CEE bancassurance partnership

OTP Bank and Groupama to form Emerging Europe insurance partnership

February 11, 2008
Dr Sándor Csányi
Chairman and CEO
OTP Bank

Mr Jean Azéma
CEO
Groupama
OTP Bank and Groupama to form strong long term insurance partnership in Emerging Europe

• Leading domestic bank
• #1 independent regional banking franchise
• Superior growth strategy in CEE region

+ Groupama

• Leading domestic insurer
• Innovative and wide offerings in products and services
• Multi-distribution experience
• CEE as a target region
• Strong financial position

« To build a leading regional bancassurance platform through a long term exclusive partnership »

- Long term bancassurance/assurbanking distribution agreements
- Acquisition of OTP’s existing insurance businesses (OTP Garancia)
- Strategic shareholding in OTP Bank
- Financial terms

Note: Subject to regulatory approvals
Summary of transaction and financial terms (1/2)

- Partnerships to cover in the long run **9 countries** of operations for OTP Bank i.e. Hungary, Bulgaria, Romania, Slovakia, Ukraine, Russia, Croatia, Serbia, Montenegro
- **20 year renewable** partnerships
- Exclusivity:
  - OTP Bank will **exclusively distribute Groupama insurance products** where Groupama is already present, and for all remaining countries as soon as Groupama is present in these countries
  - Groupama will be the exclusive provider of insurance products to OTP Bank as soon as OTP Bank has a significant market position – initially Hungary, Bulgaria and Montenegro. Similarly, Groupama will **distribute OTP Bank products on the same levels of exclusivity**
  - At present **bancassurance mutual exclusivity** granted in Hungary, Bulgaria and Montenegro
- Partners to **grow bancassurance** business together in “**new markets**” where OTP Bank is operating but not yet OTP Garancia (incl. Russia, Ukraine)
- Access to 10 million clients
- In line with Groupama’s strategy to focus on distribution and further acquisitions

**Long term bancassurance/assurbanking distribution agreements**

**Acquisition of OTP’s existing insurance businesses (OTP Garancia)**

- Acquisition of OTP Garancia (**#2 life and #3 non-life** player in **Hungary**) and of its wholly-owned insurance **subsidiaries in Romania, Bulgaria and Slovakia**
- **1 million customers** generating €315m of premiums in 2006
- Multi-distribution platform with **focus on bancassurance** (40% of premiums)

Note: Subject to regulatory approvals. Market share and financial data based on 2006 premium income
Summary of transaction and financial terms (2/2)

**Strategic shareholding in OTP Bank**
- Mutual benefits for both partners:
  - Partners to reinforce their long term regional partnership
  - Further secure OTP Bank's capital base
  - OTP Bank management incentive based on overall + bancassurance performance
- Groupama acquires **up to 8% in OTP Bank** (5% from OTP Bank at closing and up to 3% more from the market in the year after closing)
- OTP Bank to support and promote election of a **representative of Groupama** at OTP Bank’s supervisory board
- Groupama to put in place **management incentive plan**, based on overall performance of OTP Bank as well as bancassurance performance
- OTP Bank entered into derivative transaction to facilitate the 5% stakebuilding for Groupama

**Financial terms**
- Total consideration reflecting:
  - Existing OTP Garancia operations and foreign subsidiaries
  - Bancassurance partnership potential in 9 countries
  - Strategic alliance with strong and leading regional bank
- Total consideration of **HUF 164 billion** or approximately **EUR 617 million** for the acquisition of **OTP Garancia and the bancassurance agreements**
- Groupama to finance the transactions from internal resources
- Transaction closing **subject to regulatory approvals** and expected in Q2 2008

Note: Subject to regulatory approvals
(1) Subject to approval by OTP Bank’s AGM
(2) Exchange rate as at 8 February 2008 (1 Euro = 266 Hungarian Forints)
OTP Group serves over 10 million customers in 9 countries.

### OTP Group
- **Bank branches**: 1,432
- **Employees**: 30,532
- **Number of customers**: ~10.5 m
- **Total assets**: € 32.1 bn
- **Profit after tax**: € 708 mn
- **ROAE**: 28.0%
- **Cost/income ratio**: 56.4%

### OTP Banka Slovensko (Slovakia)
- **Bank branches**: 90
- **Employees**: 769
- **Number of customers**: ~165,000
- **Total assets**: € 1.4 bn
- **Profit after tax**: € 7.7 mn
- **ROAE**: 10.8%
- **Cost/income ratio**: 68.1%
- **Market share**: 2.9%

### CJSC OTP Bank*** (Ukraine)
- **Bank branches**: 94
- **Employees**: 2,973
- **Number of customers**: ~151,000
- **Total assets**: € 2.1 bn
- **Profit after tax**: € 50 mn
- **Market share**: ~3.0%

### OTP Banka Srbija** (Serbia)
- **Bank branches**: 102
- **Employees**: 1,144
- **Number of customers**: ~175,000
- **Total assets**: € 0.4 bn
- **Profit after tax**: € 21.6 mn
- **Market share**: 2.1%

### OTP Banka Hrvatska (Croatia)
- **Bank branches**: 98
- **Employees**: 1,022
- **Number of customers**: ~430,000
- **Total assets**: € 1.6 bn
- **Profit after tax**: € 13.1 mn
- **ROAE**: 11.4%
- **Cost/income ratio**: 62.2%
- **Market share**: 3.5%

### OTP Banka Slovensko (Slovakia, 2002)
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**IFRS data as at December 31, 2006, excluding branch, employee, client numbers and total assets (Sep 30, 2007)**

1. Market share by total assets
2. Includes the 46 branches of Donskoy Narodny Bank
3. Includes domestic and non-banking subsidiaries employees
4. **Banks only**
5. **Aggregated data (Niska, Kuliska, Zepter banka)**
6. **Whole year profit not fully consolidated**
7. **Will be consolidated from 1Q 2007, profit based on local GAAP**
8. Exchange rate as at end of September 2007 used for total assets of 1 Euro = 251 Hungarian Forints
9. Average exchange rate for 2006 used for Profit After Tax of 1 Euro = 264 Hungarian Forints
OTP Group level regional strategy

• OTP Bank seeks to build a diversified regional financial group, offering a full-scale of financial services via multiple channels in every country in which OTP Bank operates

• OTP Bank follows customised strategies in each country aimed at achieving a stronger regional presence
  – Generalist incumbent in Hungary, Bulgaria and Montenegro
  – Mid-sized bank with diverse value proposition in Croatia and Slovakia
  – Focused aggressive attacker in Russia, Ukraine, Romania, Serbia

• Regional expansion will continue to be pursued with a combination of organic growth and selected acquisition opportunities
  – OTP Bank plans to expand its branch network across the region from approximately 1,400 to almost 2,000 by 2010

To achieve its overall strategy, OTP Bank will focus on its core banking franchise across the CEE region
Transaction rationale for OTP Bank

The sale of OTP Garancia meets three strategic objectives for OTP Bank:

Creates a strong regional insurance partnership to benefit OTP Bank customers

– Opportunity to engage with regional partner – Groupama will eventually partner with OTP Bank across the region

– Groupama has significant experience in partnering banks to distribute life and non-life products to banking customers

– Leverages Groupama’s product development expertise to provide superior products and improved service proposition to OTP Bank customers

Improves OTP Bank’s flexibility to expand banking operations and grow network organically and through acquisitions

– Focuses OTP Bank’s business on core universal banking activities, including bancassurance

– Improves flexibility to take advantage of further acquisition opportunities

Strengthens OTP Bank’s capital position

– Divestment of OTP Garancia strengthens OTP Bank’s capital ratios
Pro forma financial impact on OTP Bank

- OTP Bank will receive HUF 164 billion (approximately €617 million\(^1\)) as total consideration for OTP Garancia and the 20 year bancassurance partnership.

- Subject to meeting business plan commission targets, OTP Bank can receive further upside through a purchase price adjustment linked to the overall performance of OTP Bank. This purchase price adjustment will be used to fund a management incentive plan\(^2\).

<table>
<thead>
<tr>
<th>Financial impact of sale on OTP Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition price</td>
</tr>
<tr>
<td>Book value of OTP Garancia and subs(^3)</td>
</tr>
<tr>
<td>Capital gain (gross)</td>
</tr>
</tbody>
</table>

- Additionally, OTP Bank expects to benefit from growth in commission payments for insurance products sold through the bancassurance channel.

Note: Subject to regulatory approvals

\(^1\) Exchange rate as at 8 February 2008 (1 Euro = 266 Hungarian Forints)

\(^2\) Subject to approval by OTP Bank’s AGM

\(^3\) As per OTP Bank accounts
Introducing OTP Garancia

- Strong domestic positions in Hungary (#2 in Life and #3 in non-life)
- Existing operations in 3 satellite countries
- Profitability indicators are overall attractive

Evolution of Life GWP and Market Shares in Hungary

Evolution of Non-life GWP and Market Shares in Hungary

Key Consolidated Financials (2005 H1 2007)

Source: Company data
Note: Average exchange rate for 2006 (1 Euro = 264 Hungarian Forints) and for 2005 (1 Euro = 248 Hungarian Forints)
(1) Proforma aggregate figures for Garancia and Groupama
(2) Ranking based on 2006 Gross Written Premiums
(3) 2005 and 2006 data in IFRS, non-consolidated figures for H1 2007 in Local Accounting GAAP
Groupama at a glance

- # 1 Mutual insurance group in France
- A diversified multi-line and multi-channel insurance group
- Leading market positions in France with 8m customers and 11m worldwide
- Increasing international diversification and growth
- Strong track record in operational and financial performance
- An ambitious strategic development plan

A leadership position strengthened by excellent results

A Solid Business Model

- A strong brand in 11 countries
- A presence on all insurance lines and a leading position on most non-life business lines
- A multi-network distribution
- A large, loyal and diversified client base

An ambitious strategy

To be among the top 10 European insurers

<table>
<thead>
<tr>
<th>Year</th>
<th>Life (€m)</th>
<th>Asset Mgmt &amp; other (€m)</th>
<th>P&amp;C (€m)</th>
<th>Net income (€m)</th>
<th>ROE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>268</td>
<td>5,833</td>
<td>5,351</td>
<td>6.5%</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>268</td>
<td>6,239</td>
<td>5,261</td>
<td>6.8%</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>406</td>
<td>1,444</td>
<td>1,651</td>
<td>11.5%</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>544</td>
<td>231</td>
<td>699</td>
<td>13.5%</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>753</td>
<td>205</td>
<td>264</td>
<td>15.0%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Equity Group's share (€bn)</th>
<th>EU Solvency Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>3.9</td>
<td>311%</td>
</tr>
<tr>
<td>2003</td>
<td>4.0</td>
<td>207%</td>
</tr>
<tr>
<td>2004</td>
<td>4.9</td>
<td>233%</td>
</tr>
<tr>
<td>2005</td>
<td>6.5</td>
<td>291%</td>
</tr>
<tr>
<td>2006</td>
<td>7.5</td>
<td>7.5%</td>
</tr>
</tbody>
</table>
Groupama is accelerating its International development

**International Operations with High Potential Revenues (2006 GWP)**

- Mainly present in stable European markets with exposure to higher growth potential countries
- Actively monitoring Central and Eastern European markets for growth opportunities in the region
- Rest of the world: Positioned in Asian markets (China, Vietnam) in order to take advantage of potential long term growth opportunities

**Latest Acquisitions 2006 - 2007**

- **In Turkey**
  - Basak Sigorta and Basak Emeklilik (June 2006): 5th largest insurer in Turkish market
- **In the UK**
  - Acquisition of British brokers Bollington (June 2007) and Lark (September 2007)
- **In Greece**
  - Closing of Phoenix Metrolife (June 2007): 2nd largest non-life insurer and 8th largest life insurer
- **In Italy**
  - Closing of Nuova Tirrena (October 2007): 9th largest non-life insurer and 3rd motor insurer
- **In Romania**
  - Signing of BT Asigurari (October 2007)

**BT Asigurari Acquisition (October 2007)**

- Groupama acquired Banca Transilvania’s insurance company (BT Asigurari) in Romania and entered into an exclusive distribution agreement for non-life products with Banca Transilvania
- BT Asigurari:
  - Total market share of 4% in 2006
  - #9 in P&C and #12 in Life sector in Romania
- Banca Transilvania:
  - #5 bank in Romania
  - #2 network with 270 points of sales throughout the country

*(1) Pro-forma 2006 Gross Premiums Written*
Highly attractive macroeconomic and demographic fundamentals = significant growth opportunity for Groupama

- Significant economic growth potential expected throughout the region
- Russia and Ukraine outstanding in terms of growth and size
- Insurance market under-penetrated overall, in particular in Russia, Ukraine, Romania, Serbia & Montenegro

Nominal GDP and nominal GDP growth in selected CEE countries\(^{(a)}\) (2006)

Population size in selected CEE countries\(^{(a)}\) (2006)

Penetration Rates in selected CEE countries\(^{(a)(b)}\) (2006)

\(^{(a)}\) Including Russia and Ukraine
\(^{(b)}\) Hatched colours for Non-life segment
Source: Global Insight as at Q2 2007
2006 Sigma Report
The creation of a true pan-regional insurance platform

Hungary – OTP Garancia
Since 1987
- Insurance Branches: 170
- Insurance Agents: 2,700
- Employees: 2,269
- Clients: 1m
- Life Premiums: €173.9m
- Non-life Premiums: €131.6m
- Life Market Share: 10.9%
- Non-life Market Share: 8.5%

Hungary - Groupama
Since 2001
- Insurance Branches: 30
- Insurance Agents: 330
- Employees: 240
- Clients: 0.2m
- Life Premiums: €4.3m
- Non-life Premiums: €33.9m
- Life Market Share: 0.3%
- Non-life Market Share: 2.3%

Hungary - Pro forma
- Insurance Branches: 200
- Insurance Agents: 3,030
- Employees: 2,508
- Clients: 1.2m
- Life Premiums: €178.2m
- Non-life Premiums: €165.1m
- Life Market Share: 11.2%
- Non-life Market Share: 10.8%

Bulgaria - DSK Garancia
Since 2004
- Insurance Branches: 9
- Insurance Agents: 200
- Employees: 78
- Clients: 0.5m
- Life Premiums: €2.4m
- Non-life Premiums: €1.2m
- Life Market Share: 2.4%
- Non-life Market Share: 2.0%
- Ranking: #9

Slovakia - OTP Garancia poist'ovna
Since 2003
- Insurance Branches: 3
- Insurance Agents: 160
- Employees: 52
- Clients: 0.2m
- Life Premiums: €1.5m
- Non-life Premiums: €1.9m
- Life Market Share: 0.2%
- Non-life Market Share: 0.3%
- Ranking: #9

Romania - OTP Garancia Asigurari
Since 2003
- Insurance Branches: 65
- Insurance Agents: 900
- Employees: 131
- Clients: 0.2m
- Life Premiums: < €0.1m
- Non-life Premiums: €63.6m
- Life Market Share: < 0.1%
- Non-life Market Share: 4.0%
- Ranking: #8

Romania - Pro forma
- Insurance Branches: 341
- Employees: 1,483
- Life Premiums: < €0.1m
- Non-life Premiums: €63.6m
- Non-life Market Share: 4.0%
- Ranking: #8

Romania - BT Asigurari
Since 2007
- Insurance Branches: 276
- Employees: 1,352
- Non-life Premiums: €59.9m
- Non-life Market Share: 3.7%
Bancassurance and traditional channels underpin a substantial regional distribution footprint

<table>
<thead>
<tr>
<th>Distribution channels</th>
<th>Hungary</th>
<th>Bulgaria</th>
<th>Slovakia</th>
<th>Romania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of agents</td>
<td>2,700**</td>
<td>200</td>
<td>160</td>
<td>900</td>
</tr>
<tr>
<td>Number of insurance company branches</td>
<td>170</td>
<td>9</td>
<td>3</td>
<td>65</td>
</tr>
<tr>
<td>Number of bank branches</td>
<td>407</td>
<td>375</td>
<td>90</td>
<td>76</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Major insurance products sold in bank’s branch network</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit-linked life insurance</td>
</tr>
<tr>
<td>Traditional life insurance</td>
</tr>
<tr>
<td>Bankcard insurance</td>
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<tr>
<td>Household insurance</td>
</tr>
<tr>
<td>Travel insurance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Premiums of products sold through OTP Bank branches and as a proportion of total premium income of OTP Garancia, HUF bn, %***</th>
</tr>
</thead>
<tbody>
<tr>
<td>11%  21%  34%  34%  35%  35%  34%  44%  40%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Insurance premiums sold through OTP Bank branches (2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>Hungary</td>
</tr>
<tr>
<td>Slovakia</td>
</tr>
<tr>
<td>Bulgaria</td>
</tr>
<tr>
<td>Romania</td>
</tr>
</tbody>
</table>

* 2007 estimate
** Including 1,900 OTP Garancia employees and contracted partners
*** Hungary only
Groupama’s regional expansion strategy

Groupama’s regional aspirations
- Groupama aiming at entering new markets (e.g. Russia, Ukraine) alongside development of OTP’s banking franchise
- Groupama also aiming at accelerating development in CEE region leveraging on the distribution capacities with OTP Bank as a strong banking partner
- Groupama targeting to generate over €1bn in premiums from CEE Region in 5 years, of which half from bancassurance, and a 5% market share by 2016 (excluding Russia)

Group 1 countries: Hungary, Bulgaria and Romania
- Existing countries of operation of OTP Garancia
- In Hungary, integrate Groupama’s existing platform and further leverage on bancassurance
- In Bulgaria, leverage on DSK Bank’s leadership to strengthen position in life sector, as well as further build life and non-life agents networks
- In Romania, integrate local operations and leverage on bancassurance as well as build on agent networks to increase presence in life market

Group 2 countries: Russia and Ukraine
- Countries where OTP operates as bank and not yet as insurance company (nor Groupama)
- Strong growth potential with large populations and significantly under-penetrated markets
- Leverage a priori only on bancassurance opportunity with OTP Bank’s branch network after set up of local insurance operations before end of 2009

Group 3 countries: Croatia, Serbia, Slovakia and Montenegro
- Countries where OTP operates as bank and not yet as insurance company (nor Groupama), except for Slovakia
- In Slovakia, build on agents network and leverage bancassurance with OTP Bank in Life
- In Croatia, Serbia and Montenegro, focus on bancassurance potential with OTP Bank, to the extent possible

Source: 2005/2006 Swiss Re Reports, Company data
OTP Bank and Groupama to form Emerging Europe insurance partnership

Q&A Session