



EXTRAORDINARY ANNOUNCEMENT

11 February 2008

OTP Bank and Groupama to form Emerging Europe insurance partnership

OTP Bank and Groupama have agreed today an exclusive long term regional partnership covering the distribution of life insurance, non-life insurance and banking products. Groupama has agreed to purchase from OTP Bank 100% of OTP Garancia, one of the leading insurance companies in Hungary together with its wholly-owned insurance subsidiaries in Bulgaria, Romania and Slovakia. As part of its commitment to a regional partnership with OTP Bank and in order to reinforce the distribution agreements, Groupama has also committed to acquire up to 8% of the existing shares of OTP Bank.

“This transaction is an excellent opportunity to extend our universal financial services model and to grow our insurance offering to OTP Bank customers throughout the CEE and CIS”, said Dr Sándor Csányi, chairman and CEO of OTP Bank. “We have grown OTP Garancia over the last 10 years from being a small domestic loss-making insurer to one of the largest composite insurers in Hungary with promising international operations. We believe that the continued growth of OTP Garancia throughout the CEE region can be best supported through ownership by a strong European insurer such as Groupama. Providing more than 10 million banking customers across the region with market leading risk and savings insurance products remains a priority for OTP Bank. In partnership with Groupama, we will be able to continue to do this in Hungary and expand the breadth of our financial services product offering across the region. In addition, we are very pleased that Groupama has committed to support OTP Bank’s overall regional strategy through the acquisition of a meaningful strategic stake.”

“The CEE and CIS regions are attractive markets for Groupama who views this transaction as a unique opportunity to enhance its footprint in this promising region. The increasing prosperity as countries join the EU or converge to EU levels as well as a relative under-penetration of insurance products in countries with large populations are significant future growth catalysts for the region. Through this regional partnership with OTP Bank combined with the acquisition of OTP Garancia in four countries, together with our existing operation in Hungary and our recent acquisition in Romania, Groupama has a platform to be a significant international player across the region. We view this transaction as a springboard for our Emerging Europe growth strategy, enabling our entry in new markets and accelerating the development of our business in the region through the leverage of the partnership with the largest independent bank in the CEE region with over 10 million clients. The focus on the bancassurance distribution channel in the partnership is complementary to our multi-distribution business model and will create significant mutual value to both partners in the future”, said Mr Jean Azéma, CEO of Groupama.

The key elements of the transaction are:

- Groupama acquires 100% of OTP Garancia in Hungary as well as its related wholly-owned insurance subsidiaries in Romania, Bulgaria and Slovakia
- OTP Bank and Groupama enter into long term bancassurance and assurbanking partnerships which shall in the long run cover all nine countries in which OTP Bank currently operates – Hungary, Bulgaria, Romania, Ukraine, Russia, Croatia, Serbia, Montenegro, Slovakia

- OTP Bank will exclusively distribute life and non-life insurance products from Groupama where Groupama is already present, and for all remaining countries as soon as Groupama is present in these countries. OTP Bank will grant to Groupama access to its banking customer base to the extent possible
- Groupama will be the exclusive provider of insurance products to OTP Bank as soon as OTP Bank is a leading retail bank in the countries in which it operates, with the exception of Romania. At present, the territorial scope of bancassurance exclusivity comprises Hungary, Bulgaria and Montenegro. Groupama similarly grants the same levels of exclusivity to OTP Bank in relation to the distribution of banking products through its traditional insurance distribution networks
- Groupama has committed to acquire up to 8% of OTP Bank capital by acquiring 5% from OTP Bank at the closing of the acquisition of OTP Garancia and an additional tranche of up to 3% from the market over the twelve months following closing
- OTP has committed to promote and support the election of a representative from Groupama to the Supervisory Board of OTP Bank at the next AGM
- OTP Bank has entered into a derivative transaction with Deutsche Bank AG to facilitate the acquisition of a 5% stake in OTP Bank shares to be acquired by Groupama at closing. No new shares will be issued by OTP Bank
- OTP Bank will retain its pensions and asset management businesses

The total consideration for the acquisition and distribution partnership is HUF164 billion or approximately EUR 617million. The bancassurance partnership has an initial term of 20 years renewable. Groupama will finance the transactions from internal resources. The signing and closing of the OTP Garancia transaction is subject to regulatory approvals and is expected to close in Q2 2008.

OTP Garancia is one of the largest composite insurance companies in Hungary and the largest bancassurance partner by premiums sold through the bank channel. According to the association of Hungarian insurers, MABISZ, in 2006 OTP Garancia was the second largest Hungarian life insurer with a market share of 11% and the third largest non-life insurer with 9% of the Hungarian market. Over 40% of premiums were generated through OTP Bank branches in 2006. In 2006, OTP Garancia wrote life insurance premiums of €178m and non-life insurance premiums of €138m. From 2004 to 2006, total premiums grew at an average annual growth rate of 13%. OTP Garancia has a nationwide network of 170 branches and 2,700 agents in Hungary, and 77 branches and 1,260 agents outside Hungary, in Slovakia, Romania and Bulgaria. The company has a diversified insurance portfolio and provides more than 1 million customers with traditional life, unit linked and risk products and non-life cover including fire, MTPL, motor own damage and other accident. OTP Garancia sells insurance products primarily to individuals.

OTP Bank is the largest independent bank in the CEE region with operations in Bulgaria, Croatia, Romania, Serbia, Slovakia, Ukraine, Montenegro and Russia. OTP Bank is the largest bank in Hungary, Bulgaria and Montenegro, with market shares of 20%, 13% and 37%, respectively. OTP Bank is the eighth largest bank in Ukraine and the tenth largest bank in Serbia. OTP Group also provides its universal financial services through several subsidiaries including car leasing and investment funds. OTP Group provides high quality financial solutions to meet the needs of nearly 10.5 million customers through more than 1,400 branches, agent networks and the state-of-the-art electronic channels.

Following the acquisition of OTP Garancia, Groupama will have life insurance and non-life insurance operations in the CEE region in Hungary, Bulgaria, Slovakia and Romania. The acquisition of OTP Garancia follows Groupama's successful acquisition of the Romanian insurer, BT Asigurari, in October 2007. BT Asigurari is the 9th largest non-life and 12th largest life insurer in Romania with a 4% market share. Groupama is also present in Hungary through its subsidiary Groupama Biztosító, and is particularly active in motor insurance, multi-risk home insurance and personal life insurance market segments. Groupama plans to integrate its activities in Hungary and Romania. Further expansion in the CEE will be based on a combined business model of a regional platform based in Budapest and local market subsidiaries throughout the region.

The acquisition is a significant step for Groupama's Emerging Europe strategic development plan, whose goal is to be among the leading pan-European insurance companies. Groupama continues to actively pursue acquisition opportunities, targeting Central, Eastern and Southern Europe.

The sale of OTP Garancia, following the announcement by OTP Bank of a strategic review of the insurance business in September 2007, is consistent with the OTP Bank's focus on regional banking expansion. OTP Bank has expanded throughout the CEE and CIS since beginning an international expansion and diversification strategy in 2002. In November 2007, OTP Bank announced the acquisition of one of the leading banks of the Rostov region in the Southern Federation District of the Russian Federation, Donskoy Narodny Bank (DNB). The proceeds from the sale of OTP Garancia will be used to support OTP Bank's organic growth and further potential acquisitions.

OTP Bank was advised by Deutsche Bank AG and Allen & Overy. Groupama was advised by Merrill Lynch International and Gide Loyrette Nouel.

Deutsche Bank AG and Merrill Lynch International are acting exclusively for OTP Bank and Groupama, respectively, in connection with the aforementioned transaction and for no one else and will not be responsible to anyone other than OTP Bank and Groupama, respectively, for providing the protections afforded to their respective clients or for providing advice in relation to the aforementioned transaction.

About Groupama

Groupama is one of the leading insurance companies in France and Europe with a longstanding strategy focused on profitable long-term growth. Since it was founded at the end of the 19th Century to serve the agricultural community, Groupama has been a steadfast partner throughout all the social and economic changes of the past hundred years. Groupama reported revenue of €14.2 billion in 2006. With some 11 million clients and over 30,000 employees, Groupama, apart from its headquarters in France, has operations in ten countries, all mainly in Europe.

In France, Groupama has a deep local presence through its diversified distribution networks, allowing it to offer members and clients – ranging from individuals and the self-employed to institutions and corporates – solutions to combine insurance, services and banking products.

Internationally, Groupama intends to expand by leveraging its expertise and best practices to take up opportunities in all segments of the insurance market. The Group has a clear strategic focus and ambition – to achieve profitable growth and create value, in order to rank among the top ten European insurers.

About OTP Bank

OTP Group provides its universal financial services through several subsidiaries. In Hungary traditional banking operations are performed by the bank while specialised services, including car leasing, investment funds and insurance are developed and offered by the bank's subsidiaries. The Banking Group expands its operations throughout the region via its foreign subsidiaries: in Bulgaria (DSK Bank), in Croatia (OTP banka Hrvatska), in Romania (OTP Bank Romania), in Serbia (OTP banka Srbija), in Slovakia (OTP Banka Slovensko), in Ukraine (CJSC OTP Bank), in Montenegro (Crnogorska komercijalna banka) and in Russia (Investsberbank Group).

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