest for us.

At the same time, within the banking sector, we would also

consider any opportunity that may arise, should a bank come to the market for sale. We will certainly remain present in the market, which is also why we are very careful with our capital positioning and our capacity to acquire and integrate within our existing structures. We are prepared to deploy capital should opportunities arise, although the pace of such activity is likely to be slower than in the past.



**DIANA
MAZURCHIEVICI**

Next set of questions comes from analyst Marian Mihalca. What are your expectations regarding turnover tax going forward? Do you anticipate this tax being reduced or removed starting with 2027? Second, how do you expect personnel expenses to evolve in 2026 relative to the average inflation rate? And last one, has BT begun integrating artificial intelligence agents into the day-to-day operation? Do you expect cost efficiency?



ÖMER TETİK

Coming back to net interest margin, we expect it to remain broadly stable, possibly slightly higher. As we mentioned, our growth is mainly driven by the corporate segment, where competition is intense and interest rates are lower. I may have missed the rest of the questions—Diana, could you please repeat them?



**DIANA
MAZURCHIEVICI**

Yes. It's about the artificial intelligence & about the turnover tax?



ÖMER TETİK

With regard to the turnover tax going forward, based on statements from government officials, it is expected that in 2027 it may be reduced or abolished. We hope that these commitments will be honored. However, until Romania addresses its budget deficit and broader fiscal challenges, the banking sector remains an easy target. As such, we are not building our budget on wishful thinking. On the other hand, this is also our expectation, as the turnover tax ultimately makes products and services more expensive for our customers.

Looking ahead to 2026, despite having integrated OTP last year and increased our headcount, we have implemented a number of efficiency measures, which also relate to your earlier question regarding AI. We expect only a very slight increase, or broadly flat growth, in personnel expenses. This will represent a change from the trend seen in recent years, when salary expenses increased at double digit rates.

As implied by the final question, we are making extensive use of AI across the bank, ranging from back office operations and compliance to audit functions and software development. We are deploying AI agents across the organization, supporting activities from process automation to development and programming itself.

We run extensive reskilling programs and provide a wide range of training initiatives for our employees. In addition, we encouraged the proposals for new AI agents and the automation of various processes, initiatives that have clearly delivered positive returns so far. This is an accelerated cycle, as we started with small initial steps early last year, and both the technology and our internal know how have been developing rapidly.

We have also learned from the experience of other banks, both in Romania and internationally, which makes adaptation and implementation easier and faster. This will also be a major part of our discussions going forward. You will see this reflected in the budget we will propose, which includes meaningful and substantial technology CAPEX, primarily focused on efficiency initiatives driven by AI and broader investments in technology.



**DIANA
MAZURCHIEVICI**

We have a follow-up questions from Daniela Mândru. Following the additional Tier 1 issuance, should we, therefore, assume a structurally lower, but more resilient return on equity profile? Or do you still see scope to move back towards mid-20s returns rates despite the enlarged capital base?



ÖMER TETİK

The mid 20% levels were, so to speak, the good days. Looking ahead, we expect to deliver returns on equity of around 20%, plus or minus some variation, which we consider a strong level of performance—not only within the financial sector, but across any industry. If there is an improvement in the economic environment and we see a positive shift in sentiment, together with greater stability and peace in the region, we would of course be pleased to deliver returns on equity in the mid 20% range. However, our formal guidance remains around 20%.



**DIANA
MAZURCHIEVICI**

We still have a couple of questions around the dividend proposals, but this was already answered. So, I will now give back the floor to Management for final remarks. Thank you all for submitting your questions.



ÖMER TETİK

On behalf of our management team and our colleagues, thank you very much for joining us, especially during these stressful and challenging times.

As you can see, regardless of changes in the economic or political environment, we remain committed to delivering strong returns and to continuing our growth. At the same time, we are fully aware of the responsibility that comes

with our market share and presence. Romania's economic growth is closely linked to our own growth, and vice versa. We are confident that the management team, with the continued support of our shareholders and investors, will maintain this trajectory.

Once again, we wish that all of you stay safe, and we look forward to reconnecting with you at the announcement of our first quarter results.

OPERATOR

Ladies and gentlemen, following the Conference Call, we would like to announce you that the Investor Relations team in Banca Transilvania will send you a short survey about the content and format of the Conference Call.

Thank you for your input. The Conference is now concluded, and you may disconnect. Thank you for joining and have a good afternoon.

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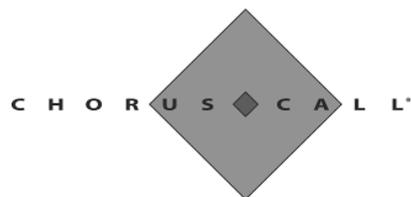


Press Release



Fact Sheet

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