



OTP Bank

**First Half 2004 Performance
Based on HAR**

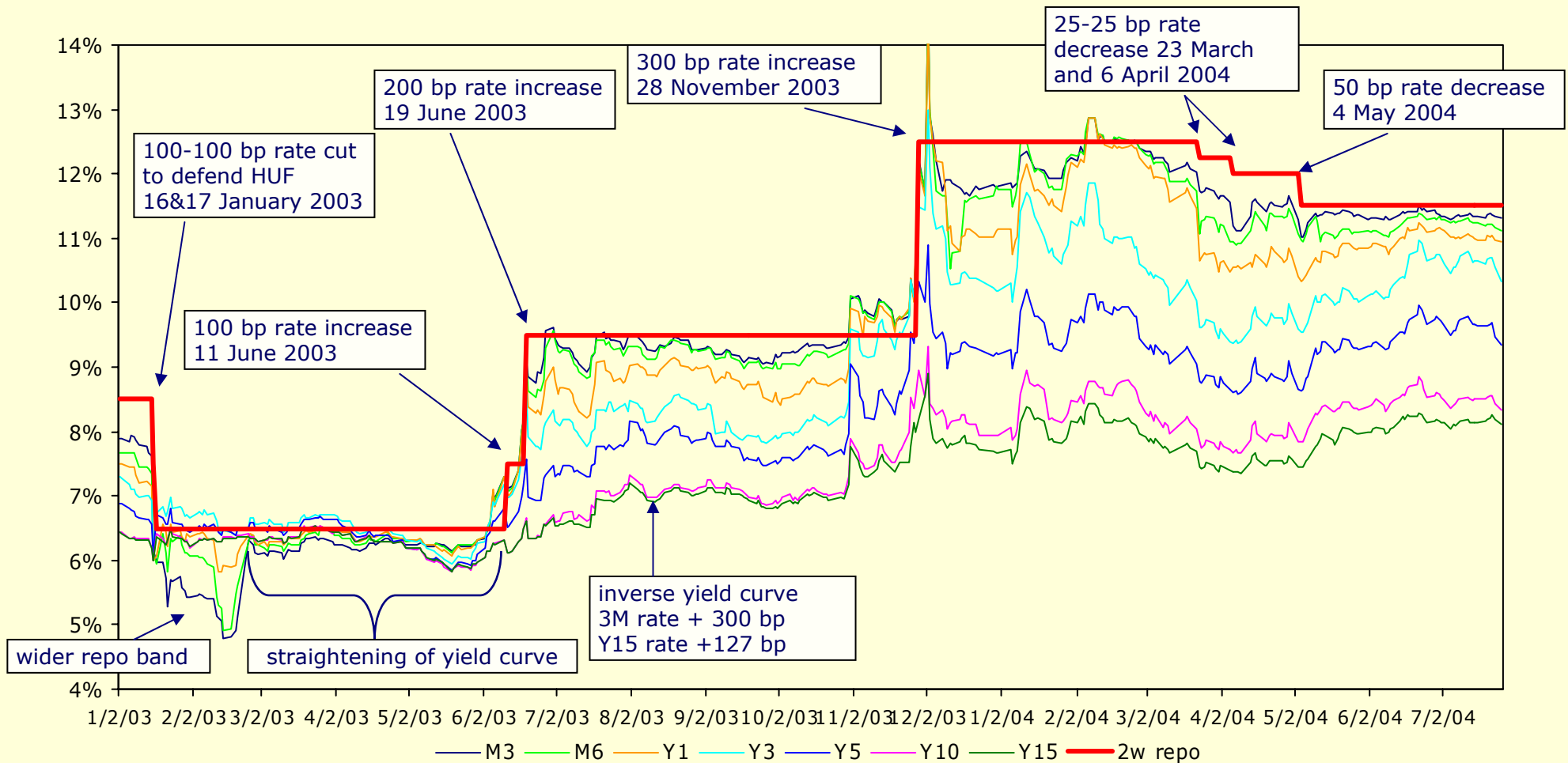
**Presented by:
Dr. Zoltán Spéder CFO**

August 2004

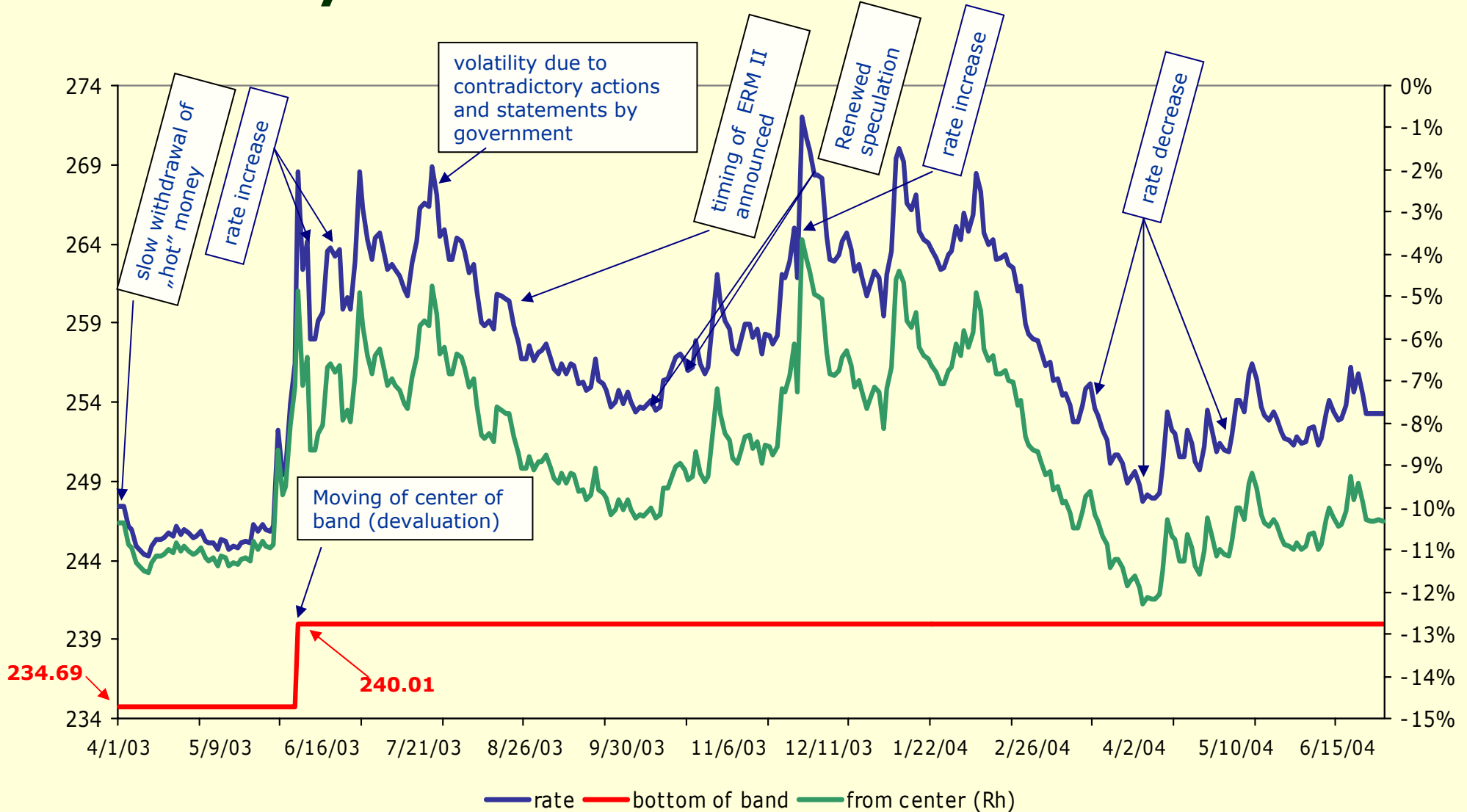
Forward looking statements

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.

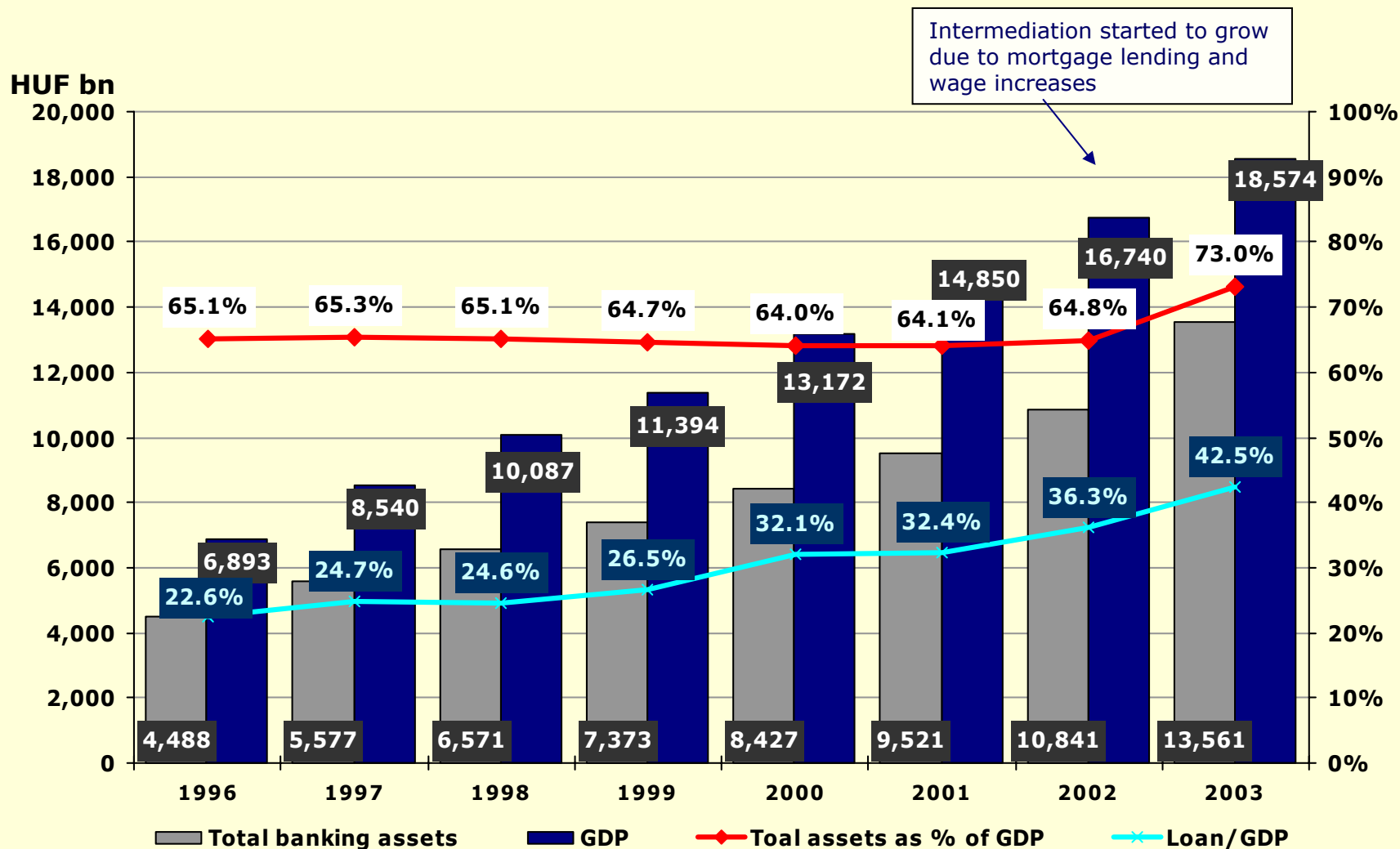
Interest rate environment 2003-2004



EUR/HUF environment 2003-2004



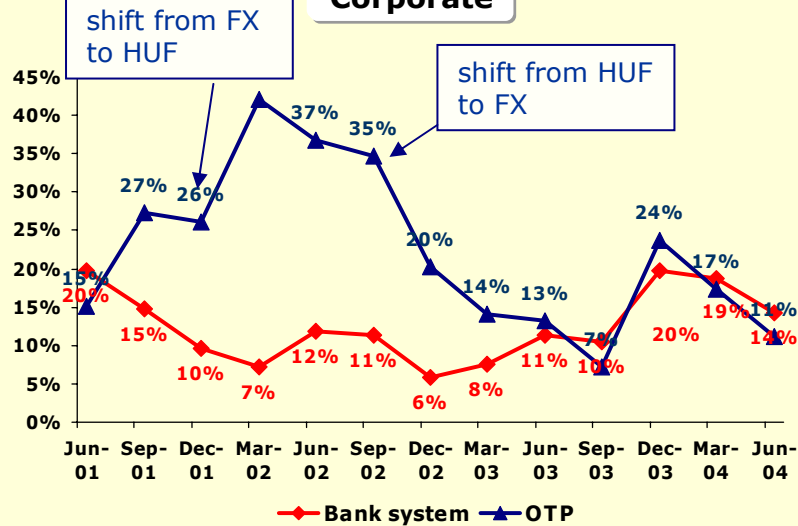
Evolution of banking system



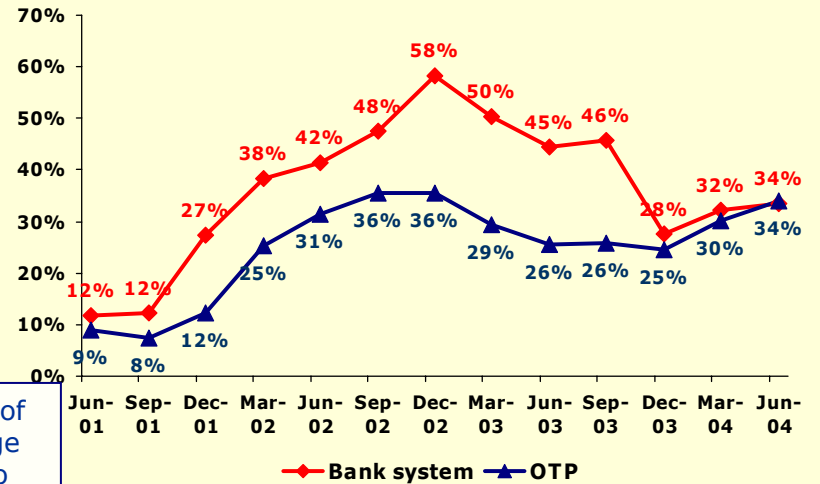
Source: NBH, NSB, OTP
 Note: GDP data for 6/30/04 is estimated

Loan growth* (Y-on-Y)

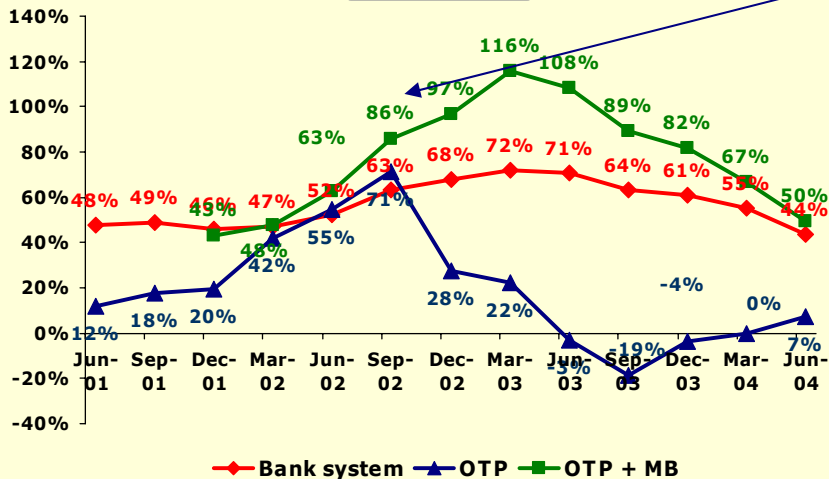
Corporate



Municipality

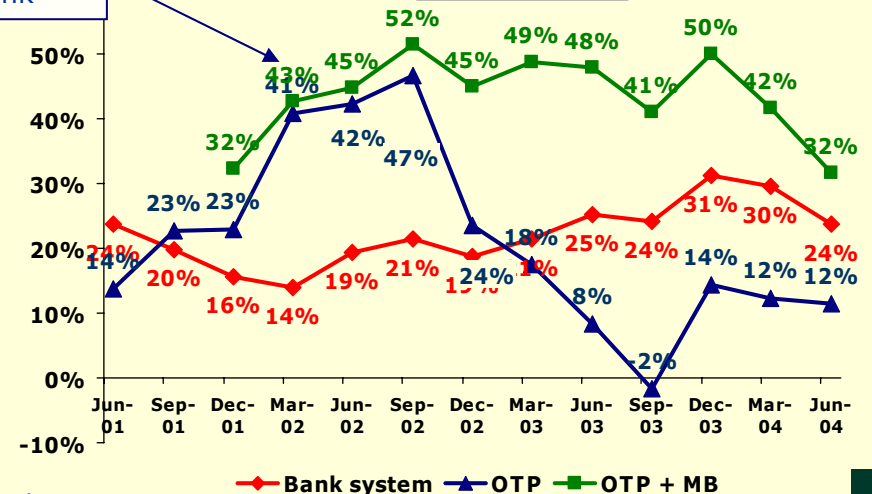


Retail



transfer of mortgage loans to mortgage bank

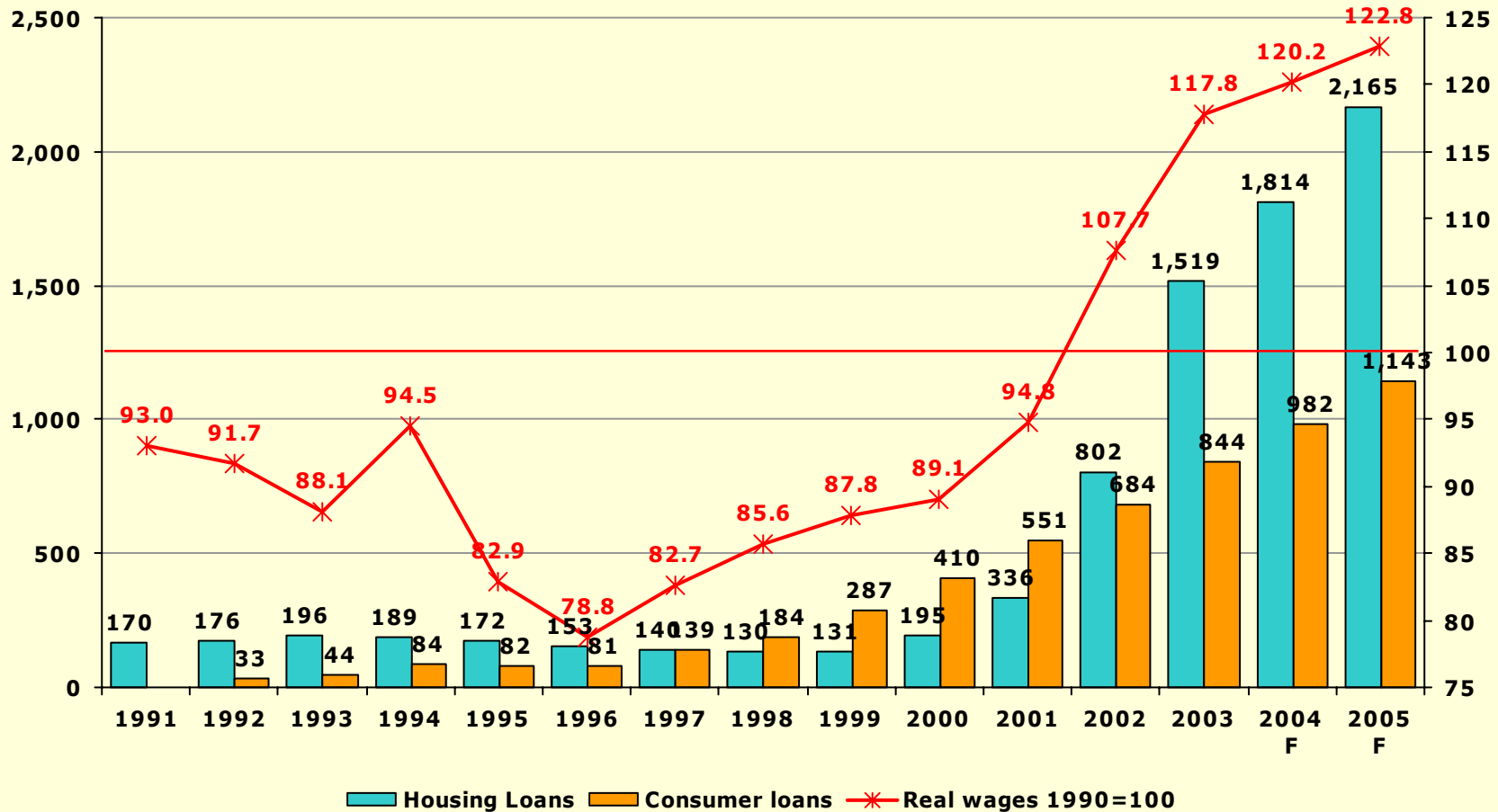
Total loans



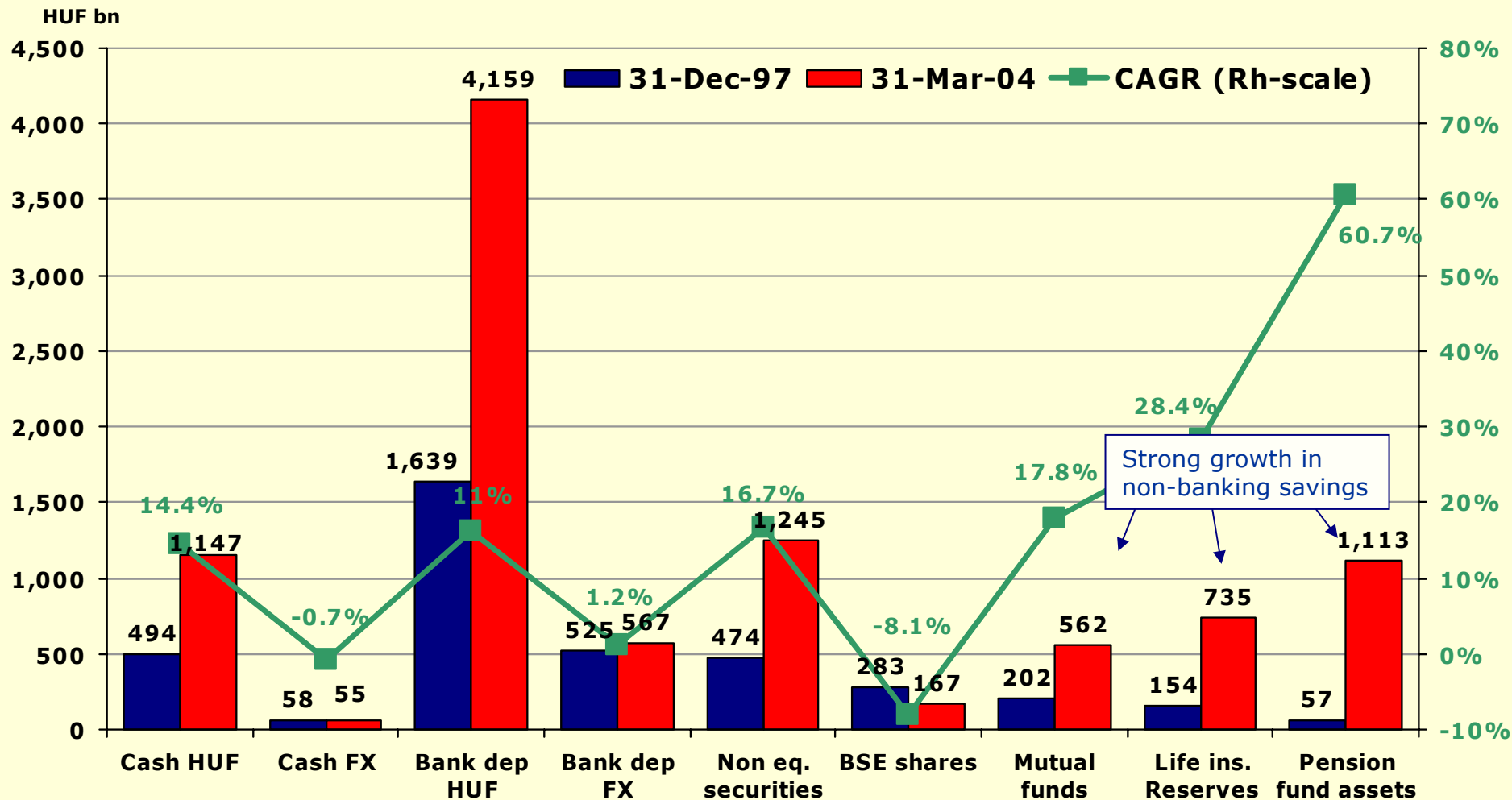
*Based on new NBH specification used since 1 January 2000. Source for sector data: NBH

Rising Real Wages

Retail Loans Outstanding (HUF billion) vs. Real Wage Growth



Macro: Selected components of RFA



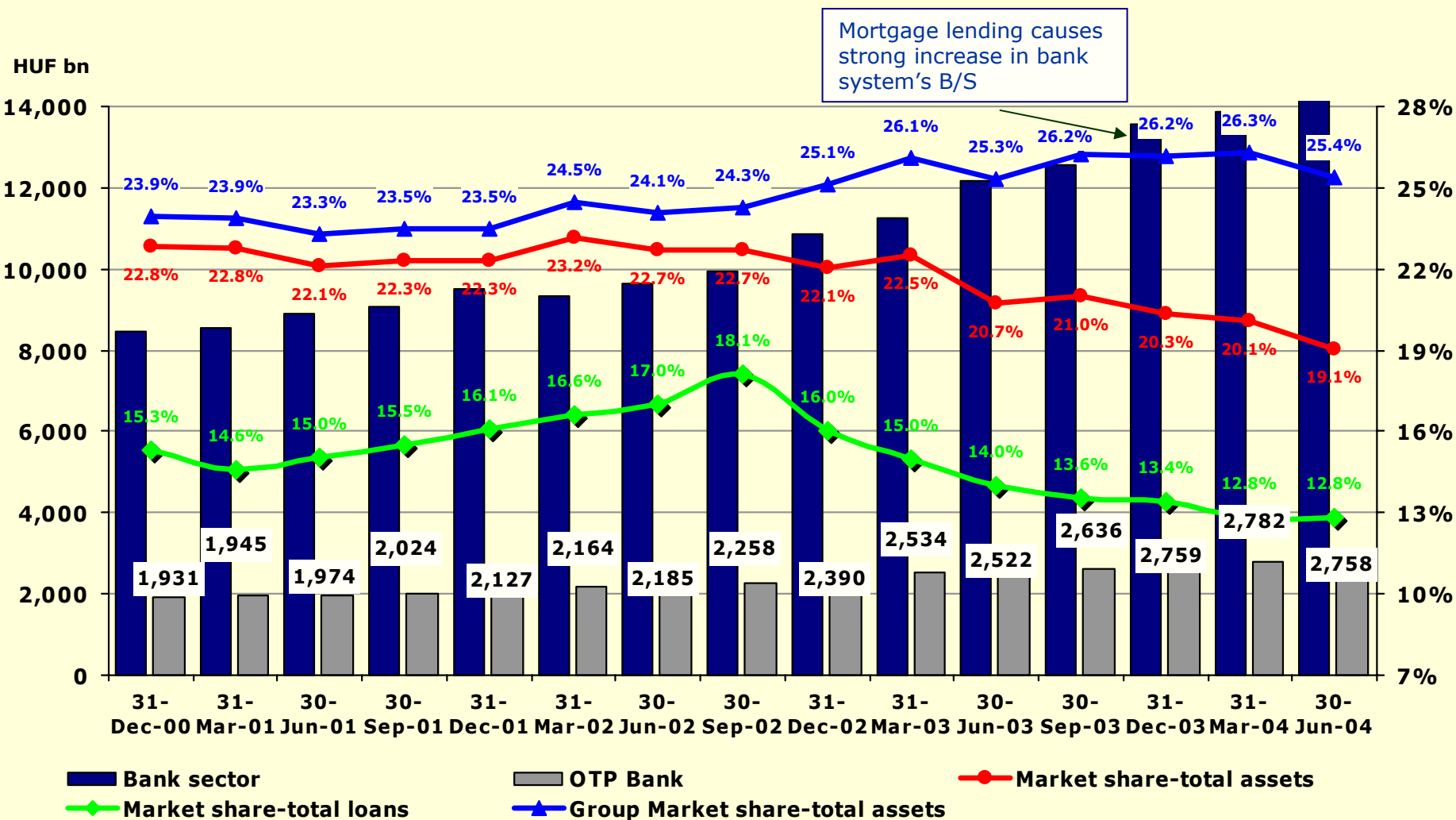
Macro assessment

| | 2003 | 2004F | 2005F |
|---|----------------------|----------------------|----------------------|
| Real GDP growth | 2.9% | 3.7% | 3.6% |
| Inflation (average) | 4.7% | 6.9% | 4.5% |
| Nominal wage increase | 14.3% | 7.0% | 6.0% |
| Final consumption | 5.9% | 2.3% | 1.9% |
| Household consumption | 6.5% | 2.7% | 2.8% |
| Investment growth | 4.7% | 11.3% | 7.5% |
| Budged deficit (cash flow based) | HUF -1,064 bn | HUF -1,305 bn | HUF -1,045 bn |
| as a % of GDP | -5.7% | -6.3% | -4.8% |
| Current Account Balance* | EUR -6.5 bn | EUR -7.4 bn | EUR -7.8 bn |
| as a % of GDP | -8.9% | -9.3% | -8.7% |
| 1yr T-bill yield (average) | 8.0% | 11.0% | 8.2% |

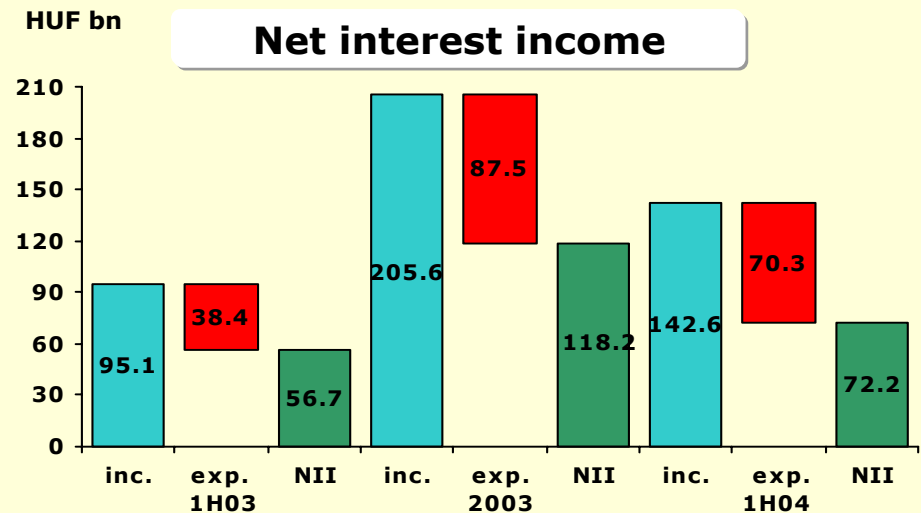
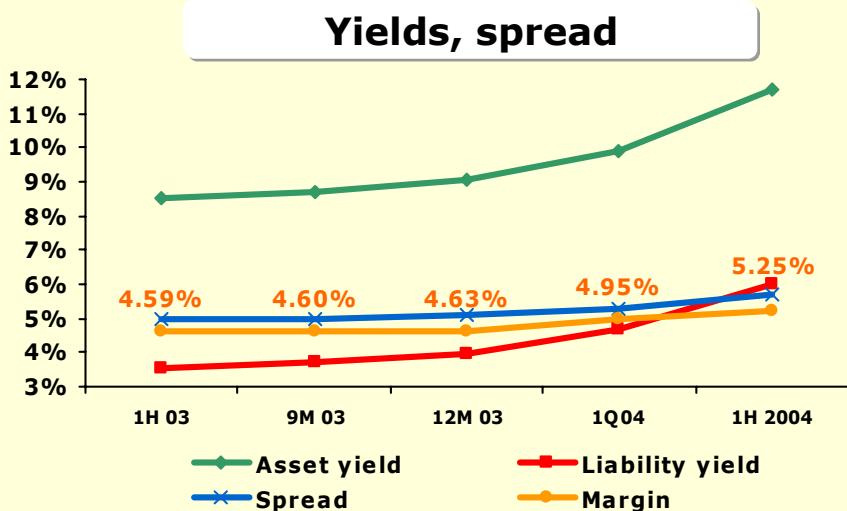
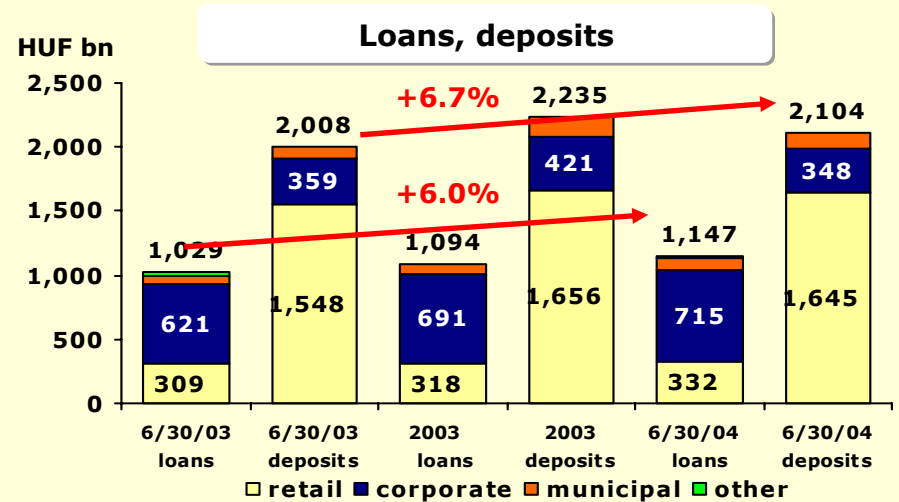
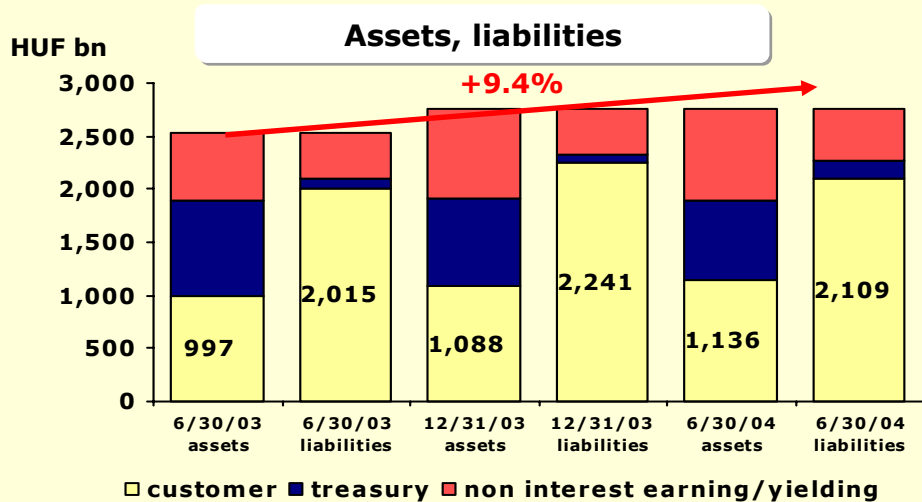
* Reinvested earnings calculated as FDI

Prepared by OTP Research Center in August 2004 based on sources from NCSO, NBH

Market share–total assets

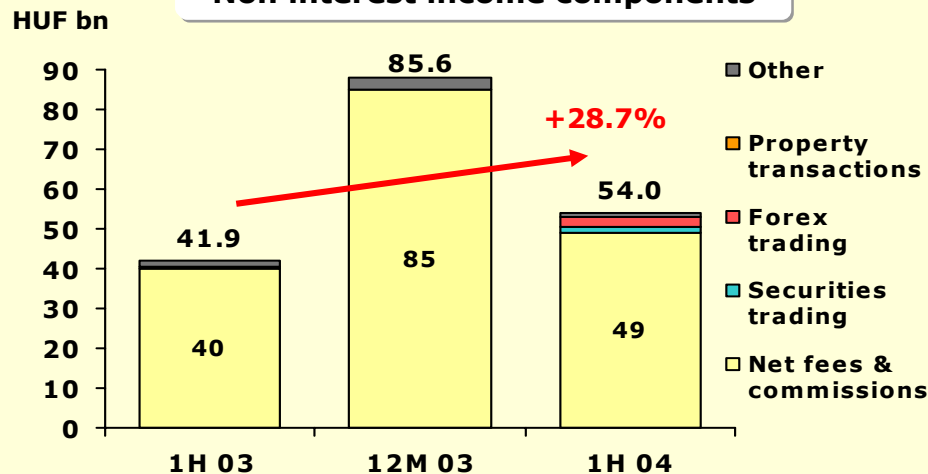


Balance sheet, interest income

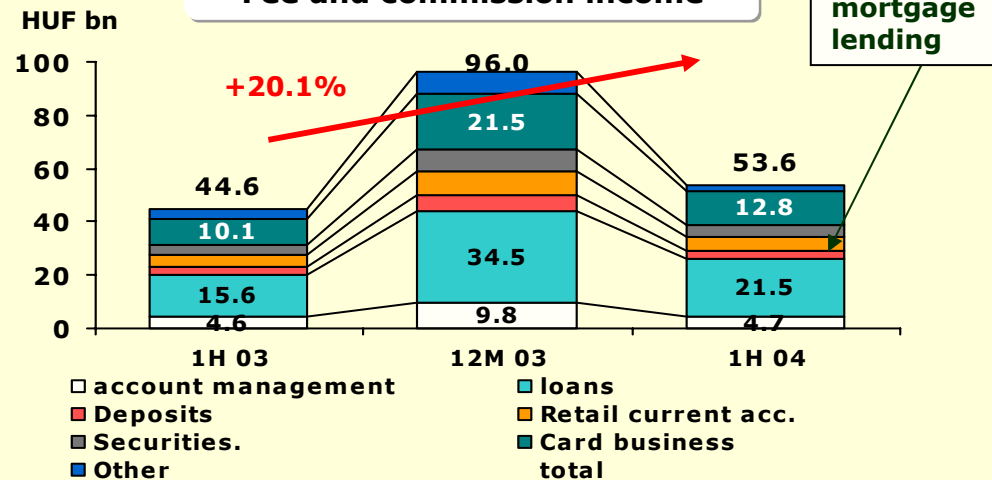


Non interest income

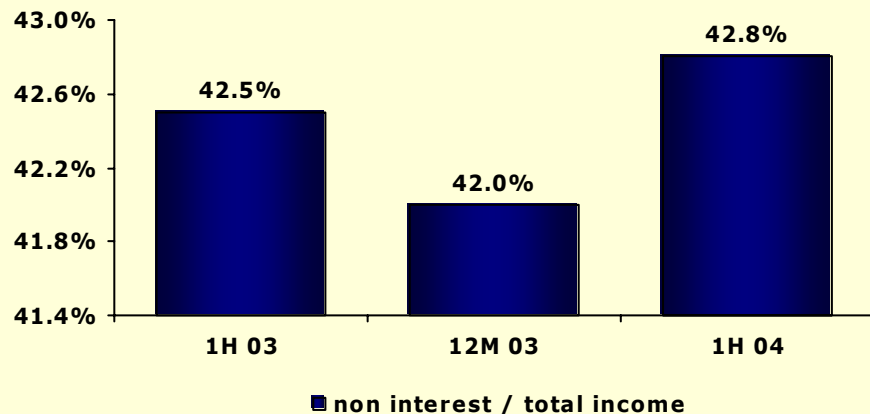
Non interest income components



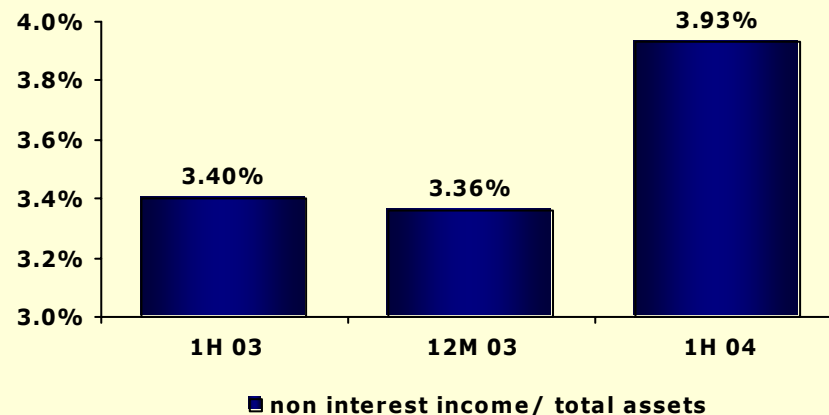
Fee and commission income



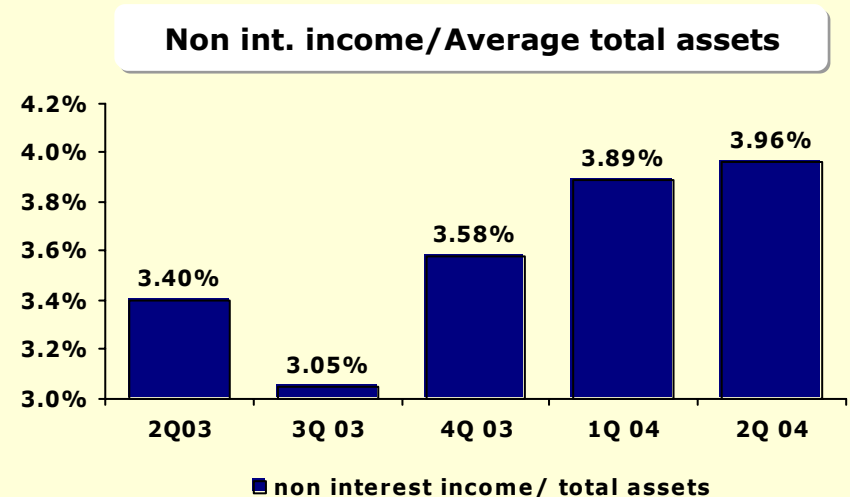
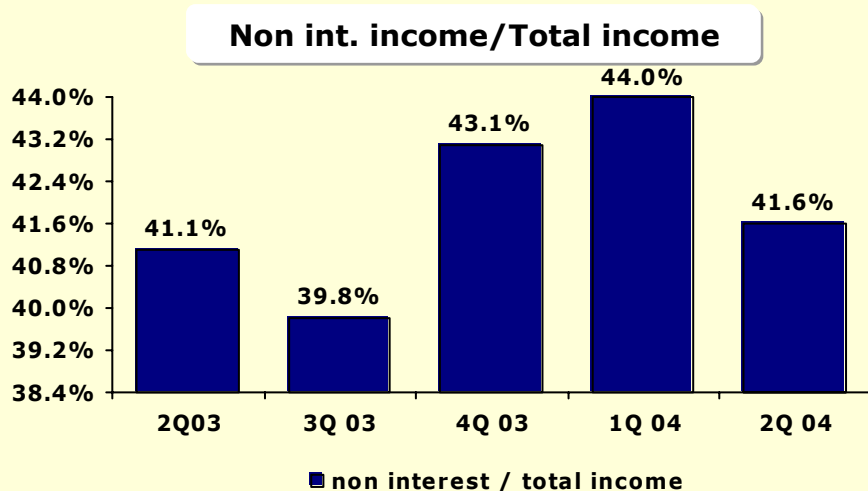
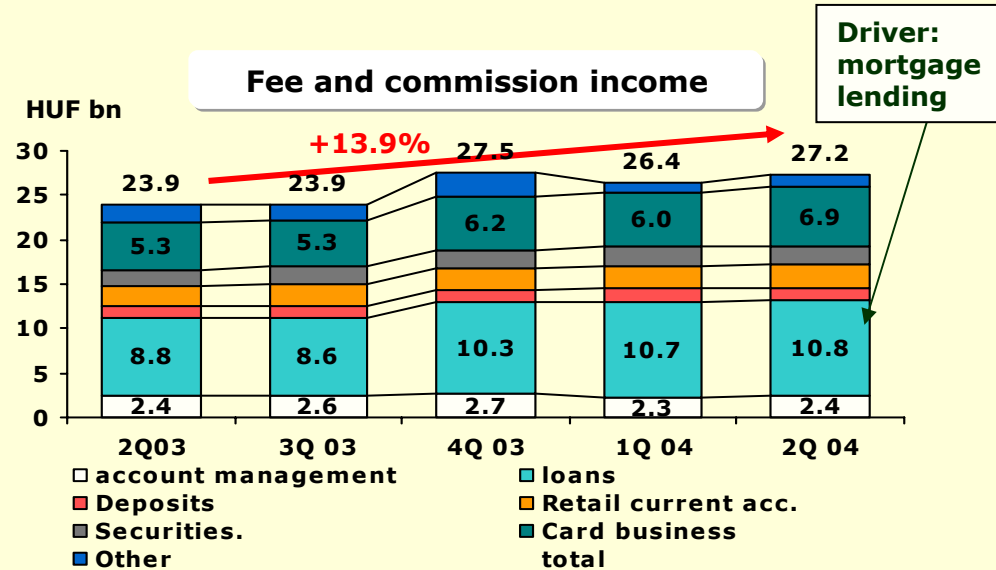
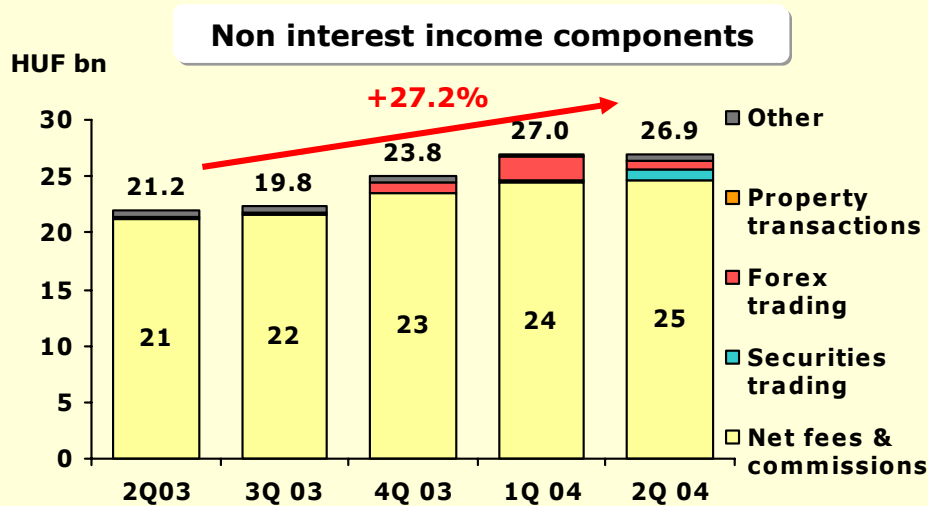
Non int. income/Total income



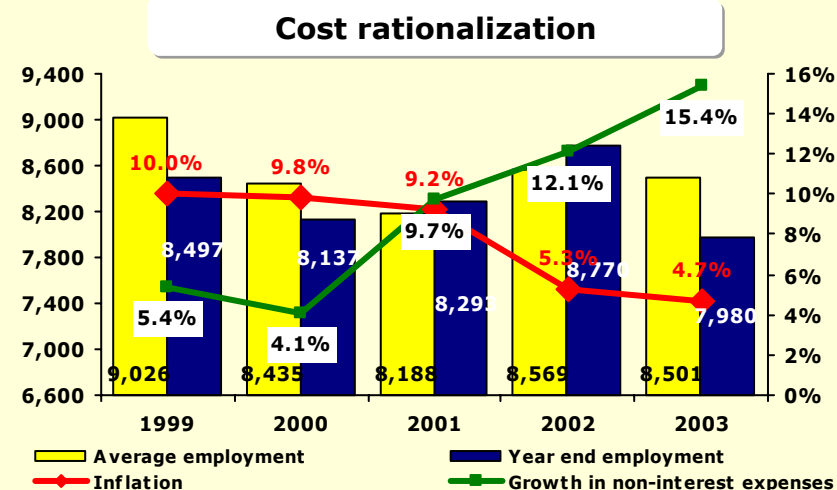
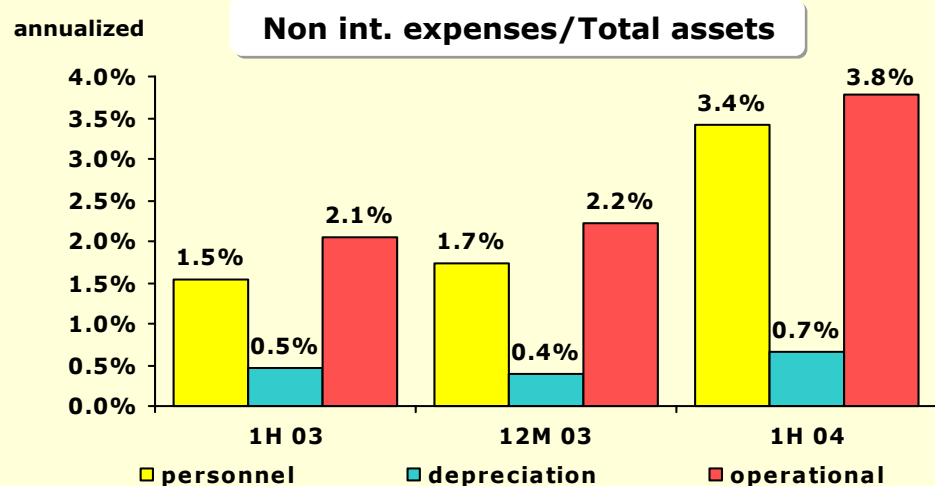
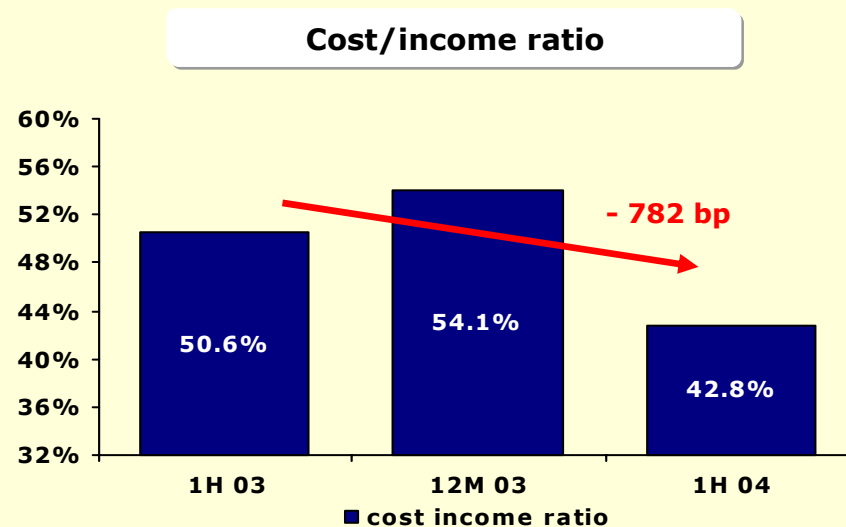
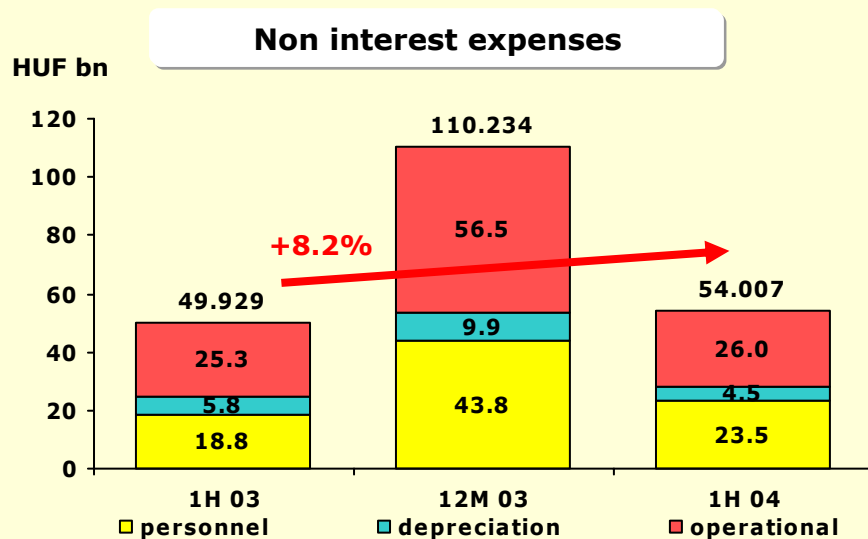
Non int. income/Average total assets



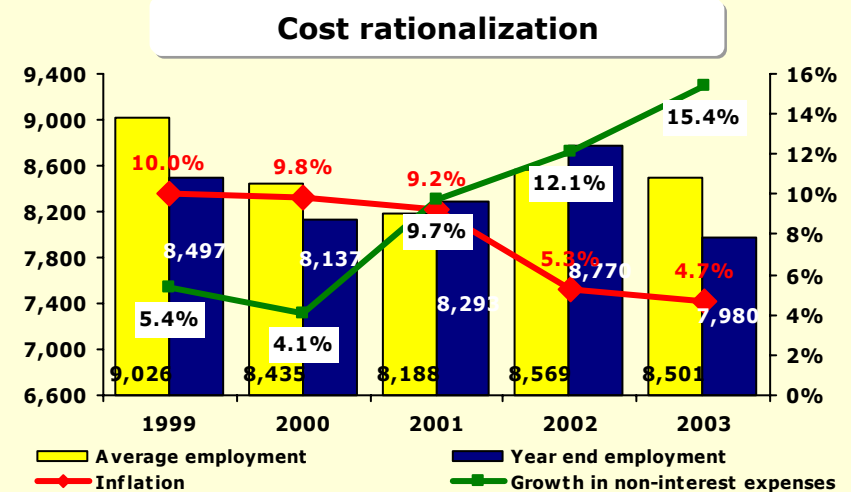
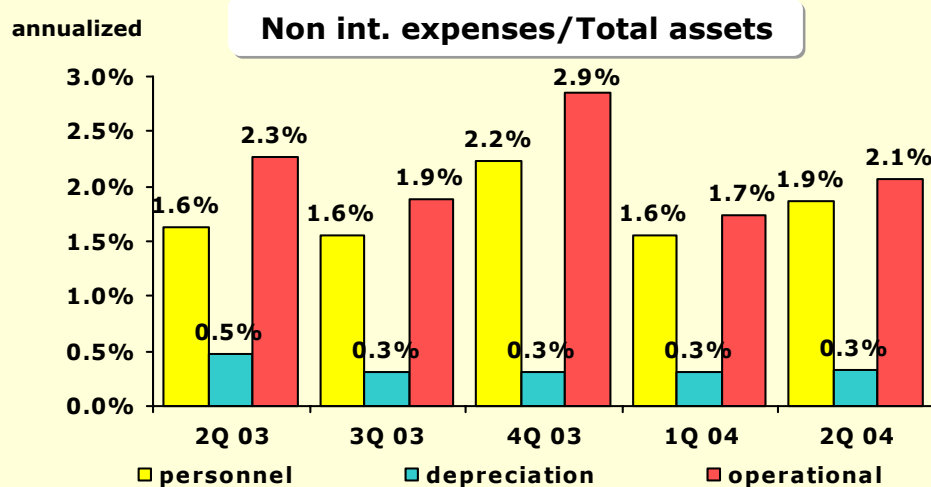
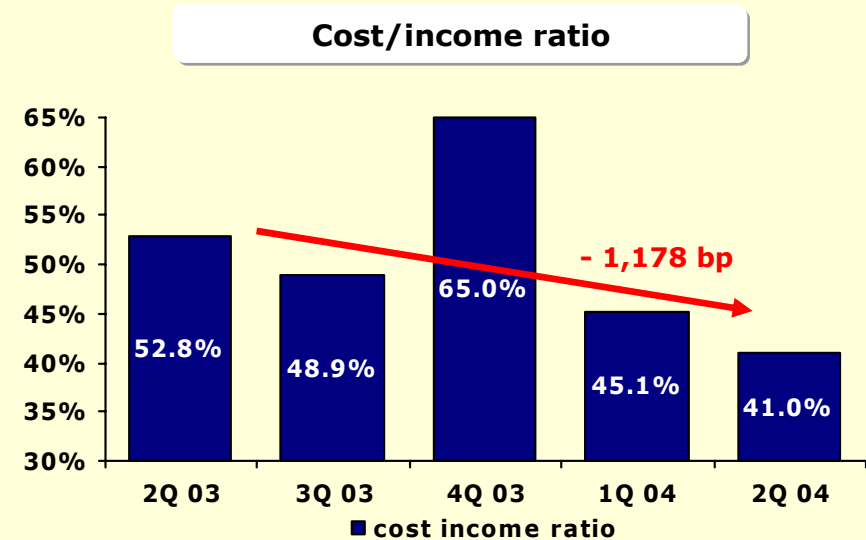
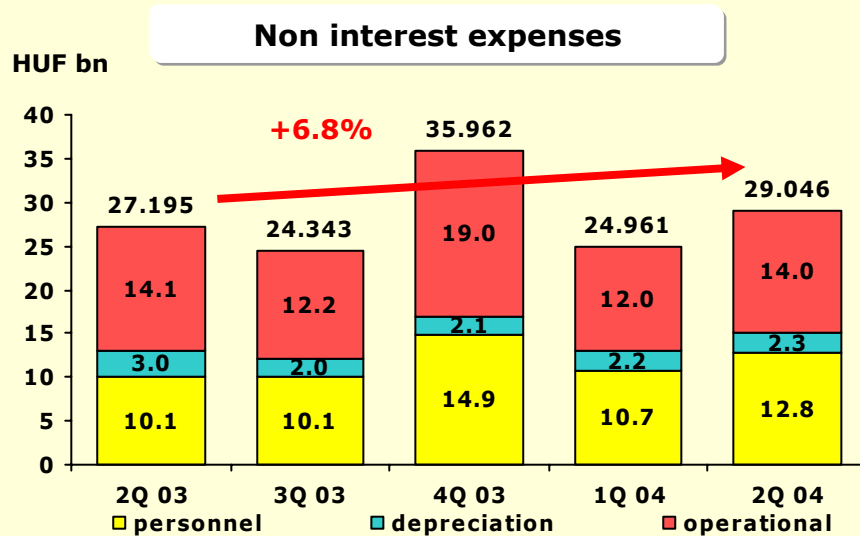
Non interest income



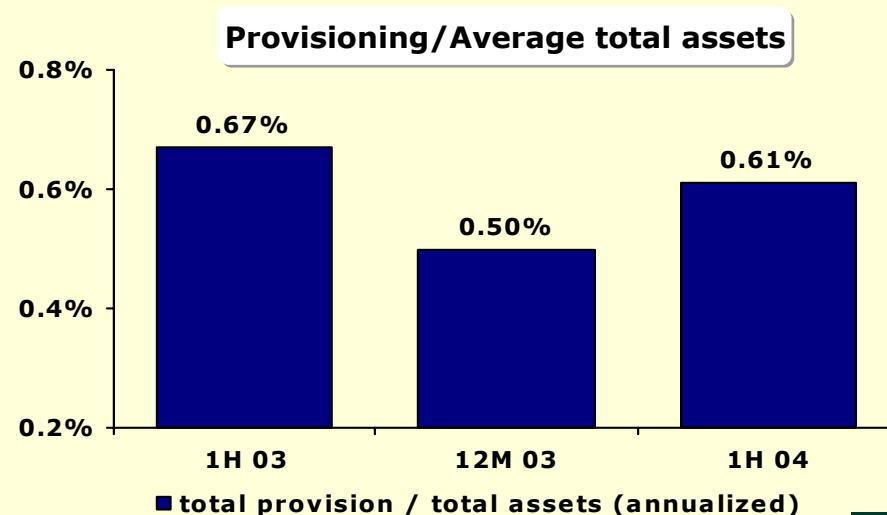
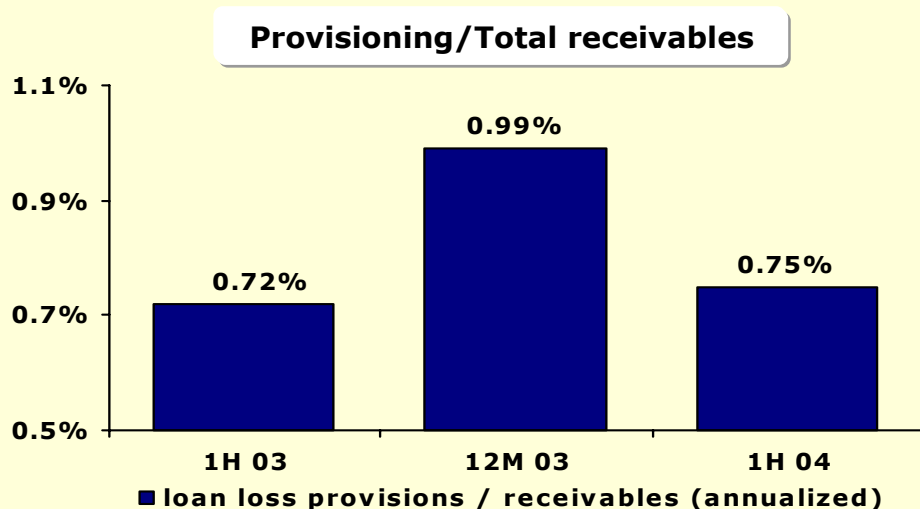
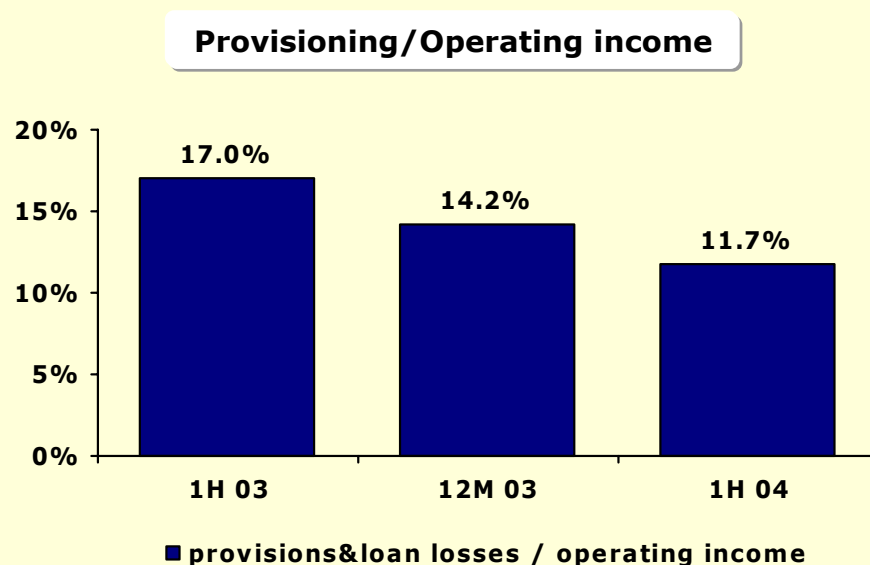
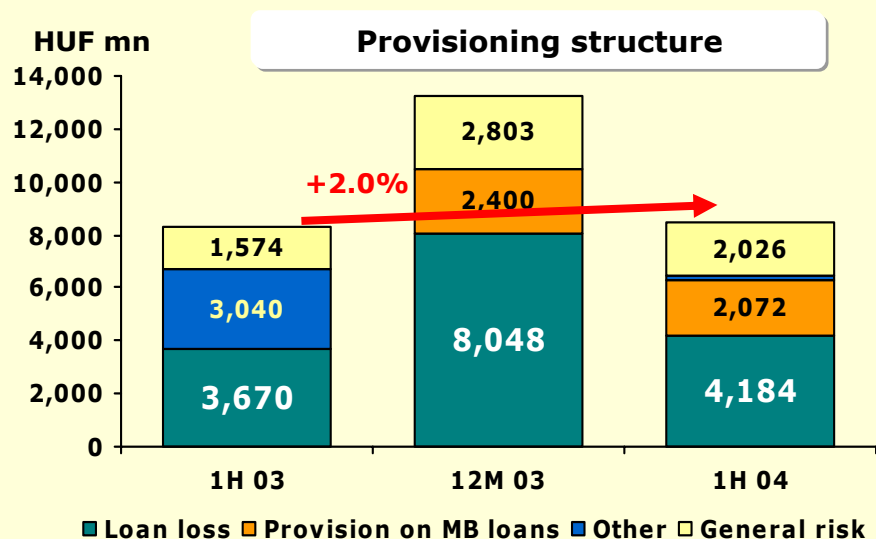
Non interest expenses



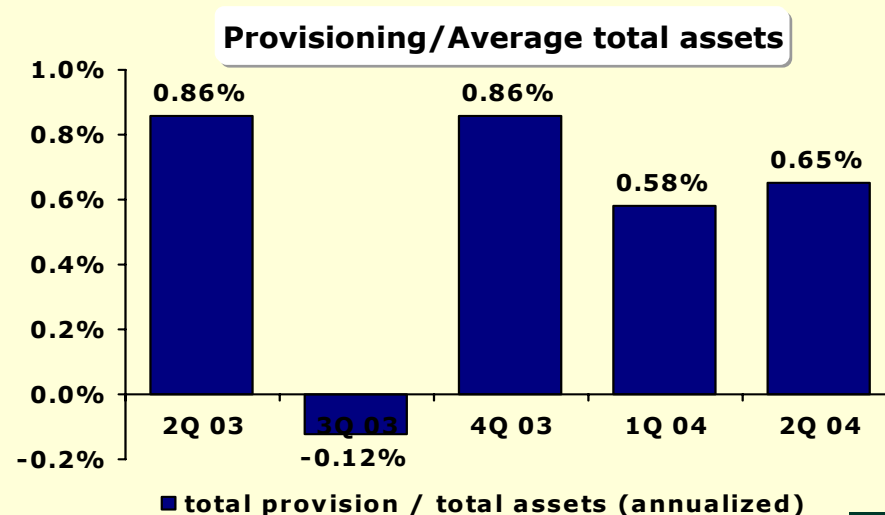
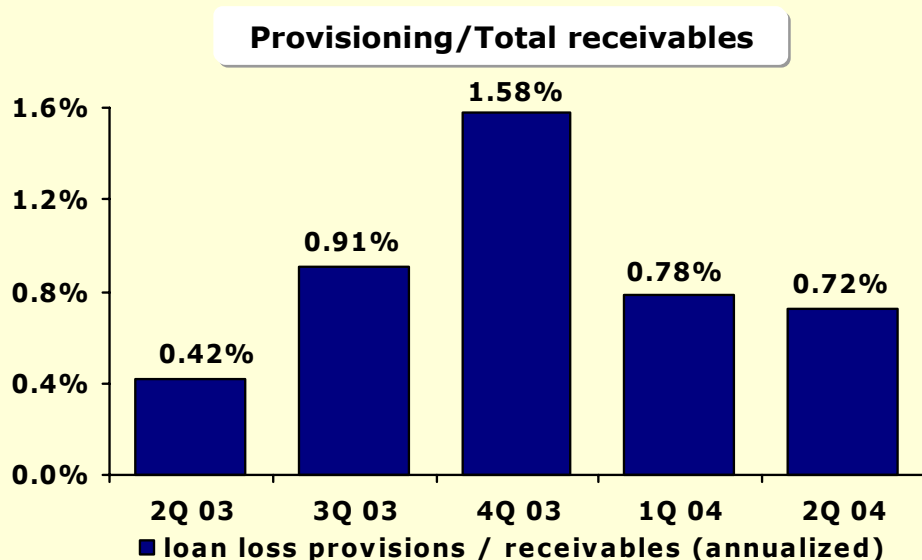
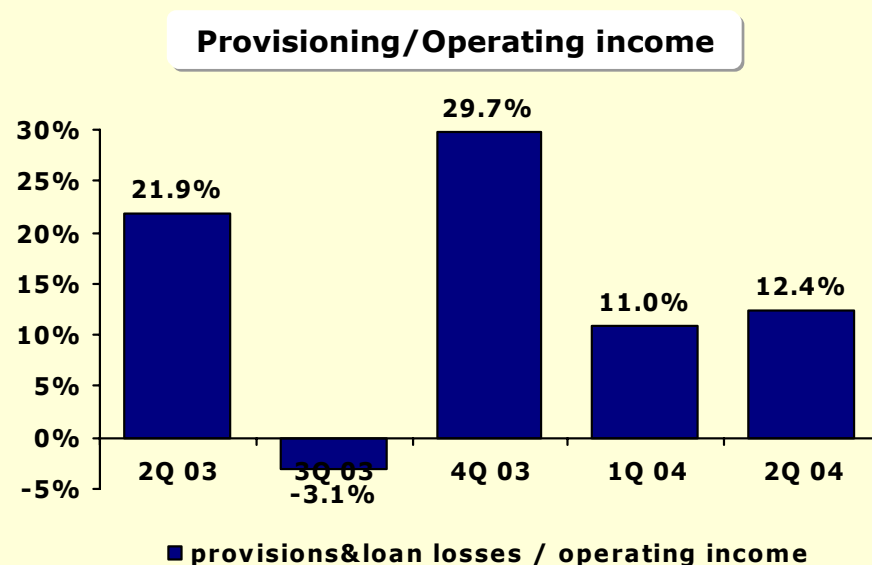
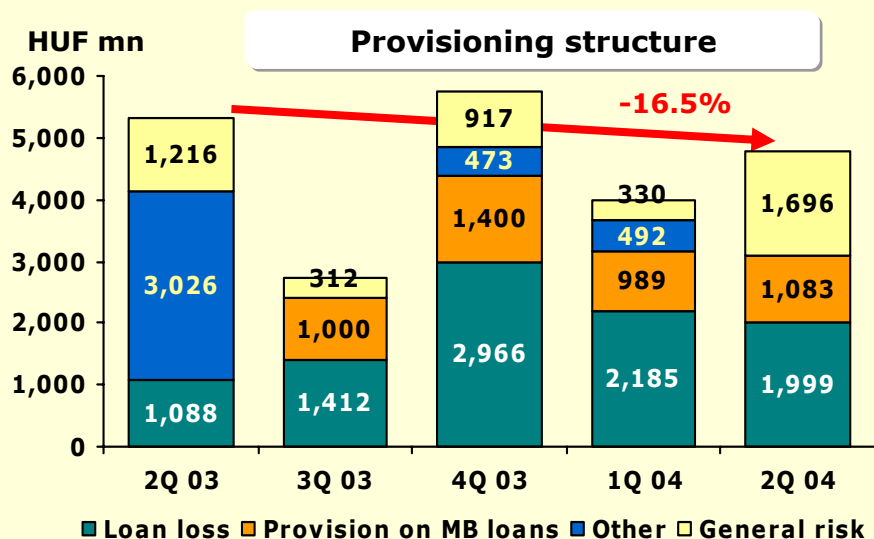
Non interest expenses



Provisioning/loan losses

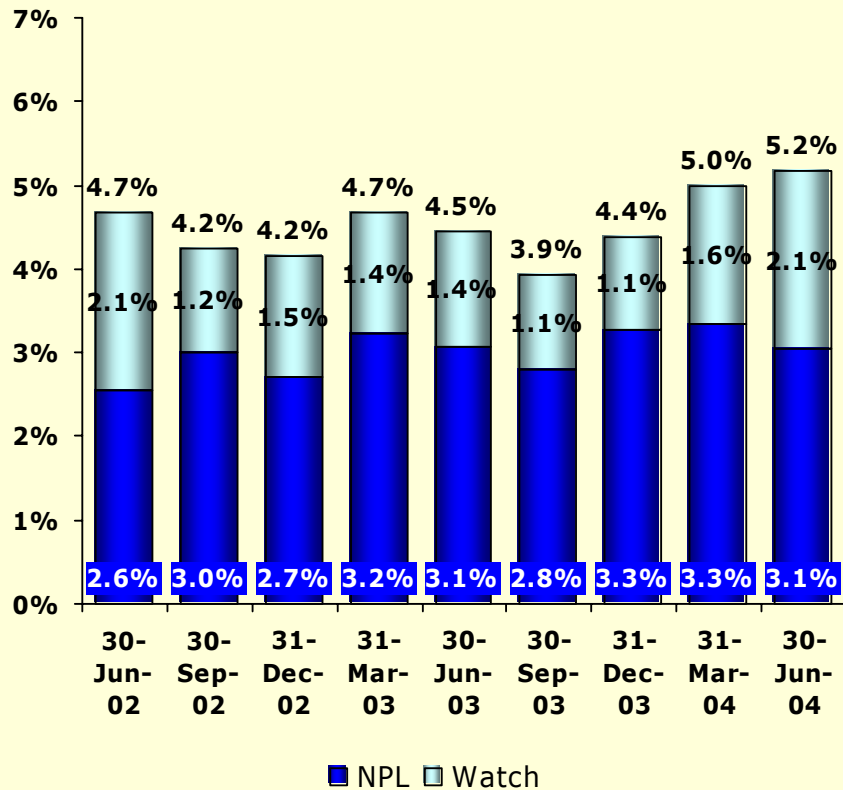


Provisioning/loan losses

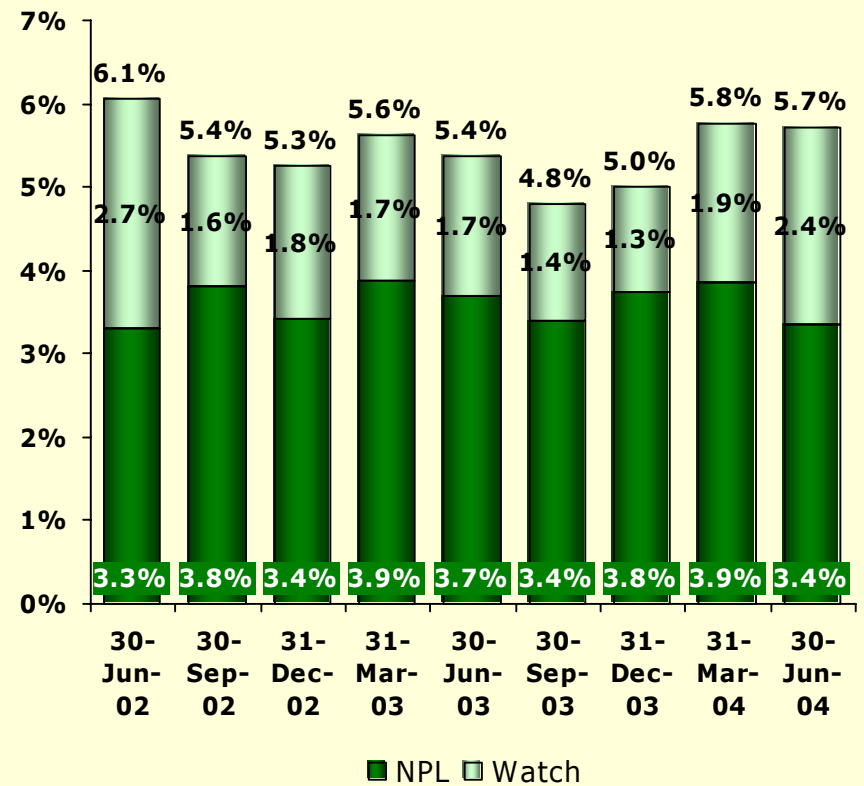


Loan quality

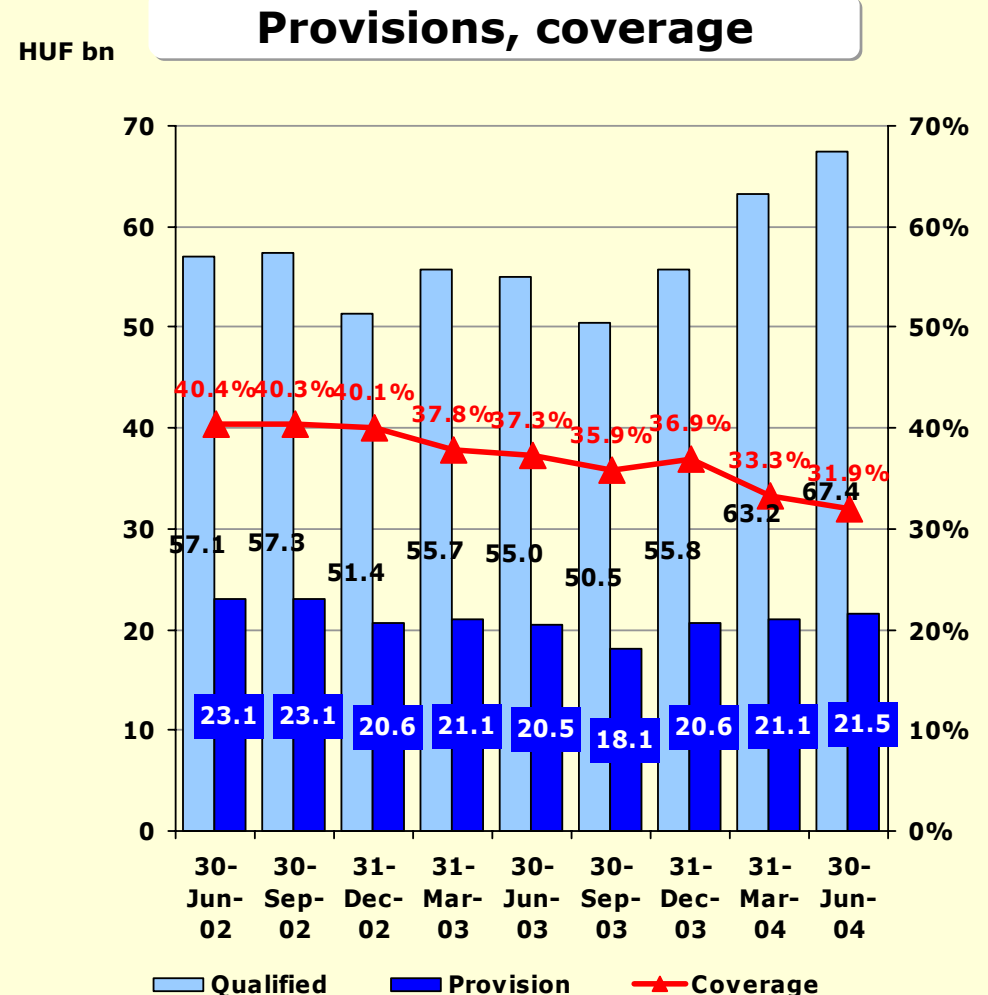
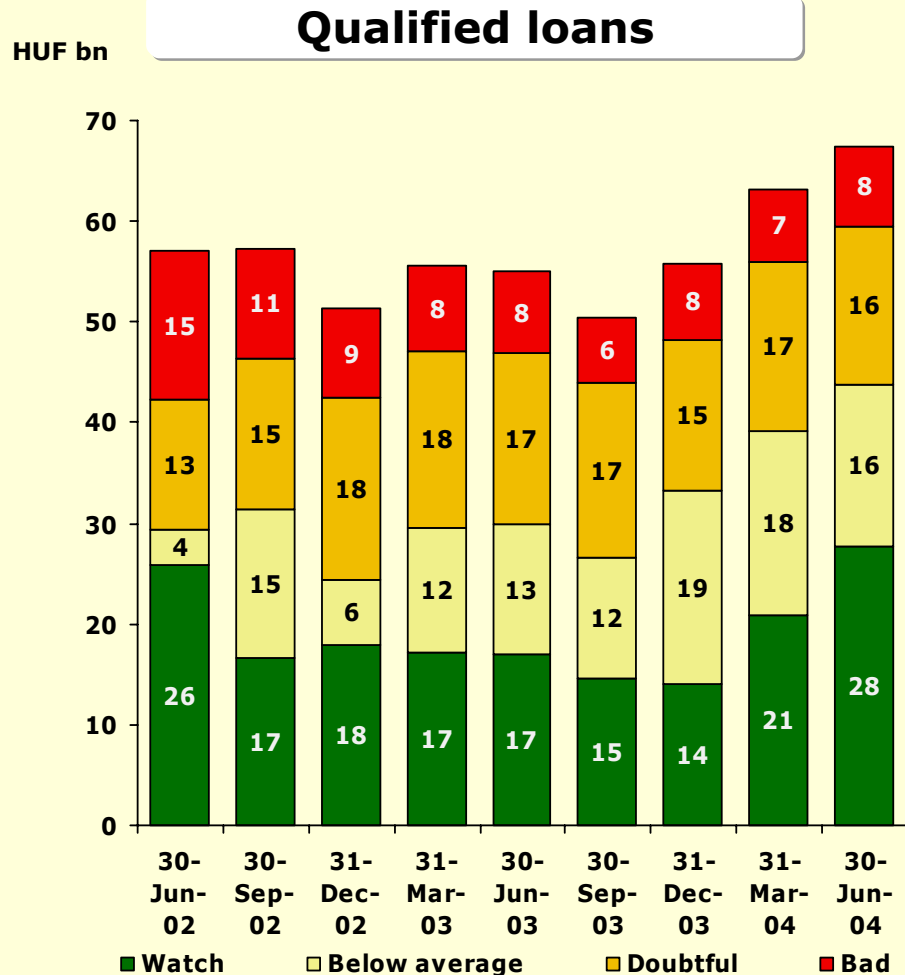
Qualified receivables as % of total receivables



Qualified receivables as % of customer receivables

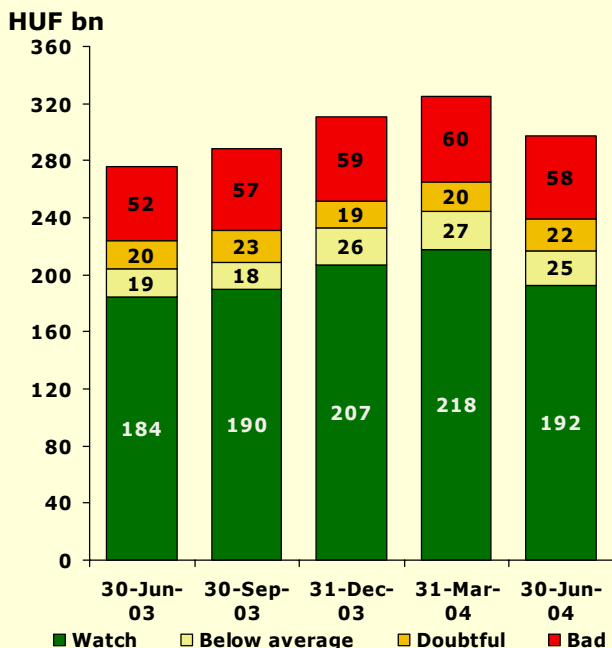


Loan quality

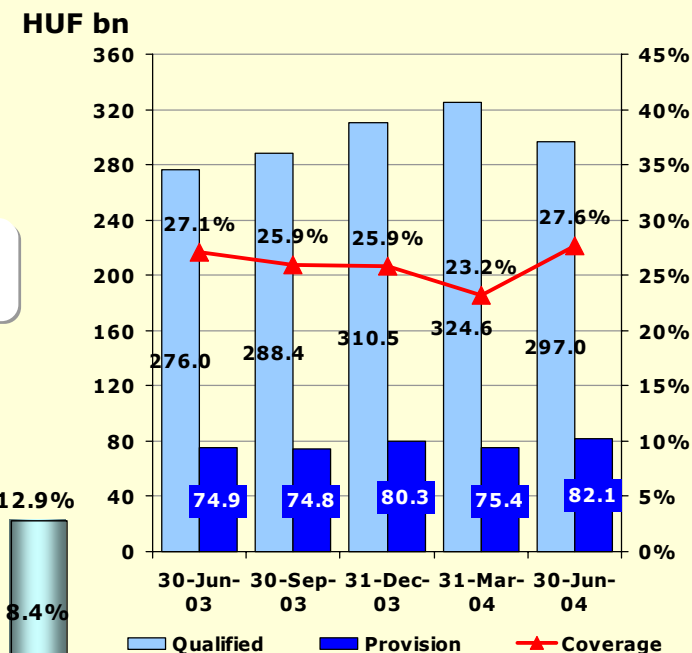


Quality of consolidated loans

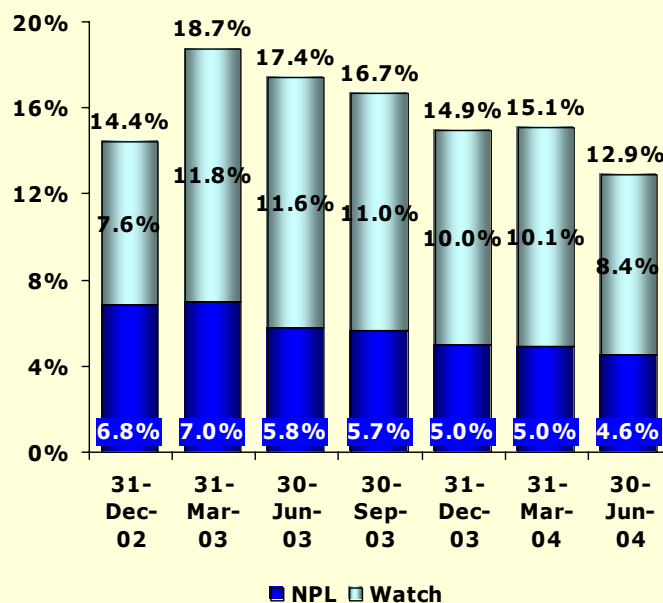
Consolidated qualified loans



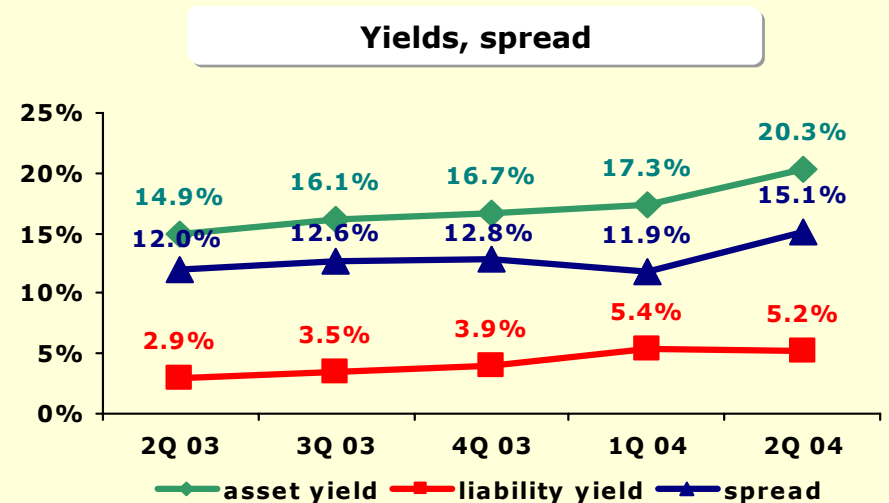
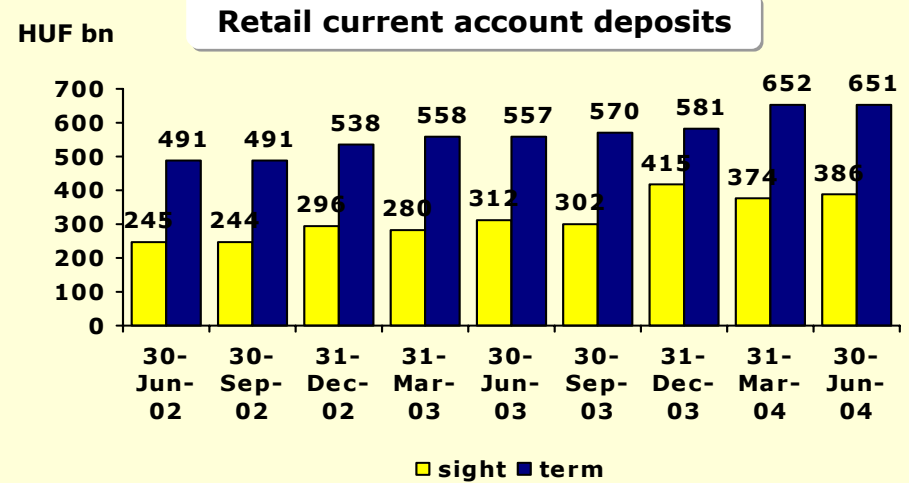
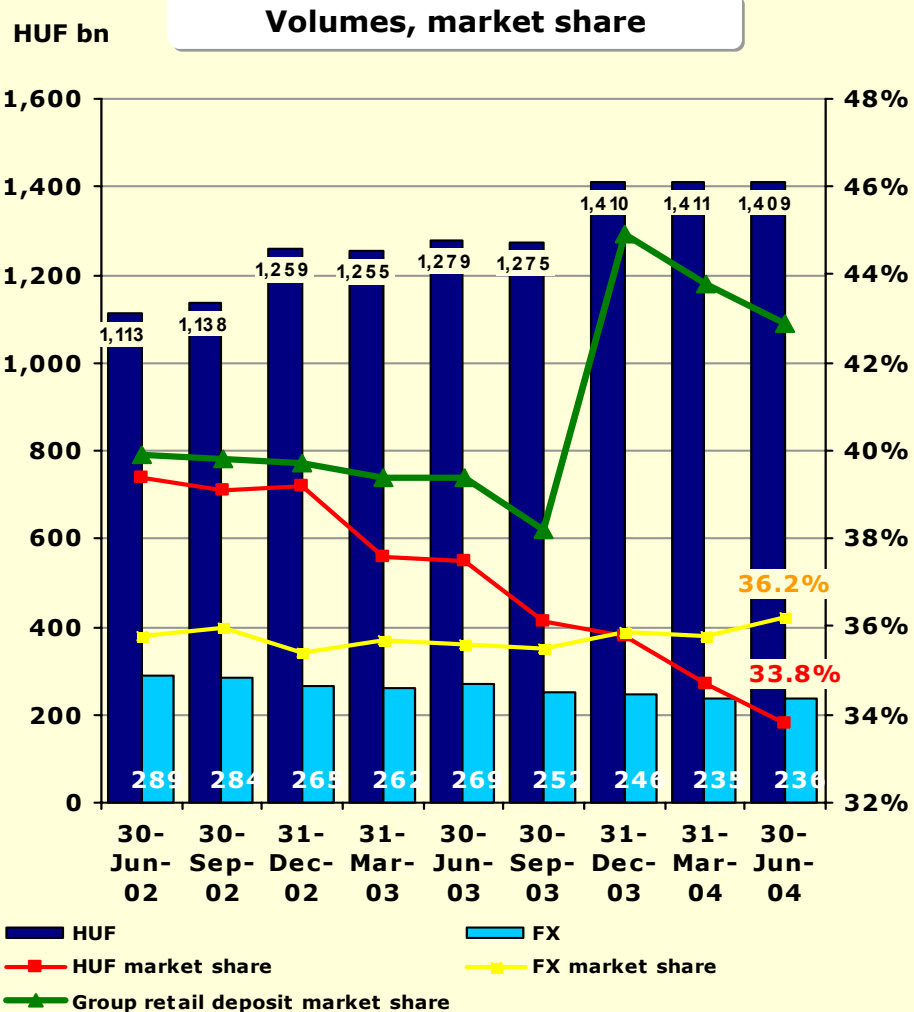
Provisions, coverage



Qualified receivables as % of total receivables

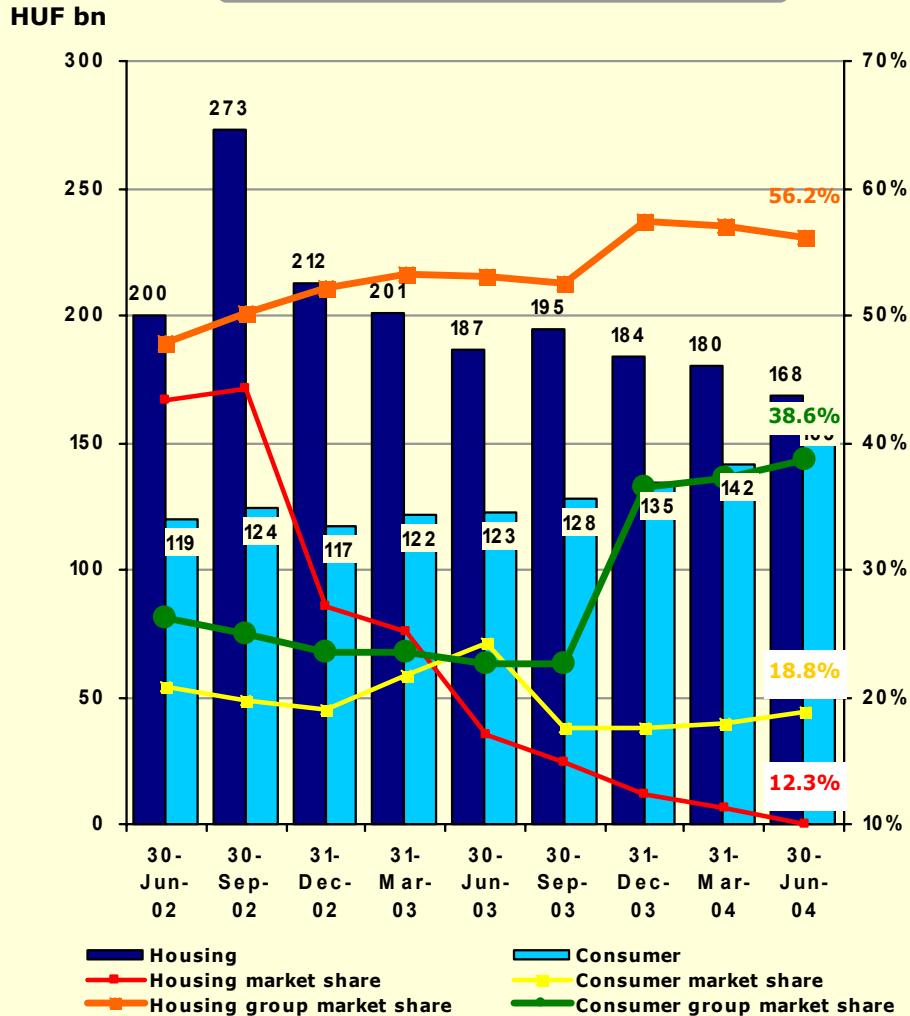


Retail deposits



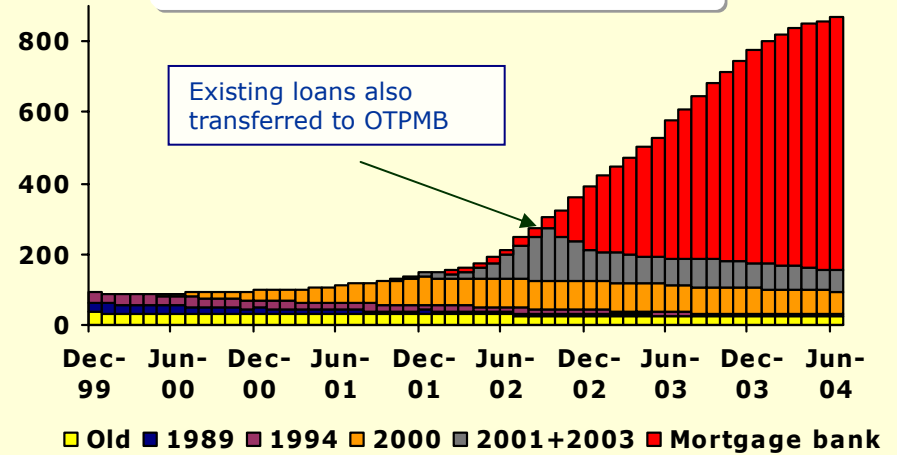
Retail loans

Volumes, market share



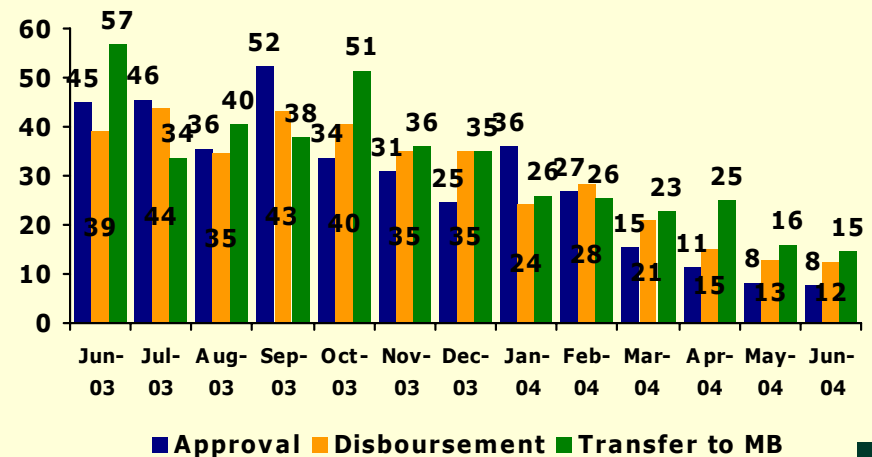
HUF bn

Housing loans

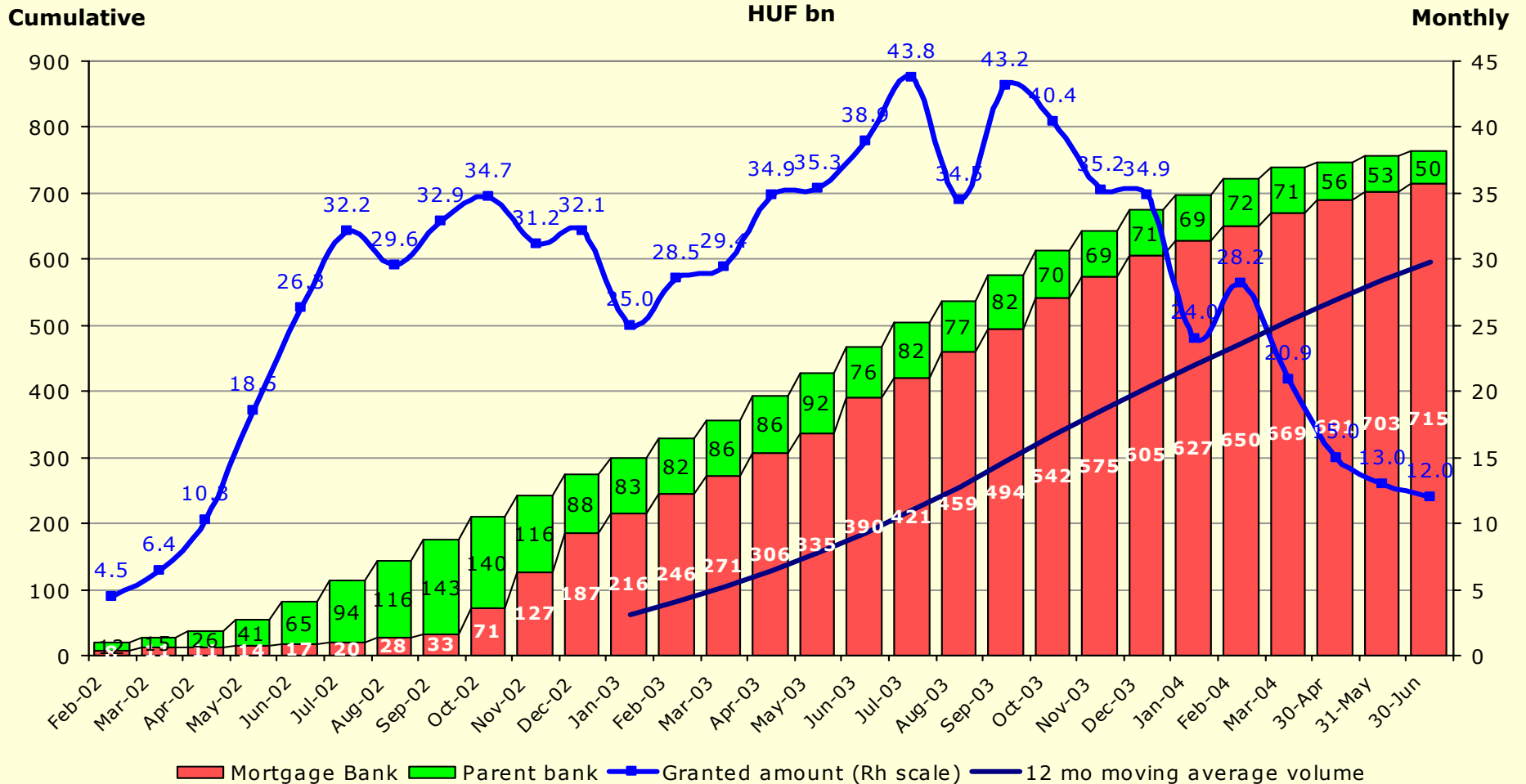


HUF bn

Subsidized housing loans



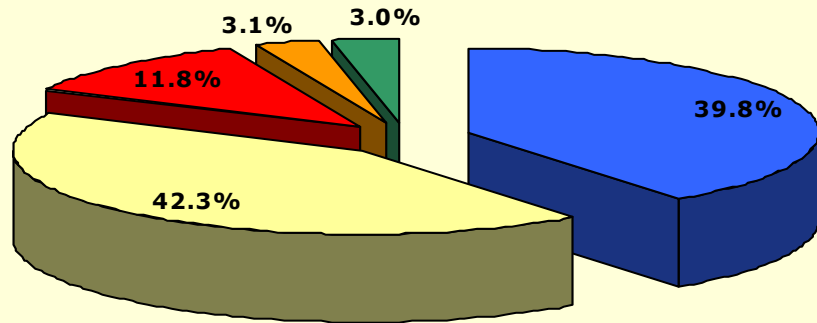
Mortgage Loans at OTP Group



OTP Mortgage Bank selected data

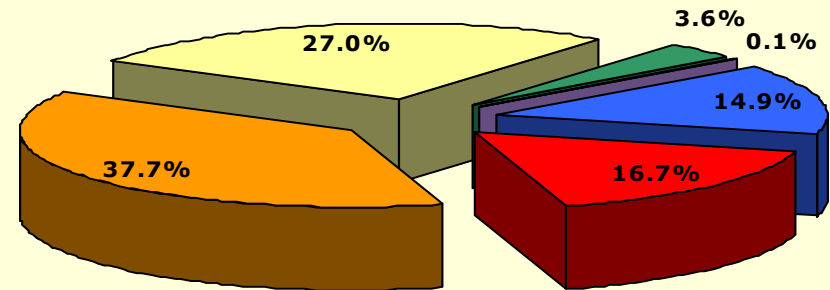
All data as of June 30, 2004

Distribution of mortgage portfolio by size



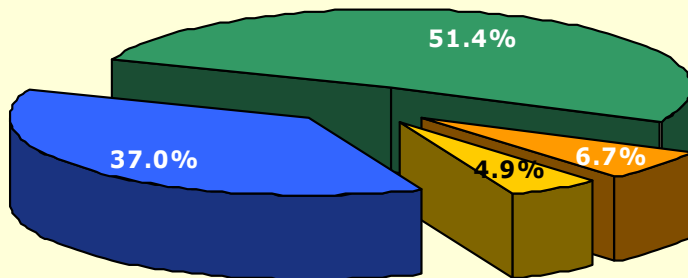
■ up to HUF 5m
 ■ HUF 5-10m
 ■ HUF 10-15m
■ HUF 15-20m
 ■ over HUF 20m

Distribution of portfolio by maturity



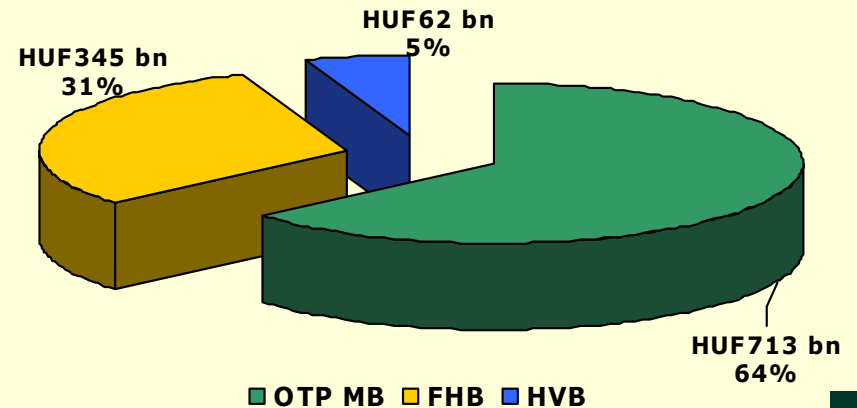
■ under 5 yrs
 ■ 5 - 10 yrs
 ■ 10 - 15 yrs
■ 15 - 20 yrs
 ■ 20 - 25 yrs
 ■ over 25 yrs

Mortgage bond maturity distribution



■ 0-1 Yr
 ■ 1-5 Yrs
 ■ 5-10 Yrs
 ■ 10- Yrs

Market share of mortgage banks



■ OTP MB
 ■ FHB
 ■ HVB

Representative margin on mortgage loans

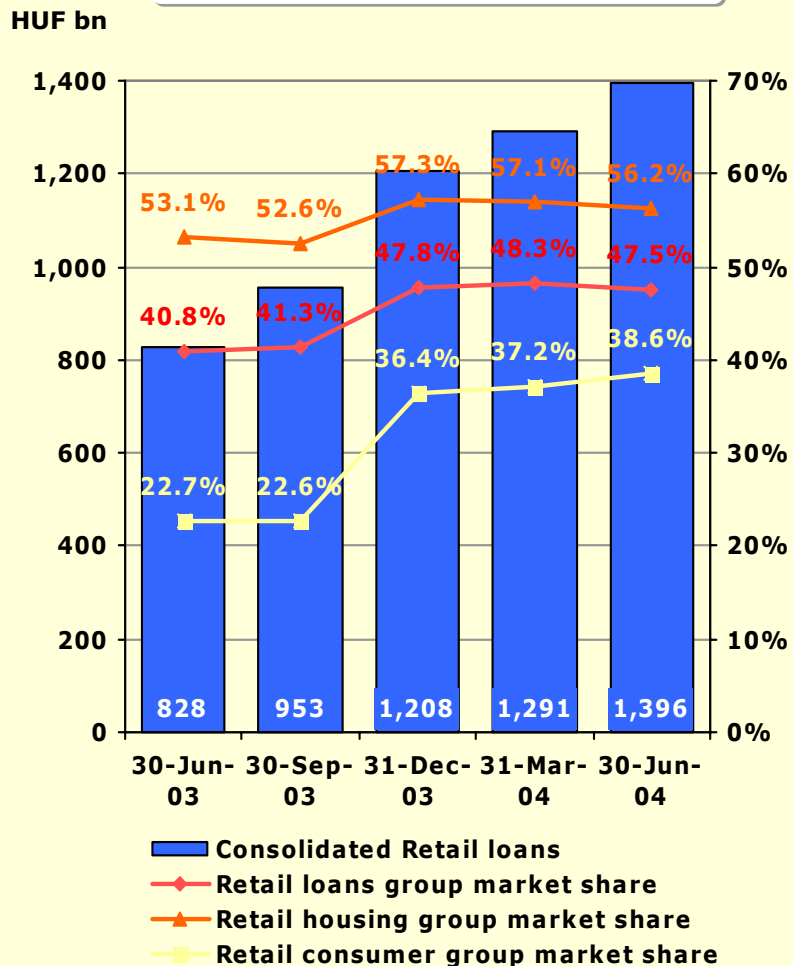
| Validity | before 16 June 2003 | after 16 June 2003 | after 22 December 2003 |
|--|---|----------------------------|---|
| Rate paid by customer | 6% (4+2%) max. | 5% (3+2%) max. | 8%** (max. GBBY * 1.1 + 4% - GBBY * 0.6) |
| Liability side subsidy | 10% (CMB coupon + 2% but max. 10%) | 9.03% (GBBY * 1.05) | 5.16% (GBBY* 0.6) |
| Total bank interest income | 16% max. | 14.03% max. | 13.46% (max GBBY * 1.1 +4%) |
| GBBY | 8.60% | 8.60% | 8.60% |
| CMB spread over GBBY | 100 bp. | 100 bp. | 100 bp. |
| Coupon of CMB | 8% | 8% | 8% |
| Funding cost (Yield of CMB) | 9.6% (8.6% + 1%) | 9.6% (8.6% + 1%) | 9.6% (8.6% + 1%) |
| Margin (asset side, CMB funded) | 6.40% | 4.43% | 3.86% |
| Loan volume at MBank 30 June 2004 | HUF499.3 bn | HUF147.1 bn | HUF13.1 bn |

*GBBY = Government Bond Benchmark Yield based on CMB maturity

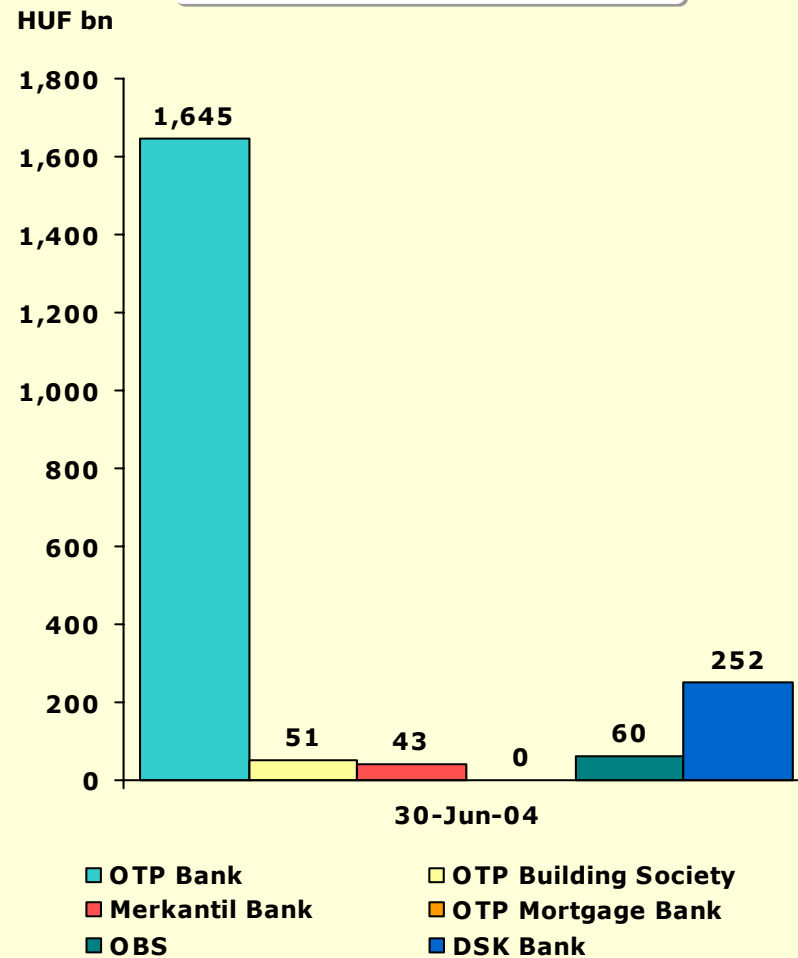
** for new lending varies monthly

Consolidated retail business

Consolidated retail loans

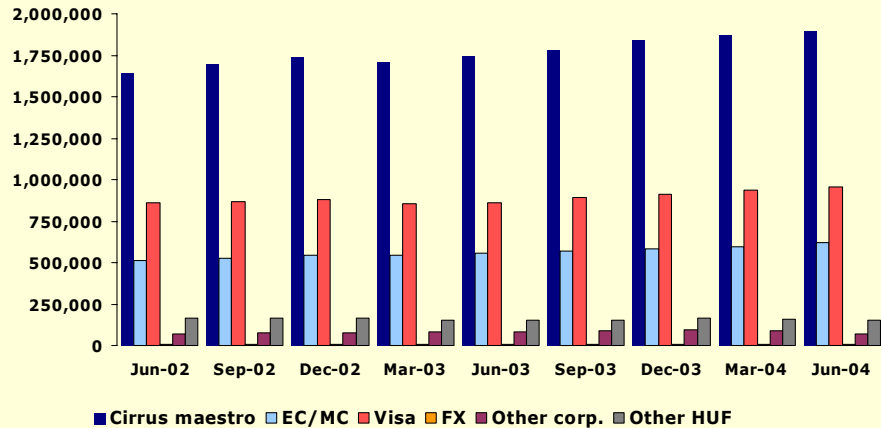


Group retail deposits

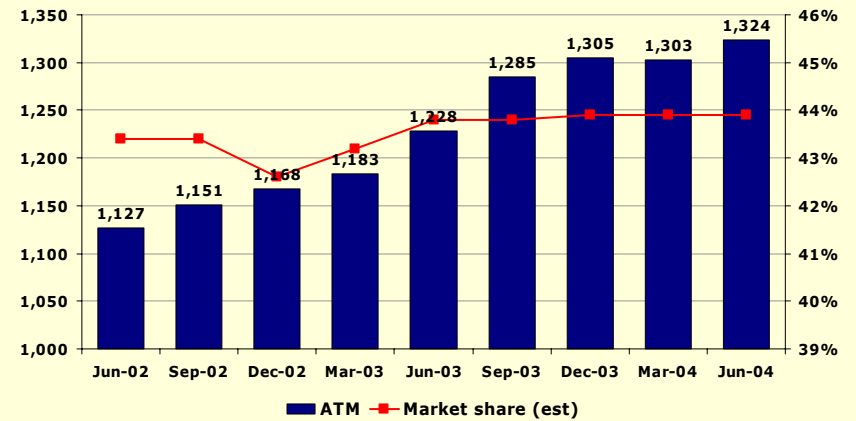


Distribution technology

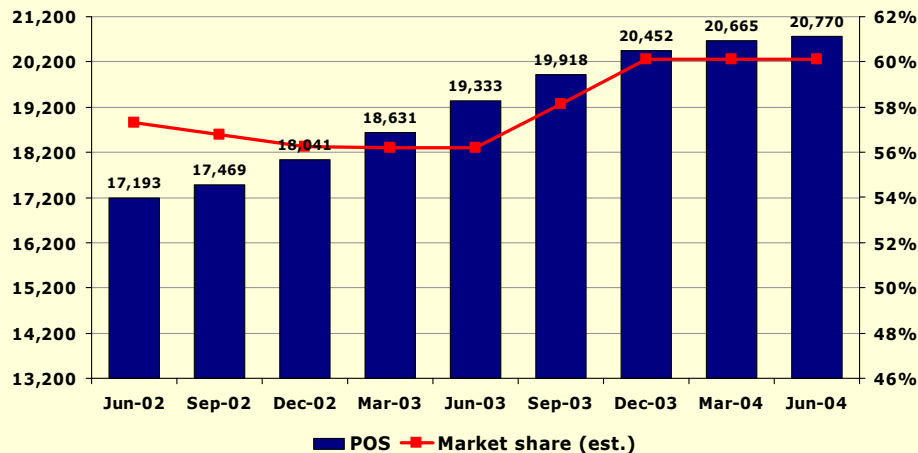
Bank cards



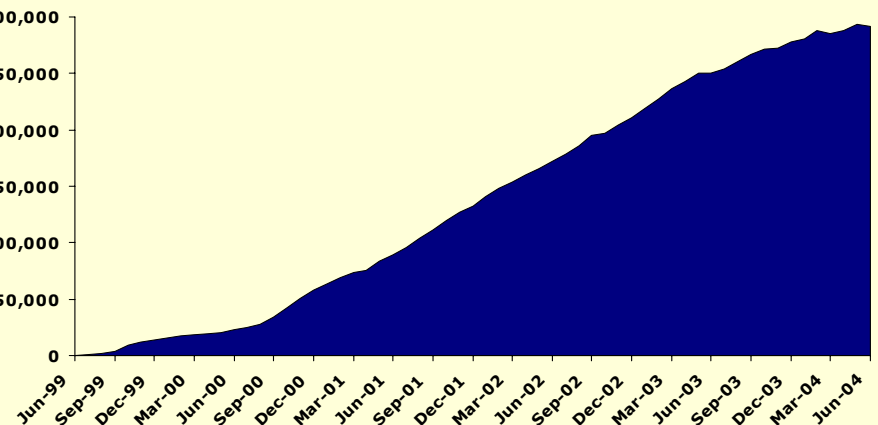
ATMs



POS terminals



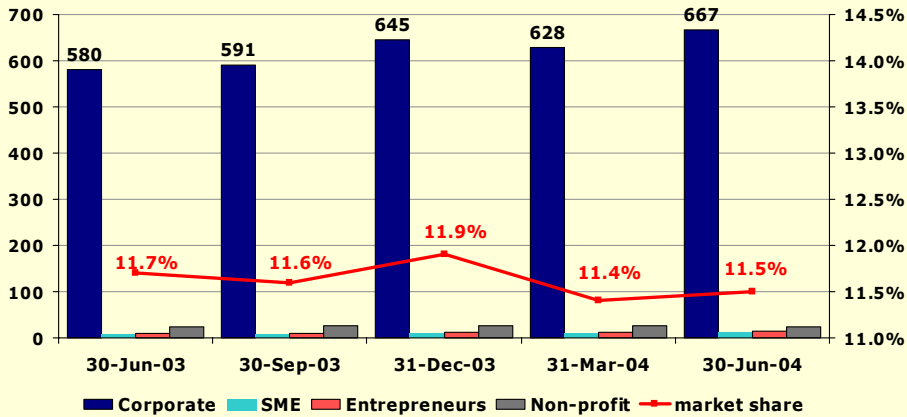
HáziB@NK users



Corporate business

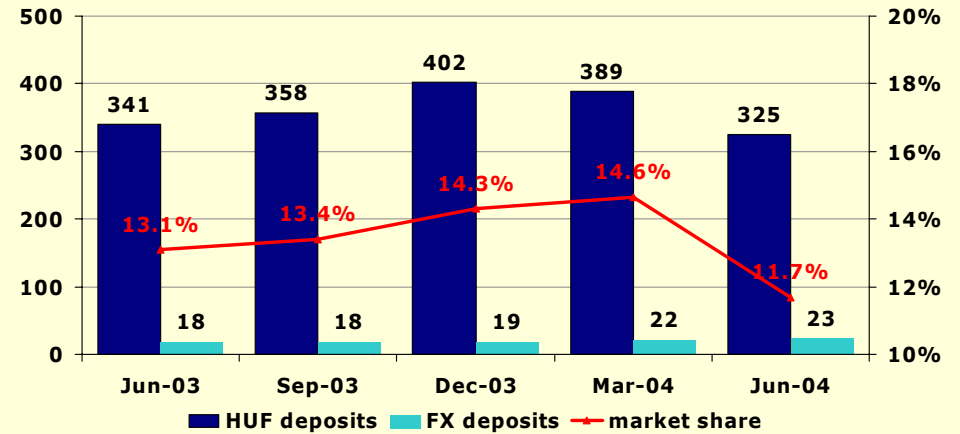
HUF bn

Commercial loans



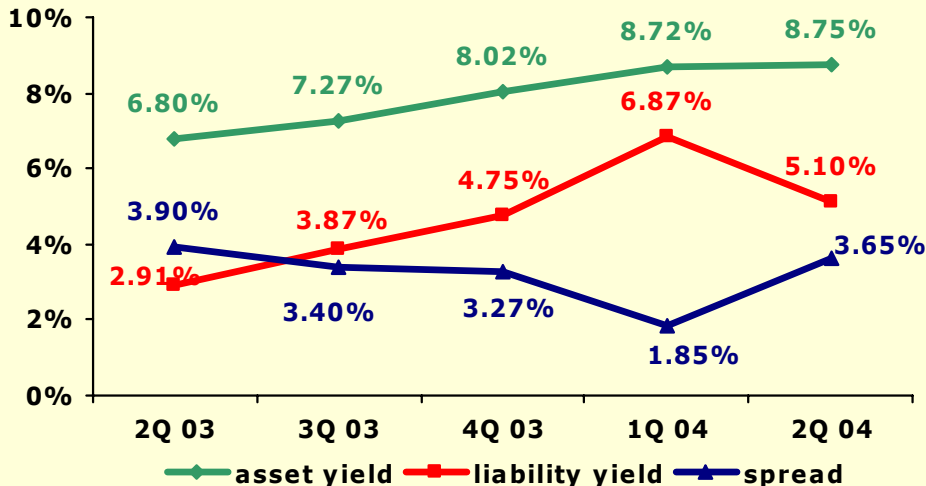
HUF bn

Corporate deposits



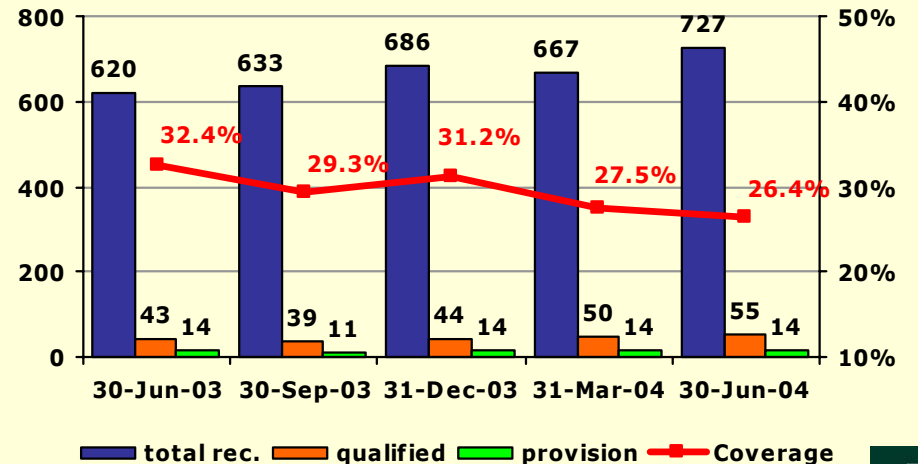
HUF bn

Yields, spread



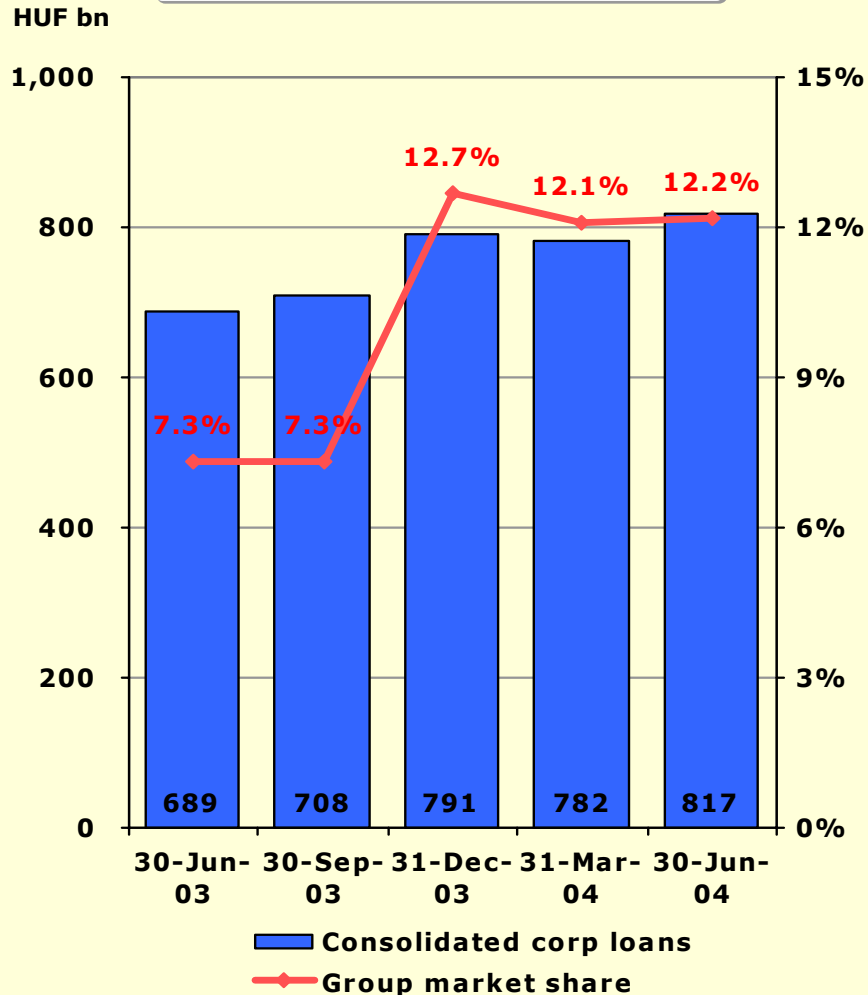
HUF bn

Loan quality

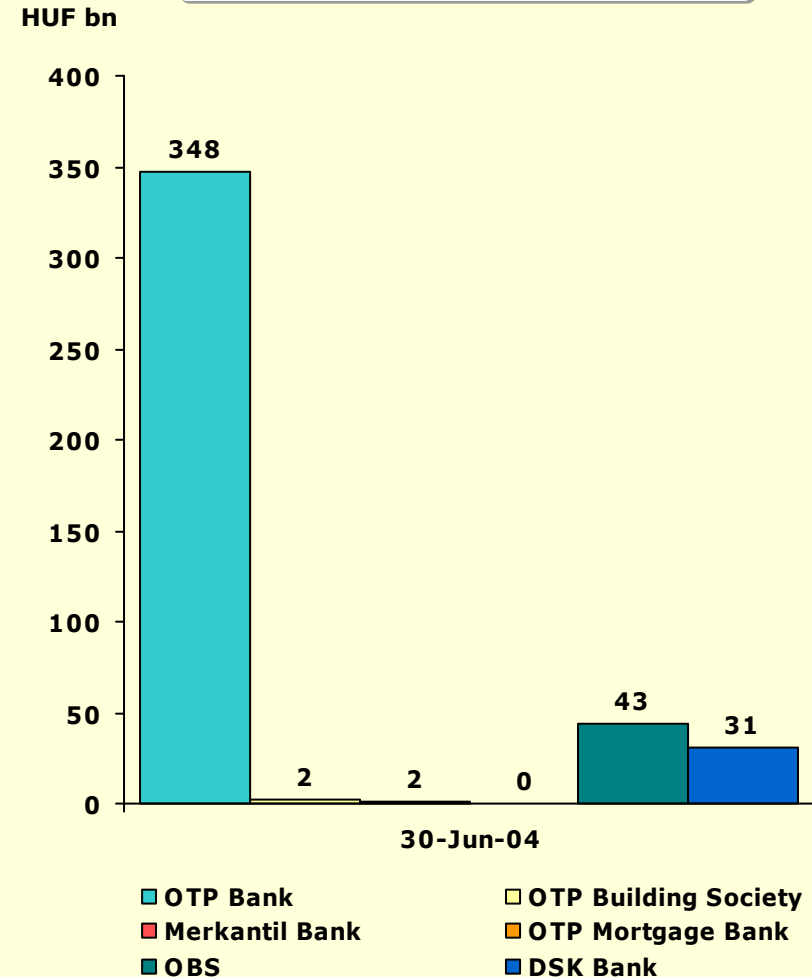


Consolidated corporate business

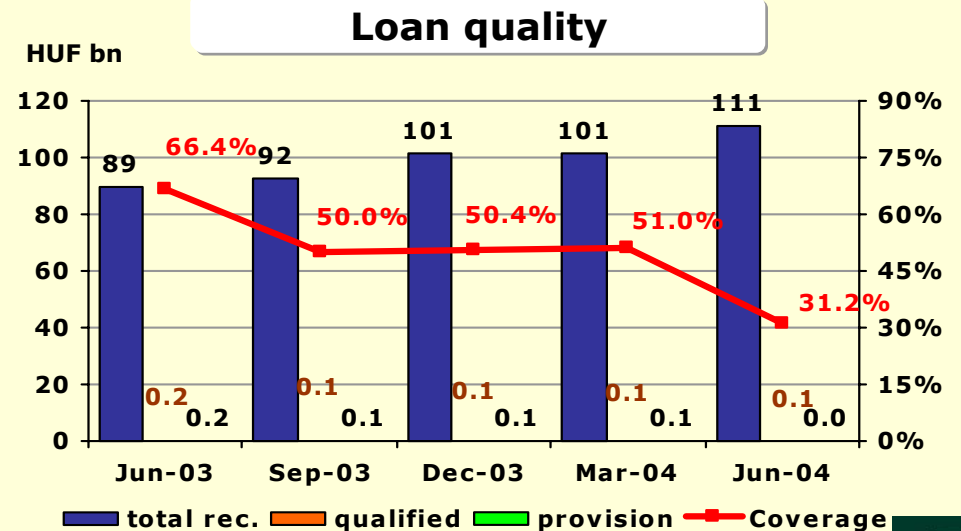
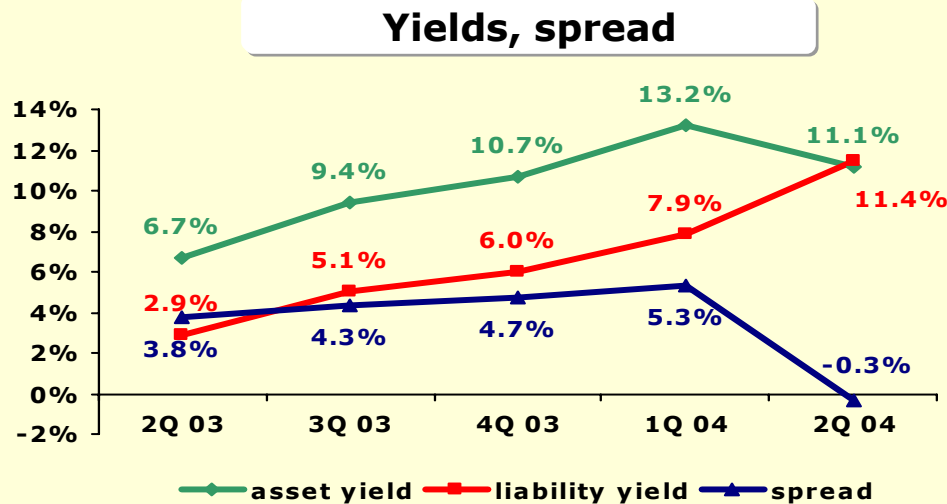
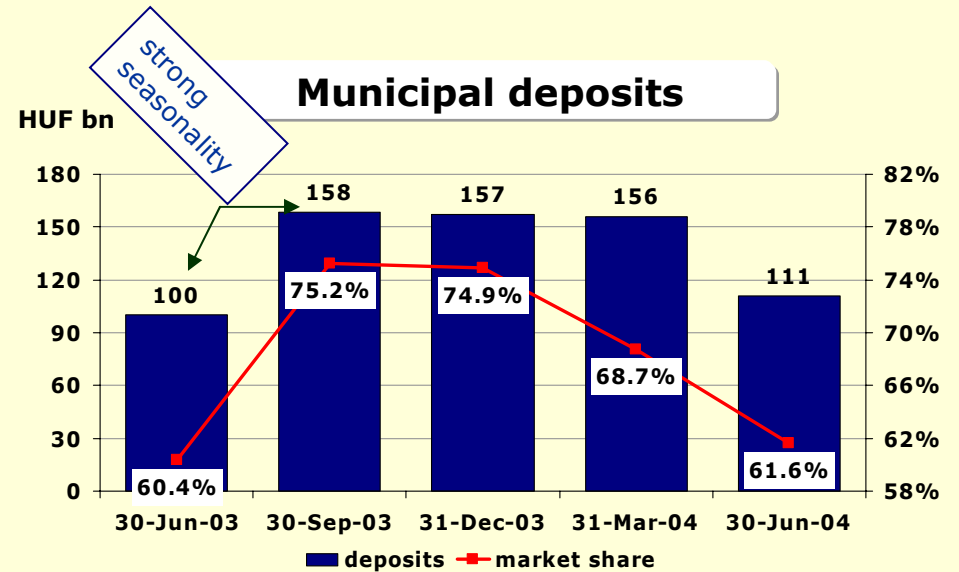
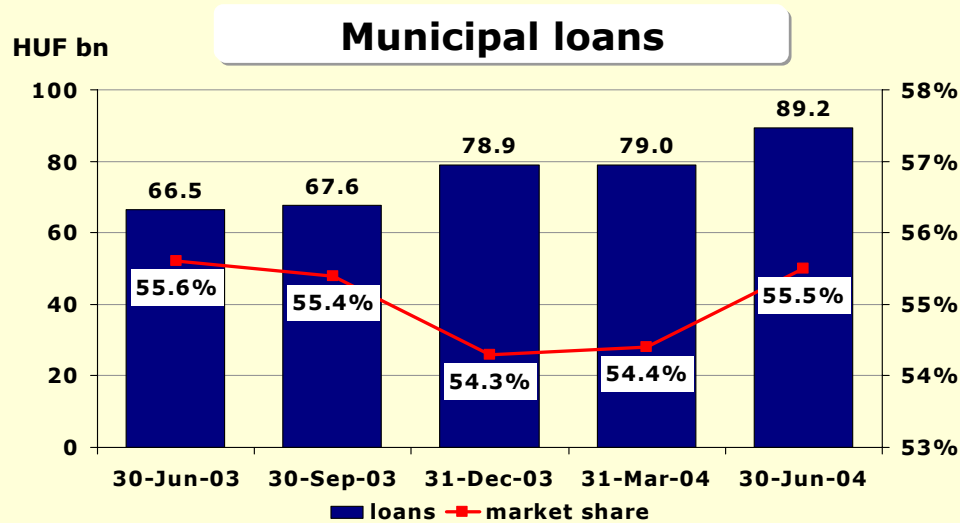
Consolidated corporate loans



Group corporate deposits

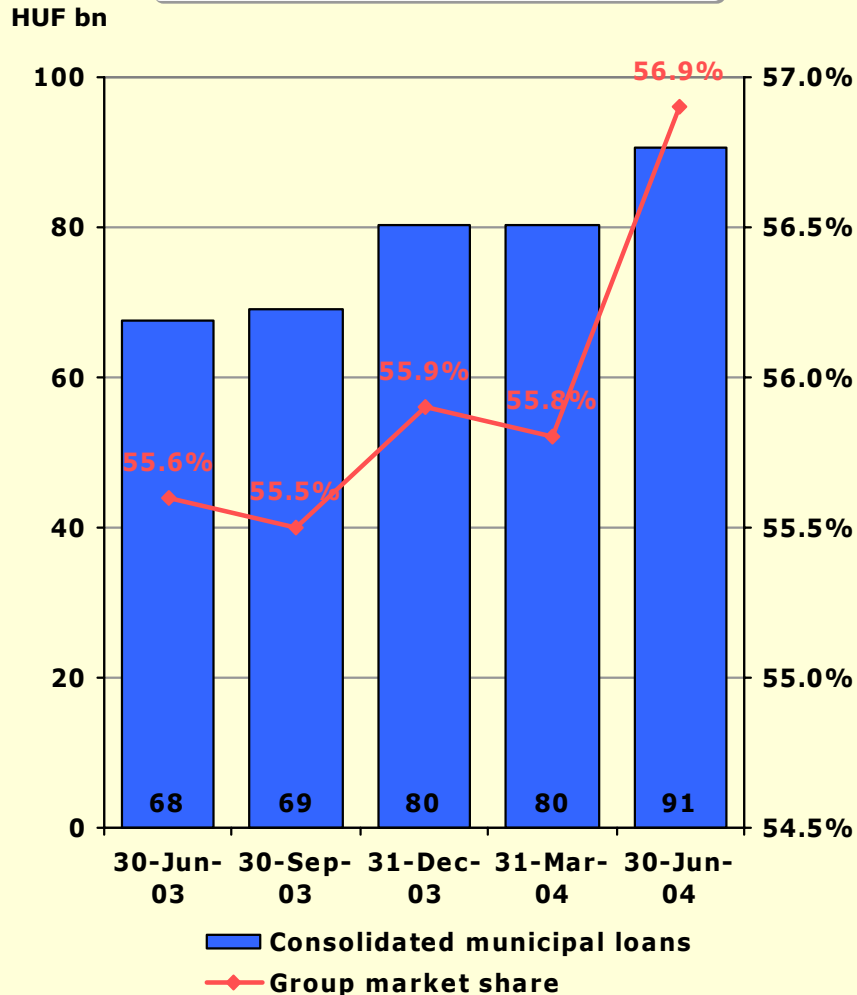


Municipality business

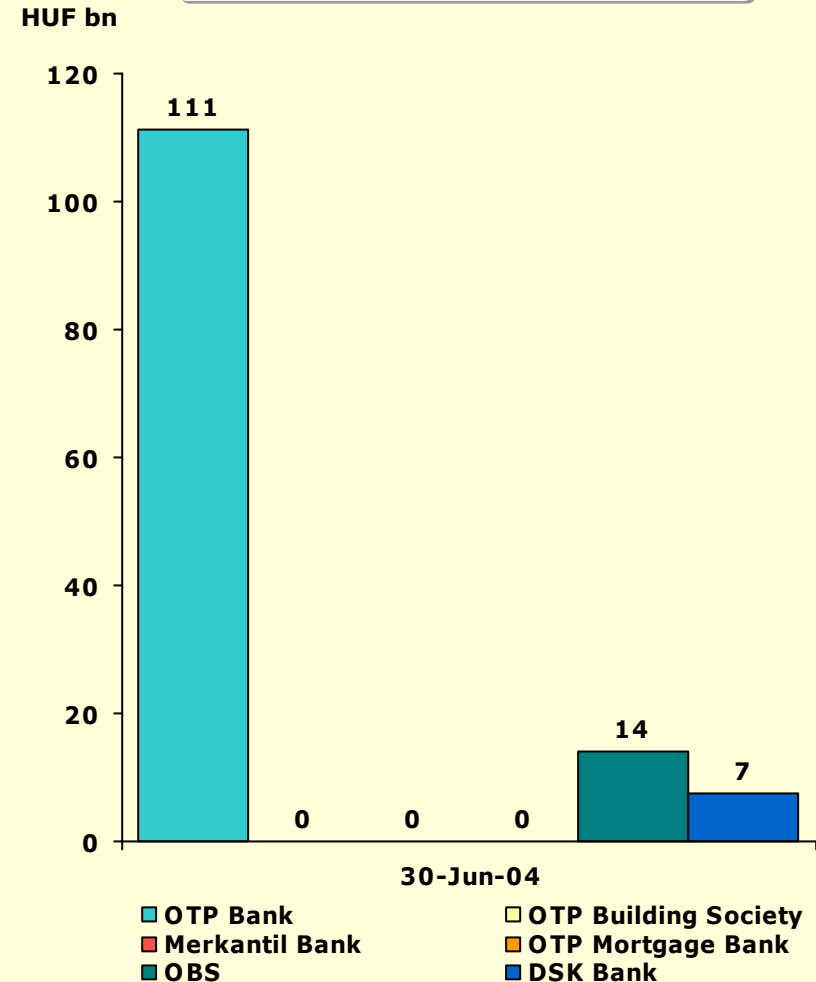


Municipality business

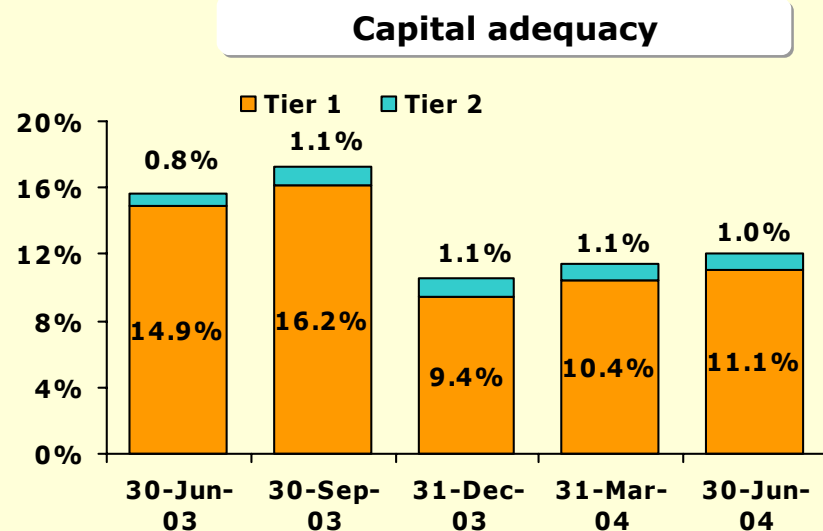
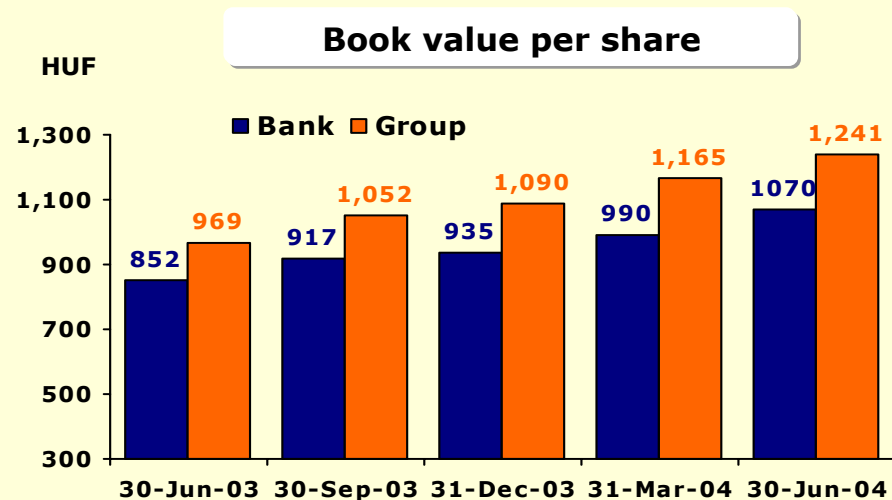
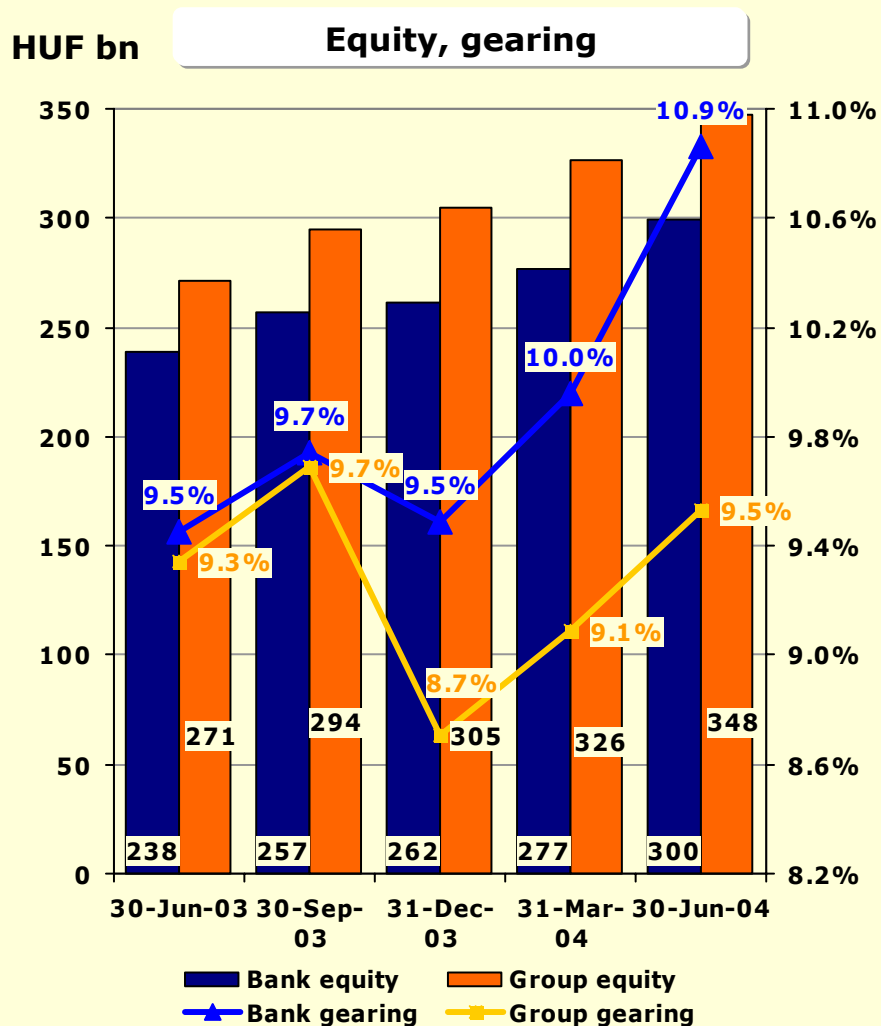
Consolidated municipal loans



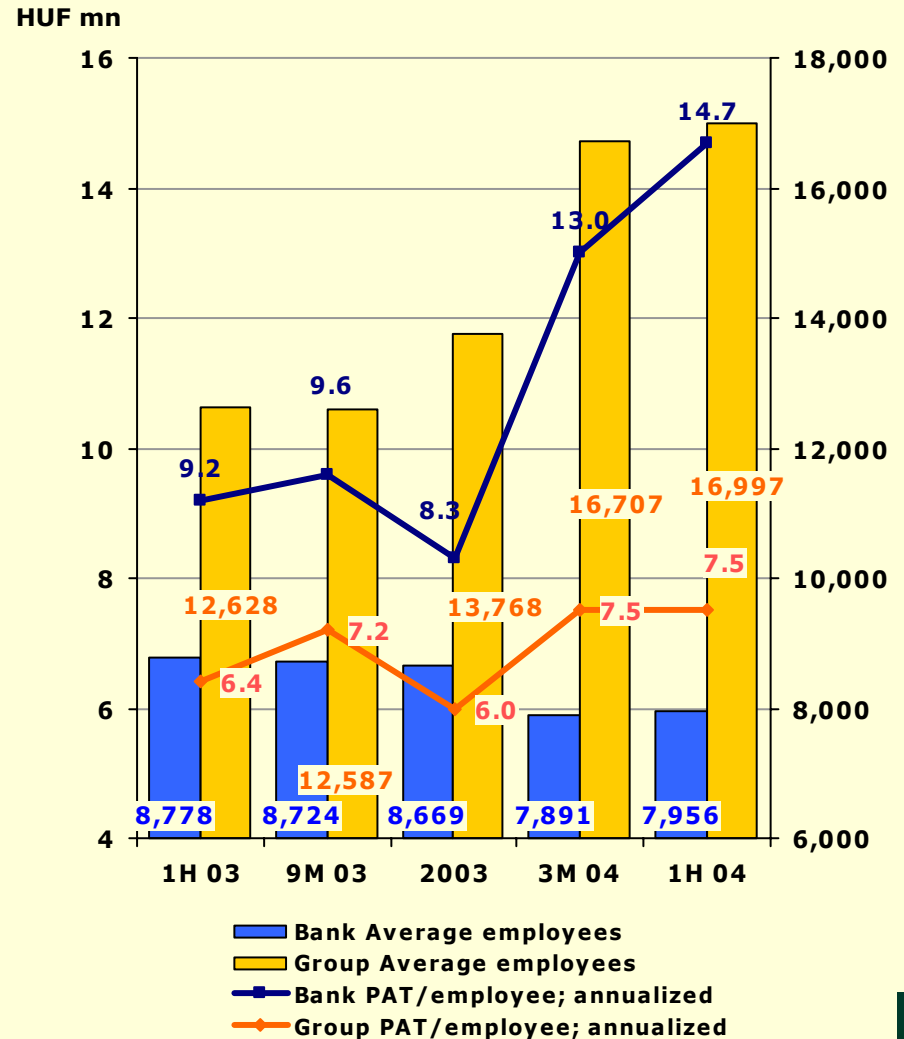
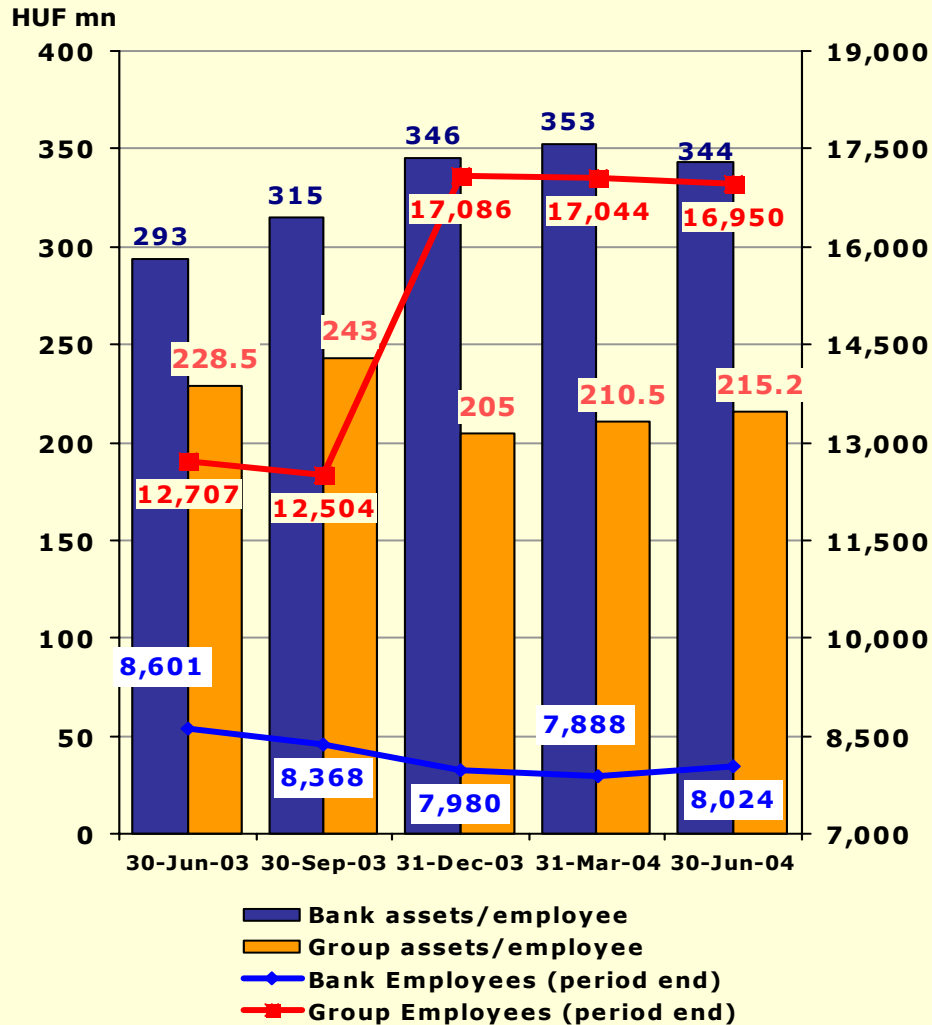
Group municipal deposits



Equity, CAR

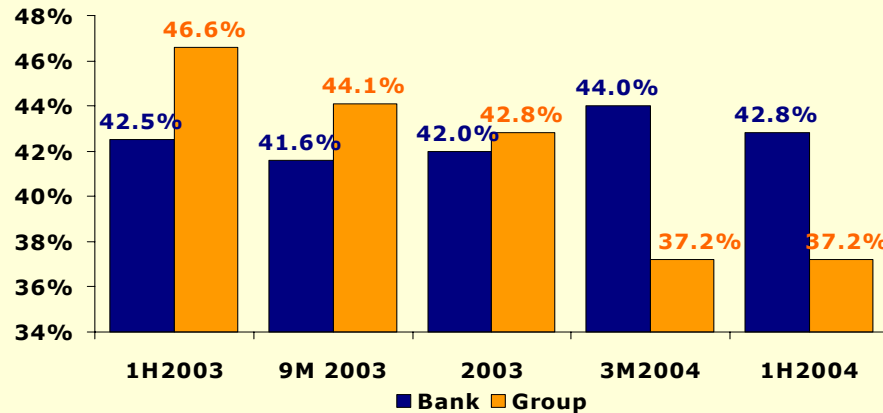


Efficiency, productivity

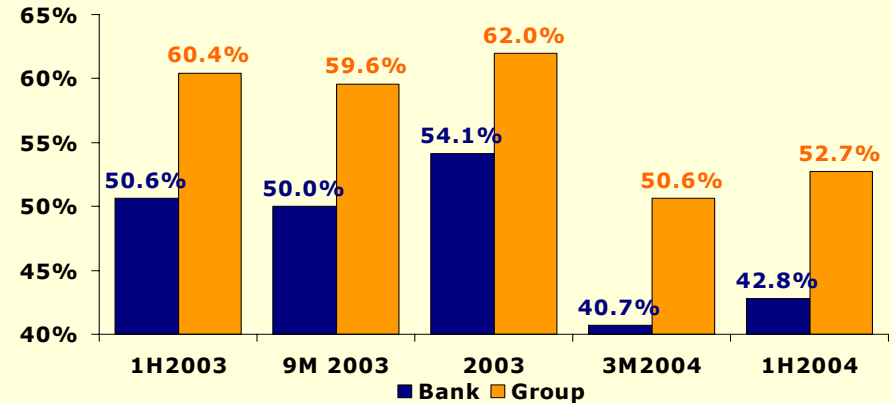


Performance indicators

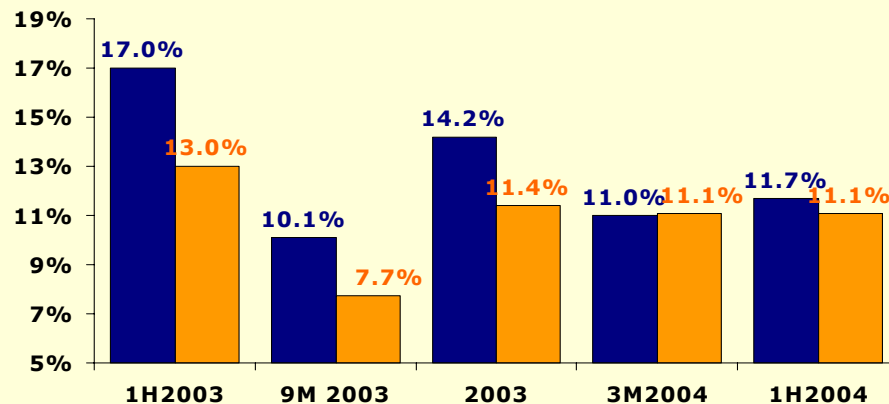
Non-interest vs. total income



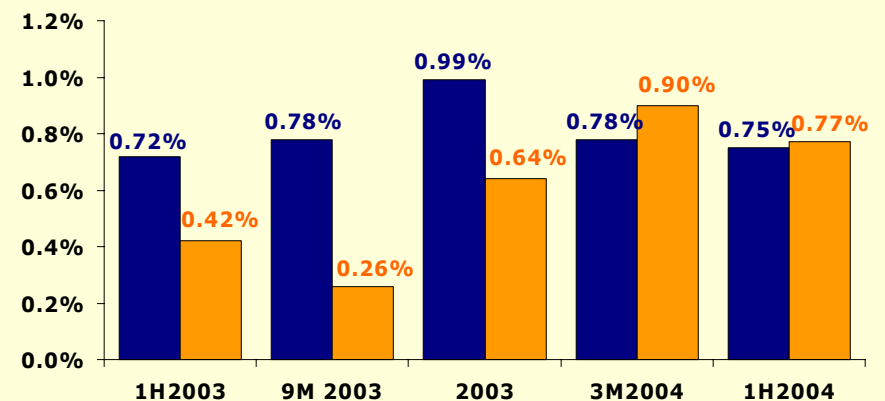
Cost income ratio



Provisioning vs. operating income

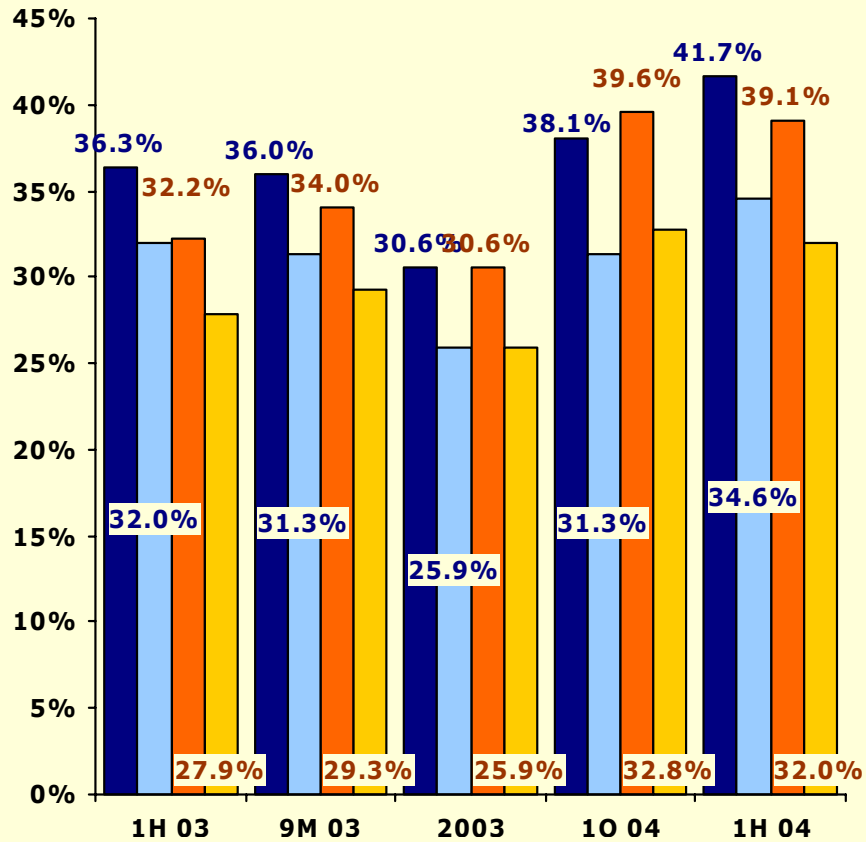


Provisioning vs. customer receivables



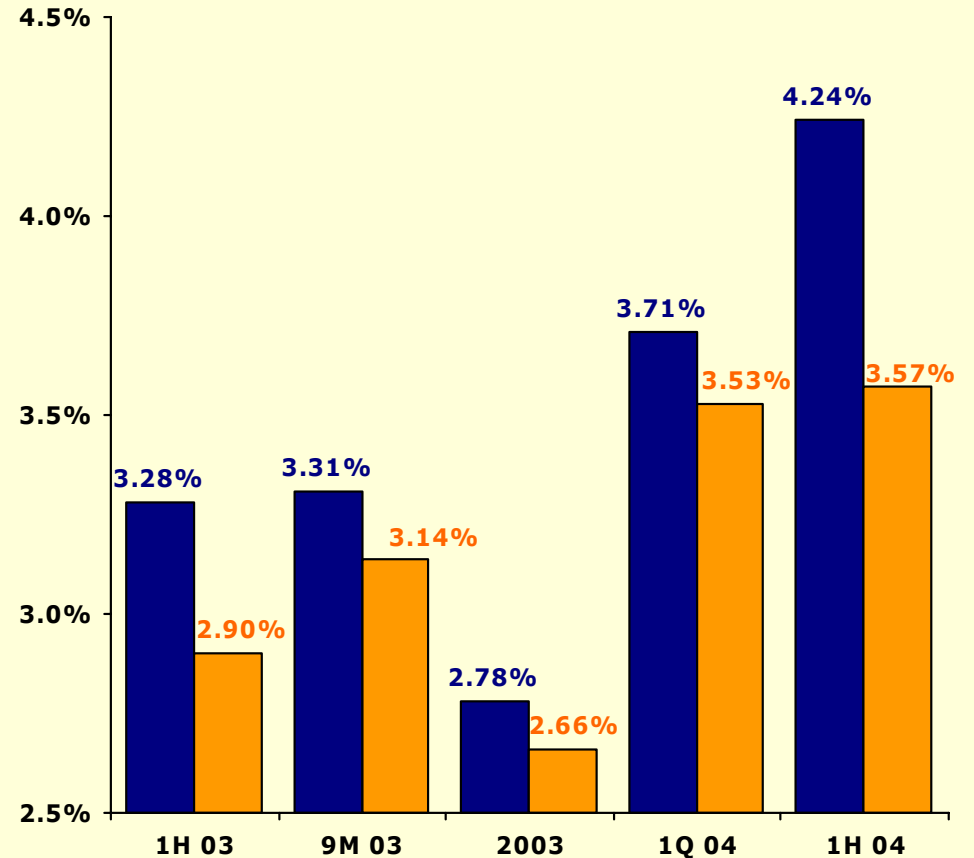
ROA, ROE

ROAE annualized



■ Bank nominal ■ Bank real ■ Group nominal ■ Group real

ROAA annualized



■ Bank only ■ Consolidated

Consolidated subsidiaries

| | 2Q 2003 | 2Q 2004 | Change | 1H 2003 | 1H 2004 | Change |
|--|---------------|---------------|---------------|---------------|---------------|--------------|
| <i>Merkantil Bank Ltd.</i> | 564 | 1,082 | 91.8% | 1,111 | 1,688 | 51.9% |
| <i>Merkantil-Car Ltd.</i> | 201 | 175 | -12.9% | 505 | 972 | 92.5% |
| <i>Merkantil Bérlet Ltd.</i> | (3) | 185 | -6266.7% | 71 | 255 | 259.2% |
| <i>NIMO 2002 Ltd.</i> | -- | - | -- | -- | 1 | -- |
| Merkantil Group | 762 | 1,442 | 89.2% | 1,687 | 2,916 | 72.9% |
| OTP Building Society Ltd. | (3) | 243 | -8200.0% | 334 | 344 | 3.0% |
| OTP Mortgage Bank Ltd. | 2,044 | 3,526 | 72.5% | 3,511 | 5,377 | 53.1% |
| OTP Banka Slovensko a. s.[1] | 69 | 255 | 269.6% | 102 | 347 | 240.2% |
| <i>DSK Bank EAD</i> | -- | 2,988 | -- | -- | 5,726 | -- |
| <i>DSK subsidiaries</i> | -- | (39) | -- | -- | (66) | -- |
| DSK Group[2] | -- | 2,949 | -- | -- | 5,660 | -- |
| OTP-Garancia Insurance Ltd. | 529 | 830 | 56.9% | 1,032 | 1,590 | 54.1% |
| OTP Fund Management Ltd. | 1,107 | 1,011 | -8.7% | 2,068 | 1,650 | -20.2% |
| HIF Ltd. | 95 | 31 | -67.4% | 148 | 79 | -46.6% |
| OTP Real Estate Ltd. | 362 | 192 | -47.0% | 649 | 483 | -25.6% |
| <i>OTP Factoring Real Estate Ltd.</i> | 22 | 25 | 13.6% | 24 | 4 | -83.3% |
| <i>OTP Factoring Ltd.</i> | 243 | 178 | -26.7% | 382 | 367 | -3.9% |
| OTP Factoring Group | 265 | 203 | -23.4% | 406 | 371 | -8.6% |
| Bank Center No. I. Ltd. | 15 | 43 | 186.7% | 42 | 82 | 95.2% |
| OTP Fund Servicing and Consulting Ltd. | 18 | 60 | 233.3% | 20 | 81 | 305.0% |
| OTP Mérleg Ltd. | 53 | 36 | -32.1% | 53 | 36 | -32.1% |
| Inga Ltd.'s | 49 | 73 | 49.0% | 49 | 73 | 49.0% |
| Concordia Info Ltd. | 173 | 46 | -73.4% | 173 | 46 | -73.4% |
| <i>Other subsidiaries</i> | 190 | 74 | -61.1% | 275 | 155 | -43.6% |
| Subsidiaries total | 5,453 | 10,859 | 99.1% | 10,274 | 19,135 | 86.2% |
| Consolidated pre-tax profits | 25,351 | 39,042 | 54.0% | 50,774 | 76,887 | 51.4% |
| Subsidiaries' proportion | 21.5% | 27.8% | 6.3% | 20.2% | 24.9% | 4.7% |

[1] Pre-tax profit of OBS according to Slovakian GAAP for first half 2004 reached HUF 591 million and HUF 141 in 1H 2003.

[2] Pre-tax profits of DSK Group, consisting of DSK Bank, POK DSK-Rodina, DSK Trans Security EOOD and DSK Tours EOOD were for 1H 2004 according to Bulgarian GAAP HUF 5,815 million.

2008 vision for DSK is of leadership

Vision

- ❖ The performance leader in Bulgarian banking

- ❖ Bulgaria's largest bank

- ❖ The undisputed #1 in retail banking

- ❖ Among top 3 banks in corporate banking

- ❖ Innovation engine in Bulgarian banking

- ❖ The bank most respected by customers

Definition of success

- ❖ Pre-tax profit > EUR 100 mn
- ❖ ROE after tax > 25%

- ❖ Cost to income ratio ~50%
- ❖ Market share by assets > 18%

- ❖ Number of cards and current accounts ~1.7 million
- ❖ Retail loans market share ~ 42%
- ❖ Retail deposits market share ~ 30%

- ❖ Corporate loans market share 8-10%

- ❖ Introduction of new products and upgrades to existing products at least once a month

- ❖ Customer satisfaction index > 80%

Key strategic direction

1. Retain the leading role in household savings market

2. Remain the top lender to households in Bulgaria

3. Expand market position in households transaction banking

4. Achieve market position in SME banking that is in line with the infrastructural market share

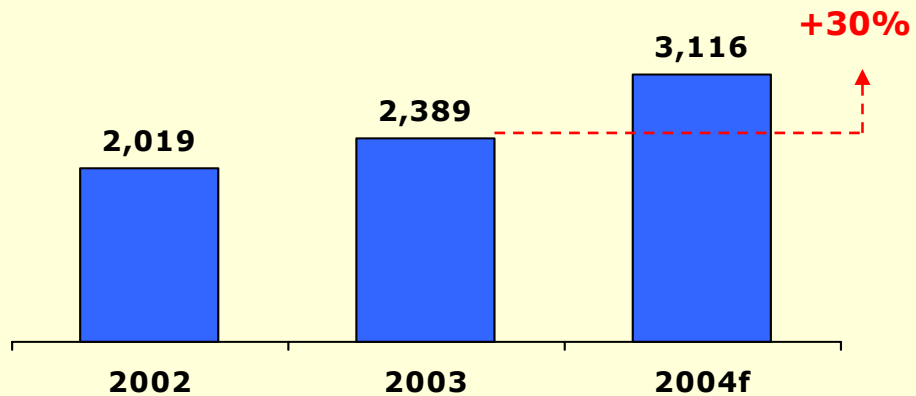
5. Establish a significant position large and midsize corporate banking

6. Introduce promptly new financial services for households and corporates

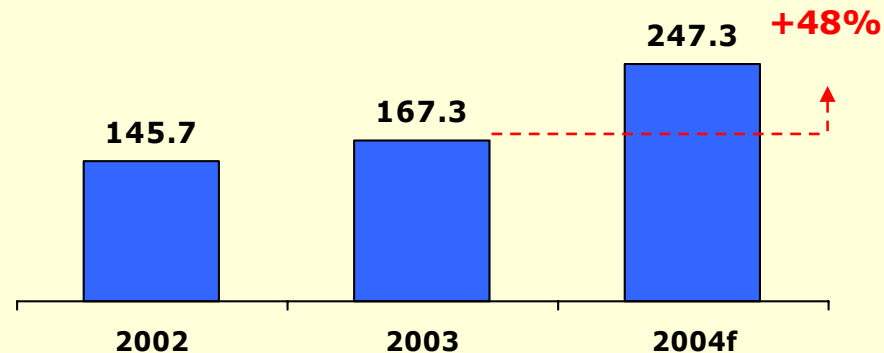
DSK in 2004: aggressive growth

BGN millions

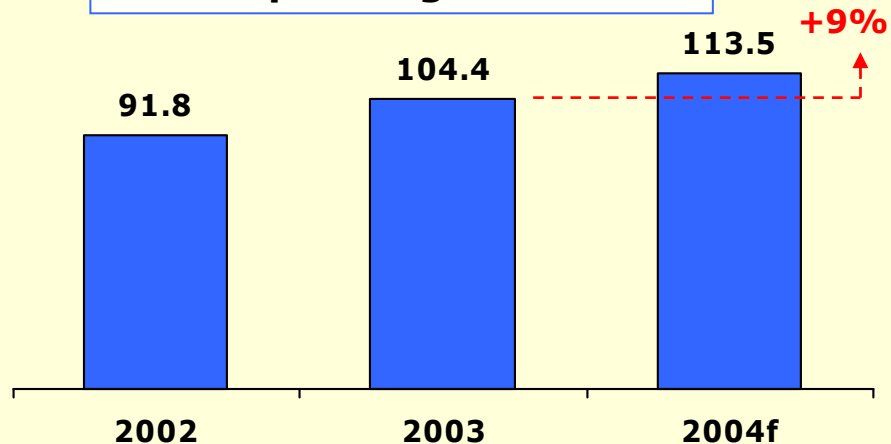
Total assets



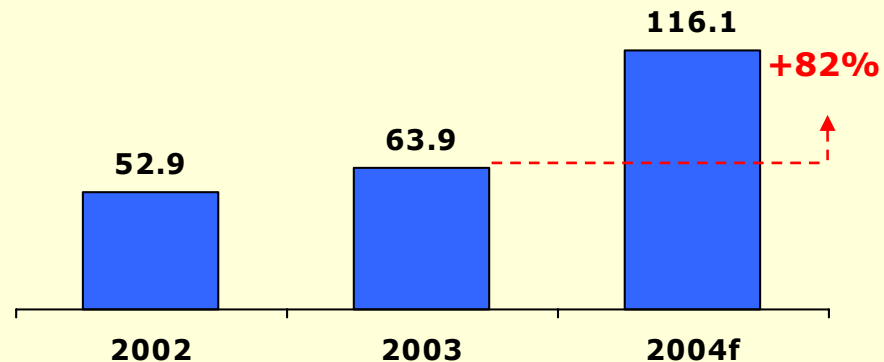
Net revenues *



Operating costs



Operating profit (no restructuring and tax)



* Includes currency revaluation adjustments but does not include provisions

DSK Bank 2004 financial targets

| <i>Financial indicators (BGN millions)</i> | 2003 | 1Q04 | 1H04 | 2004P | 2004 F | 2004F/ 2003 (%) |
|--|-------|-------|-------|---------|--------|--------------------|
| Net interest income | 141.0 | 41.4 | 89.6 | 177.6 | 186.4 | +32 |
| Net non-interest income* | 26.3 | 10.8 | 21.8 | 47.5 | 60.9 | +132 |
| Total revenues | 167.3 | 52.2 | 111.4 | 225.1 | 247.3 | +48 |
| Operating cost | 104.4 | 27.9 | 59.9 | 110.6** | 113.5 | +9 |
| Gross operating income | 62.8 | 24.3 | 51.5 | 114.5 | 133.8 | +113 |
| Net provisions/write downs | -1.1 | 0.6 | -6.1 | 7.0 | 17.7 | n.m. |
| Operating profit before restr. costs, taxes | 63.9 | 23.7 | 57.6 | 107.5 | 116.1 | +82 |
| Restructuring cost, investment, taxes | | -1.1 | 12.3 | 30.5 | 23.6 | n.m. |
| Pre-tax profits | 63.9 | 24.8 | 45.3 | 77 | 92.5 | +45 |
| <i>Selected ratios</i> | | | | | | |
| Net interest income/Average earning assets | 6.4% | 6.7% | 7.1% | 6.8% | 6.8% | +0.4*** |
| Net non-interest income/Total revenues | 15.7% | 20.7% | 19.6% | 21.1% | 24.6% | +8.9*** |
| Cost income (operating costs/total revenues) | 62.5% | 53.5% | 53.8% | 49.1% | 45.9% | -16.6*** |
| ROAA | 2.16% | 3.23% | 2.79% | 2.40% | 2.66% | +0.5 *** |
| ROAE | 17.2% | 25.2% | 21.6% | 18.5% | 21.0% | +3.8 *** |

25% of the increase due to pricing changes; 75% are due to volume increase

Repricing, new fee carrying products, penetration

Cost control, personnel cuts, efficiency gains through integrated IT

Higher prudence level

* Includes net commissions, trading income and currency revaluation adjustments. Fees based on BAS, not IFRS

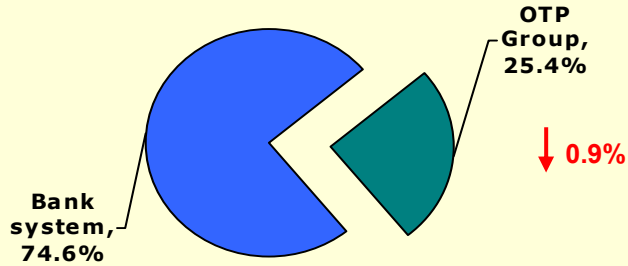
** Excluding restructuring cost, restructuring-related reserves and taxes

*** Represents percentage-points change

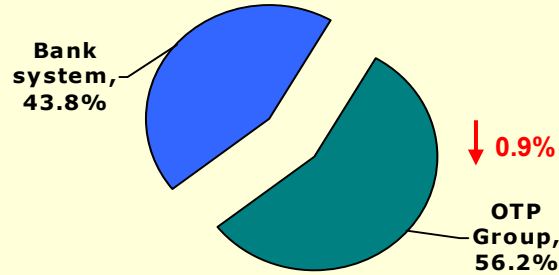
Consolidated market shares (1)

(at June 30, 2004)

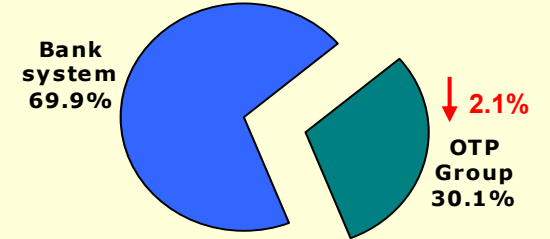
Total assets



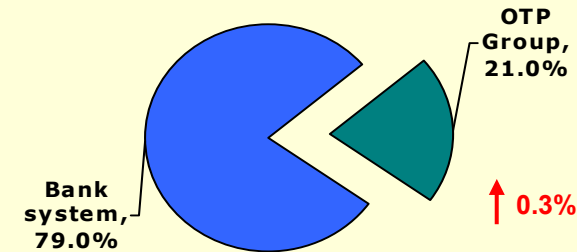
Housing and mortgage loans



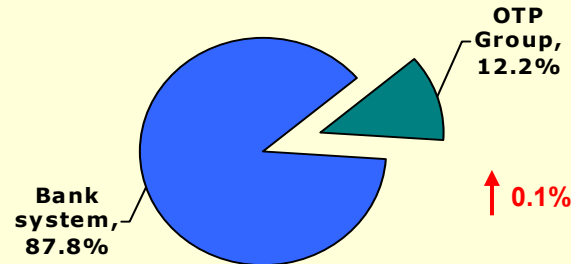
Total deposits



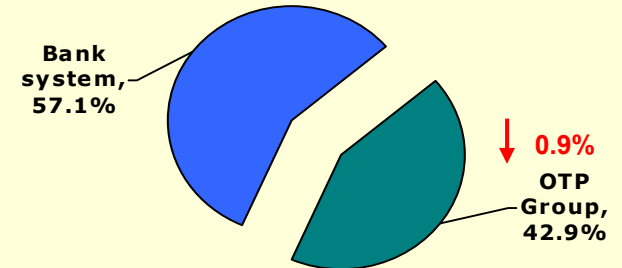
Total loans



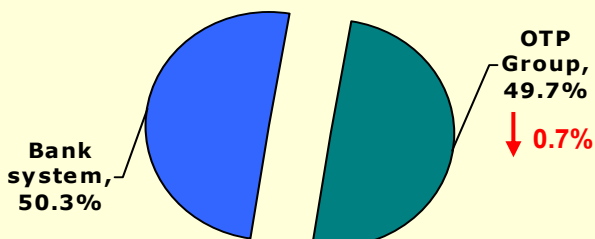
Corporate loans



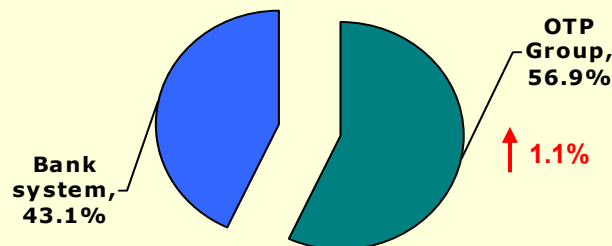
Total retail deposits



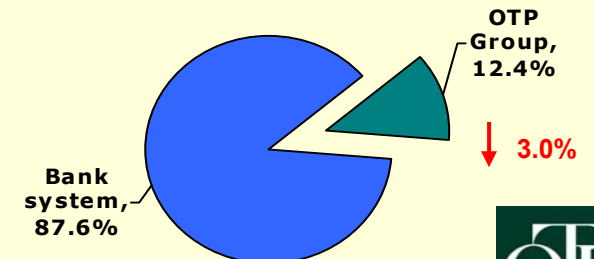
Total retail loans



Municipal loans



Corporate deposits



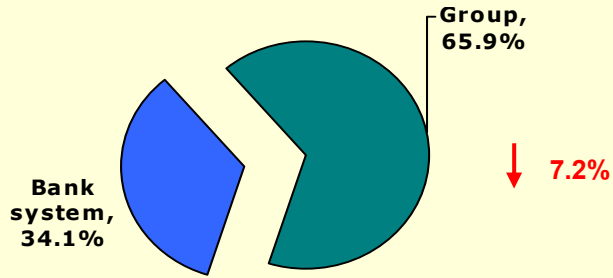
OTP Bank First Half 2004 results

Direction and size of change from March 31, 2004

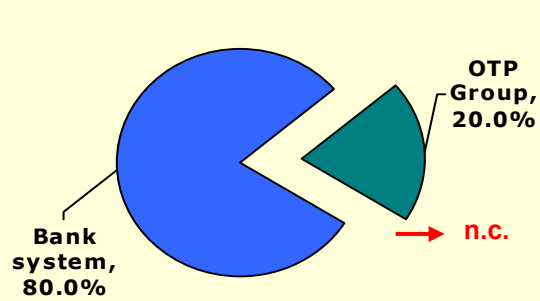
Consolidated market shares (2)

(at June 30, 2004)

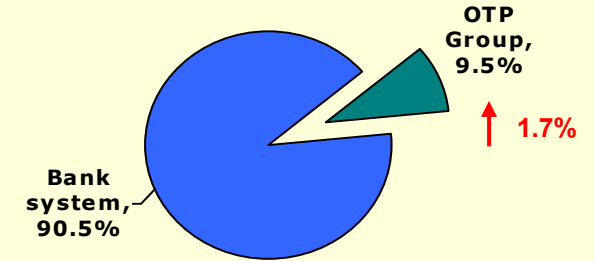
Municipal deposits



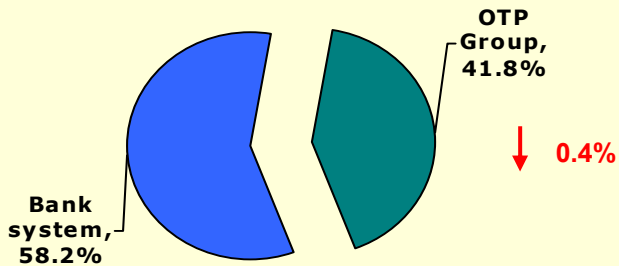
Car loans



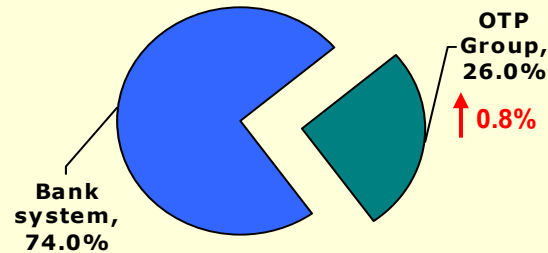
Insurance



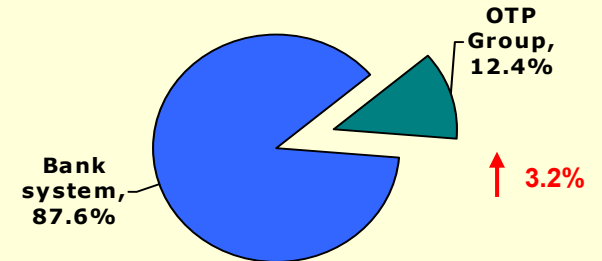
Investment funds



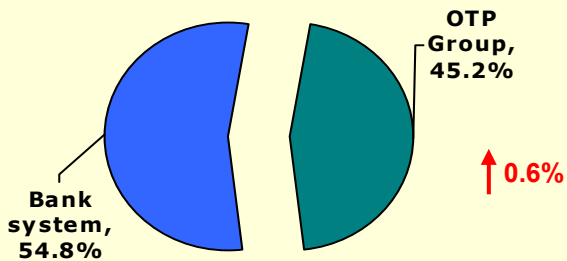
Private pension funds*



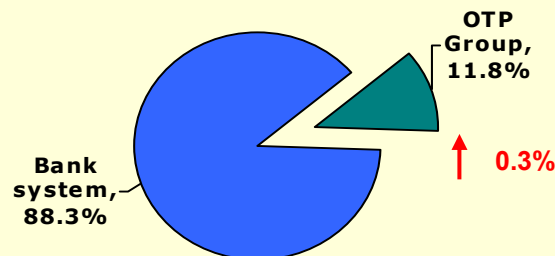
Life insurance



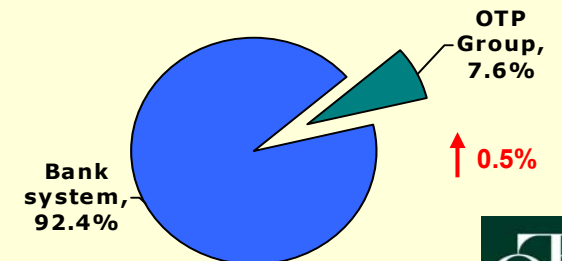
Building society deposits



Voluntary pension funds*



Non -life insurance



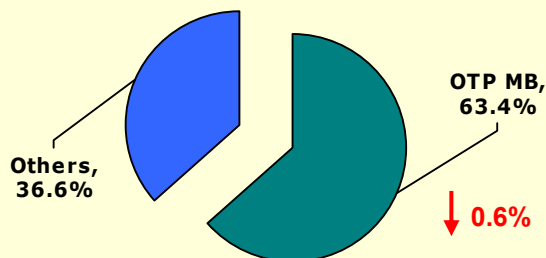
OTP Bank First Half 2004 results

Direction and size of change from March 31, 2004

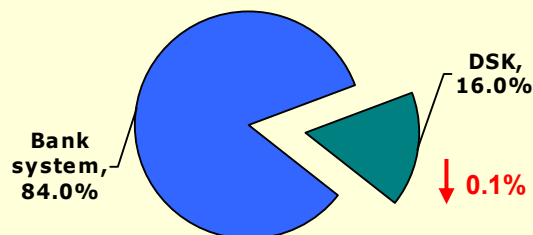
Market shares of subsidiaries

(at June 30, 2004)

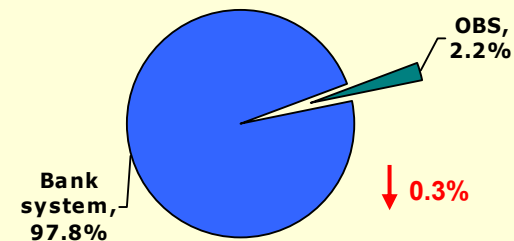
Mortgage Bank
by loan volume



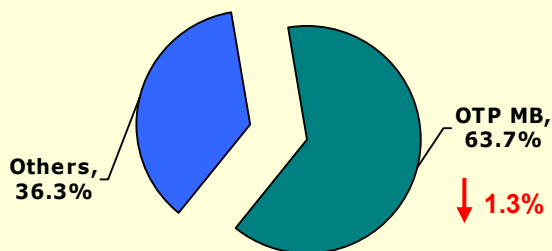
DSK Bank
by deposits**



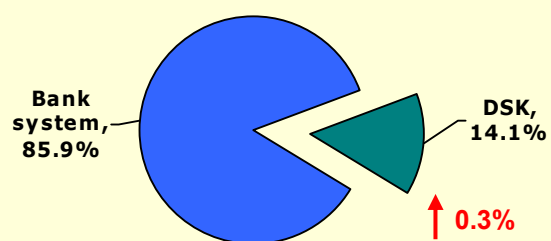
OTP Banka Slovensko
by deposits



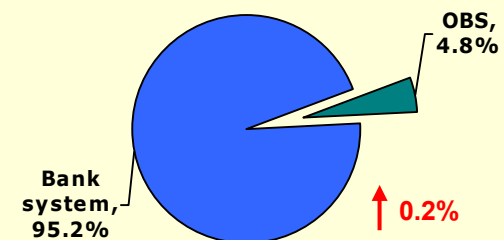
Mortgage Bank
by bonds issued



DSK Bank
by loans**



OTP Banka Slovensko
by loans



2004 targets and growth rates

| Balance sheet related growth rates | Bank | | Consolidated | |
|---|---------|-------------|--------------|-------------|
| | HUF bn | Growth rate | HUF bn | Growth rate |
| Total assets | 2,926.9 | 6.1% | 3,990.5 | 13.9% |
| Total loans | 1,183.7 | 8.8% | 2,395.7 | 15.2% |
| Corporate loans | 739.7 | 7.0% | 822.8 | 4.0% |
| Retail loans | 359.6 | 13.0% | 1,487.7 | 23.2% |
| Mortgage loans | 157.8 | -14.0% | 986.0 | 19.1% |
| Consumer loans | 201.8 | 49.9% | 501.8 | 32.2% |
| Municipality loans | 84.4 | 6.9% | 85.4 | 6.4% |
| Total deposits | 2,292.9 | 2.6% | 2,820.6 | 4.3% |
| P&L related growth rates | | | | |
| Net interest income | 145.1 | 22.8% | 245.6 | 38.7% |
| Non interest income | 110.1 | 28.6% | 146.2 | 10.5% |
| Insurance fee income | | | 57.2 | -4.9% |
| Total income | 255.2 | 25.2% | 391.9 | 26.6% |
| Cost base with goodwill | 128.4 | 15.1% | 230.0 | 18.6% |
| Cost base without goodwill | 119.8 | 8.7% | 221.4 | 15.4% |
| Cost base without goodwill and DSK | | | 203.6 | 8.6% |
| Personnel expenses | 49.8 | 13.7% | 69.9 | 13.7% |
| Insurance expenses | | | 41.2 | -3.8% |
| Other expenses | 70.0 | 5.4% | 110.3 | 26.0% |
| Provisions | 15.6 | 18.0% | 19.4 | 44.6% |
| Profits before taxes (incl dividend received) | 119.7 | 38.0% | 142.2 | 38.4% |
| Profits after taxes (incl dividend received) | 102.1 | 42.7% | 119.0 | 43.3% |
| Profit related performance indicators | | | | |
| ROE | 34.9% | +431 bp | 34.6% | +400 bp |
| ROA | 3.59% | +81 bp | 3.18% | +53 bp |
| Cost/income ratio | 47.0% | -714 bp | 56.5% | -630 bp |
| Net interest margin | 5.1% | +51 bp | 6.6% | +86 bp |