

# Merger project

**Banca Transilvania S.A.,**

having its registered office in Cluj-Napoca, str. George Baritiu no.8  
with

**Bancpost S.A.,**

having its registered office in Bucharest, str. Dimitrie Pompeiu, no. 6A

BANCA  TRANSILVANIA

**BT Classification: PUBLIC USE**

**June 2018**

## 1. INFORMATION REGARDING THE MERGER

During 2017, the current shareholders of Bancpost S.A. ("Bancpost" or "Acquired Company"), ERB Leasing IFN S.A. ("ERB") and ERB Retail Services IFN S.A. ("ERS") started the process of selling their shares held in these companies and exiting the Romanian market.

Banca Transilvania S.A. ("Banca Transilvania", "BT" or "Acquiring Company") expressed its interest towards the potential transaction, in line with its current development strategy, both through organic growth, but also through possible acquisitions, by respecting the general principles concerning the complementarity and the business alignment degree.

Thus, following a phased evaluation process and several rounds of negotiation with Eurobank Ergasias S.A., ERB New Europe Holding B.V. and Eurobank Household Lending Services S.A., the parties agreed on the transaction's terms.

The transaction's documents were signed on November 24, 2017, consisting of the Sale-Purchase of shares agreement (the "Agreement"), to which a number of annexes were added to supplement or detail the contractual provisions. Based on the Agreement, BT acquires, directly, 100% of the ERB's shares, 100% of the ERS's shares and 99.14675% of the Bancpost's shares, with sellers withdrawing from the company.

As preliminary steps of the merger process, Banca Transilvania S.A. and Bancpost S.A. have fulfilled a number of regulatory requirements

On March 12, 2018, the non-objection letter was obtained, by which the National Bank of Romania does not oppose to the potential acquisition of the Eurobank Group entities in Romania, namely a direct qualifying holding representing 99.1147% of the subscribed and paid-up share capital of Bancpost, as well as the acquisition of 100% of the subscribed and paid-up share capital of ERB Retail Services IFN SA and ERB Leasing IFN S.A., following the documentation submitted on 15 January 2018 and 15 February 2018 by Banca Transilvania S.A. according to the requirements of Regulation no. 6 of April 7, 2008 regarding the changes in the status of the credit institutions, the Romanian legal entities, and the branches of the credit institutions in third-party countries

On March 13, 2018, the non-objection decision from the Competition Council was obtained, as per the Decision no. 7 from 13.03.2018 regarding the economic concentration operation achieved through the acquisition, by Banca Transilvania S.A., of the sole direct control over Bancpost S.A., ERB Retail Services IFN S.A. and ERB Leasing IFN S.A. The notification form, registered under no. RS 06/26.01.2018 was submitted, via an authorized representative, by BANCA TRANSILVANIA S.A. on January 25, 2018.

## 1.1. Document's purpose

The shareholders of Banca Transilvania S.A. and Bancpost S.A. approved via the Decisions of the Extraordinary General Meeting of the Shareholders from 25.04.2018 and 30.04.2018 respectively, the initiation of the merger by absorption.

Thus, the merger will take place in the legal form of a merger by absorption, according to the provisions of Law no. 31/1990 regarding the commercial companies, republished, with the subsequent amendments ("Law of Companies"), by the universal transfer of the entire Bancpost S.A. patrimony, which ceases to exist by dissolution, without liquidation, to Banca Transilvania S.A.

In this regard, the management of Banca Transilvania S.A. and, respectively, the management of Bancpost S.A. have jointly prepared the terms and conditions of the current merger project (the "Merger Project") concerning the merger by absorption between Banca Transilvania S.A., as acquiring company and Bancpost S.A., as acquired company, in compliance with the provisions:

- Law no. 31/1990 on companies, republished, with the subsequent modifications and additions (the "Companies Law");
- Accounting Law no. 82/1991, republished, with the subsequent modifications and additions (the "Accounting Law");
- GEO no. 99/2006 regarding the credit institutions and adequacy of the capital („OUG 99/2006”);
- NBR Norm no. 5/2000 on the merger and dissolution of banks ("Norm 5/2000");
- Order no. 897/2015 for the approval of the methodological Norms regarding the highlighting in the accounting of the main merger, division, dissolution and liquidation companies' operations, as well as the withdrawal or exclusion of some affiliates from the commercial companies ("Order no. 897/2015");
- Order no. 27/2010 for the approval of Accounting regulations in accordance with International Financial Reporting Standards, applicable to credit institutions, with subsequent modifications and additions ("Order no. 27/2010")
- Law no. 227/2015 regarding the fiscal code, with subsequent modifications and additions (the "Fiscal Code")
- Law no. 67/2006 on the protection of the employees rights in the event of the transfer of the enterprise, institution, or parts thereof;
- Order of the Minister of Public Finance no. 2861/2009 for the approval of Norms on the means to organize and determine inventory elements such as assets, liabilities and shareholders' equity ("Order no. 2861/2009")
- Competition Law no. 21/1996, republished, with subsequent modifications and additions ("Law no. 21/1996").

## 1.2. Identification of the entities participating in the merger

According to the decisions of the Extraordinary General Meeting of the Shareholders mentioned in the previous chapters, Banca Transilvania S.A. is the acquiring company, and Bancpost S.A. is the acquired company. The merger process is governed by the terms and conditions of this document (feasibility study) and the merger project prepared by the two entities.

### Acquiring Entity - Banca Transilvania S.A.

<b>Name of the Entity</b>	Banca Transilvania S.A.
<b>Legal form</b>	Joint stock company
<b>Head Office</b>	8 G. Baritiu Street, Cluj-Napoca, Romania
<b>No. Trade Register Number</b>	J12 / 4155 / 1993
<b>TAX IDENTIFICATION NUMBER</b>	5022670
<b>Tax attribute</b>	RO
<b>No. Bank Register Number</b>	R.B. - P.J.R. 12 - 19 - 18.02.1999
<b>Subscribed and paid-up share capital:</b>	4,341,439,404 RON, March 31, 2018
<b>Main field of activity</b>	6419 - Other activities of monetary intermediation
<b>Shareholding structure</b>	Shareholding structure as at March 31, 2018: SIF – 15.22% European Bank for Reconstruction and Development – 8.6018% Other shareholders -76.18%

### Acquired Entity

<b>Name of the Entity</b>	Bancpost S.A.
<b>Legal form</b>	Joint stock company
<b>Head Office</b>	6A, Bulevardul Dimitrie Pompeiu, nr. 6A, Bucharest, sector 2, Romanian
<b>No. Trade Register Number</b>	J40/9052/1991
<b>TAX IDENTIFICATION NUMBER</b>	404416
<b>Tax attribute</b>	RO
<b>No. Bank Register Number</b>	P.J.R. - 40 - 013 – 1999
<b>Subscribed and paid-up share capital:</b>	943,092,332.80 RON, March 31, 2018
<b>Main field of activity</b>	6419 - Other activities of monetary intermediation
<b>Shareholding structure</b>	Shareholding structure as at March 31, 2018: Eurobank Ergasias S.A. -2,763,891,626 shares, 93.78% ERB New Europe Holding B.V.- 158,125,220 shares 5.37% Non controlling interests -25,146,694 shares, 0.85325%

### **1.3. Legal and economic arguments of the merger**

#### **1.3.1. Legal arguments of the merger**

According to the provisions of art. 239 from the Companies Law, the initiation of the merger process between Banca Transilvania S.A and Bancapost S.A. was approved, by the Extraordinary General Meetings of Shareholders of both banks participating in the merger, being their competent statutory bodies, as follows:

- The Extraordinary General Meeting of Shareholders of Bancpost S.A approved the merger based on the Decision from 30.04.2018
- The Extraordinary General Meeting of Shareholders of Banca Transilvania S.A. approved the merger based on the Decision from 25.04.2018

In this regard, the Extraordinary General Meetings of Shareholders of Bancpost S.A and BANCA TRANSILVANIA S.A decided to initiate the merger process by authorizing the Boards of Directors to:

- prepare the merger project;
- determine the reference date of the financial statements used to prepare the merger project;
- prepare any documents and make any necessary statements regarding the merger project or to submit it to the Trade Registrar Office;
- to take any necessary action relating to the merger project
- to fulfill the provisions of the merger decisions.

According to the same decisions, the Merger Project will be signed by the authorized individuals, entitled to represent each entity in the relations with third parties, in accordance with the provisions of the articles of incorporation of each company.

The merger can be completed only under the condition to obtain the approval from the National Bank of Romania and will become effective on the date determined by the shareholders of the companies involved in the merger process based on this Merger project.

In order to facilitate the integration process of Bancpost S.A. into the structures of Banca Transilvania S.A., Banca Transilvania S.A. has initiated an offer to acquire the minority shares held in Bancpost S.A.

The takeover offer has the following characteristics:

- The acquisition offer targets the acquisition of 25,146,694 shares of Bancpost SA share capital, which represents 0,85325% of the total number of shares with voting rights.
- The price offered for one share is RON 0,2848 (this being the price paid by Banca Transilvania S.A. to the selling entities from Eurobank Group).
- The above offer will only be valid from April 25, 2018 to June 29, 2018, this not being mandatory, the minority shareholders having the option to conclude the assignment agreement only to the extent they want to.



The offer to acquire the minority holdings ends on 29 June 2018, but Banca Transilvania S.A. may receive the decision to accept the offer from the potential interested shareholders a few days after the end of the offer period. Thus, at the date of the merger project, the confirmed holding of Banca Transilvania S.A. in Bancpost S.A. is 99.14675%.

According to art. 243 index 5 of the Companies Law, if the merger by absorption is carried out by an acquiring company holding at least 90% (applicable in this case), but not all the shares / shares or other securities that allow their holders the right to vote in the general meetings of the companies, it is not necessary to elaborate the reports mentioned by art. 243 index 2 and 243 index 33 and the fulfillment of the requirements regarding the notification of the shareholders / affiliates stipulated in art. 244 par. (1) letter. b), d) and e), but remains applicable Art. 242 paragraph 3.

Thus, when taking into account Banca Transilvania S.A. participation in the share capital of Bancpost S.A. of over 90% it will not be applied (i) the obligation of the companies' management, participating in the merger, to prepare a report on the merger project (according to Article 243, index 2 from the Companies Law), and (ii) the obligation to prepare an exchange rate report by independent experts (according to Article 243, index 3 of the Companies Law).

The merger is performed with the full transfer, through universal transfer, of the assets of the Acquired Company to the Acquiring Company including the buildings in the accounts, including all the rights, obligations, assets and liabilities that the Acquired Company has at the effective date of the merger, as this term is defined in the chapters below.

In order to avoid any doubt, if any asset of the Acquired Company is not mentioned in the Merger Project as a result of an error, omission or any other reason, regardless of the fault or intent, that respective asset will be considered to be the property of the Acquiring Company and will be automatically transferred to the Acquiring Company and, as a consequence, no compensation will be paid.

Following the merger, Bancpost S.A. (as Acquired Company) will cease to exist, losing its legal personality and dissolving without liquidation and will be deleted from the Register of Banking Companies held by the National Bank of Romania and by the Trade Register.

Banca Transilvania S.A. (as the Acquiring Company) will maintain its main activity consisting of monetary intermediation activities, according to the CAEN code 6419, as well as the rest of the secondary activities.

### 1.3.2. Economic arguments of the merger

Banca Transilvania S.A. was and continues to be an active player on the Romanian banking market, consolidating its top position (according to total assets) among the Romanian banks. BT is the leading company of Banca Transilvania Financial Group ("BT Group"), which offers a wide range of financial services in Romania, such as banking, investment, portfolio management and leasing services.

Considering the interest and commitment of Banca Transilvania SA to participate and support the economic development of the country and, implicitly, to maintain a strong and sound banking system, the initiation of a project aimed to consolidate the banking system is a necessary undertaking, assumed by BT over the last 4-5 years, envisaging within the medium term development strategy, beside the bank's organic growth also the growth generated by acquiring and merging with other banking institutions operating on the Romanian market.

The first large-scale transaction was in 2015, respectively the acquisition of Volksbank Romania S.A., the bank's integration into BT being completed in the same year. After that transaction, BT continued its organic growth, keeping its interest open towards identifying potential acquisition targets.

At the same time, the capital and liquidity ratios of Banca Transilvania S.A. have been on a optimization and consolidation trend, the bank having a solidity and a financial maturity that allows it to consider acquisition projects, such as the acquisition of the Eurobank subsidiaries in Romania (Bancpost SA, ERB retail Services IFN SA and ERB Leasing IFN SA) under safe conditions.

During its existence, Banca Transilvania S.A. has consistently kept a few guidelines that have become defining for the BT's identity:

- Positioning as a bank with products and services dedicated to the private sector in Romania, with a special focus on small and medium-sized enterprises;
- The development of the balance sheet structures, both for assets and for liabilities, with exposures spread across business lines, economic sectors, currencies, etc.

Among the items included in the bank's current development strategy, are found the following:

- Strengthening the market position through organic growth and mergers and acquisitions, in the context of identifying attractive opportunities;
- Ensuring an interesting investment opportunity for shareholders, with minimum yield levels of around 13%, the target set by the Bank's strategy being 14,5%;
- Maintain a sufficiently robust capital adequacy ratio to accommodate all the additional requirements that will be implemented in the coming years, but, at the same time maximizing the efficiency of the invested capital;
- Maintaining the leader position in terms of customer experience, but consolidating the employees' satisfaction level;
- Robust and balanced growth on all three business lines (Corporate, Retail, SME) by respecting the proposed objectives regarding the portfolios' quality and maintaining the prudential ratios of Banca Transilvania S.A.;

From the items outlined above perspective, the merger by Bancpost's absorption is part of BT's strategic objectives.

Following the absorption of Bancpost, BT wants to consolidate its position on the financial-banking services market as a solid financial institution able to cope both with the growth and decline periods from the Romanian economy, focusing on lending and other related financial services, offering service packages that are advantageous for the customers from the Romanian market.

The two banks involved in the merger, focused mainly on the following aspects, which will contribute to the creation of value through the merger process:

- From this document point of view, on the financial-banking services markets, the merger has as main characteristic the strengthening of Banca Transilvania S.A. and BT Group position. Starting with April 3, 2018, Bancpost S.A. and Banca Transilvania S.A. are part of the same financial-banking group;
- Bancpost has a strong network of retail customers, a significant number of salary agreements and pension payments, and the spread of deposits and operations across Romania represent a strategic advantage;
- Bancpost has an important portfolio of loans granted to its SME customers, exposures that integrate perfectly into BT's growth strategy and plans, this type of customer being the focus item for the entire BT Group since its creation;
- The customers will have access to a diverse range of banking products, based on the BT Group's products portfolio, which will be complemented by the products offered by the entities from the Transaction Aria, that have been appreciated by their customers, especially in the area of credit cards, financing solutions within the retailer networks or services contracted online;
- Another advantage for the customers is the BT experience gained from the previous transaction, through which Volksbank Romania SA was acquired, both in terms of the overall transfer of activity and customers following a merger on the banking market, but also on various more specific cases, such as solving the problems of those customers with loans denominated in Swiss francs;
- Creating lower prices opportunities, by creating economies of scale.

The main coordinating actions (synergies) to be followed as a result of the Transaction are listed below:

- Increase the revenue as a result of diversifying the offer to customers (by introducing new products and services and adapting the existing ones);
- Increase revenue by streamlining the distribution channels;
- Improving the long term costs structure;
- Optimizing the infrastructure, by combining the competences of the two institutions, taking into account that Bancpost's territorial structure will be integrated within the BT Group and will bring improvements to the newly created structure;
- The resources will be allocated more efficiently by creating a single administrative body;
- The decisional flows will be optimized by integrating the existing structures, the know-how and the existing experience between the two entities;
- Simplifying the management processes, the control and the reporting processes across all business segments and also towards the financial reporting, risk reporting, etc.;
- Optimizing the financing resources by streamlining the loan-to-deposit ratio currently existing in each of the two banks;
- Improving the use and allocation of capital by consolidating the products' portfolio;

Also, an important objective for the two institutions' merge is the management of the significant risks to which the credit institution is exposed after the merger, in order to maintain the target risk profile defined for the bank following the merger. Thus, the integration project is focused on how the differences between the two banks and the aggregate exposure will be managed, so as to ensure:

- A transition without difficulties and providing an adequate and sustainable framework for BT;
- The systems, policies, governance, human resources, capital and liquidity are appropriate to the size and the risk profile of the acquiring credit institution following the merger.

The analyzes conducted up to the feasibility study date, indicate that the significant risks to which the Bank is exposed after the merger have been properly identified and the comfortable level of the prudential indicators (especially the adjusted capital adequacy ratio and Tier 1 equity ratio) indicate a good coverage of risks also internally.



## **1.4. Merger terms and conditions**

### **1.4.1. Directing the merger**

According to the Extraordinary General Meetings of Shareholders of Banca Transilvania S.A. and Bancpost S.A. mentioned in the previous chapters, the merger will take place in the form established in art. 238 paragraph 1 letter. a from the Companies Law, and as a result, Bancpost S.A., as an acquired company, will be absorbed by Banca Transilvania S.A., as an acquiring company.

Simultaneously, Bancpost S.A. will be dissolved without being liquidated, and will be deregistered from the Bucharest Trade Register Office at the effective merging date.

### **1.4.2. Effective merger date**

Considering the provisions of art. 249 letter. (b) of the Companies Law, the Acquiring Company and the Acquired Company expressed their common consent that the date on which the merger will become legally effective (the "Effective Date") is 31 December 2018, subject to the NBR approval.

On this date, Bancpost S.A. ceases to exist, the merger having the effect of dissolving without liquidation and the universal transmission of its entire assets to Banca Transilvania S.A., which thus acquires its rights and is bound by Bancpost SA's obligations.

In order to avoid any doubt, if any asset of the Acquired Company is not mentioned in the Merger Project as a result of an error, omission or any other reason, regardless of the fault or intent, that respective asset will be considered to be the property of the Acquiring Company and will be automatically transferred to the Acquiring Company and, as a consequence, no compensation will be paid.

### **1.4.3. Special rights**

Banca Transilvania S.A. hereby declares that, from the date of this merger project, it has not issued shares that grant special rights to the shareholders, nor bonds or securities other than ordinary shares.

As a result, Banca Transilvania S.A. will not grant, following the merger, rights of the kind referred to in art. 241 letter g) from the Companies Law.

### **1.4.4. Special advantages**

No special advantage will be granted, following the merger, to the management or supervisory bodies of the companies participating at the merger.

## 2. Accounting and financial information

### 2.1. The reference date of the Merger Financial Statements

December 31, 2017 was established and agreed upon as the reference date for the merger financial statements.

Consequently, the financial statements of the participating companies to the merger were drafted based on the financial data at December 31, 2017 (see attachments:) Annex 1 “ Banca Transilvania SA IFRS as at 31 December 2017”, Annex 2 Bancpost S.A. IFRS as at December 31, 2017”).

Balance sheet items for the two companies participating in the merger were assessed via the net shareholders equity method, as per the provisions of the Accounting Law. The Net Asset Method assumes that the values used in the reorganization operations are based on the net asset. In this case, in the merger operations, the balance-sheet items are acquired by the beneficiary company at the value they have been highlighted in the accounts of the company that assigns them.

For the companies involved in the merger, the net asset was calculated based on the inventory and assessment of all their assets and liabilities, the results of these assessments being transferred also in the estimated merger balance sheet (Annex 3).

The absorption of the Acquired Company's liabilities will be realized by taking over by the Acquiring Company, as a result of the merger, in accordance with the provisions of the Companies Law and Order 27/2010 and also with the provisions of Order 897/2015.

The simplified balance sheets of the companies participating in the merger at the reference date are displayed in Annexes 1 and 2 of this Merger Project.

### 2.2. Ownership structure

At the reference date, 31 December 2017, Bancpost S.A had the following structure:

<b>Shareholder</b>	<b>Number of shares at the reference date</b>	<b>% of the share capital at the reference date</b>	<b>Share capital at the reference date</b>
Eurobank Ergasias S.A.	2,763,891,626	93.78141%	1,105,556,650.40
ERB New Europe Holding B.V.	158,125,220	5.36534%	63,250,088.00
Non-controlling interests	25,146,694	0.85325%	10,058,677.60
<b>Total</b>	<b>2,947,163,540</b>	<b>100.00000%</b>	<b>1,178,865,416.00</b>

At the merger date, Bancpost S.A had the following shareholding structure:

Shareholder	Number of shares at the merger date	% of the share capital at the merger date	Share Capital at the merger date
Banca Transilvania S.A.	2,922,016,846	99.14675%	935,045,390.72
Non-controlling interests	25,146,694	0.85325%	8,046,942.08
<b>Total</b>	<b>2,947,163,540</b>	<b>100.00000%</b>	<b>943,092,332.80</b>

At the reference date, 31 December 2017, Bancpost S.A had the following shareholding structure:

Shareholder	Number of shares at the reference date	% of the share capital at the reference date	Share capital at the reference date
European Bank for Reconstruction and Development	373,363,789	8.60%	373,363,789
Romanian individuals	857,434,282	19.75%	857,434,282
Romanian companies	1,344,543,783	30.97%	1,344,543,783
Foreign individuals	78,145,909	1.80%	78,145,909
Foreign companies	1,687,951,640	38.88%	1,687,951,640
<b>Total</b>	<b>4,341,439,404</b>	<b>100.00%</b>	<b>4,341,439,404</b>

### 2.3. Shares Exchange Ratio

According to the provisions of art.250, para.(1), letter a) of the Companies Act, the shareholders or affiliates of the acquired or divided company become shareholders, respectively affiliates of the acquiring company, respectively of the beneficiary companies, according to the distribution rules established in the merger project.

Also, according to art. 250 par. (2) lit. a) of the Companies Act, for the issuance of shares as a result of the merger process, the joint holdings held by the companies involved in the merger process shall not be taken into account.

The offer to acquire the minority holdings ends on 29 June 2018, but Banca Transilvania S.A. may receive the decision to accept the offer from the potential interested shareholders a few days after the end of the offer period. Thus, at the merger date, Banca Transilvania's holdings in Bancpost S.A were 99.14675%, to eliminate the the mutual holdings.

The exchange rate is determined by reporting the market value of a BP share to the market value of a BT share - the exact calculation - as it results from the report drawn up by an independent external expert, as follows:

<b>Indicator as per the norms for the application of Order 897/2015</b>	<b>Reference:</b>	<b>Amount</b>
<b>The value of shareholders equity</b>	1=2*3	10,580,087,828
<b>Number of shares at the reference date for BANCA TRANSILVANIA S.A</b>	2	4,341,439,404
<b>Market value of BT shares (RON) (*)</b>	3	2.4370
<b>The value of Bancpost shareholders equity (RON)</b>	4=5*6	839,352,176
<b>Number of shares at the reference date for Bancpost S.A</b>	5	2,947,163,540
<b>Market value of BT shares (RON)</b>	6	0.2848
<b>Exchange rate</b>	<b>7=6/3</b>	<b>0.1169</b>

(\*) Average weighted price for the period 01/01/2018-30/06/2018

#### 2.4. Number of issued shares and share capital increase

The number of shares issued by the Acquiring Company following the merger is performed by reporting the net shareholders equity of the Acquired Company to the market value of the share for the Acquiring Company, by multiplying the number of shares of the Acquired Company with the shares exchange ratio. The share capital increase for the Acquiring Company, related only to non-controlling interests, is determined by multiplying the number of newly issued shares by the Acquiring Company with the par value of a share from this company:

<b>Indicator as per the norms for the application of Order 897/2015</b>	<b>Reference:</b>	<b>Amount</b>
<b>Cross holdings</b>	8	99,24391%
<b>Establishing the number of shares issued by Banca Transilvania S.A., deducting the cross holdings</b>	9=(100%-8)*5*7	2,604,127.15
<b>Share par value for Banca Transilvania S.A. (RON)</b>	10	1.00
<b>Determining share capital increase (RON)</b>	<b>11=9*10</b>	<b>2,604,127.15</b>

However, the exact amount with which the share capital will be increased will be determined by BT's Board of Directors in accordance with the approval of the GMS (as a result of the completion of all legal procedures related to the merger).

## 2.5. Acquisition premium

The acquisition premium is represented by the difference between the value of the contribution resulted from the merger and the value with which the share capital of the Acquiring Company increased (exclusively related to non controlling interest )

However, the exact amount of the acquisition premium will be determined by BT's Board of Directors in accordance with the approval of the GMS (as a result of the completion of all legal procedures related to the merger).

<b>Indicator as per the norms for the application of Order 897/2015</b>	<b>Reference:</b>	<b>Amount</b>
<b>Equity market value for Bancpost S.A, deducting the cross holdings</b>	$12=(100\%-8)*4$	6,346,257.87
<b>Acquisition premium</b>	$13=12-11$	<b>3,742,130.72</b>

## 2.6. Annulment of cross holdings

Investment cancellation of Banca Transilvania S.A. in Bancpost S.A. will be performed following the application of the provisions of the International Financing Reporting Standards endorsed by the European Union in accordance with the provisions of IFRS 3 - Business combinations, and will not be accounted for as a separate transaction.

## 3. Information regarding share capital increase and the shareholding structure of Banca Transilvania S.A., after the merger

Banca Transilvania S.A. share capital will increase following the merger process, as per the aspects presented in Section 2.4, related to non- controlling interests.

As a consequence of share capital increase, amounting to 2,604,127.15, substantial modifications in the shareholding structure of BT are not estimated, because of non-controlling interests.

### 3.1. Registration of shares and shareholders' rights to dividends

Registration of shares and shareholders' rights to dividends will be performed in compliance with the legislation in force and BT practices.

### 3.2. The date when Bancpost S.A transactions will be integrated to Banca Transilvania SA from an accounting standpoint

From the accounting and fiscal point of view, the BP transactions will be considered integrated within Banca Transilvania SA from the Effective Date of the Merger, scheduled to be December 31, 2018, to the extent of obtaining the necessary approvals from the National Bank of Romania.



#### 4. Other relevant information for the merger process

BT's Articles of Association will be adjusted to reflect the modifications of the merger, upon case. Banca Transilvania S.A. made a series of modifications in the management structure of BP, after the transaction date finalization (April 3, 2018).

**The executive management of Bancpost S.A will be ensured in the period between the date of transaction closure (April 2018) and the effective merger date by**



Leontin Toderici – CEO, Executive Manager;



Codin Nastase – CRO, Executive Vice-president, Risk



Aris Vrongistinos – COO, Executive Vice-President, HQ Operations and IT. The executive members were approved by the National Bank of Romania, as per the regulations in force.

**BP Board of directors will be composed of five members:**



Omer Tetik – CEO Banca Transilvania S.A.;



George Calinescu – CFO Banca Transilvania S.A.;



Peter Franklin – independent representative;



Mihaela Nadasan – Executive Manager Banca Transilvania S.A.;



Luminita Runcan – CRO Banca Transilvania S.A.

The mandates of the members of the Board of Directors, executive officers, and financial auditors will cease to be effective from the Effective Date of the merger and they will be released from any liability related to the positions held within Bancpost S.A.

The intended merger does not represent a notifiable economic concentration according to the provisions of the Competition Law, given that the companies involved in the merger are part of the same group, the Acquiring Company having control in the Acquired Company through 99.14775% of its share capital.

At the merger date, BP employees will be taken over by BT, the latter becoming an employer for the Acquired Company. The individual and collective labor agreements (upon case) will remain applicable within Banca Transilvania S. A. The merger does not result in individual or collective layoffs and does not involve a substantial change in the working conditions to the detriment of Bancpost S.A. employees or Banca Transilvania S.A.

Considering that the proposed date for completion of the merger is December 31, 2018, as well as the scale and complexity of this process, and also considering the need to integrate Bancpost S.A clients., BT decided to inform Bancpost S.A. customers and to contract the clients by Banca Transilvania S.A. through Bancpost S.A, before the completion of this process, in collaboration with the business lines. BT will contact Bancpost S.A. customers to present the bank's offers, so that the clients can assess and decide whether they want to become clients of Banca Transilvania S.A.,before the completion of the merger process. In the event that Bancpost S.A. customers, either do not accept the contacting by Banca Transilvania S.A., or do not accept the new contractual conditions with applicability before the merger is completed, Bancpost S.A. customers will be notified within the legal term before the merger, clearly indicating how BP products committed by them will be will be taken over by Banca Transilvania S.A . The above will be applied to all types of clients (retail and legal entities) and to all types of products offered by the Group (whether it is credit / non-credit products offered by the Bank Transilvania SA, whether it is products offered by the subsidiaries of Banca Transilvania Financial Group).

As for the BP network, BT will take over the active units at december 31, 2018, the Effective Merger Date.

The herein merger project was drafted and approved by the BT and BP Board of Directors and will be submitted to the Trade Register and published on the web page of each company, in compliance with art. 242, para. 2, letter 1. of the Company Law.

Signatures,

BANCA TRANSILVANIA S.A.

Horia Ciorcila – Chairman of the Board

BANCPOST S.A.

Peter Franklin - Chairman of the Board