

BA-CA Investor Relations Release

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Merger agreement between Bank Austria Creditanstalt and Tiriac signed

- **BA-CA's subsidiary HVB Bank Romania and Banca Tiriac join forces**
- **New bank will be Romania's fourth-largest with 7.5 per cent market share**

Bank Austria Creditanstalt (BA-CA) and Ion Tiriac have signed an agreement to merge HVB Bank Romania with Banca Tiriac in Bucharest today. With 50.1%, BA-CA will hold the majority in the new bank and will have responsibility for managing the business. The other main shareholder will be Ion Tiriac. The minority shareholders in Banca Tiriac, which currently hold 10.11 percent of Banca Tiriac, will be invited to join the new bank.

"Romania is a strategic core market for Bank Austria Creditanstalt. With this merger, we significantly strengthen our position and jump onto the fourth place on the Romanian banking market. This will give us a solid basis for our further growth", says Erich Hampel, Chief Executive Officer of BA-CA. "I am very satisfied that we finalised our agreement. This signing is a cornerstone for the future of Banca Tiriac. My team and I, we have built up an excellent bank with a good position on the retail market. Now, through joining forces with HVB Bank, we'll reach another dimension. Both banks will benefit from this merger: They fit together perfectly. And we'll continue to grow ", says Ion Tiriac.

With total assets of EUR 2,080 million, 72 branches, and more than 720,000 customers, the new bank will be a strong number 4 in Romania. With a market share of 7.5 per cent, it will rank ahead of CEC (5.9%, number 5).

A detailed plan for the integration of the two banks will be defined as soon as the transaction is completed in the course of this summer. The merger is planned to be completed until the end of the year and is subject to approval by all relevant authorities. Both parties agreed not

to disclose further details on the deal. CA IB, BA-CA's investment banking arm, and Rothschild acted as adviser on this merger.

BA-CA has been active in Romania since 1998 through its subsidiary HVB Bank Romania. HVB Bank Romania is currently the seventh-largest local bank, with total assets of about EUR 1.4 billion, 350 employees, 13 branches and some 37,000 customers.

Banca Tiriac has a nationwide network of 60 offices, total assets of EUR 706 million (as at 31 March 2005) and a market share of 2.9 per cent¹, which makes it number 11 in the Romanian banking market. The bank was created in 1991.

“The merger of the two banks ideally combines HVB Bank Romania’s strengths in corporate business, treasury operations and private banking with Banca Tiriac’s strong presence in classic retail business”, Erich Hampel says. “We aim to develop the existing market share rapidly beyond 10 per cent in Romania.”

