



## **The Competition Authority conditionally cleared the expansion of the OTP Group into agriculture and the food industry**

**Budapest, 28 September 2020 – The Hungarian Competition Authority (GVH) has conditionally cleared the OTP Group’s acquisition of the NAGISZ group, active in the agriculture and food industry markets. The conditions imposed are able to handle the situation arising from the overlap between chief executives of OTP and the Csányi Group in a competition-neutral manner.**

The proceeding of the competition authority aimed at investigating the acquisition of control over Csillag Csemege Kereskedelmi Kft. by ZA-Invest Béta Kft. ZA-Invest Béta Kft. is owned by the PortfoLion Zöld Magántőke Alap private equity fund, belonging to the OTP Group, while the target company is a holding company of NAGISZ Mezőgazdasági Termelő és Szolgáltató Zrt. and its subsidiaries. It is this group of companies that produces, among others, the dairy and meat products using the Nádudvari brand.

Although the GVH has not identified adverse effects on competition with regard to the two parties, the transaction gave rise to the possibility of the so-called coordinated effect in the relationship between the OTP Group and the Csányi Group, which is also active on the agricultural and food markets, on the basis of which the two agricultural group of companies could coordinate their behaviour on the market.

In order to prevent it, the parties, having consulted with the GVH, have offered commitments to remedy the competition concern. On the basis of the commitments, all information and decisions regarding PortfoLion Zöld Magántőke Alap within the OTP Group are transferred to chief executives other than those related to the Csányi Group – the separation achieved through internal rules. Separating the decision making in this way appropriately addresses the competition concerns that have arisen. The internal rules undertaken will also apply to subsequent investments of the private equity fund.

The GVH found that the content and level of detail of the OTP’s commitments appropriately remedies the competition concern that may arise. The fulfilment of the commitments is ensured by the fact that the GVH shall conduct a follow-up investigation in order to monitor the compliance with the decision.

The official registration number of the case is: **VJ/26/2020.**

GVH Press Office