



OTP Bank

First Half 2003 Performance

**Presented by:
Dr. Zoltán Spéder CFO**

September 2003

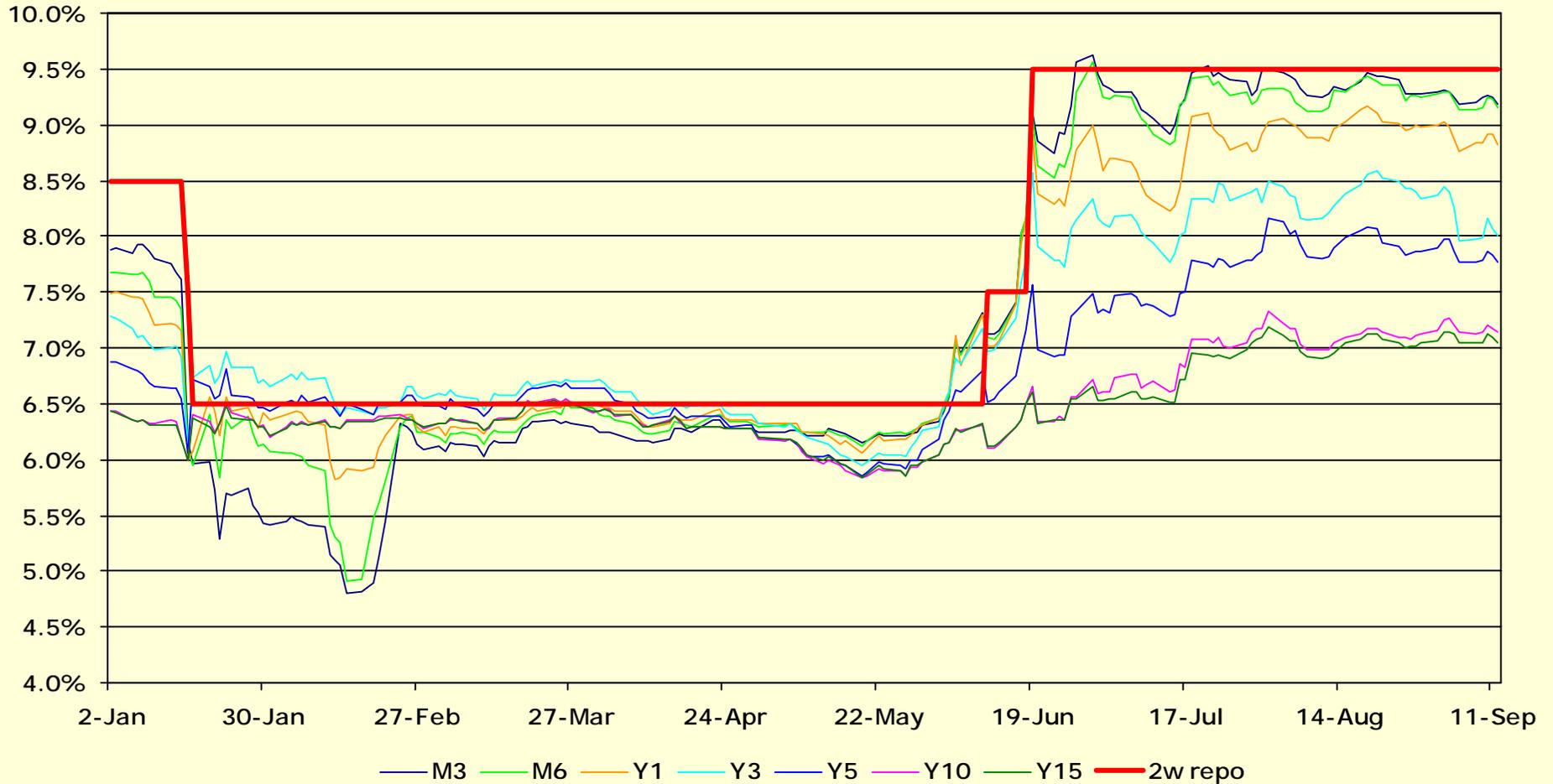
Forward looking statements

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations, and businesses of OTP Bank. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements and forecasts. The statements have been made with reference to forecast price changes, economic conditions and the current regulatory environment. Nothing in this announcement should be construed as a profit forecast.

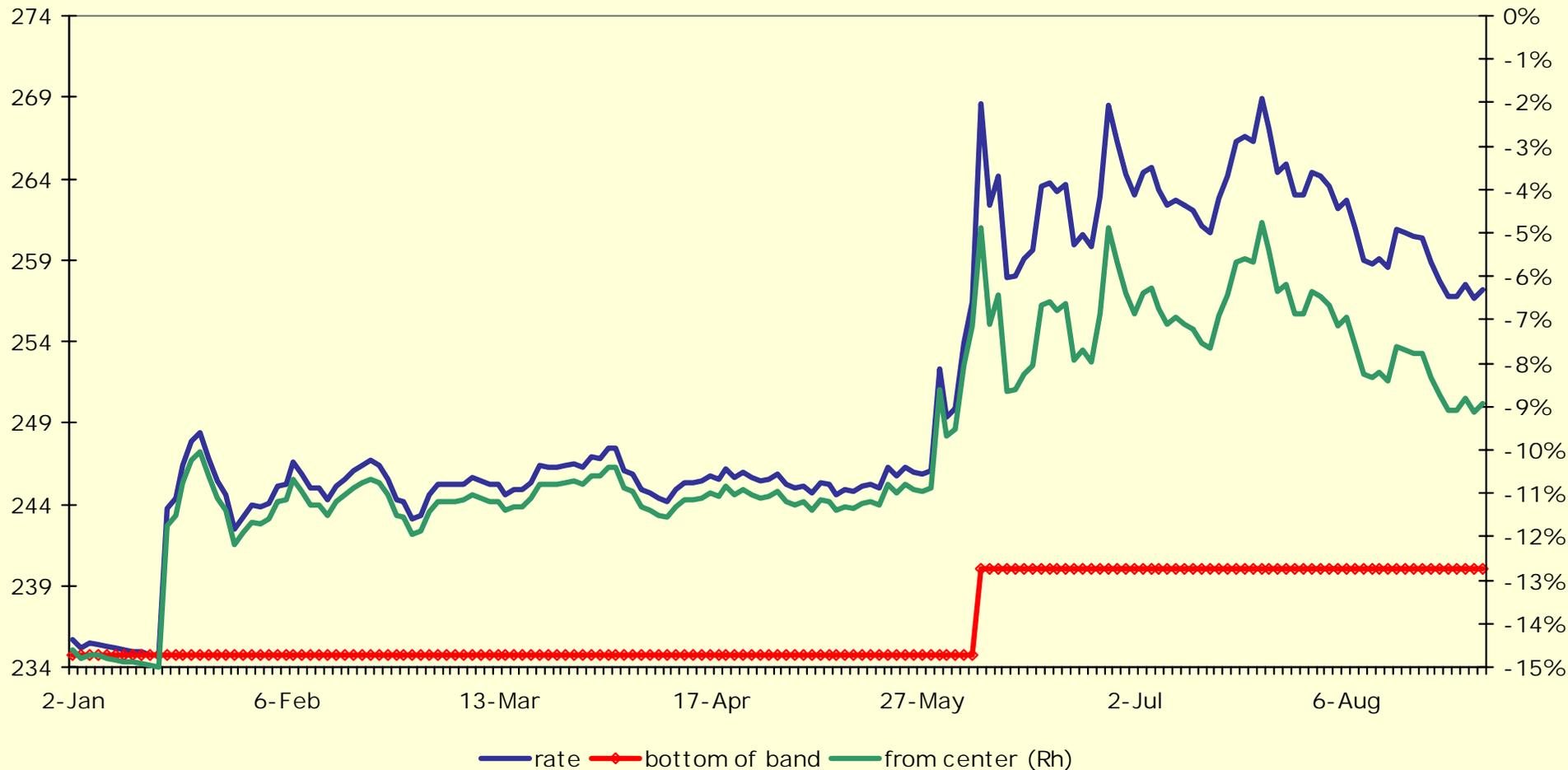
Macro assessment

	2002	2003	2004 (tax cut)	2004 (no tax cut)
Real GDP growth	3.3%	2.7%	2.6%	2.2%
Inflation (average)	5.0%	4.7%	6.7%	6.7%
Nominal wage increase	16.0%	8.0%	5.0%	
Consumption	7.8%	6.0%	1.8%	1.0%
Household consumption	8.8%	6.4%	1.9%	1.0%
Investment growth	5.9%	3.0%	3.2%	3.2%
ESA95 Balance	HUF -1,574 bn	HUF -1,040 bn	HUF -897 bn	HUF -897 bn
as a % of GDP	-8.4%	-5.4%	-4.5%	-4.5%
Current Account Balance	EUR -2.8 bn	EUR -4.5 bn	EUR -4.7 bn	EUR -4.7 bn
as a % of GDP	-4.4%	-5.2%	-4.6%	-4.6%
1yr T-bill yield (average)	9.0%	8.6%	8.6%	

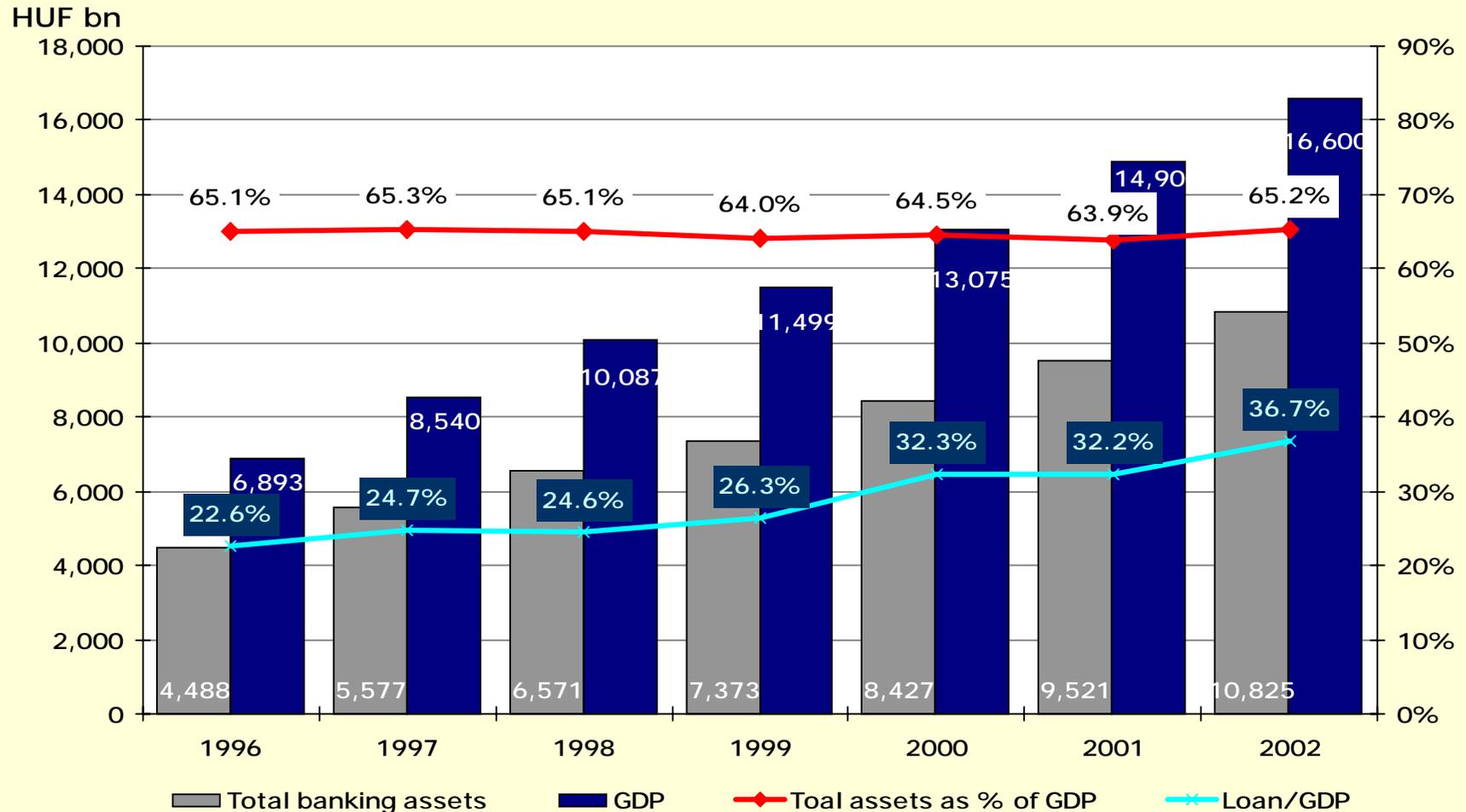
Interest rate environment 2003



EUR/HUF environment 2003



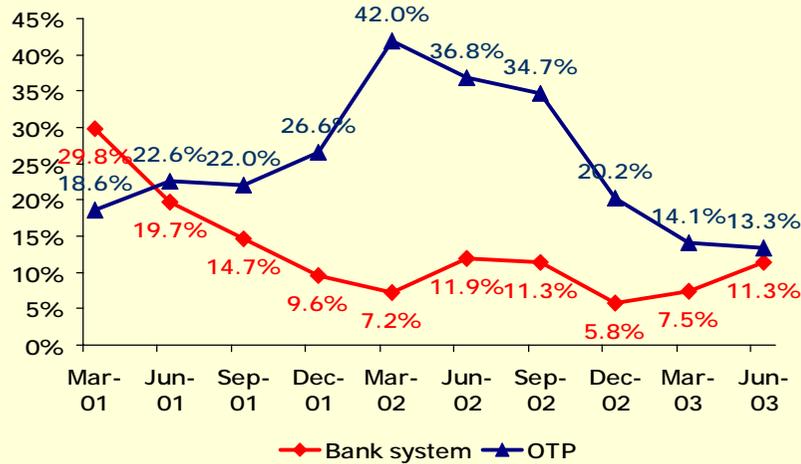
Evolution of banking system



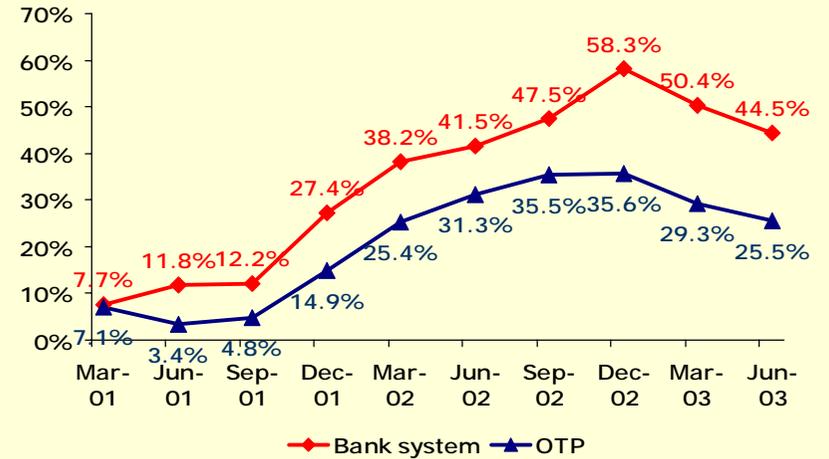
Source: NBH, NSB, OTP
 Note> GDP data for 31 March 2002 is annualized

Loan growth in 2003* (Y-on-Y)

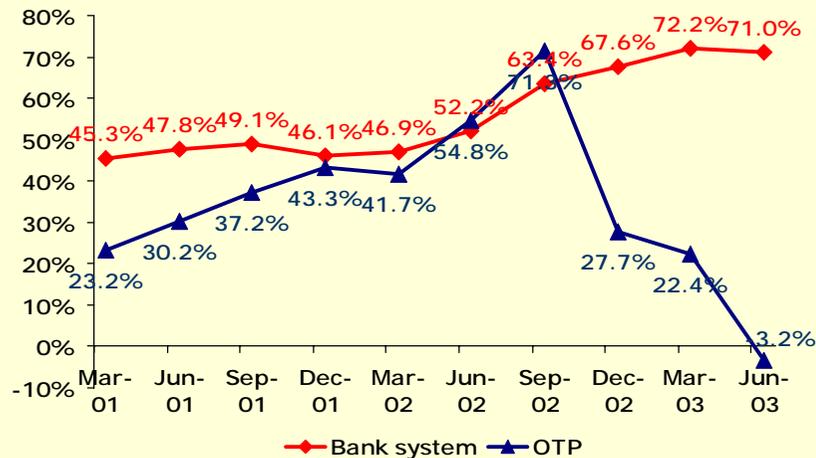
Corporate



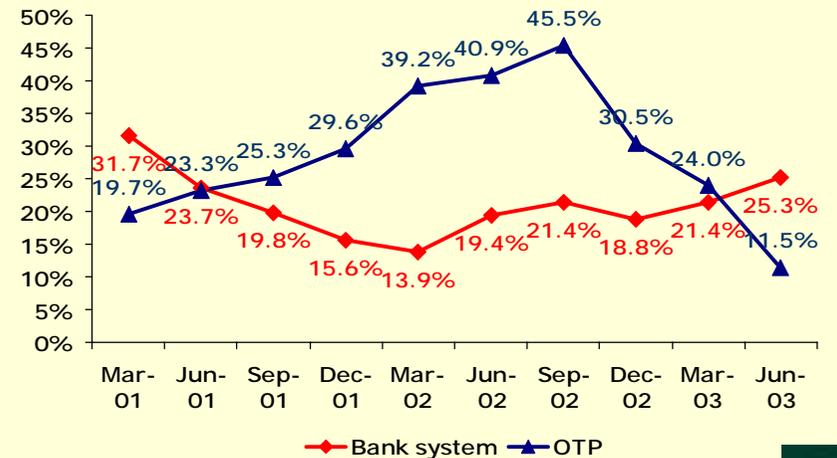
Municipality



Retail

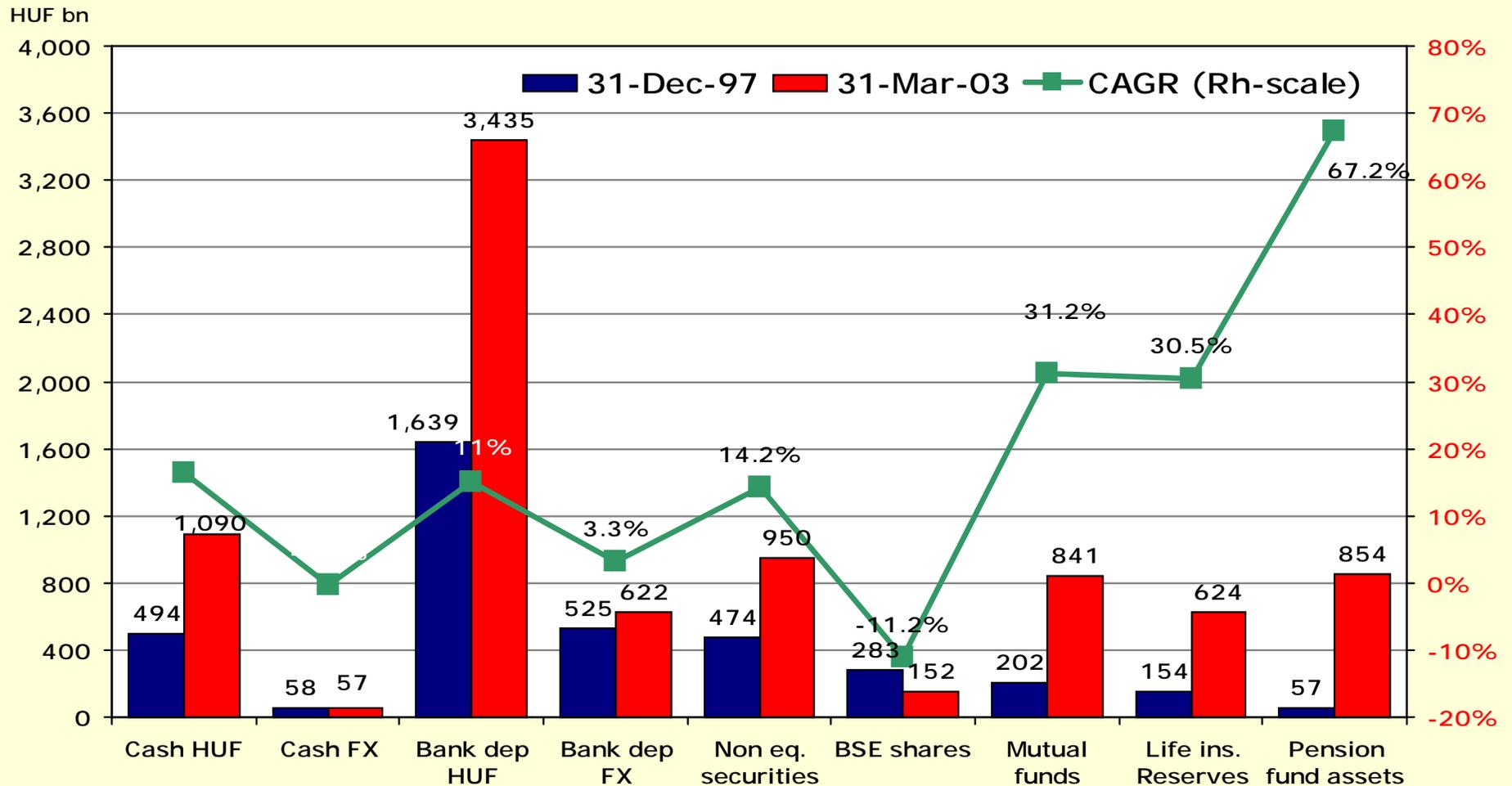


Total loans

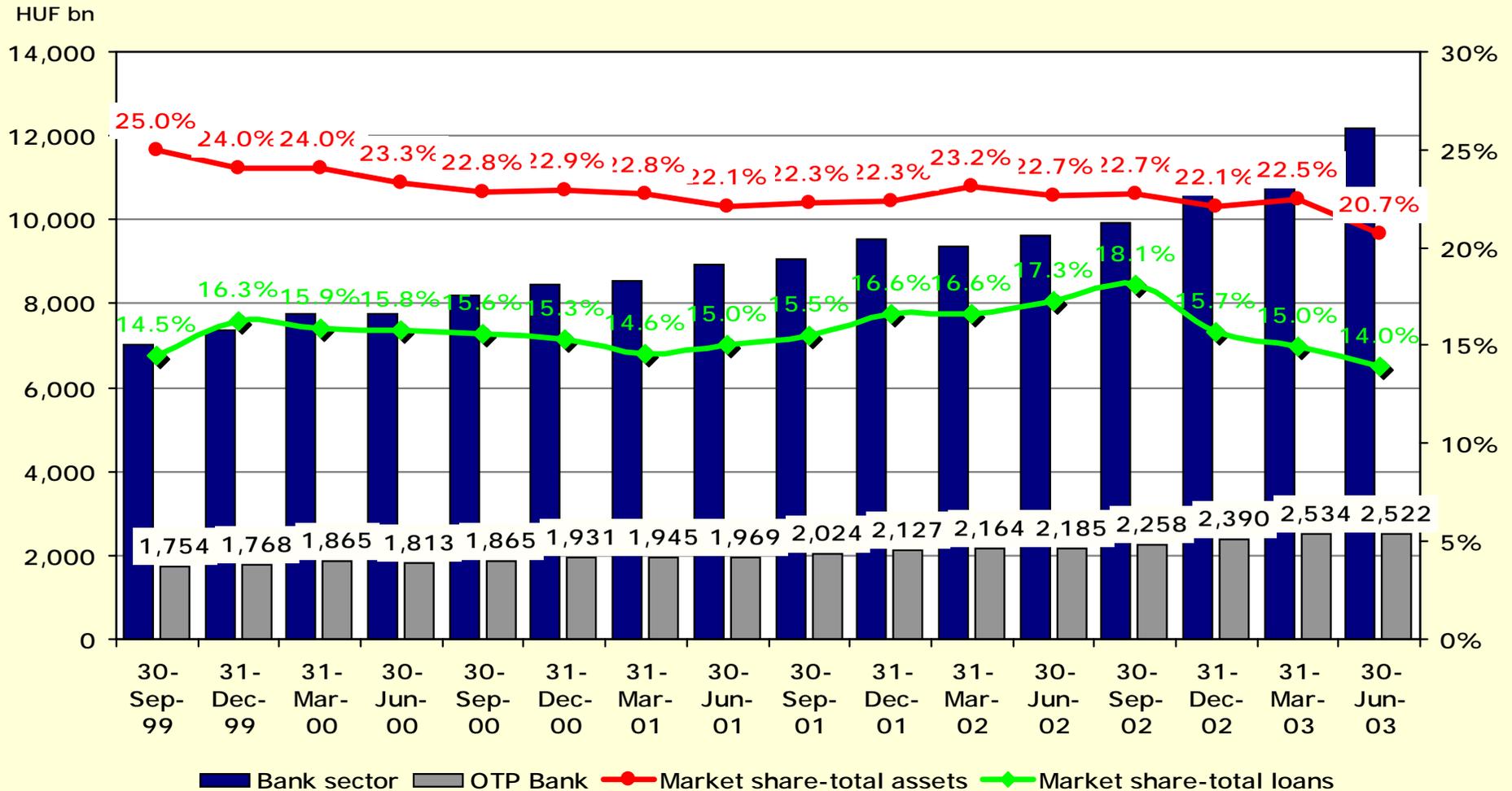


*Based on new NBH specification used since 1 January 2000. Source for sector data: NBH

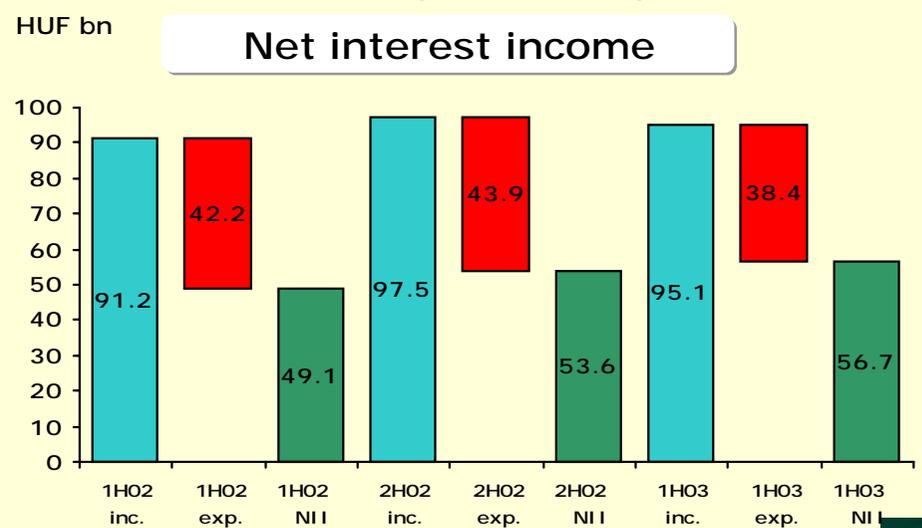
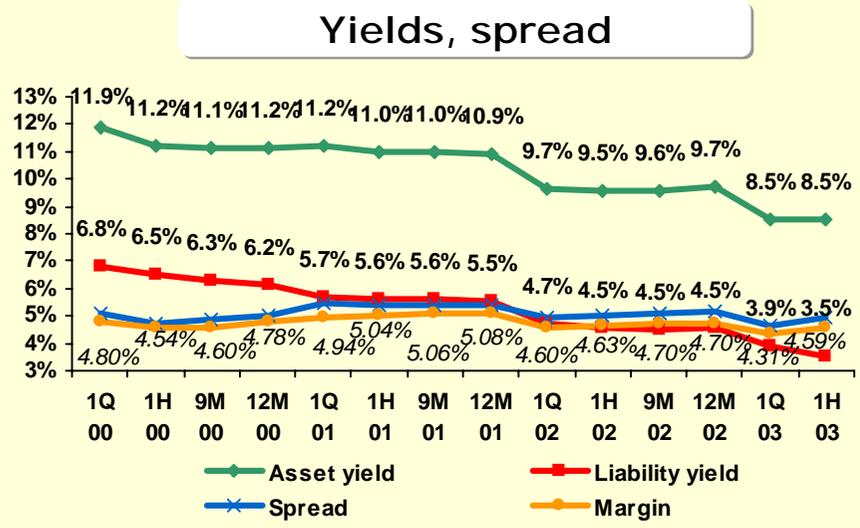
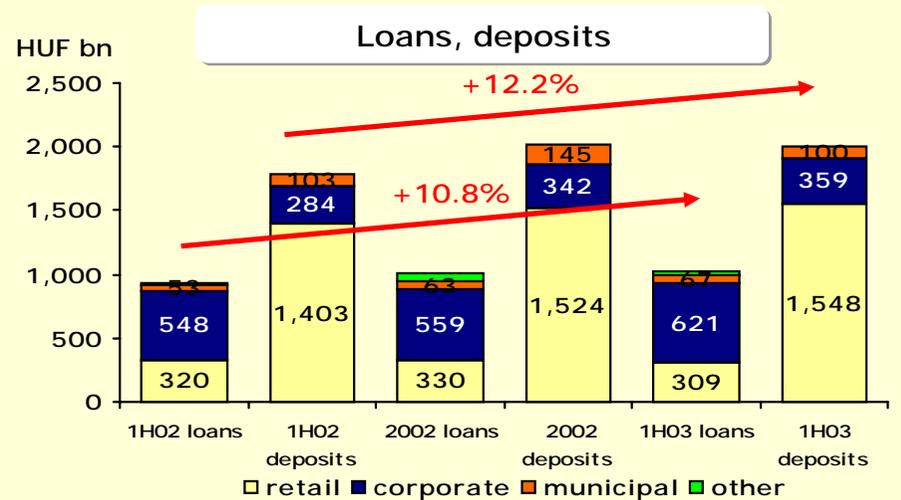
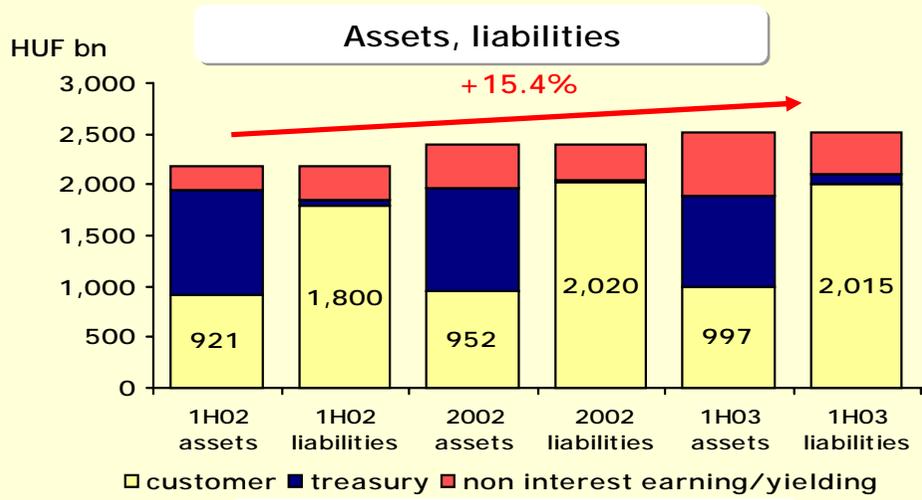
Macro: Selected components of RFA



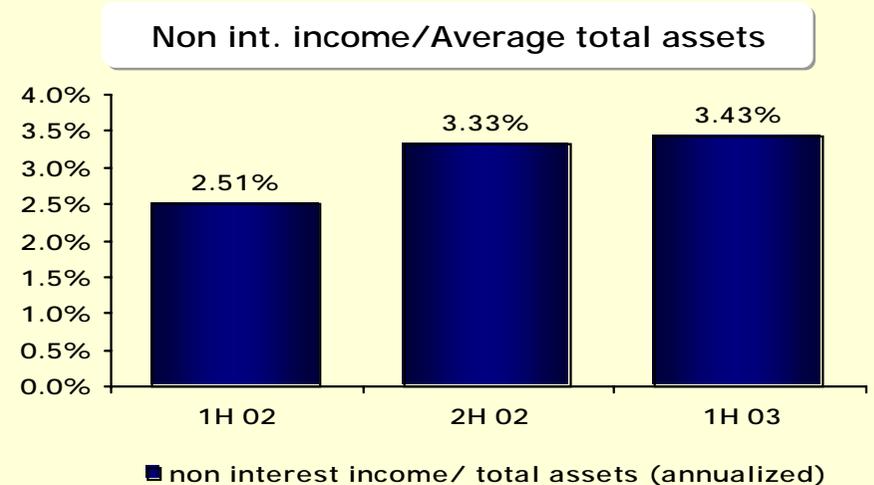
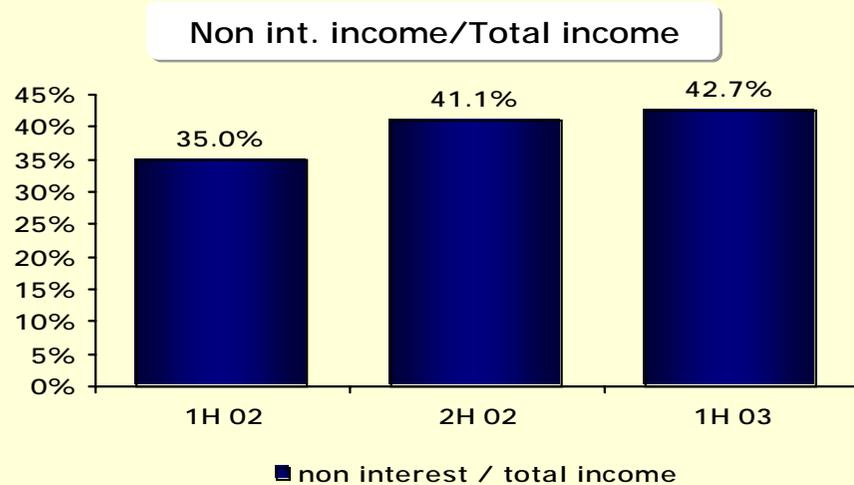
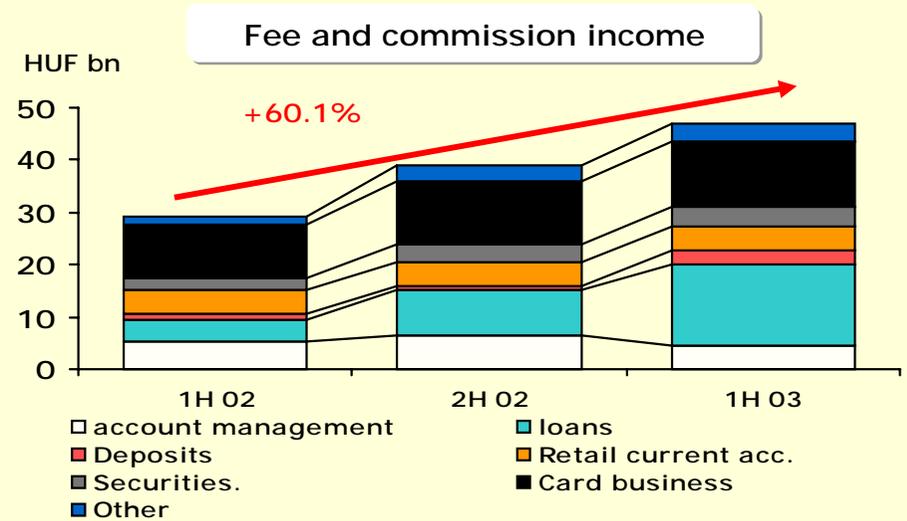
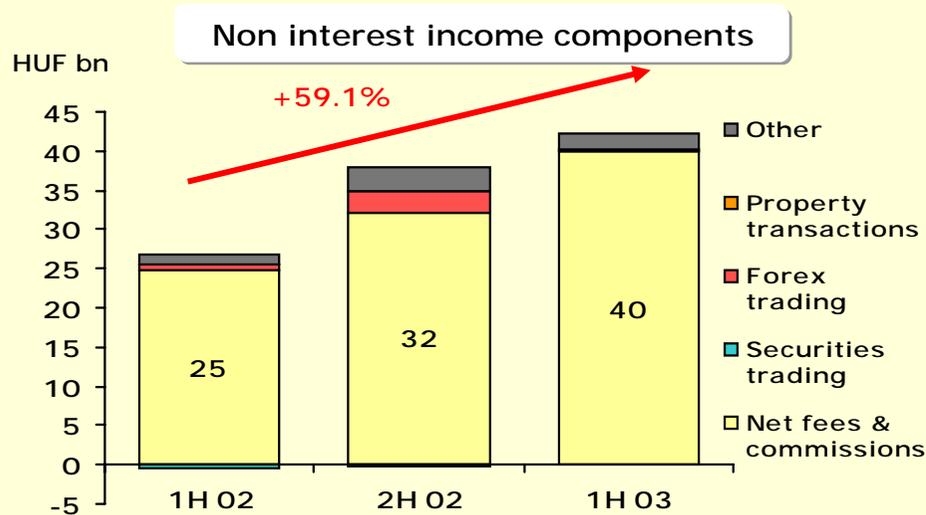
Market share–total assets



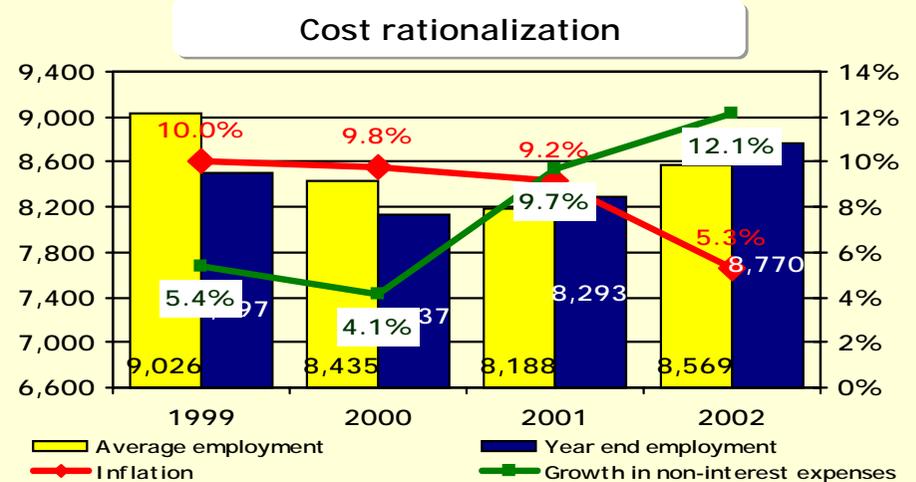
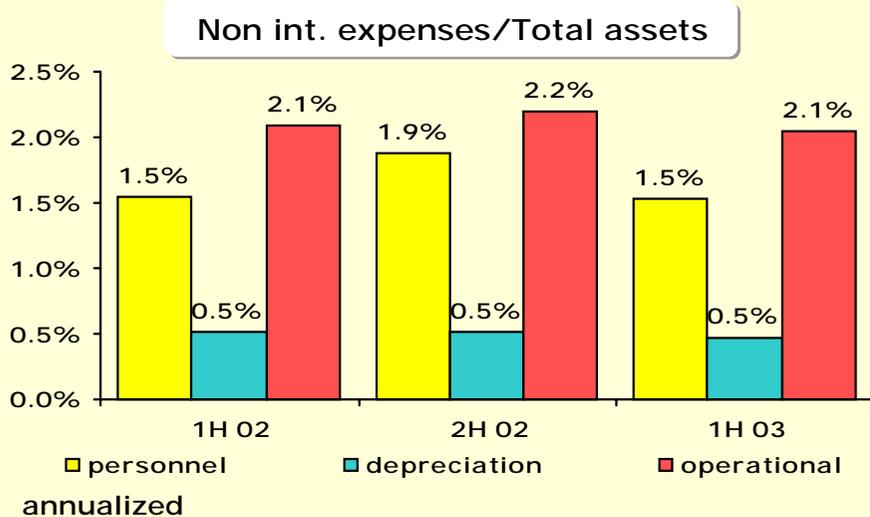
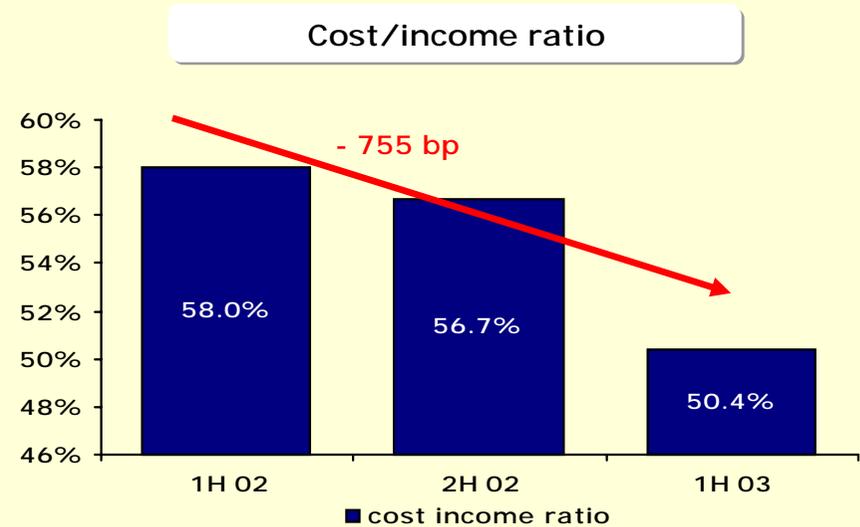
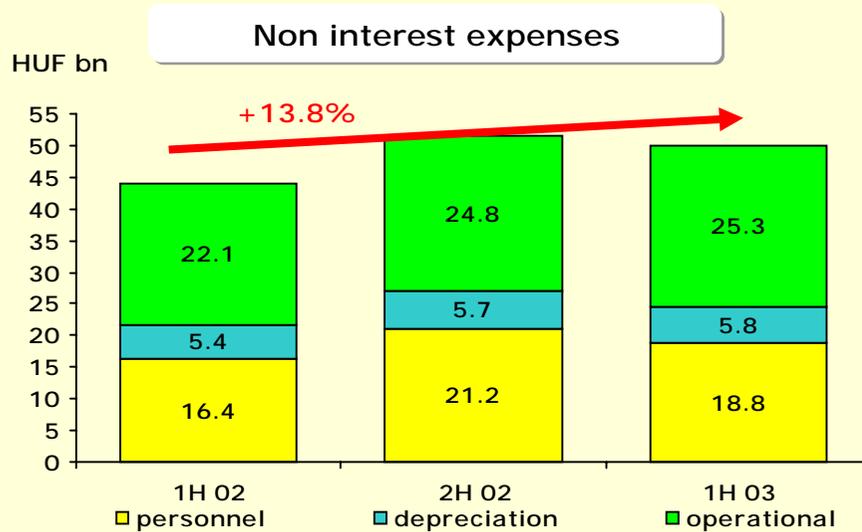
Balance sheet, interest income



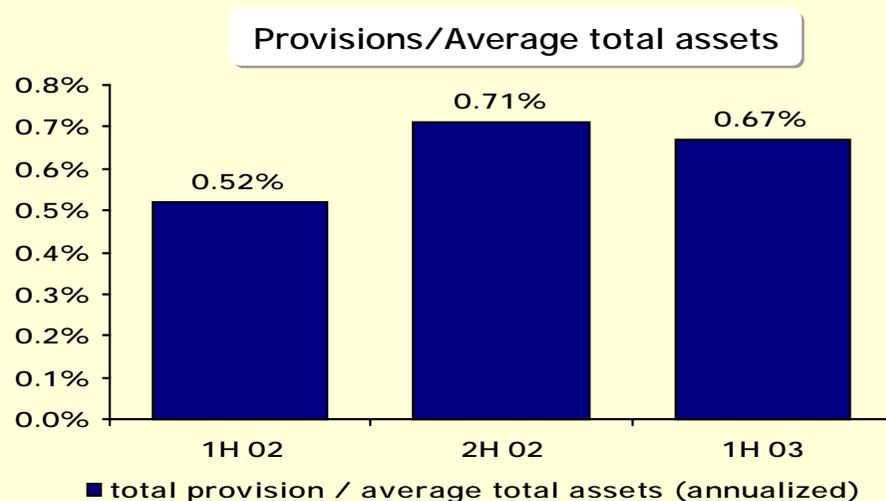
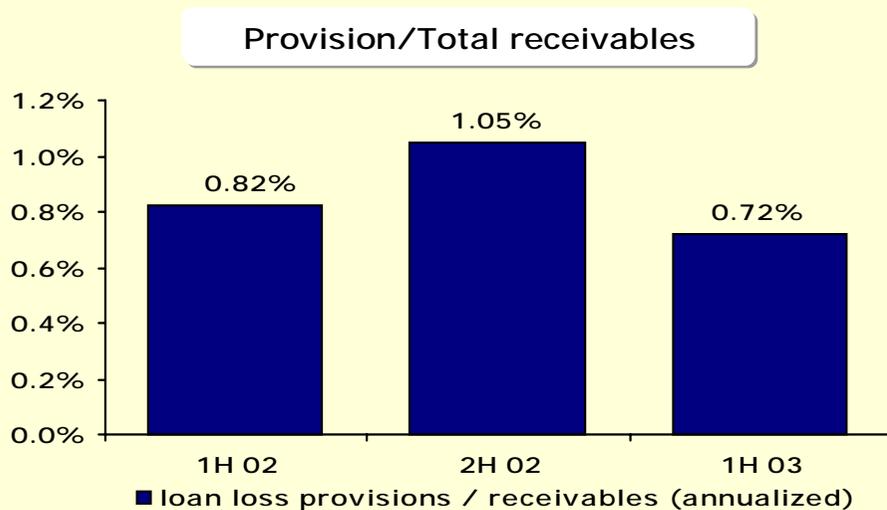
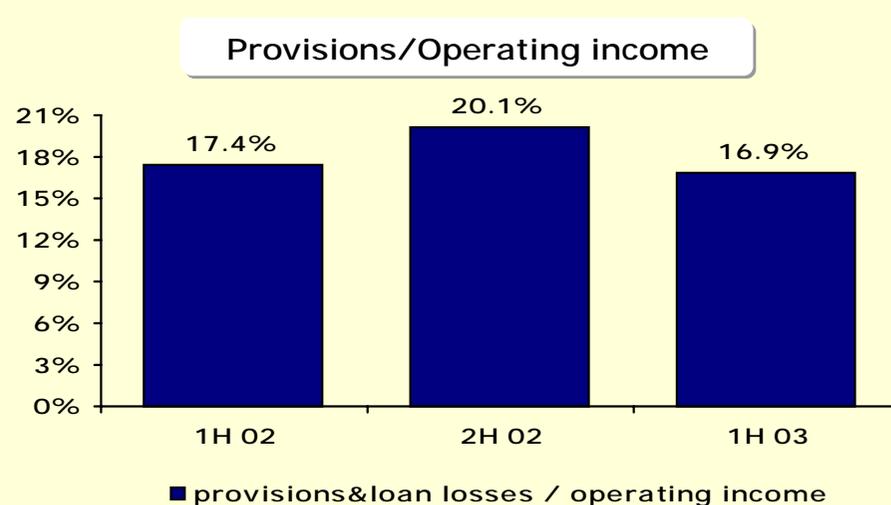
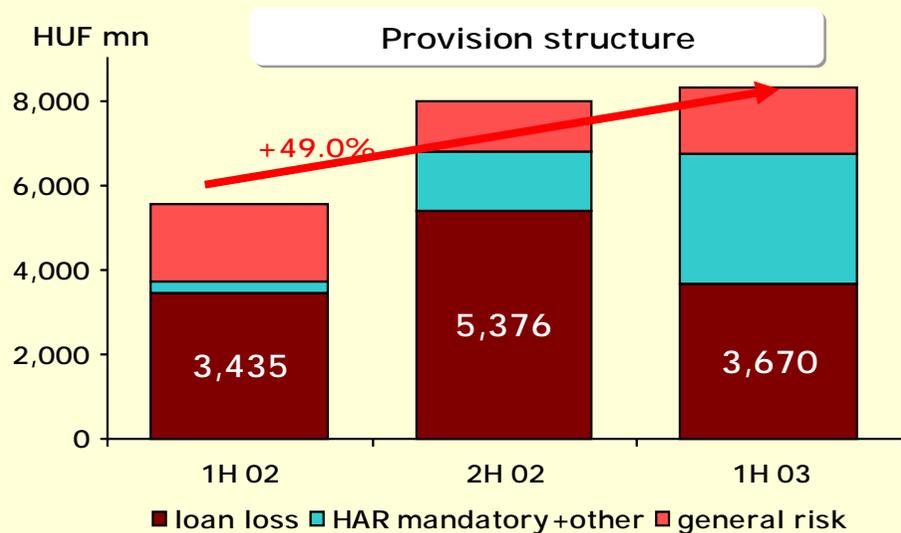
Non interest income



Non interest expenses

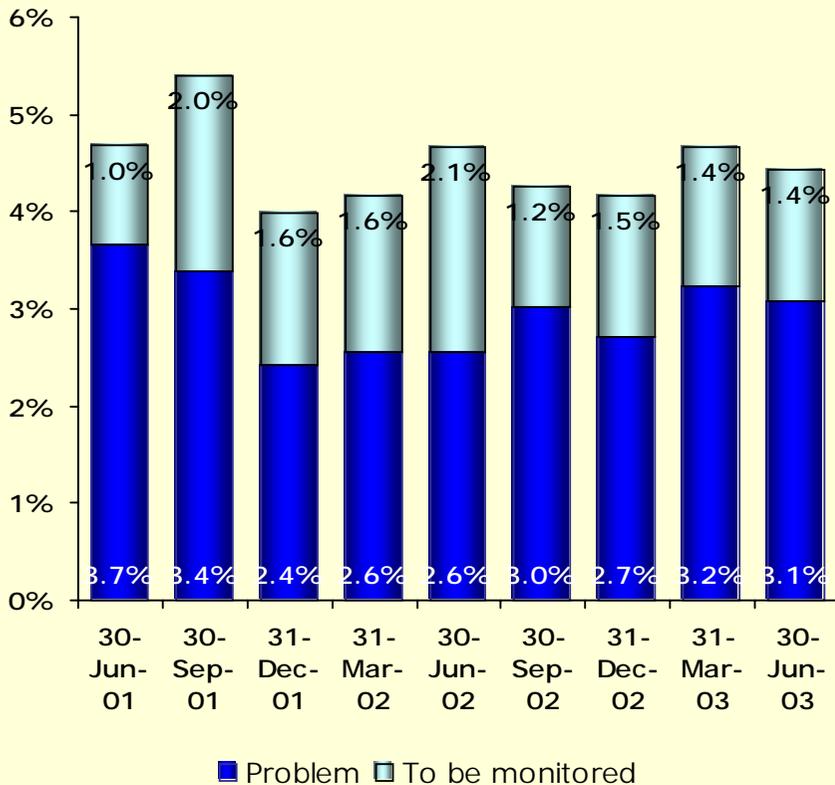


Provisioning/loan losses

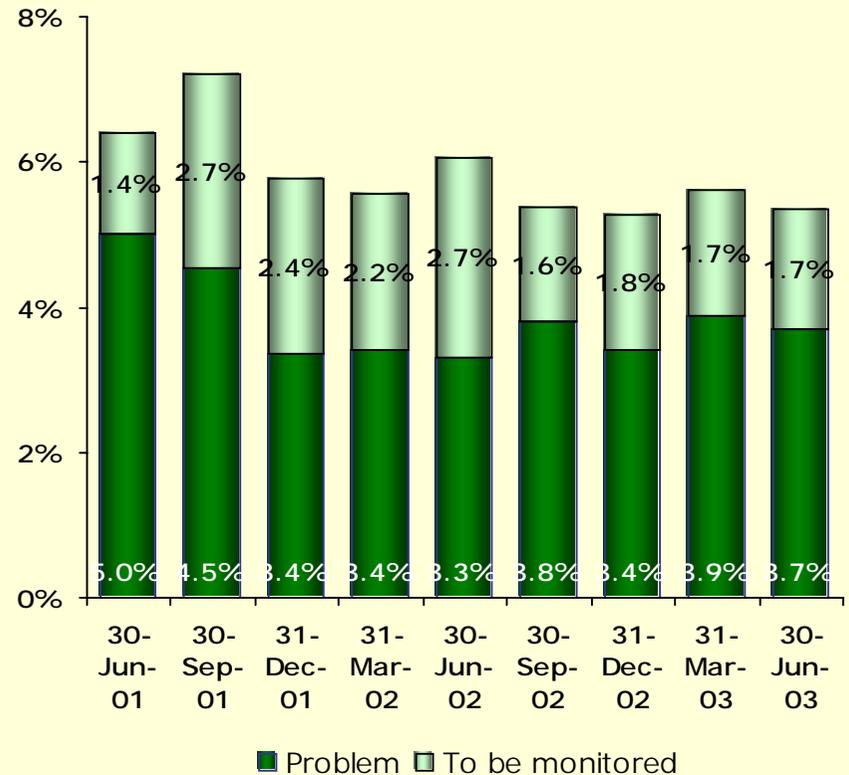


Loan quality

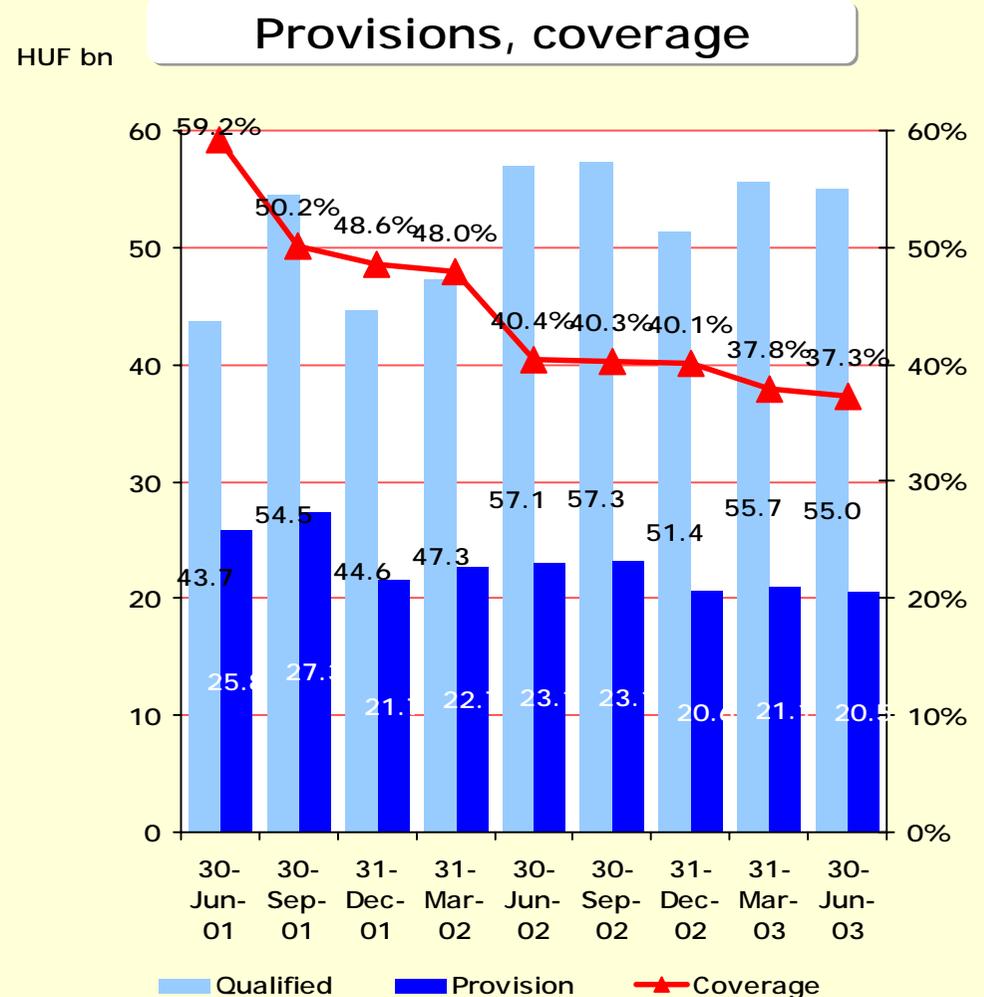
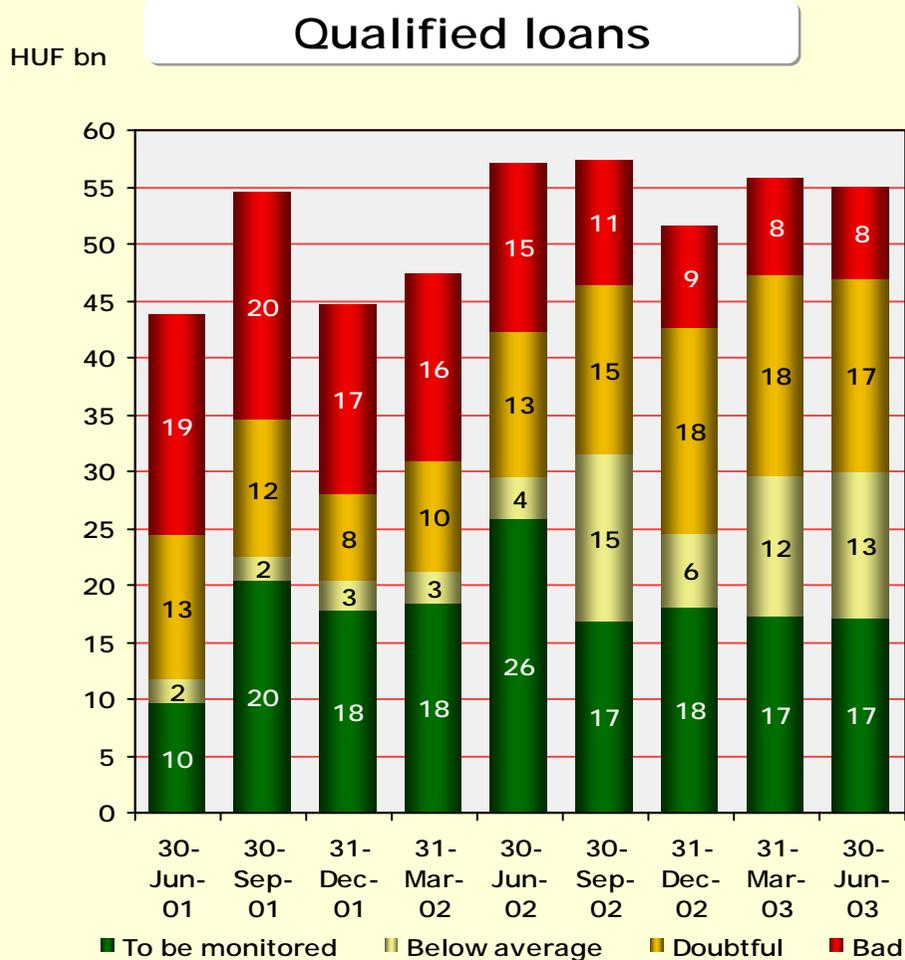
Qualified receivables as % of total receivables



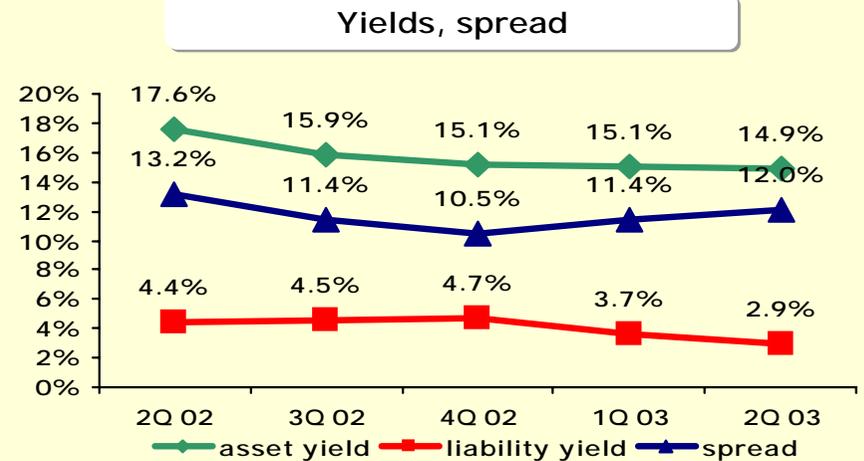
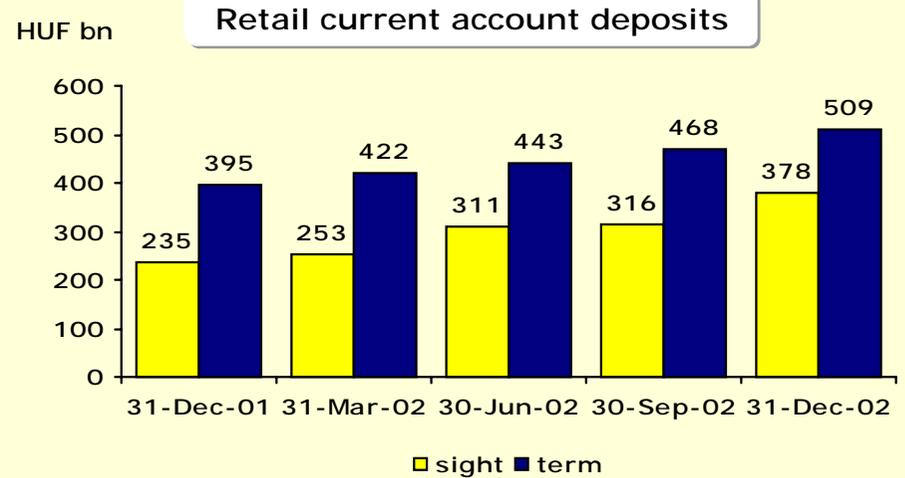
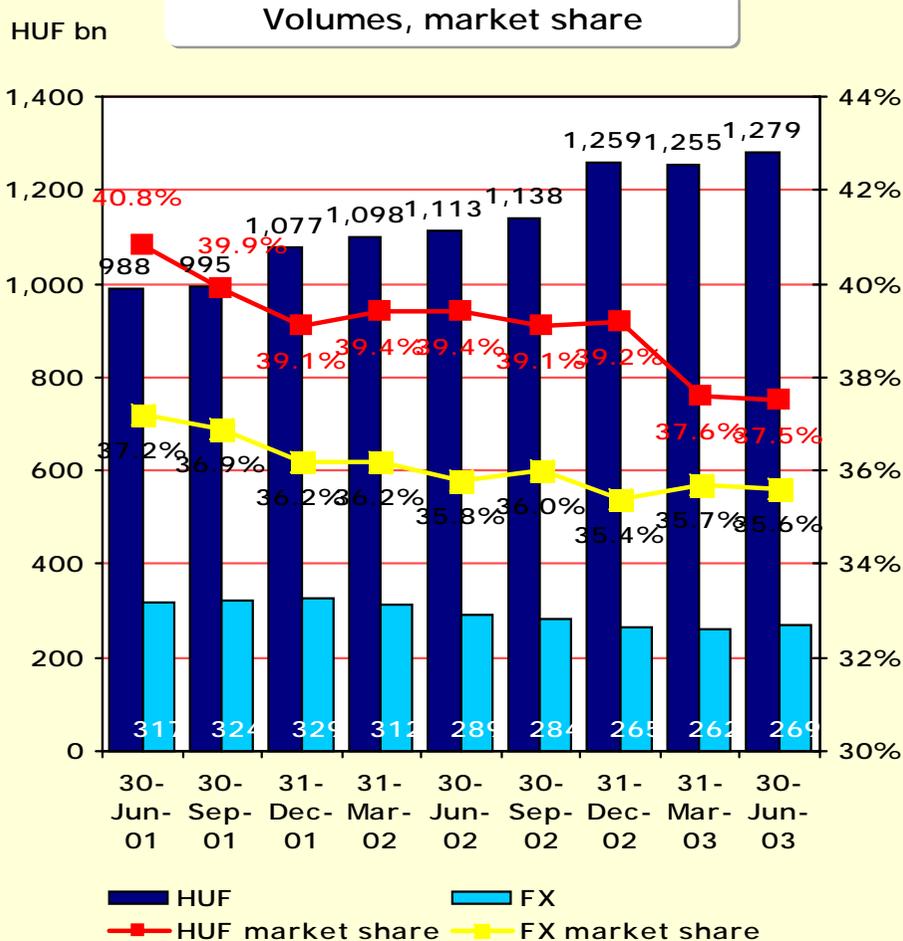
Qualified receivables as % of customer receivables



Loan quality

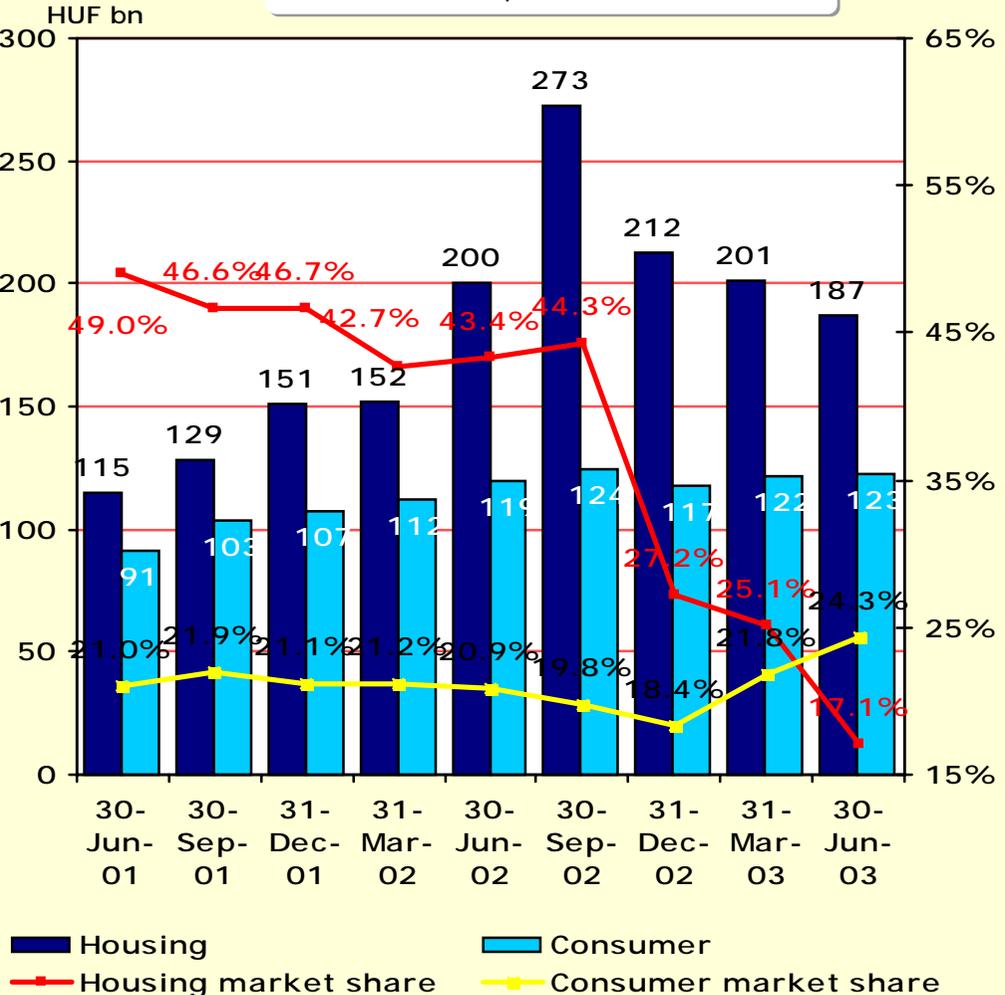


Retail deposits



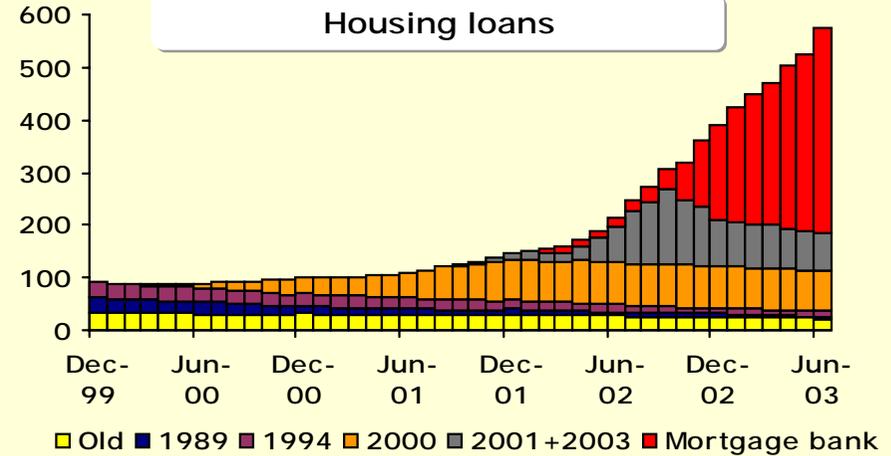
Retail loans

Volumes, market share



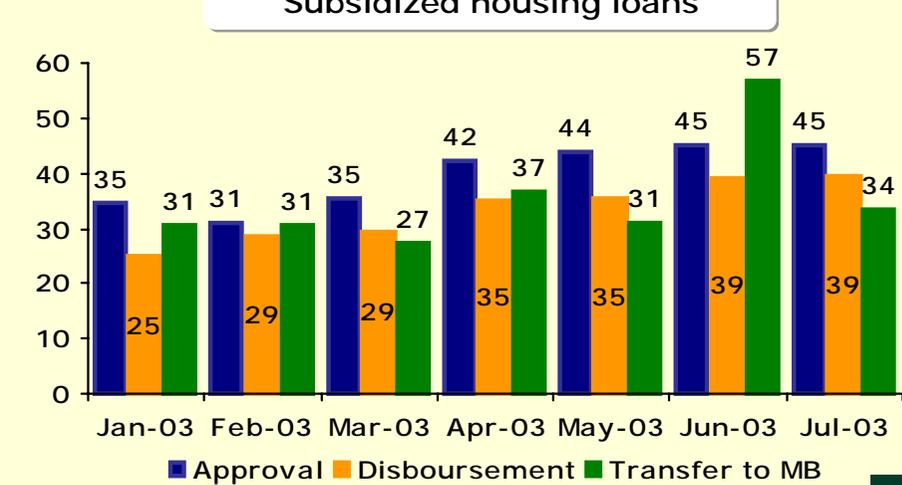
HUF bn

Housing loans



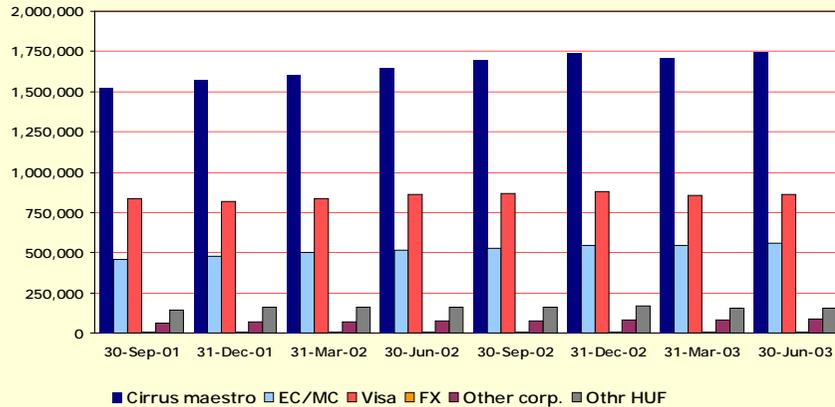
HUF bn

Subsidized housing loans

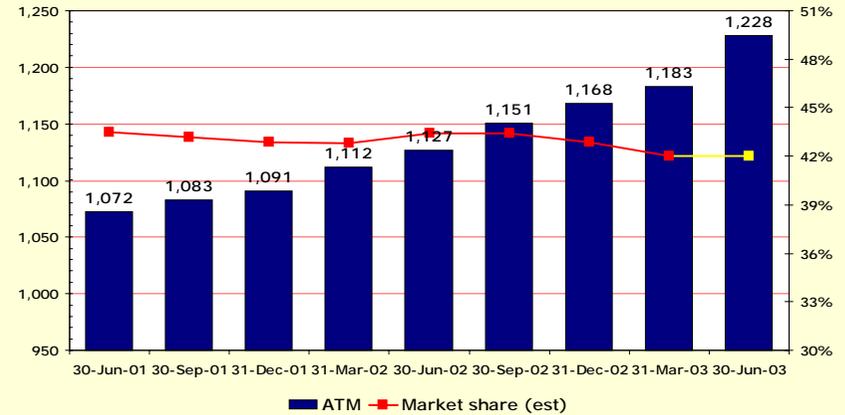


Distribution technology

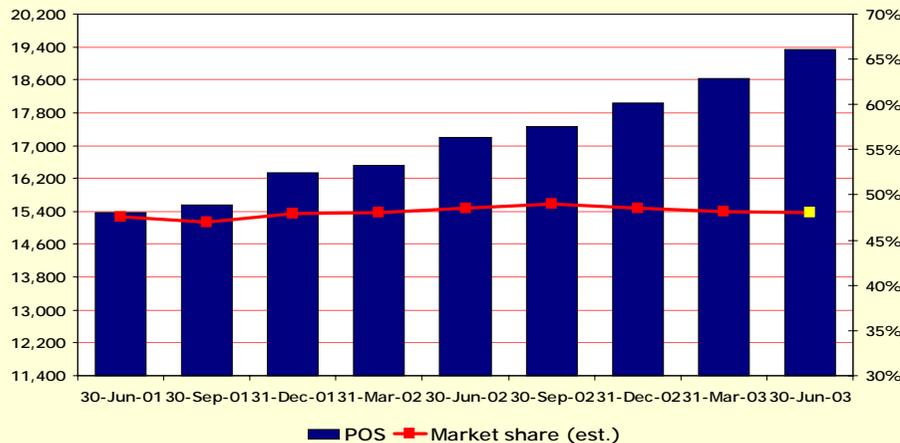
Bank cards



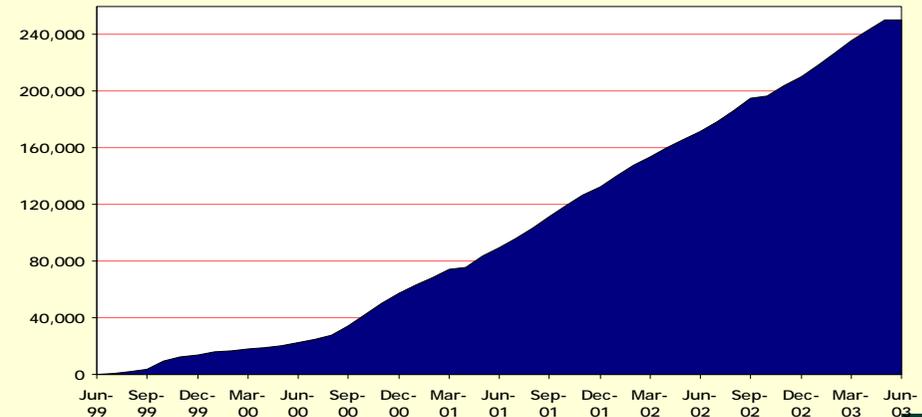
ATMs



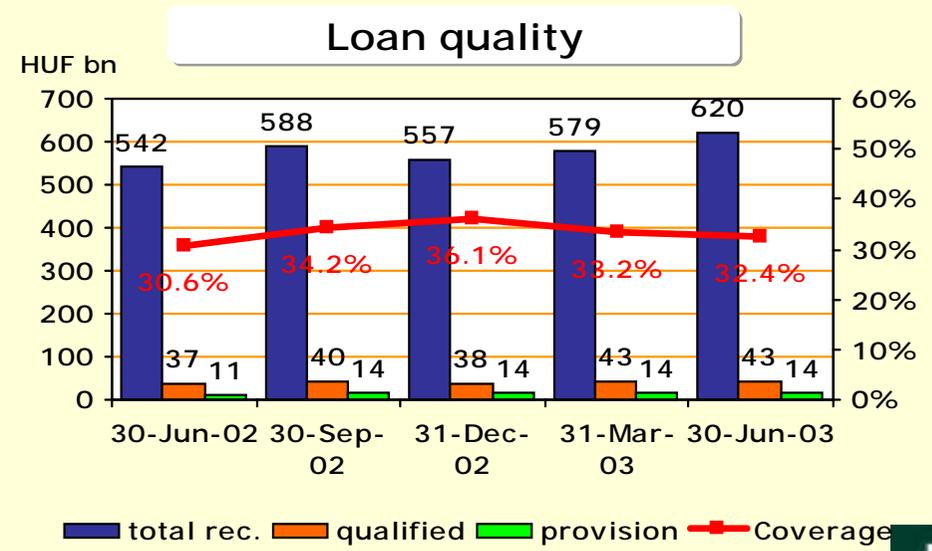
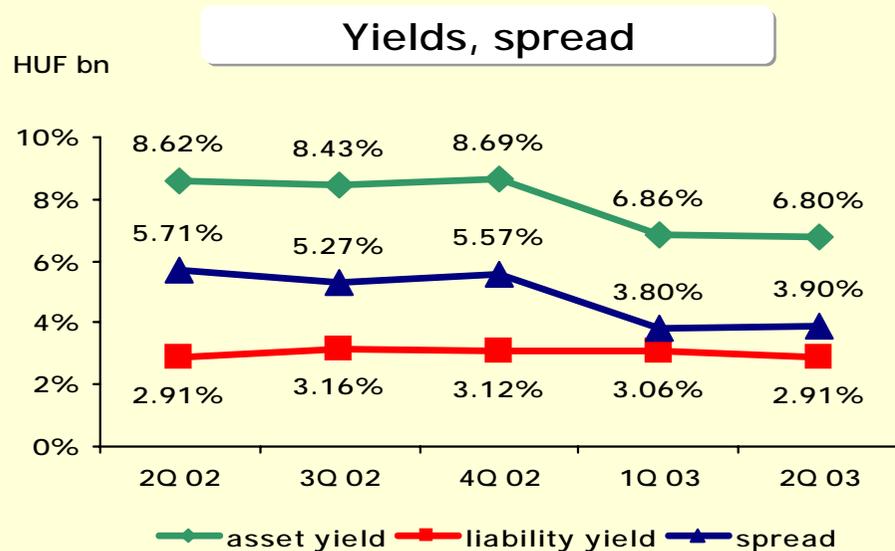
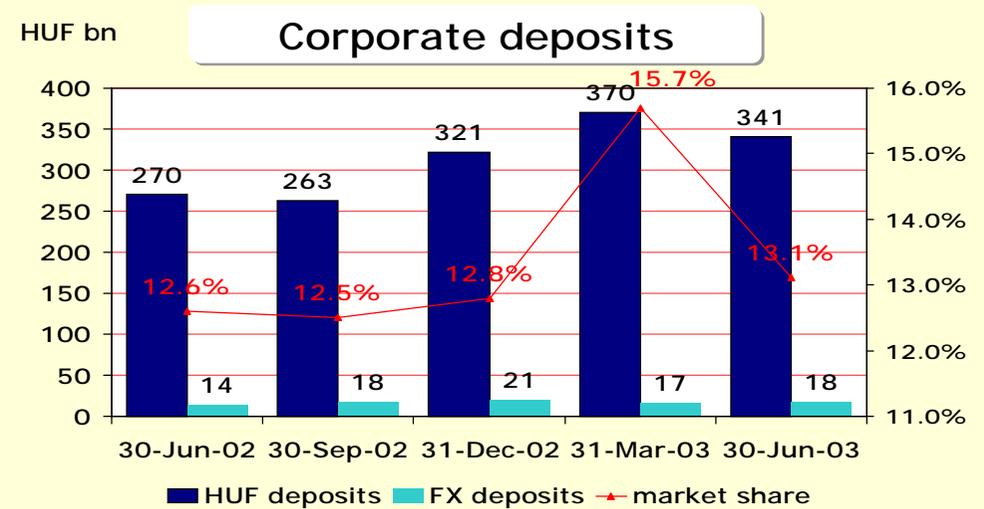
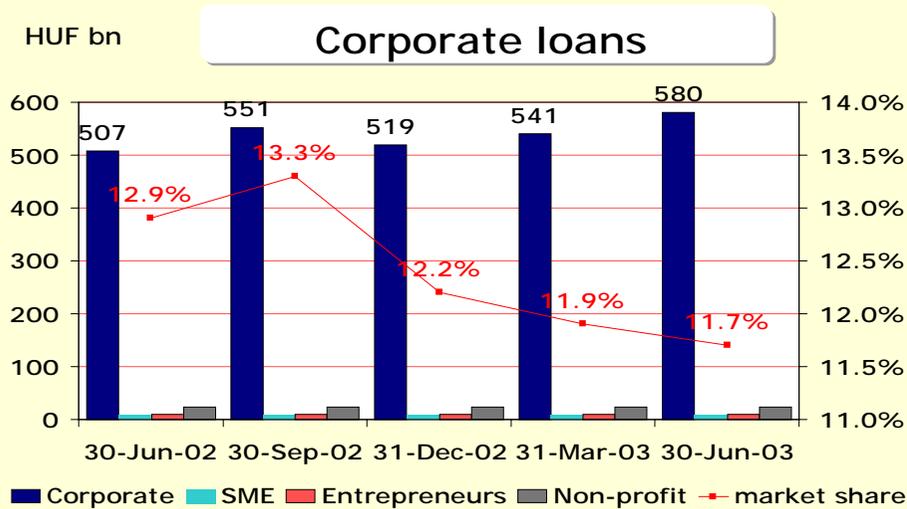
POS terminals



HáziB@NK users



Corporate business



Municipality business

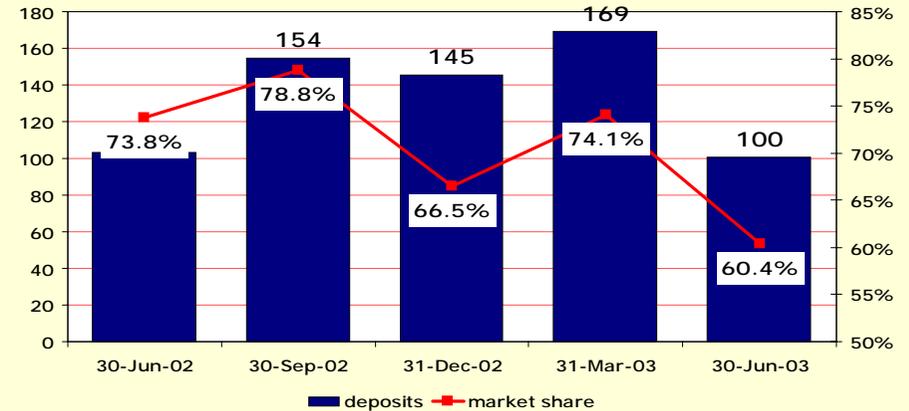
Municipal loans

HUF bn

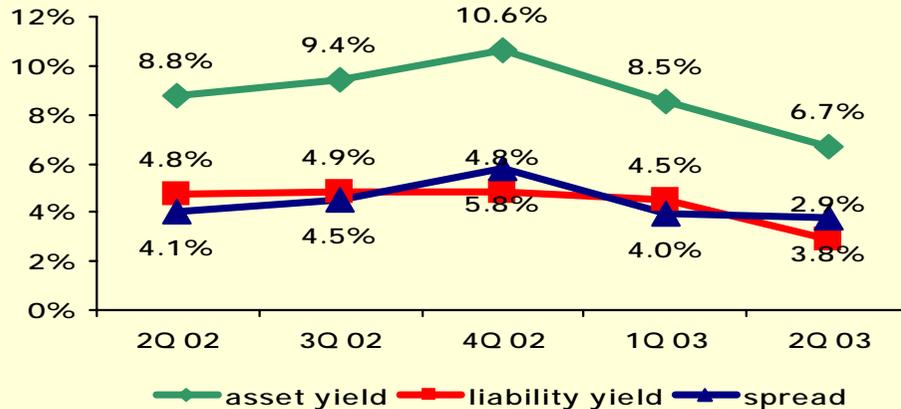


Municipal deposits

HUF bn



Yields, spread

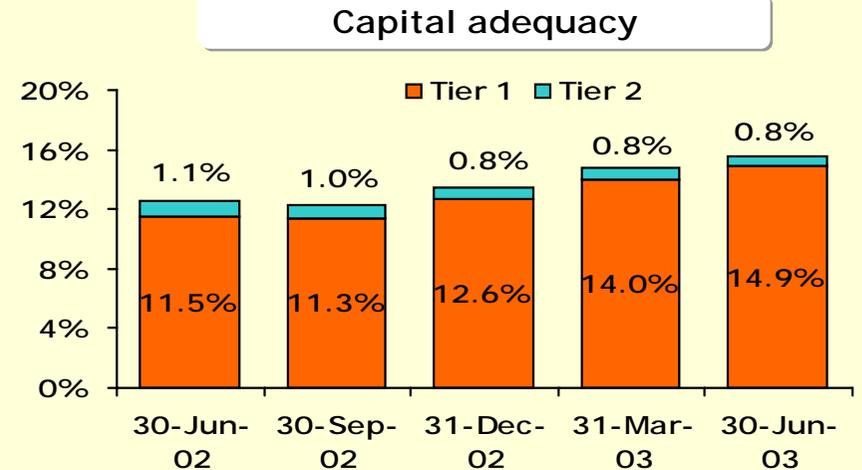
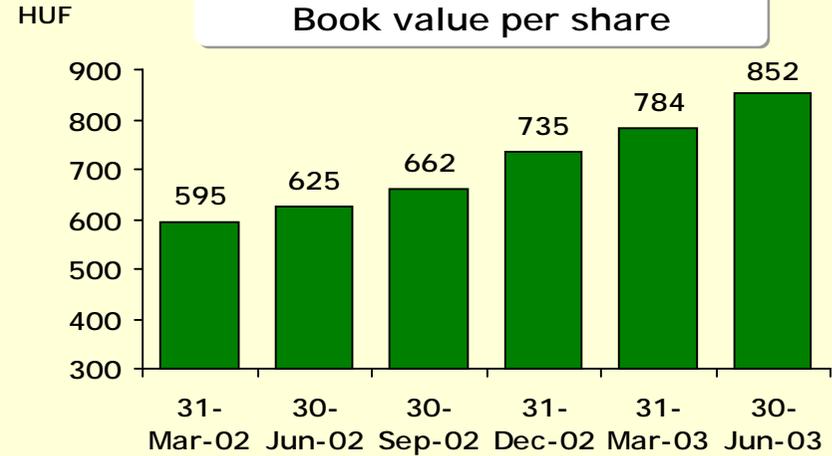
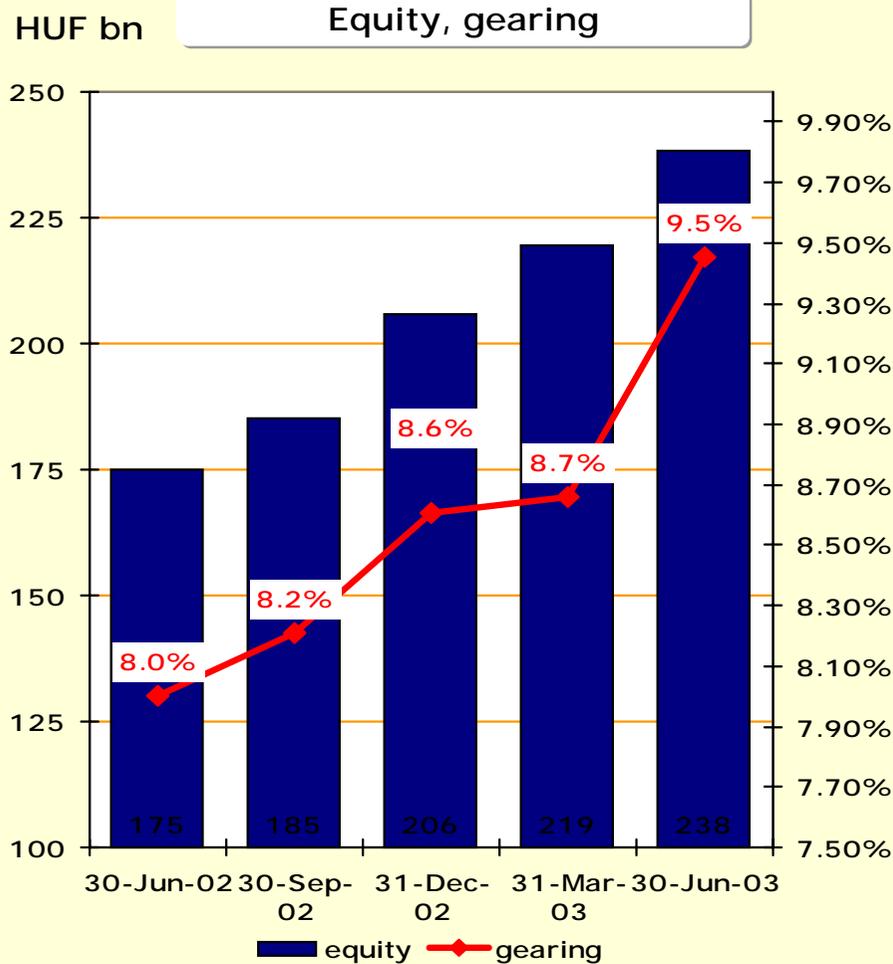


Loan quality

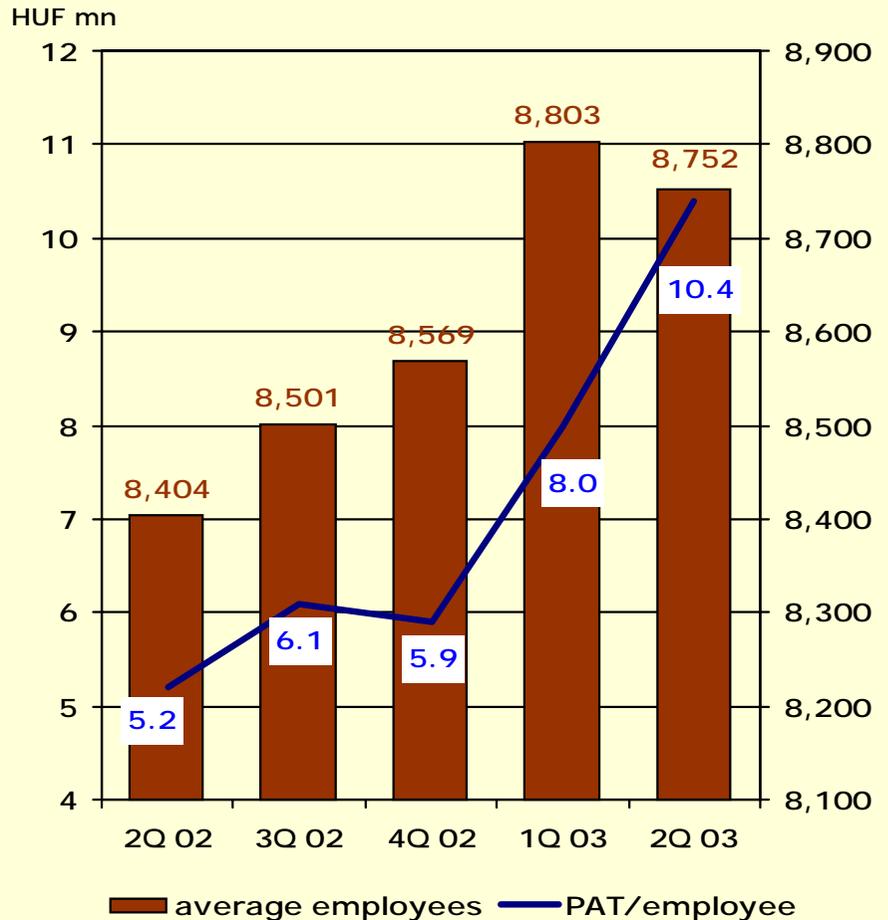
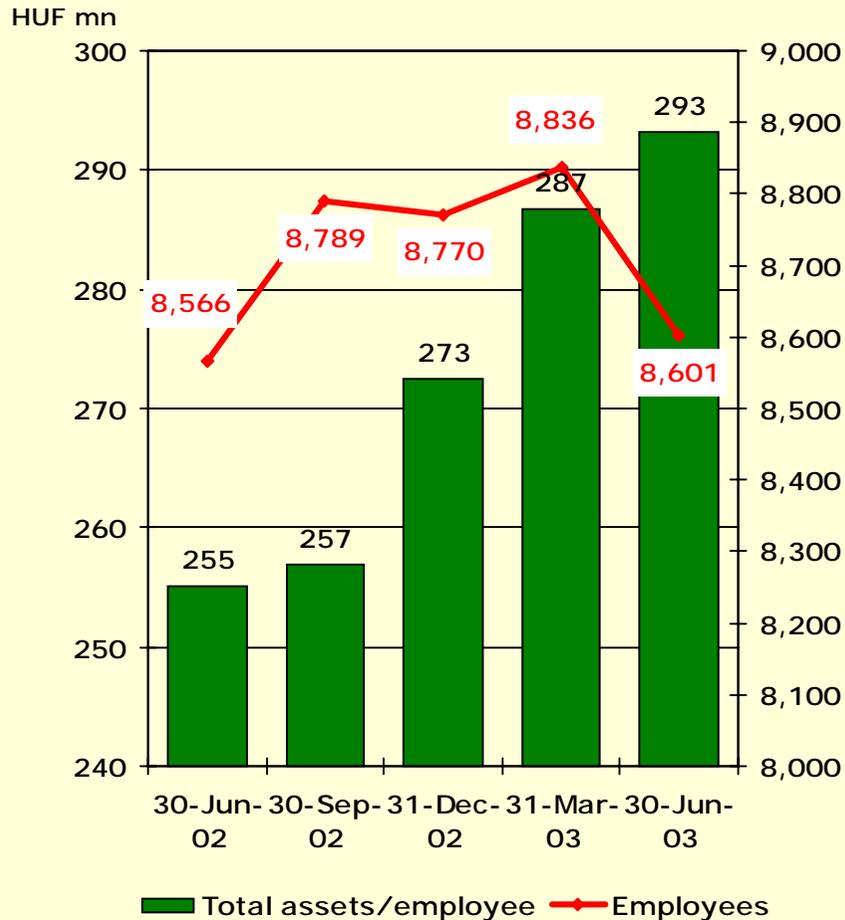
HUF bn



Equity, CAR

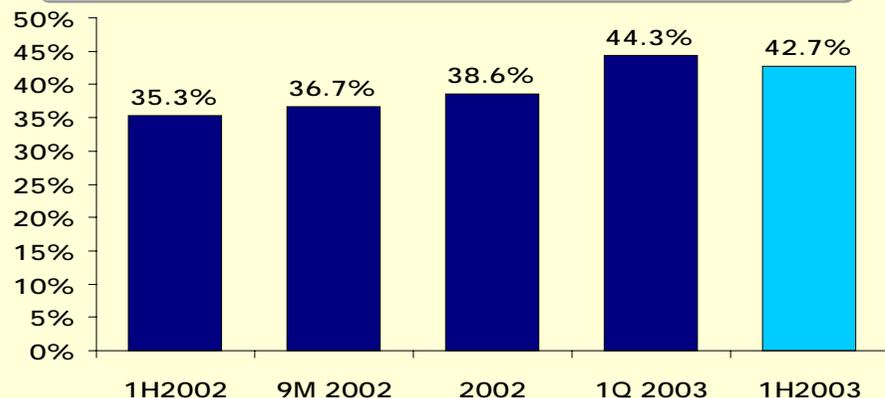


Efficiency, productivity

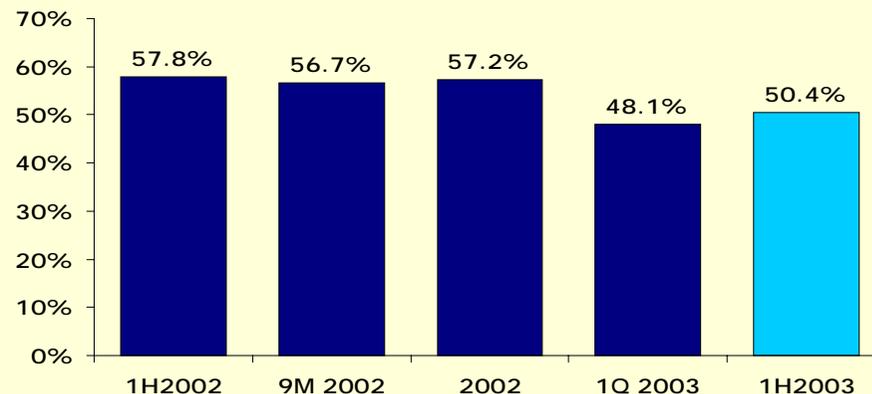


Performance indicators

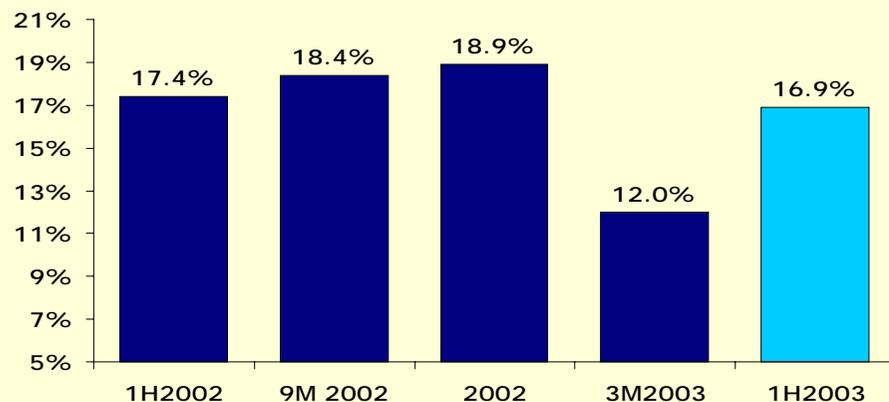
Non-interest vs. total income



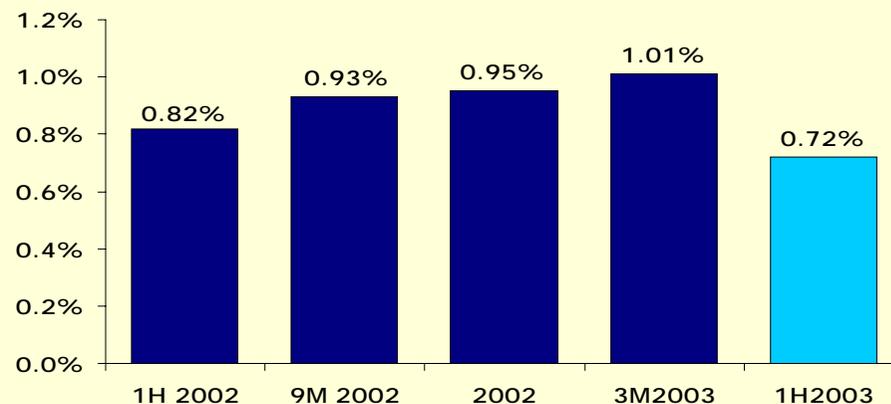
Cost income ratio



Provisioning vs. operating income

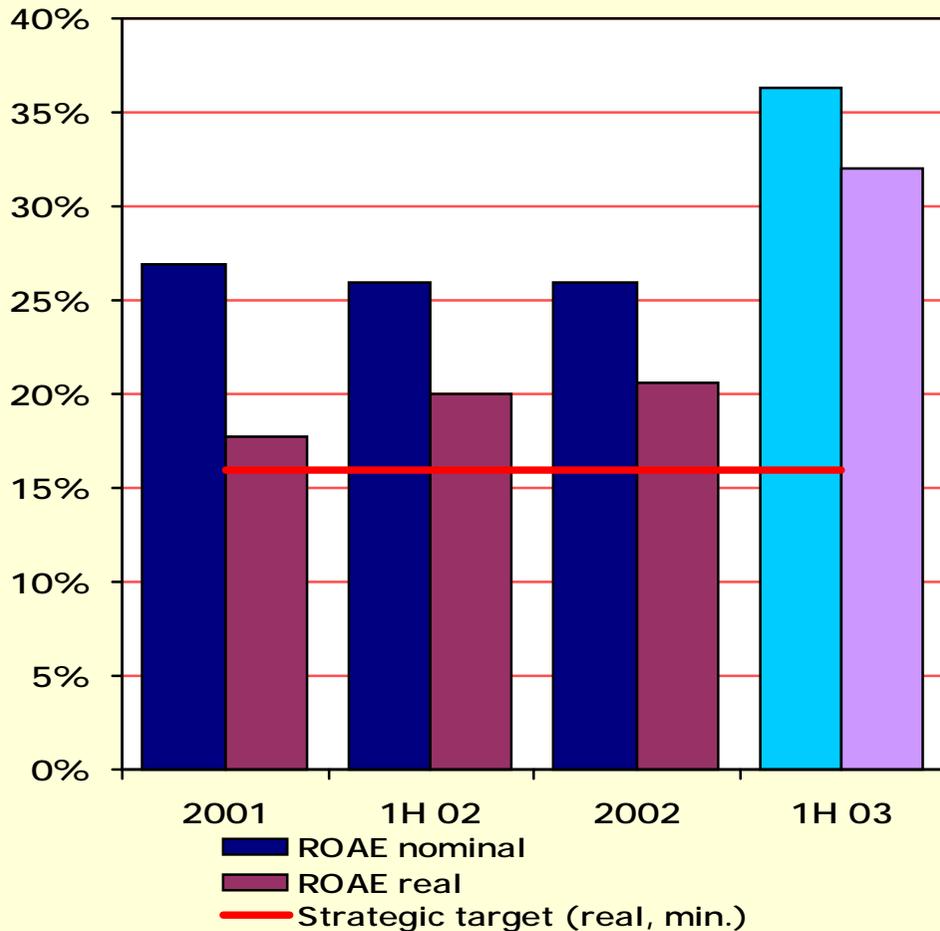


Provisioning vs. customer receivables

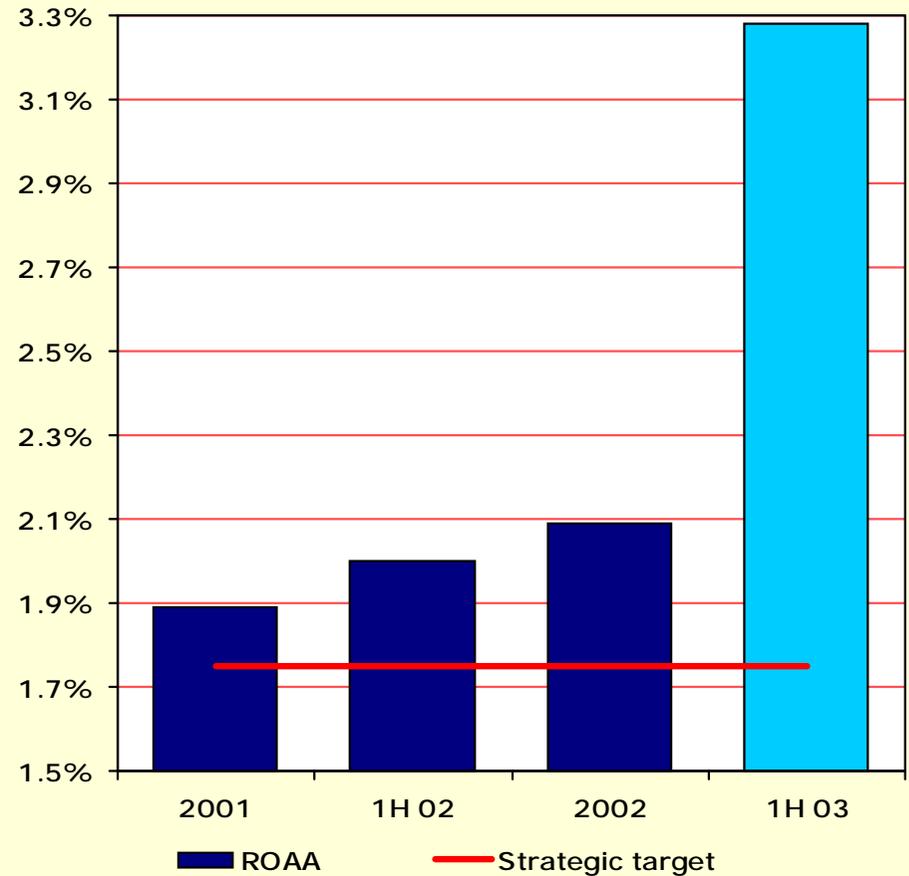


Bank ROA, ROE

ROAE annualized



ROAA annualized



Consolidated subsidiaries

<i>HUF million rounded</i>	<i>1H2002</i>	<i>1H2003</i>	<i>1H03/1H02</i>
<i>Merkantil Bank Ltd.</i>	1,200	1,111	-7.4%
<i>Merkantil Car Ltd.</i>	354	505	42.7%
<i>Merkantil Bérlet Ltd.</i>	39	71	82.1%
<i>OTP Building Society Ltd.</i>	997	334	-66.5%
<i>OTP Mortgage Bank</i>	315	3,511	1014.6%
<i>OTP Banka Slovensko a. s.</i>	(84)	102	221.4%
<i>OTP-Garancia Insurance Ltd.</i>	805	1,032	28.2%
<i>OTP Fund Management Ltd.</i>	1,621	2,068	27.6%
<i>HIF Ltd.</i>	140	148	5.7%
<i>OTP Real Estate Ltd.</i>	486	649	33.5%
<i>OTP Factoring Management Ltd.</i>	29	24	-17.2%
<i>OTP Factoring Ltd.</i>	487	382	-21.6%
<i>Bank Center No I. Ltd.</i>	790	42	-94.7%
<i>OTP Fund Servicing and Consulting Ltd.</i>	30	20	-33.3%
<i>OTP Mérleg Ltd.</i>	(53)	53	200.0%
<i>Other subsidiaries</i>	67	222	231.3%
<i>Pre-tax profits of subsidiaries</i>	7,223	10,274	42.2%
<i>Consolidated pre-tax profits</i>	31,319	50,774	62.1%
<i>Subsidiaries' proportion</i>	23.1%	20.2%	-2.8%

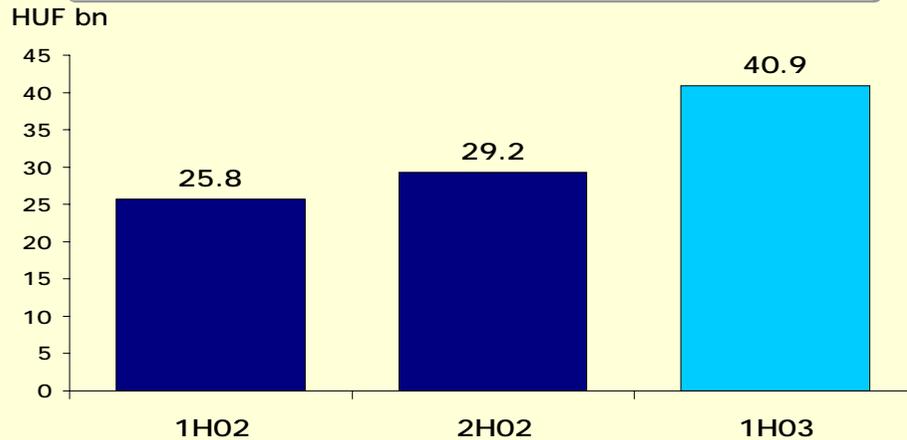
Results of selected subsidiaries

Results before consolidation for 1H 2003

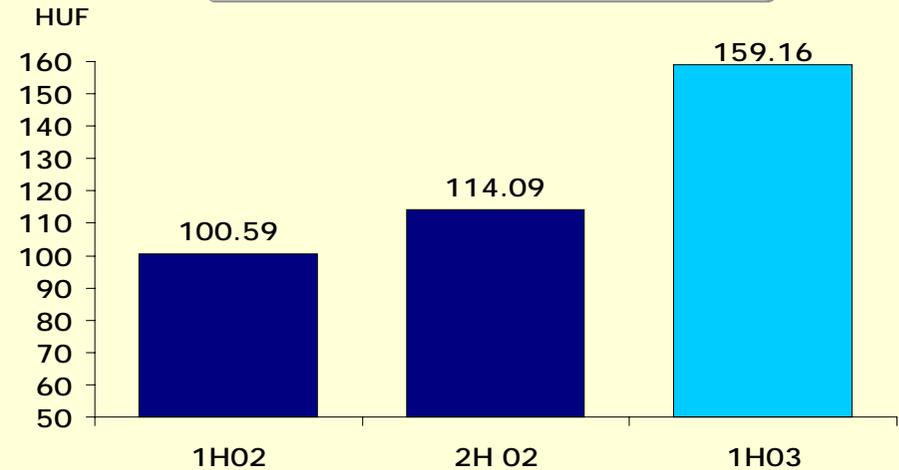
HUF million	Merkantil Bank Ltd.	Merkantil-Car Ltd.	Merkantil Bérlet Ltd.	OTP Building Society Ltd.	OTP Mortgage Bank Ltd.	OTP Banka Slovensko a.s.	OTP-Garancia Insurance Ltd.	OTP Fund Management Ltd.	HIF Ltd.	OTP Real Estate Ltd.	OTP Factoring Ltd.
Total interest income	4,541	4,570	0	1,876	23,030	4,440	0	0	379	0	18
Total interest expense	1,351	1,741	0	641	11,199	2,292	0	0	128	0	15
Net interest income	3,189	2,829	0	1,235	11,831	2,148	0	0	251	0	2
Net fees & commissions	-766	-1,143	-2	-285	-6,657	449	-1,760	2,181	56	-17	-1
Non interest income	-507	-870	1,411	-293	-6,693	877	29,104	2,452	106	2,089	1,241
<i>Share of non interest income in total income</i>	<i>-18.9%</i>	<i>-44.4%</i>	<i>100.0%</i>	<i>-31.1%</i>	<i>-130.3%</i>	<i>29.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>29.7%</i>	<i>100.0%</i>	<i>99.8%</i>
Total income	2,683	1,959	1,411	942	5,137	3,025	29,104	2,452	357	2,089	1,244
Operating costs	1,434	550	1,341	610	1,627	3,192	27,991	385	278	1,450	598
<i>Cost/Income ratio</i>	<i>53.4%</i>	<i>28.1%</i>	<i>95.0%</i>	<i>64.8%</i>	<i>31.7%</i>	<i>105.5%</i>	<i>96.2%</i>	<i>15.7%</i>	<i>77.7%</i>	<i>69.4%</i>	<i>48.1%</i>
Operating income	1,249	1,409	70	332	3,511	-167	1,113	2,067	80	639	645
Provisions and loan losses	139	903	0	-2	0	-270	81	0	-68	-11	263
Income before income taxes	1,111	505	70	334	3,511	102	1,032	2,067	148	649	382
Taxes	167	177	13	149	632	0	205	390	44	117	70
After tax profits	944	328	58	185	2,879	102	827	1,677	103	532	312

Consolidated indicators

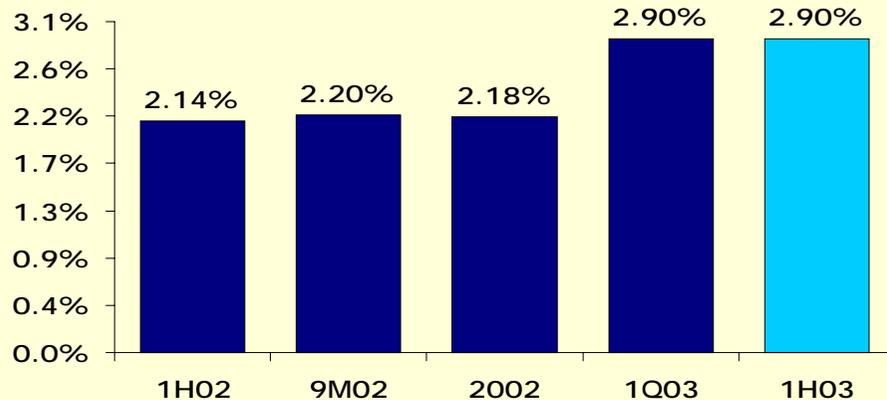
After tax profits



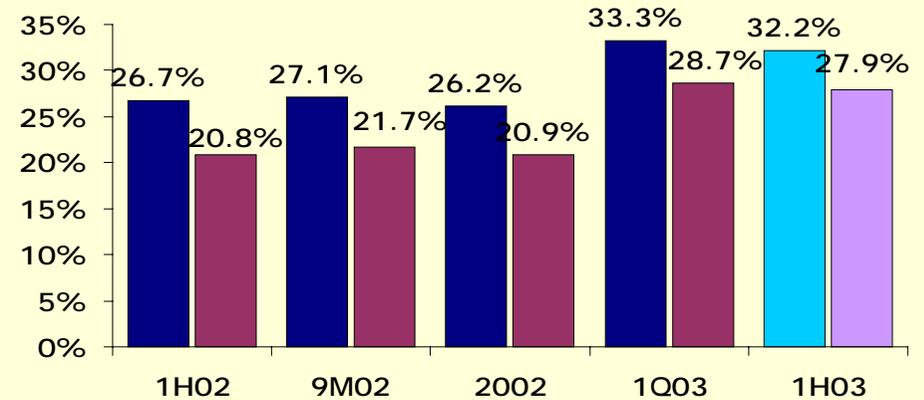
Undiluted EPS



ROAA (annualized)



ROAE (annualized)



■ Nominal ■ Real

2003 Bank targets

Balance sheet

	Year end HUF mn			30-Jun-03
	2002	2003 Target	Change	
Balance sheet total	2,390,120	2,586,921	8.2%	2,522,064
Loans	951,747	1,082,714	13.8%	997,006
Retail	329,829	310,127	-6.0%	309,368
- Housing	212,390	173,524	-18.3%	186,775
- Consumer	117,439	136,593	16.3%	122,593
Corporate	558,590	703,259	25.9%	621,105
Municipal	63,328	69,328	9.5%	66,533
Loan to asset ratio	39.8%	41.9%	5.1%	39.5%
Shareholders equity	205,843	289,181	40.5%	238,438

2003 Bank targets

Profit generation

HUF billion	2002	Target	Change	1H 2003
Interest income	188.8	170.6	-9.6%	95.1
Interest expenses	86.1	63.5	-26.2%	38.4
Net interest income	102.7	107.1	4.2%	56.7
Net fee and commission income	64.4	85.2	32.1%	40.0
Total income	167.2	192.2	15.0%	99.0
Personnel expenses	37.6	40.0	6.6%	18.8
Total non-interest expenses	95.6	108.8	13.9%	49.9
Operating profit	71.6	83.4	16.5%	49.1
Risk expenses	13.5	13.6	0.3%	8.3
Pre-tax profit	58.1	69.8	20.2%	48.1
After tax profit	47.2	57.4	21.6%	40.3

2003 Bank targets

BSC indicators

	2002	2003 Target	Change	1H 2003
Net interest margin	4.70%	4.45%	-0.25%	4.59%
Non interest income/total income	38.6%	44.3%	5.7%	42.7%
Cost income ratio	57.2%	56.6%	-0.6%	50.4%
ROAA	2.09%	2.31%	0.22%	3.28%
ROAE	25.9%	25.4%	-0.5%	36.3%
Real ROE	20.6%	20.4%	-0.2%	32.0%
Dividend payout ratio (per share)		HUF 60	HUF 60	n. m.