

OTP Bank

Future growth opportunities on a regional base

**INVESTOR PRESENTATION
BUDAPEST – JULY 2005**

**DR. ZOLTÁN SPÉDER,
VICE CHAIRMAN - CFO**



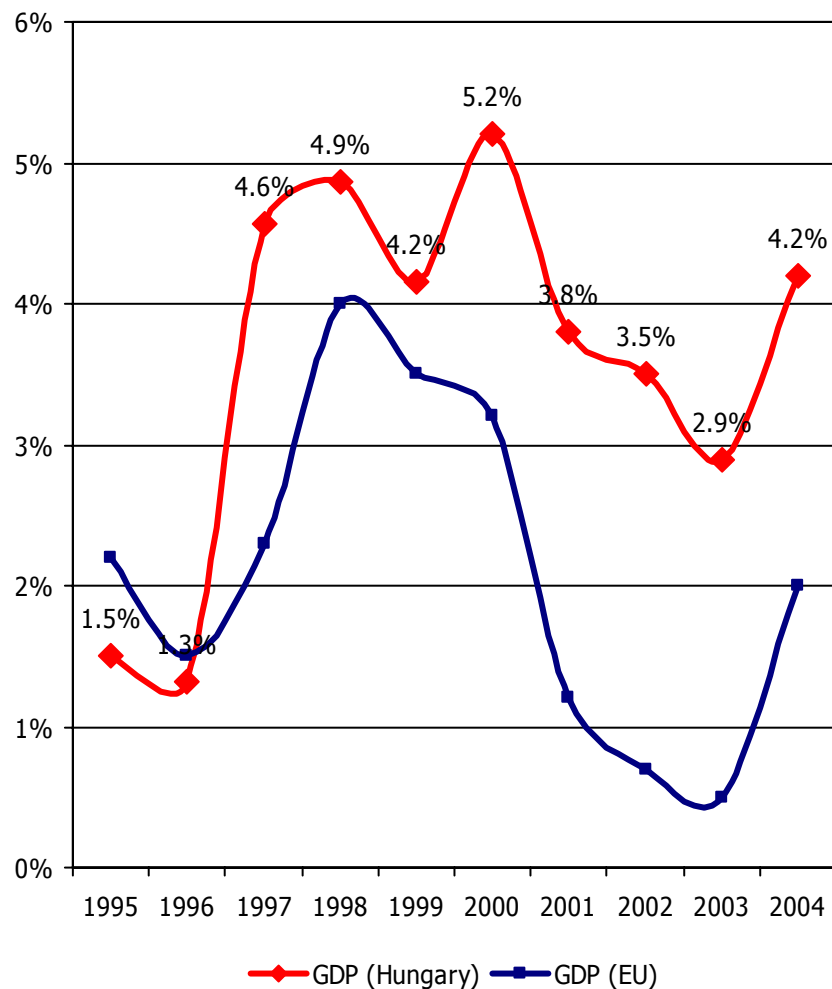
OTP Bank

OVERVIEW OF BANKING ENVIRONMENT

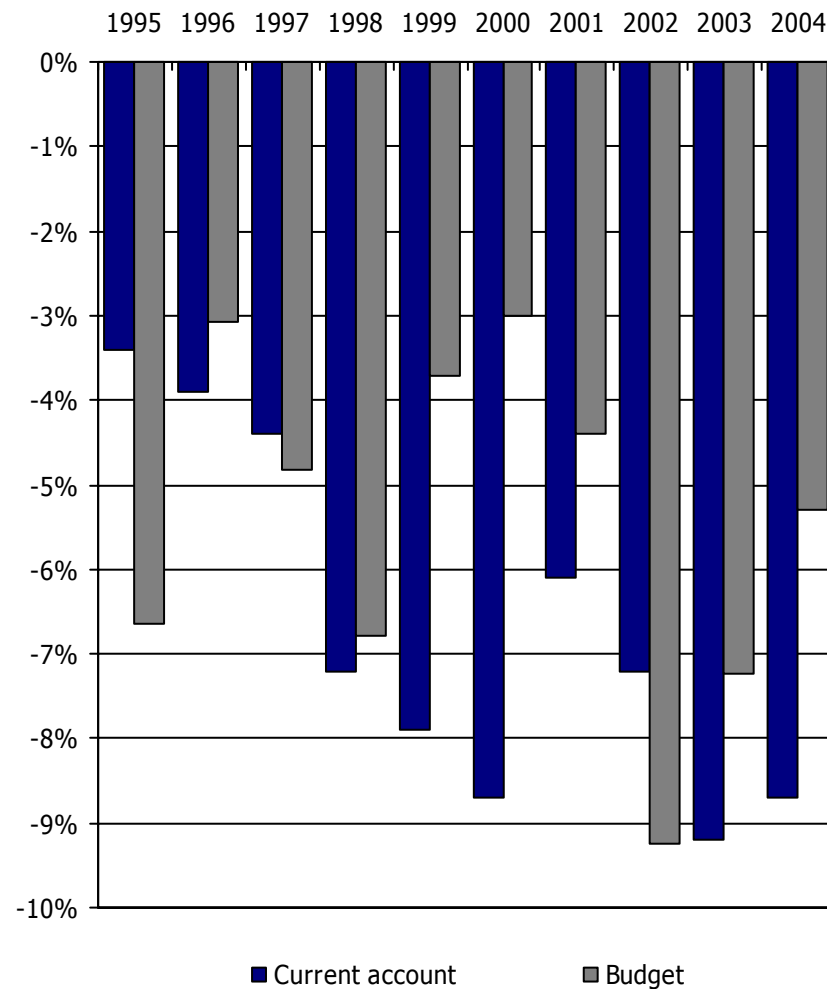


ECONOMY HAMPERED BY TWIN DEFICIT; THE RESULTS ...

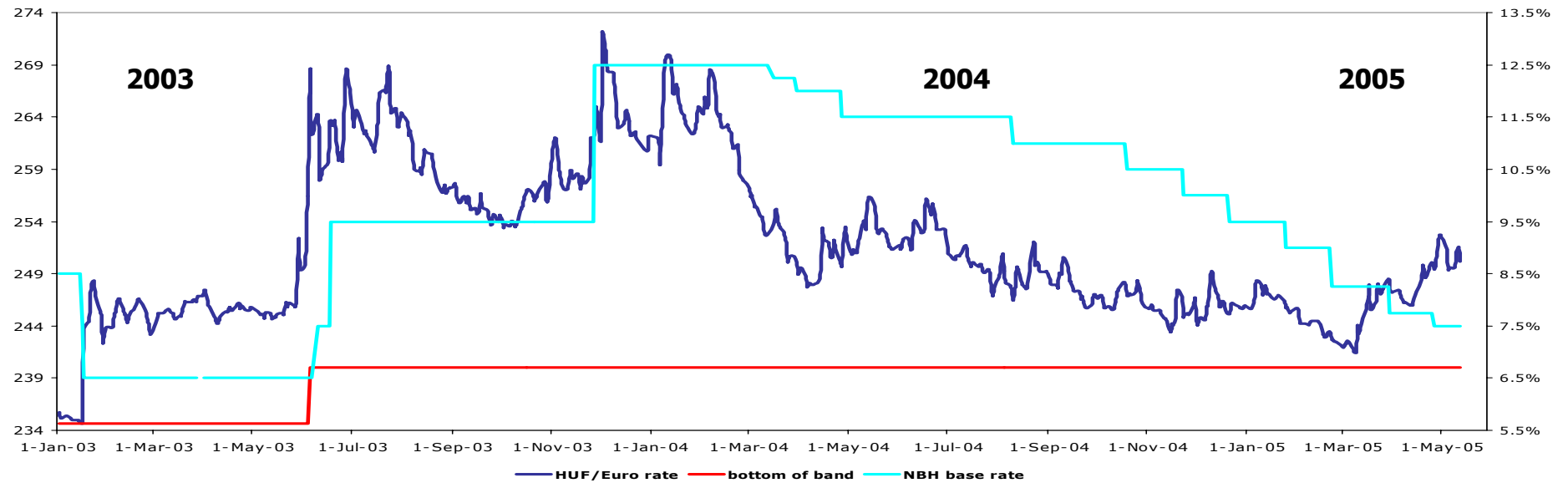
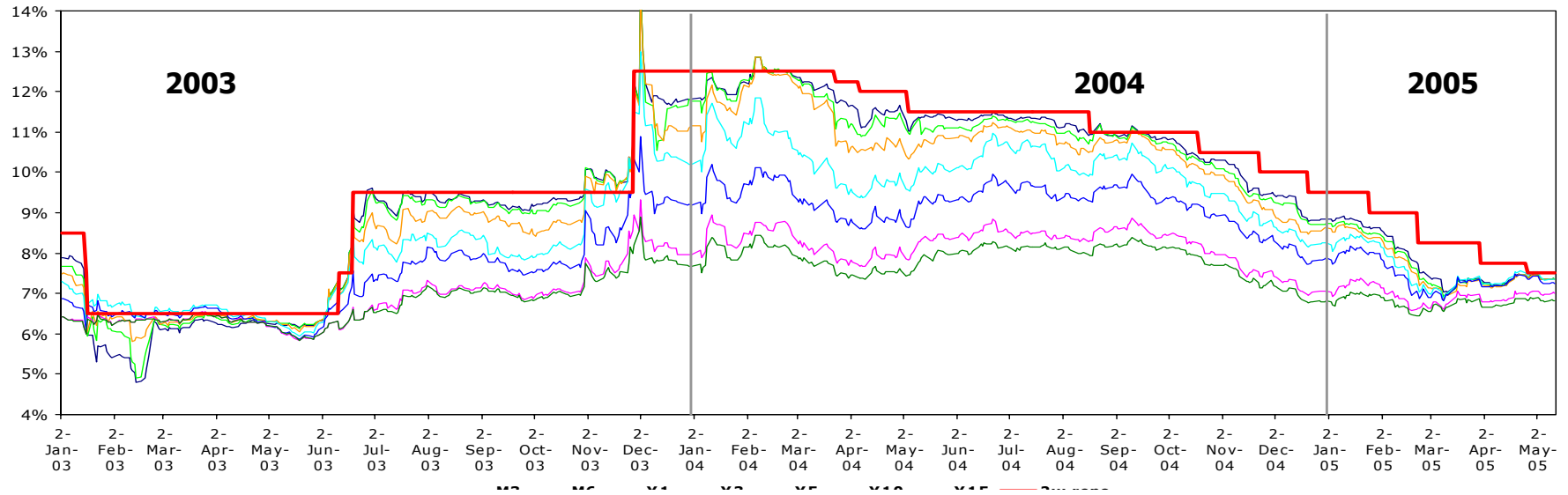
**GDP growth comparison
Hungary's dependence on EU growth**



**Weak GDP growth
coupled with high twin deficit**

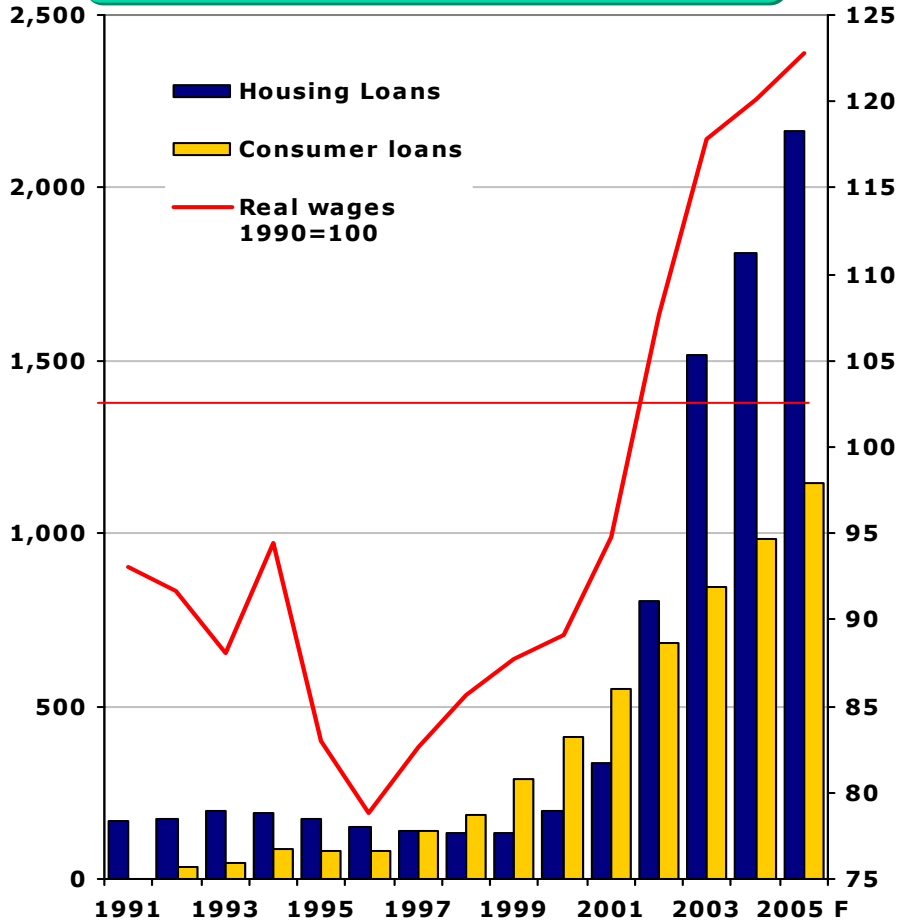


VOLATILE INTEREST RATES AND EXCHANGE RATES, BUT

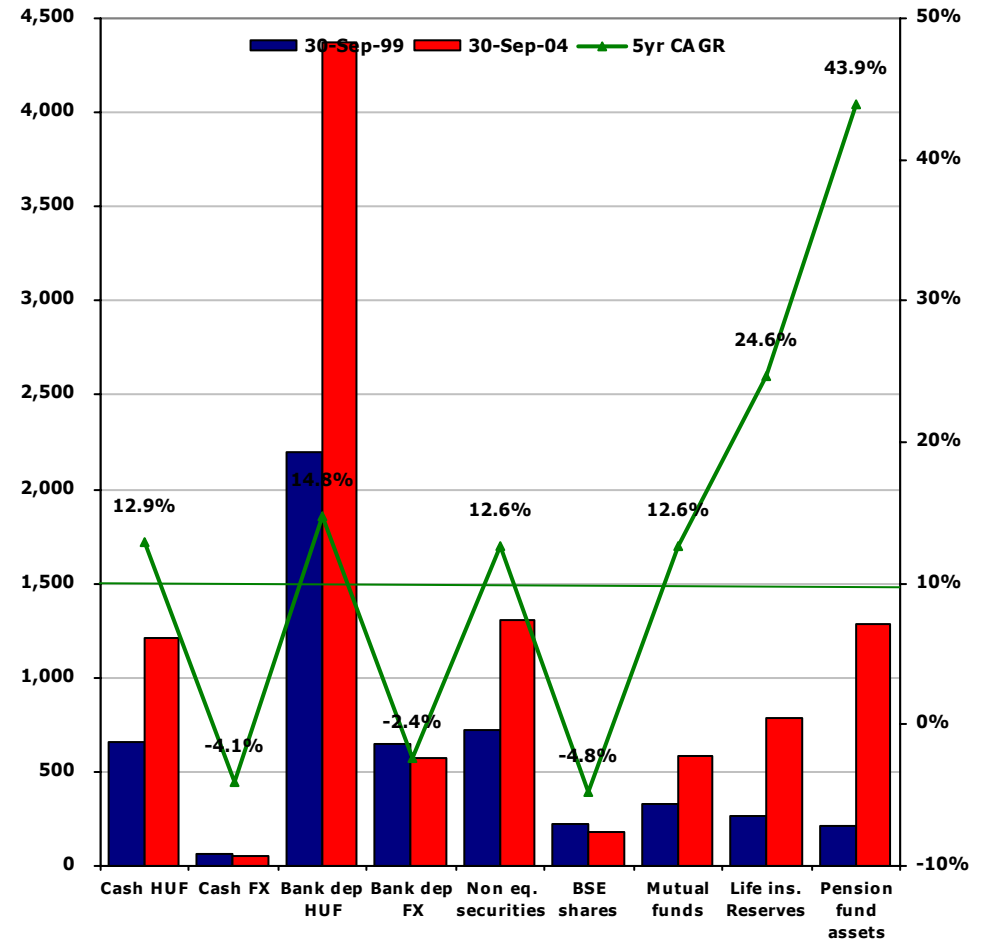


RETAIL FINANCIAL WEALTH GROWING, AND

Retail Loans Outstanding (HUF bn.) vs. Real Wage Index

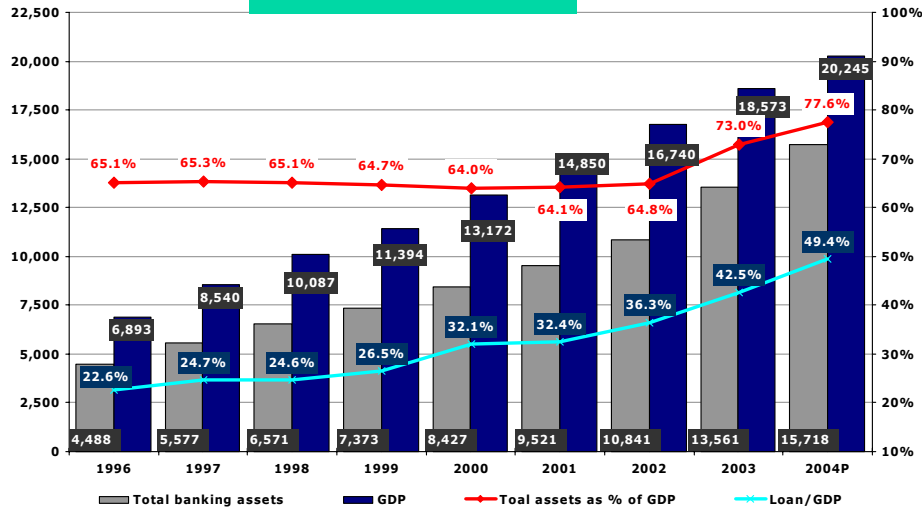


Selected components of RFA

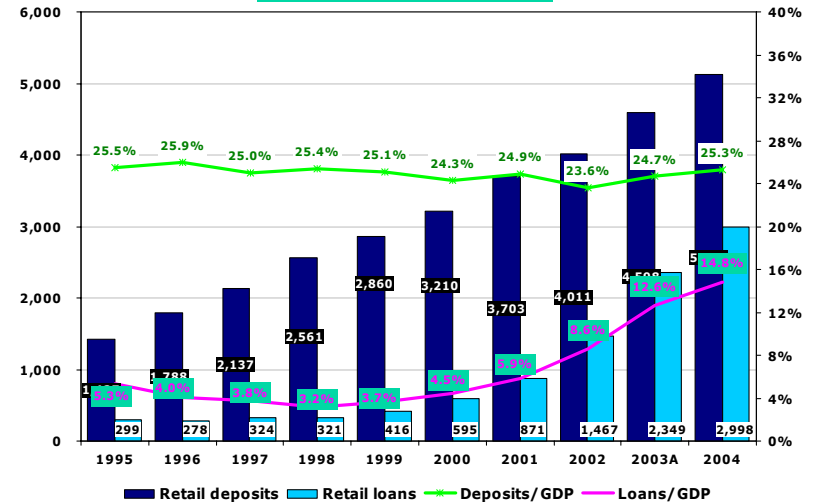


BANKING PENETRATION IS ON THE RISE,

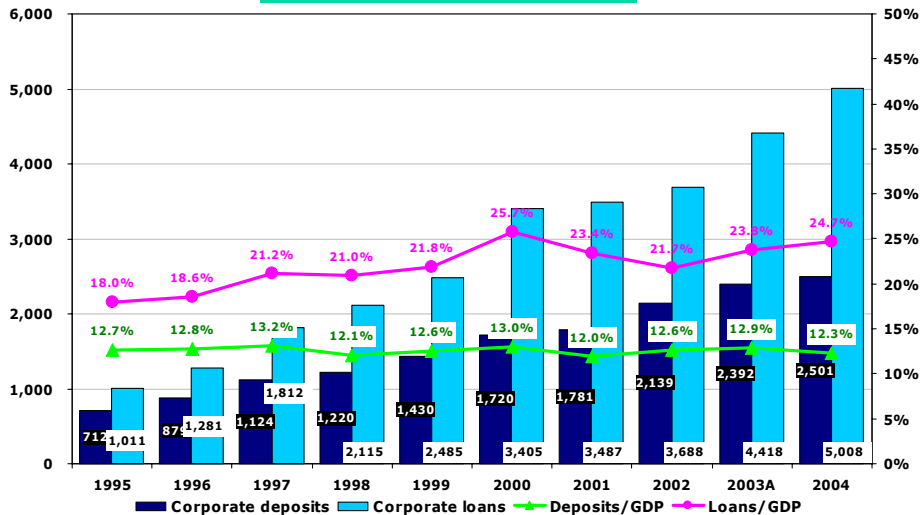
BY TOTAL ASSETS



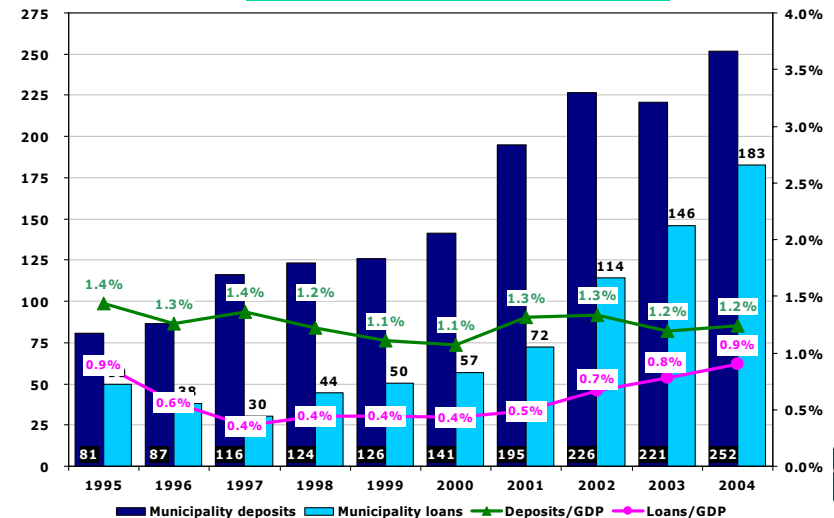
RETAIL SECTOR



CORPORATE SECTOR

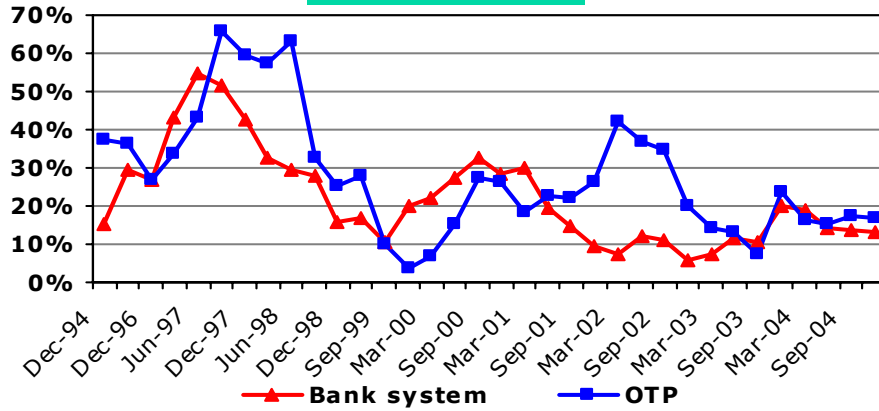


MUNICIPALITY SECTOR

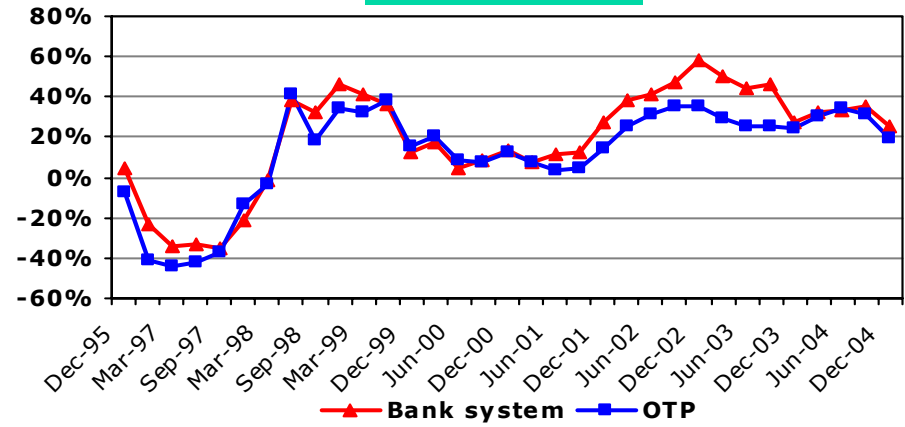


DRIVEN BY LOAN GROWTH

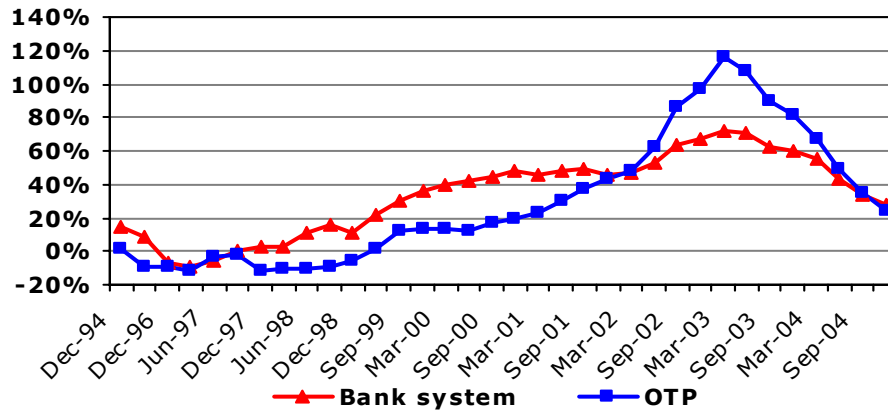
Corporate



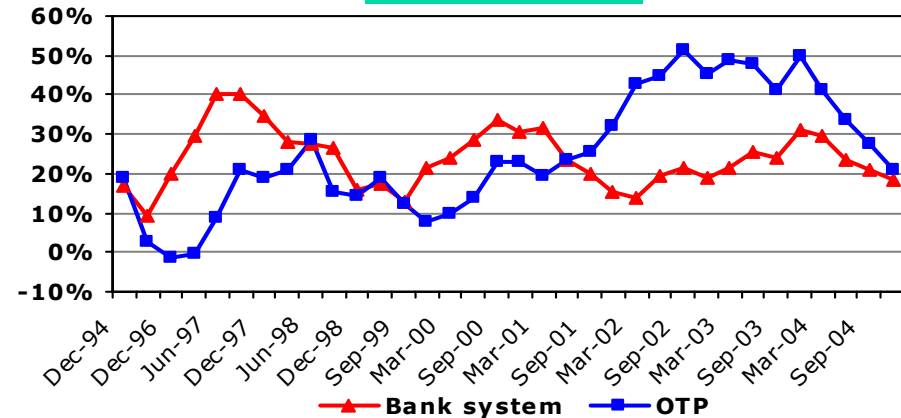
Municipal



Retail



Total loans



OTP Bank

DOMINANT PART OF A GROWING BANKING SECTOR



KEY FACTS ON OTP

Short description

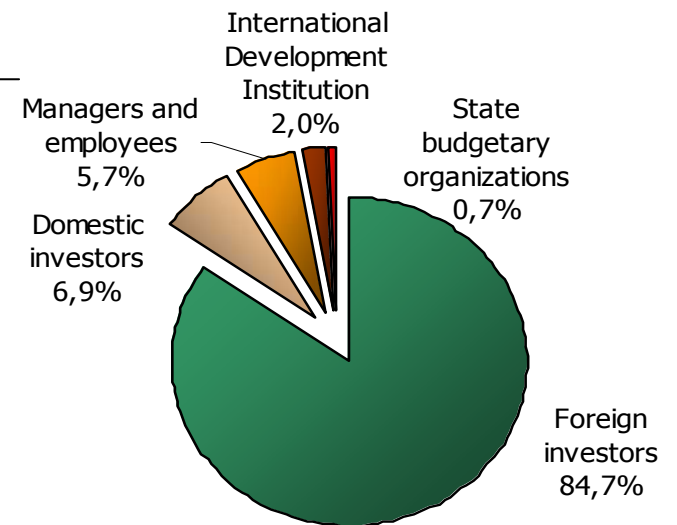
- Once the national savings institution, OTP is now the largest bank in Hungary, with 19,4 % of total banking assets, 27,5 % of total deposits and 20,3 % of the banking profits
- OTP has a strong capital base, high profitability and solid investment returns
- The bank has a dominant position in all segments of the Hungarian market (retail and SME banking, municipalities, as well as corporate banking)
- The bank is a leader in product innovation and distribution (direct, electronic and other channels)
- OTP Bank has regional subsidiaries in Bulgaria, Slovakia and Romania , which the Bank acquired in the period between 2002 and 2004. The Bank is in the concluding phase of an acquisition in Croatia.

Financials

(consolidated) IFRS	2003	2004
• Number of bank branches	799	843
• Number of employees	16,992	16,797
• ROAE	31,1%	37,6%
• Cost/income ratio	65,2%	58,1%
• Capital adequacy	10,54%	10,82%
• Revenues*	EUR 1,206 mn	1,635 mn
• Book value**	EUR 1,268 mn	1,764 mn
• Market cap **	EUR	6,342 mn

Ownership

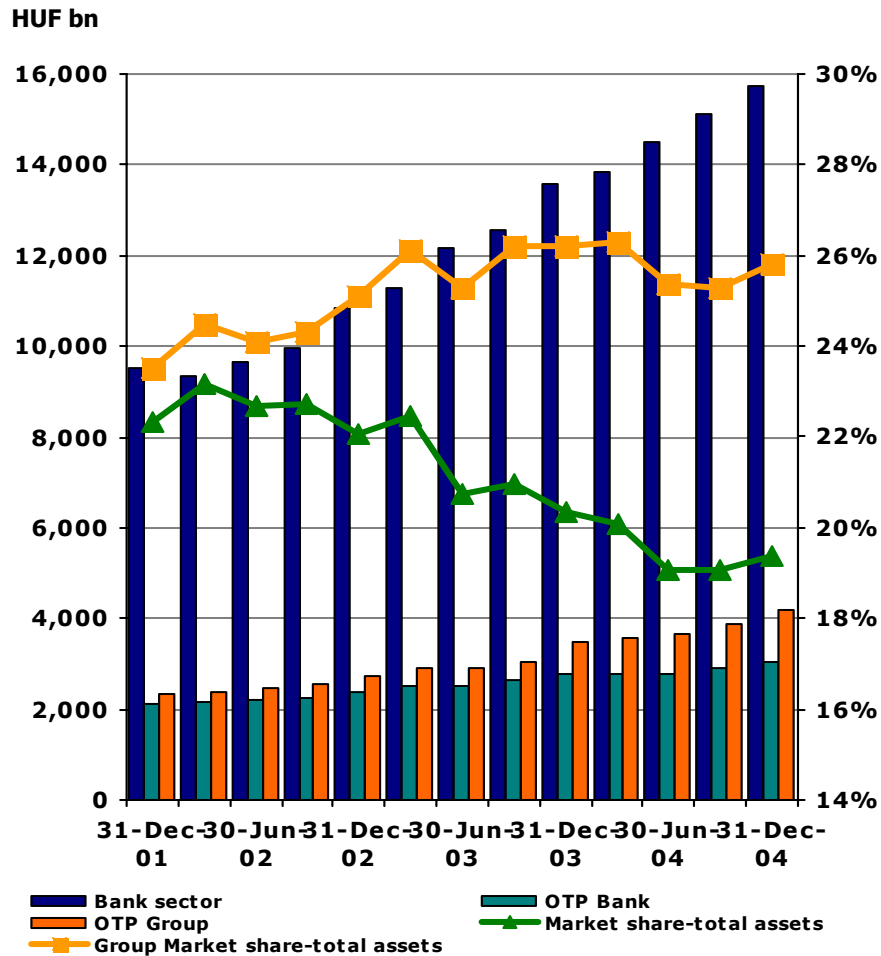
2004



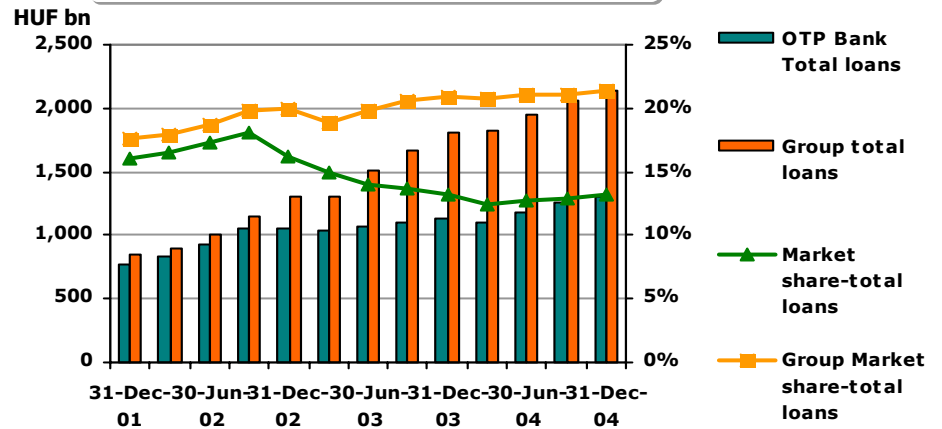
* average EUR/HUF
 ** year end EUR/HUF

Market shares*

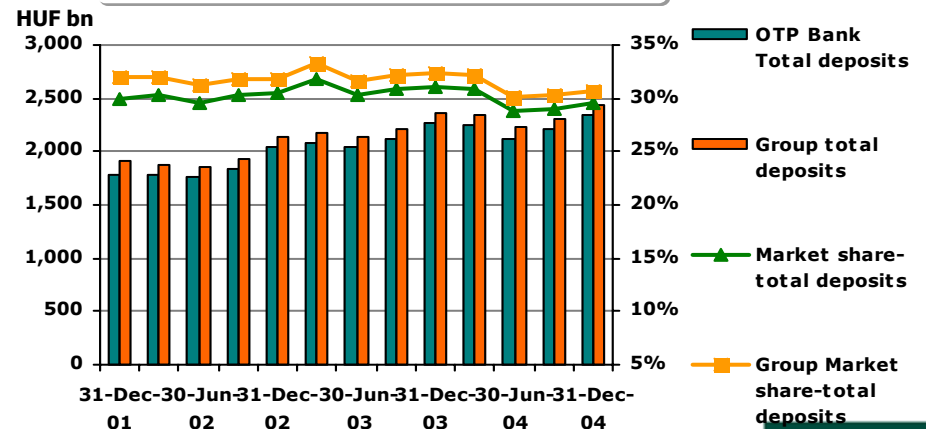
Market share – total assets



Market share – total loans



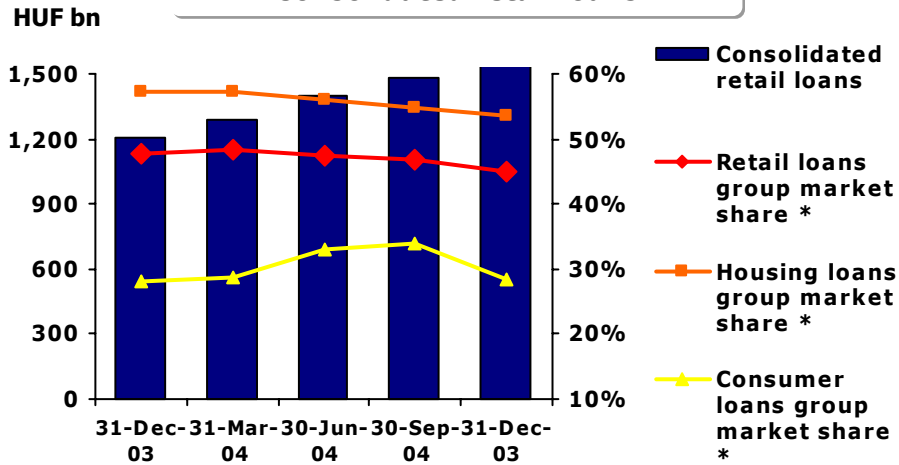
Market share – total deposits



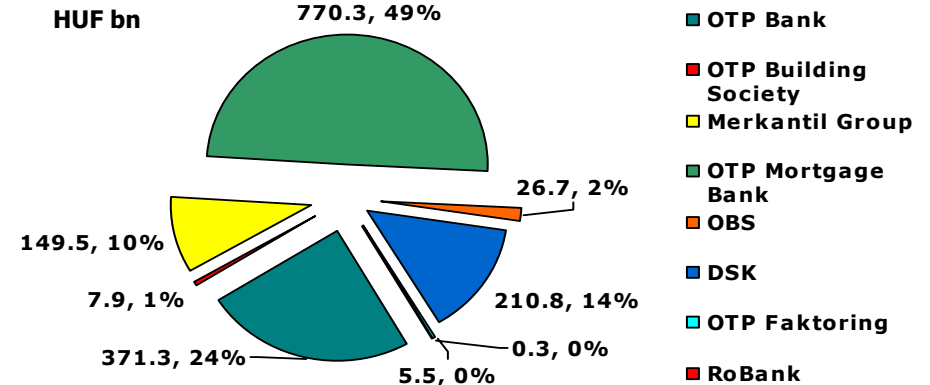
*Hungarian members of the Group in the Hungarian bank system

CONSOLIDATED RETAIL BUSINESS

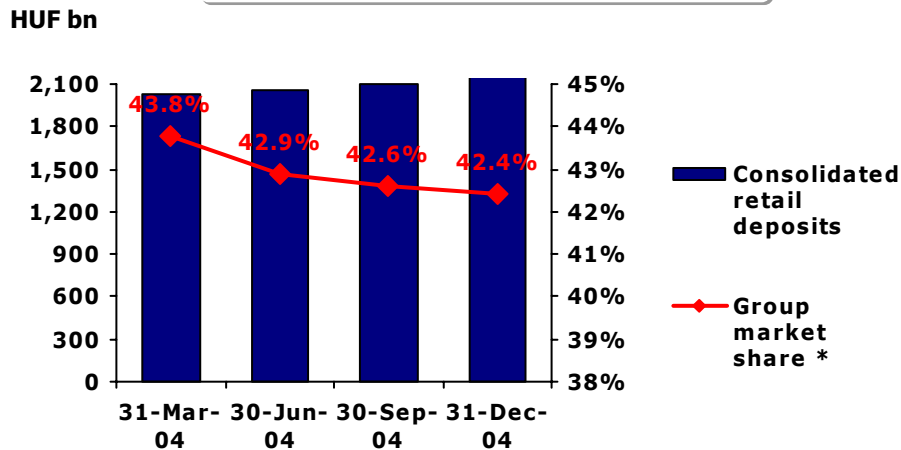
Consolidated retail loans



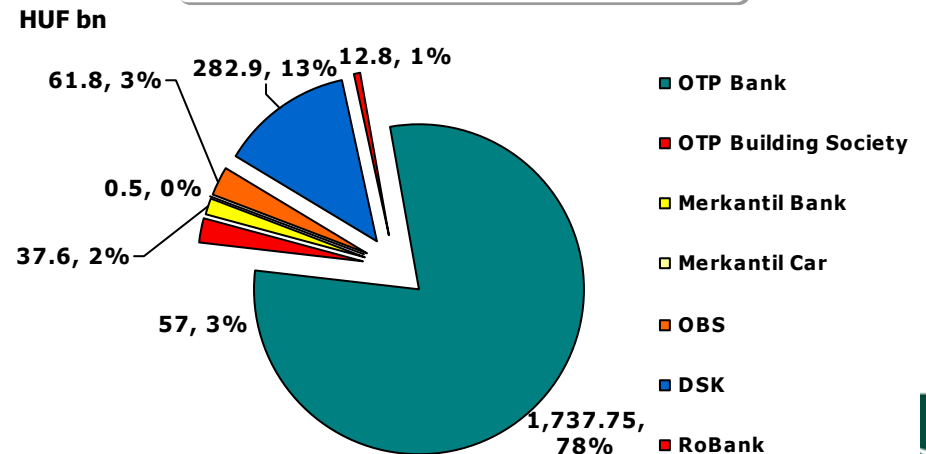
Group retail loans on Dec 31, 2004



Consolidated retail deposits



Group retail deposits on Dec 31, 2004



*Hungarian members of the Group in the Hungarian bank system

IN HUNGARY, OTP KEPT ITS LEADERSHIP IN MOST TRADITIONAL PRODUCT MARKETS THROUGH STRONG PRODUCT AND SERVICE FOCUS

	2004 market share***	2004 market position	Notes
Retail deposits	35,4%	No. 1	Special promotion programs, combined with segmented approach (i.e., Private Banking offers)
Retail loans	40,1%	No. 1	Traditionally strong in housing loans and overdraft loans, recently also gaining share in consumer finance and POS loans
SME lending + deposits	14%*	No. 3	Successfully leveraging on branch network and a good scoring system
Corporate lending/project finance	12,3%**	No. 3	Only 2–3% behind market leaders
Municipal deposits	66,2%	No. 1	Market share is steady thanks to advisory type relationships, special financing constructions and innovations
Municipal loans	52%	No. 1	

*Estimate

**Based on overall corporate numbers

*** Market share in credit institute system

OTP WAS AMONG THE FIRST BANKS TO ENTER THE MOST ATTRACTIVE NEW PRODUCT MARKETS IN HUNGARY

	First year of service	2004 market share	2004 market position	Notes
Retail investment services	1991	21%*	No. 1/No. 3	OTP is No. 1 in terms of turnover, No. 3 in terms of revenues; network selling domestic and foreign government bonds
Banc-assurance	1992	10%/60%*	No. 3/No. 1	OTP Garancia is the No. 3 insurance company in Hungary, but is No. 1 in bancassurance
Mutual funds	1993	41%*	No. 1	OTP has introduced a joint product with UBS in 2002
Pension funds	1994	20%*	No. 1	25% in voluntary, 11% in private pension funds
Car financing	1996	20%*	No. 2	Provided through Merkantil Group
Bank cards	1998	60%	No. 1	OTP mainly offers card based credit line, its position in traditional credit cards is weaker
Mortgage banking	2001	49,7%**	No. 1	Previously, OTP offered housing loans while mortgage loans came in with changing of regulations

* Estimate

** Housing and mortgage loans together

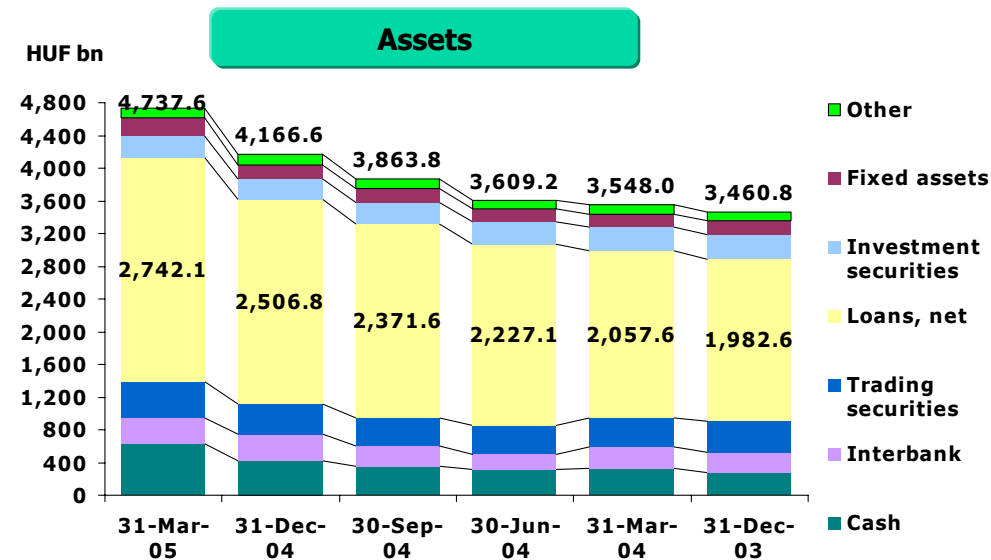
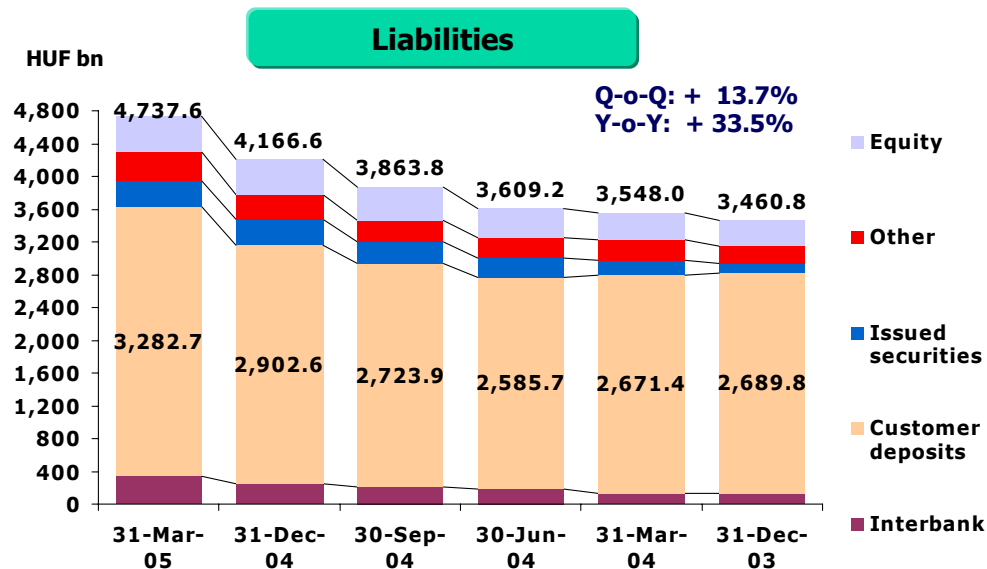


OTP Bank

**RECENT BUSINESS AND FINANCIAL PERFORMANCE
(BASED ON CONSOLIDATED IFRS ACCOUNTS)**



BALANCE SHEET - STRUCTURE

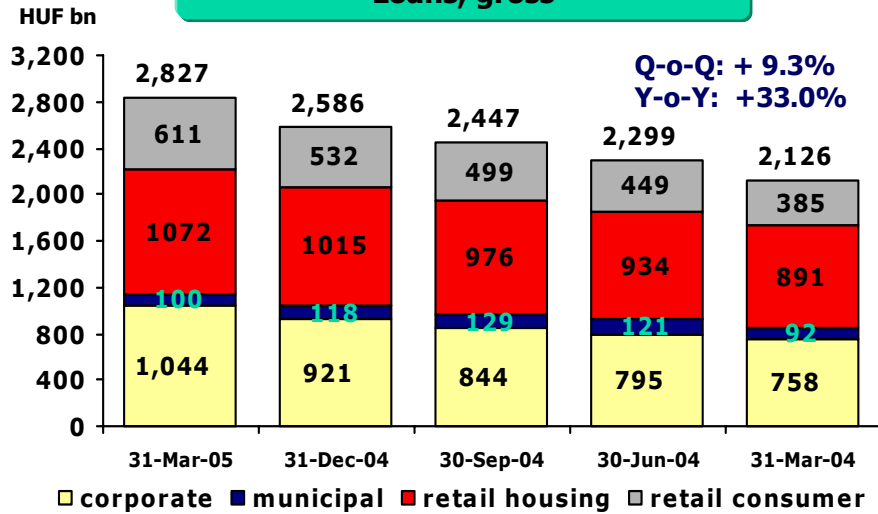


Loans to deposits: 83.5% 86.4% 87.1% 86.1% 77.0% 73.7%

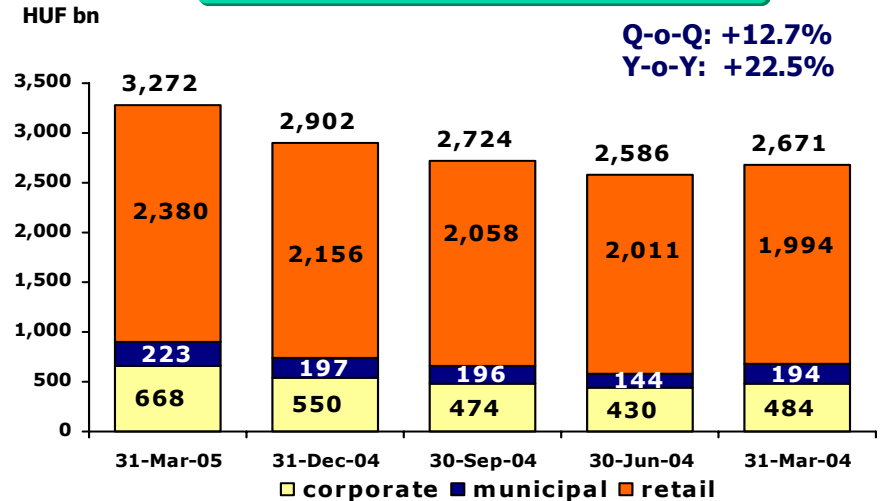
- Consolidation of DSK Group in 4Q03 with HUF 324 bn assets (HUF 166 bn loans; HUF 273 bn deposits)
- Consolidation of Robank in 3Q04 with HUF 41.4 bn assets (HUF 16.9 bn loans; HUF 26.7 bn deposits)
- Consolidation of Nova banka in 1Q05 with HUF 255.2 bn assets (HUF 123.5 bn loans; HUF 204.5 bn deposits)
- Domestic deposits growth recovers from 2Q04 due to offers by parent bank, seasonal growth at municipalities
- Group capital adequacy estimated at around 12.0-13.0%

LOANS, DEPOSITS

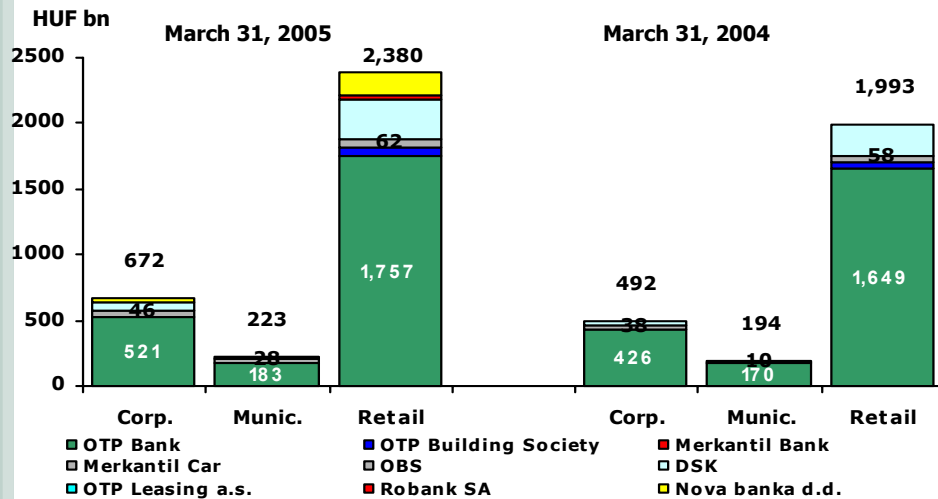
Loans, gross



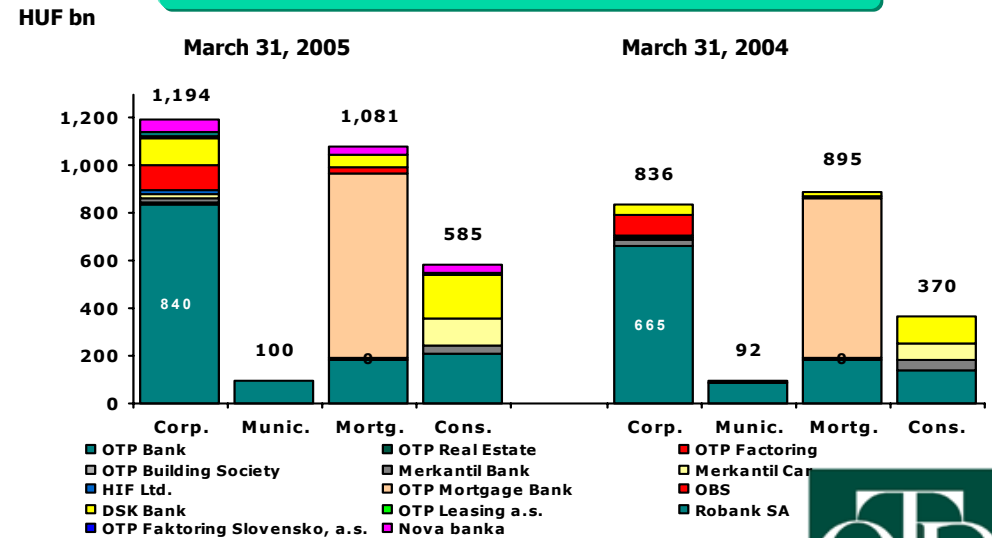
Deposits



Deposits by companies and businesses

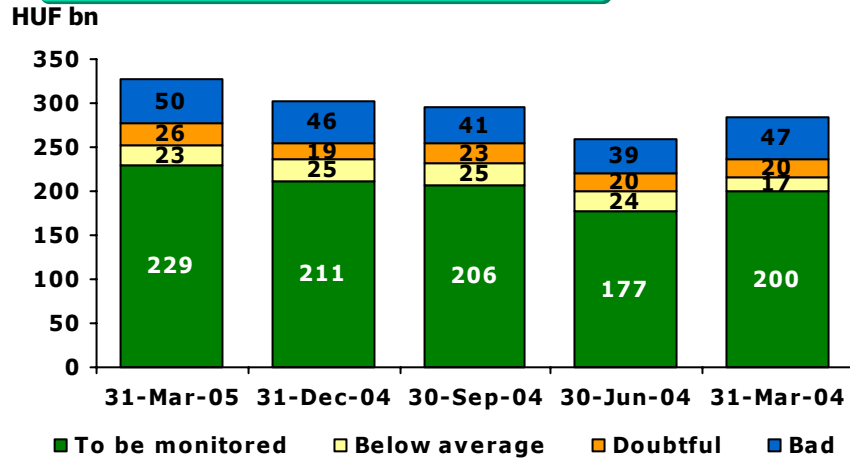


Loans by companies and businesses

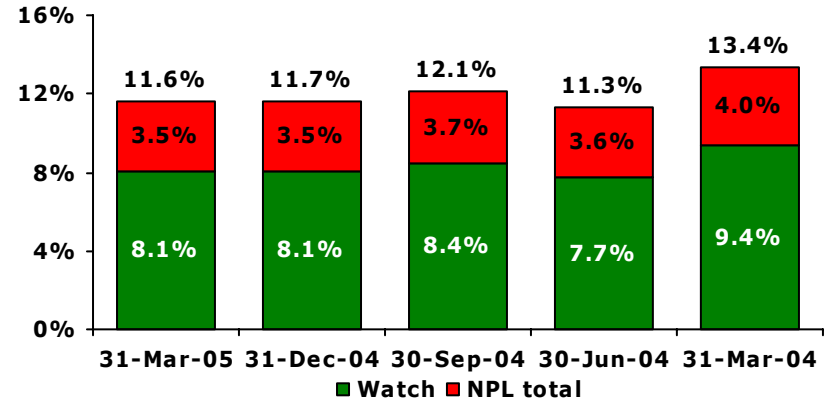


LOAN QUALITY

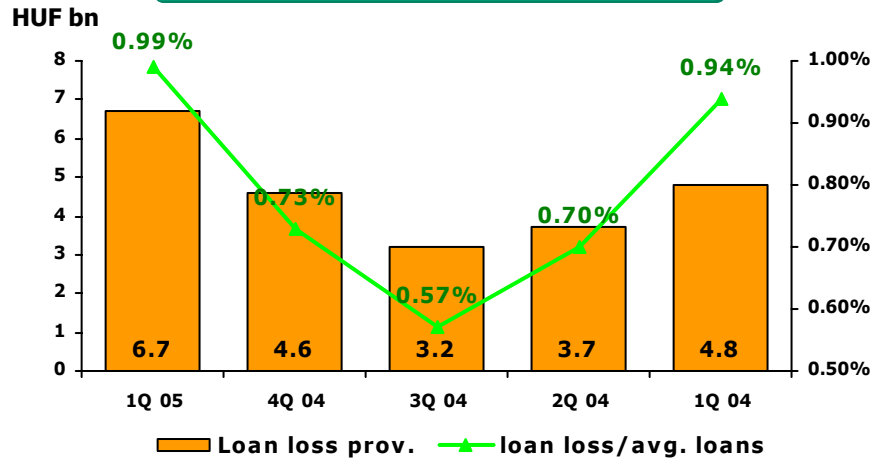
Qualified loans



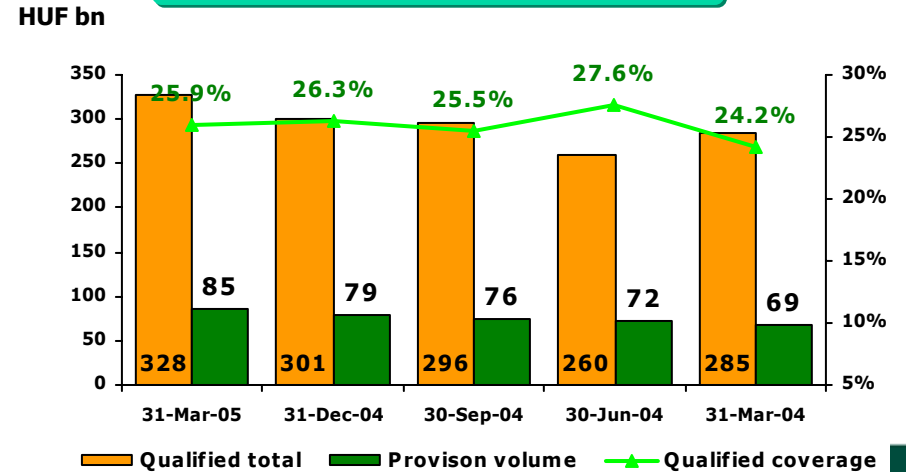
NPL ratio



Provisioning expenses



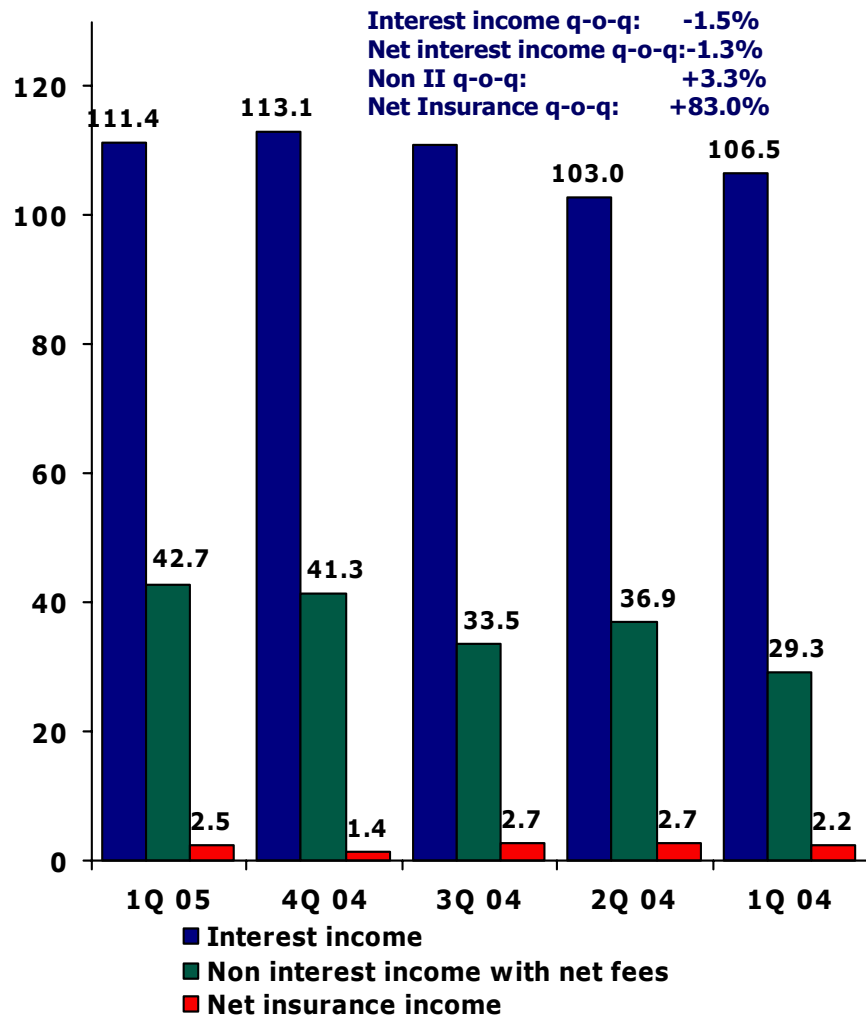
Provisions, coverage



INCOME

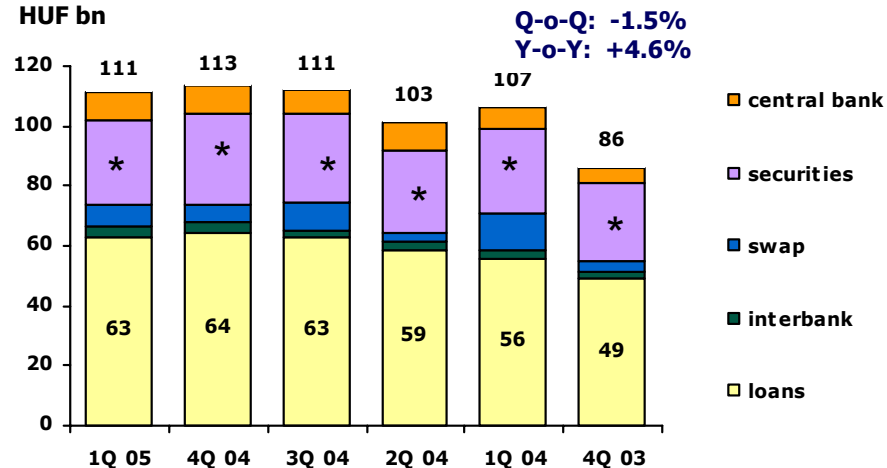
Revenues

HUF bn



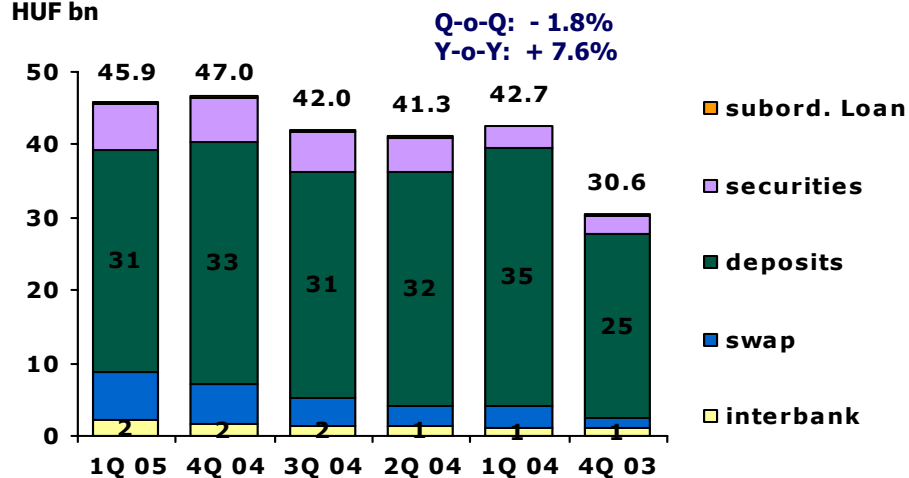
Interest income

HUF bn



Interest expenses

HUF bn

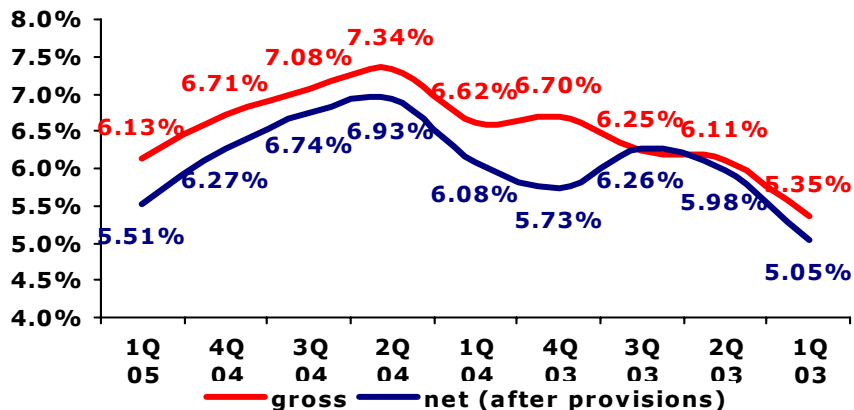


* Note: government subsidy on mortgage lending (bonds) is booked as interest income on securities

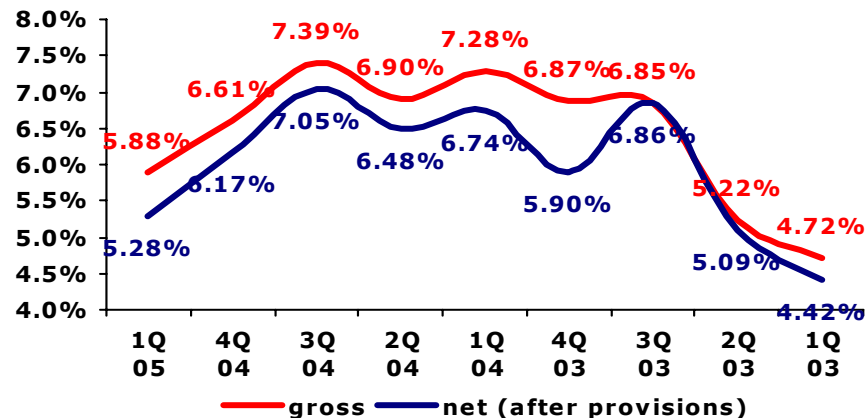
MARGIN, NON INTEREST INCOME

Net interest margin

Adjusted for swaps difference*

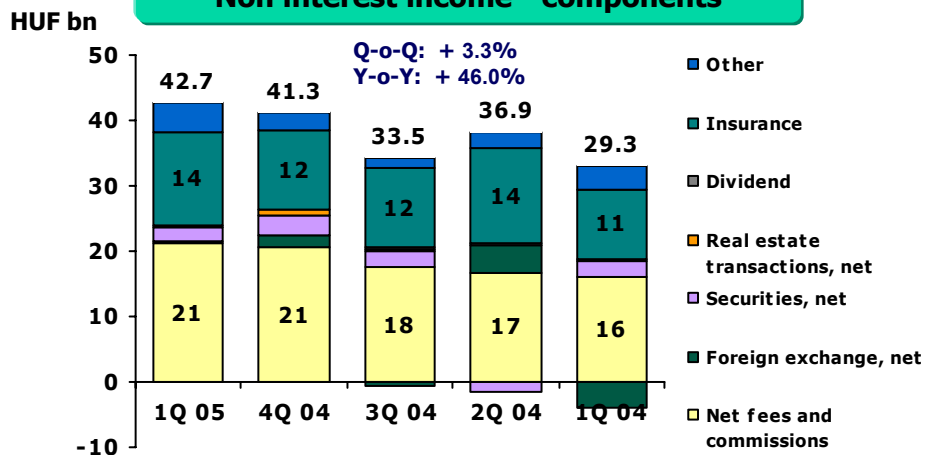


Nominal

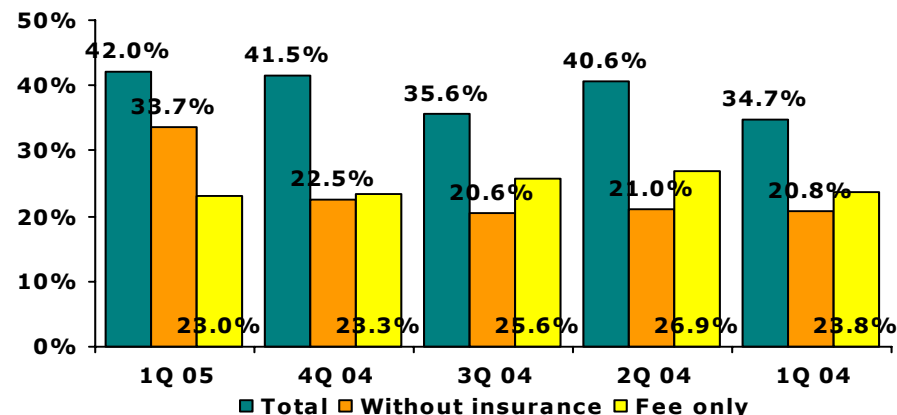


*Net interest income minus difference between HAR and IFRS swap results

Non interest income - components

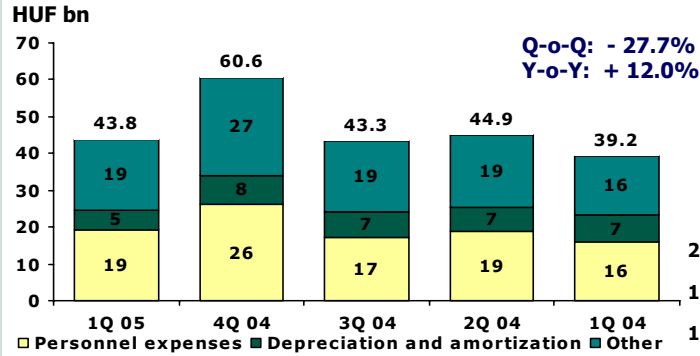


Non int. income/Total income

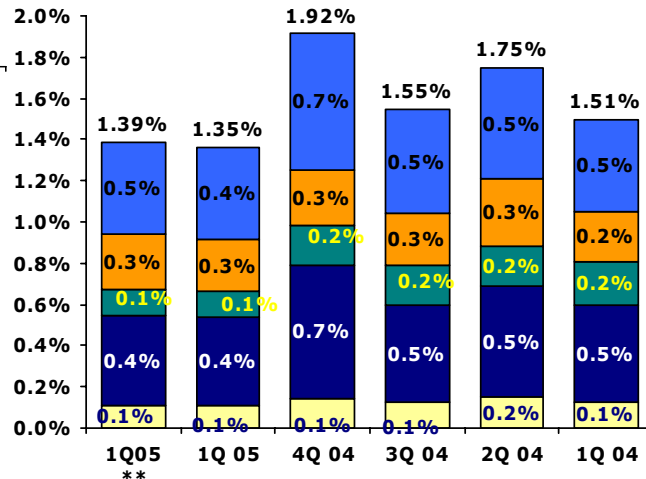


NON INTEREST EXPENSES*

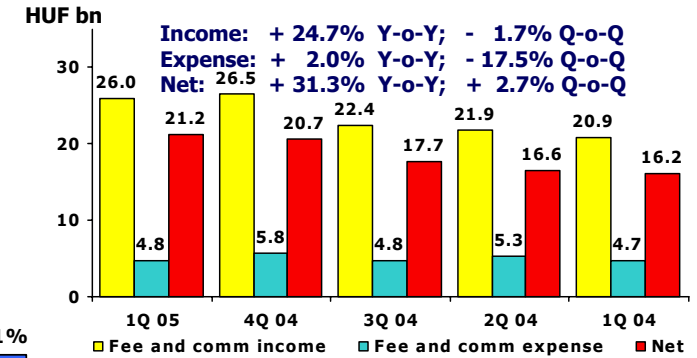
Non interest expenses - components



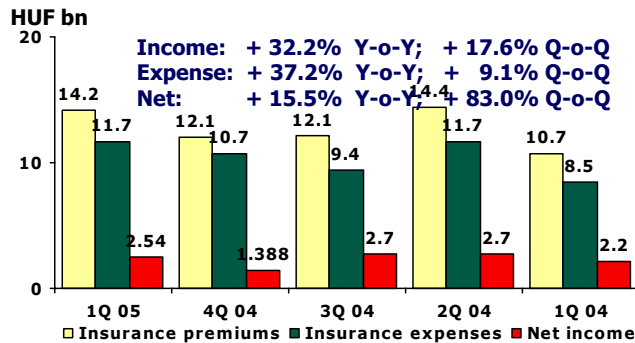
Expenses/Avg. total assets



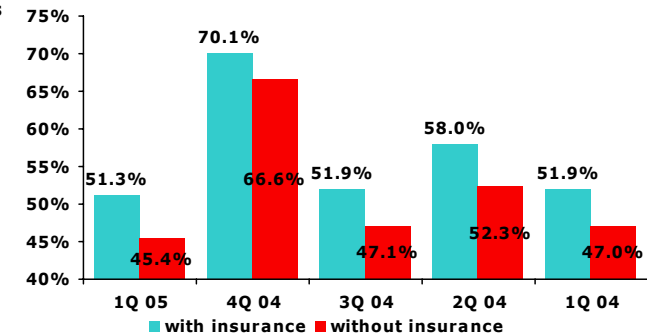
Fees and Commissions



Insurance income/expense



Cost/income ratio

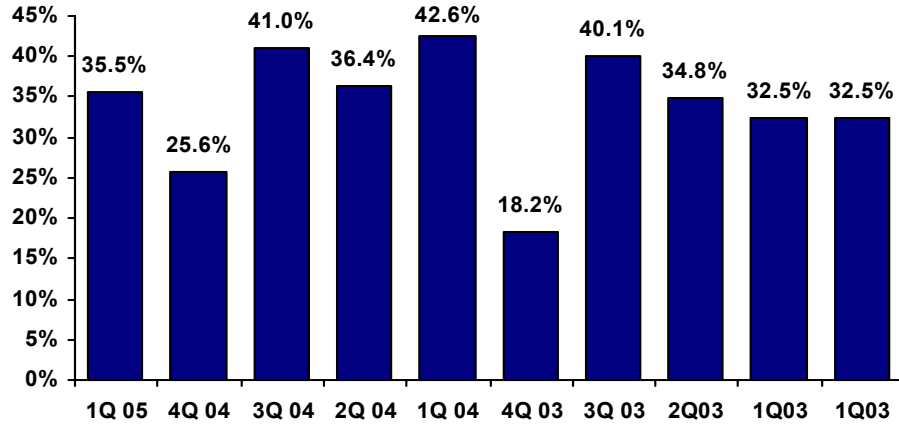


*Non interest expenses are without insurance and fee expenses.

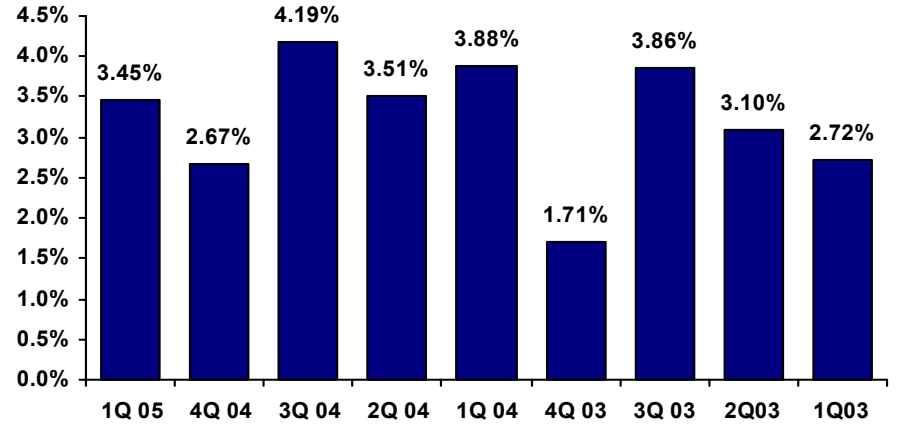
** without Nova banka

RETURNS

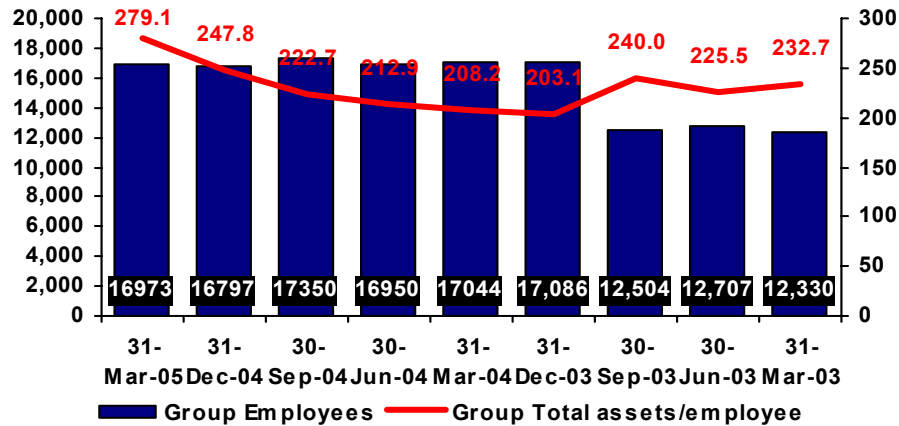
Return on Average Equity



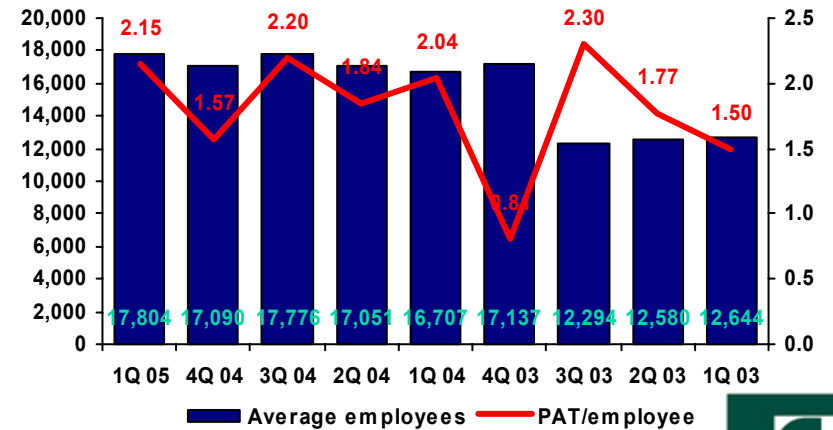
Return on Average Assets



Productivity



Efficiency



OTP GROUP AT A GLANCE (IFRS)

(as at or for the period ending 31 March 2005)

March 31, 2003	Assets	Net loans	Deposits	Equity	Net II	Provisions	Non int inc	Total inc	Non int exp	PBT	PAT
OTP Bank	3,332.9	1,309.1	2,461.2	390.4	35,907	(3,244)	44,885	77,548	29,793	47,755	42,677
Merkantil Bank	57.4	49.6	4.4	12.4	1,397	(246)	153	1,304	979	326	248
OTP Lakástakarékpénztár	73.2	7.5	65.5	5.4	939	4	189	1,133	784	348	265
OTP Jelzálogbank	879.8	771.8	0.0	30.8	12,752	0	2,799	15,551	11,179	4,372	3,429
OBS	204.9	142.5	135.4	15.4	1,280	(8)	1,352	2,624	2,289	335	335
DSK group	511.3	346.7	374.5	57.0	7,762	(1,369)	2,568	8,962	4,086	4,876	4,134
RoBank	48.3	16.5	29.1	8.1	557	(869)	1,108	797	848	(51)	(52)
Nova Banka	255.2	123.5	215.4	23.1	0	0	0	0	0	0	0
OTP-Garancia	127.6	0.1	0.0	16.4	1,765	0	16,142	17,907	16,606	1,301	1,093
Merkantil-Car	141.1	120.3	0.1	2.8	2,966	(637)	728	3,056	1,773	1,283	824
OTP Fund Management	8.3	0.0	0.0	7.1	0	0	2,128	2,129	1,227	902	759
OTP Faktoring Slovensko	3.1	2.6	0.0	0.2	(17)	0	55	38	26	12	12
HIF	12.8	11.7	0.0	2.0	116	3	13	133	92	41	29
OTP Faktoring	9.0	8.4	0.0	2.7	(96)	(110)	743	537	396	141	118
OTP Leasing	12.2	8.4	0.9	(0.0)	74	0	763	836	865	(29)	(29)
OTP Real estate	16.6	0.0	0.0	6.2	(7)	0	811	803	686	117	99
Other subsidiaries	30.2	0.0	0.0	27.3	76	0	1,828	1,904	1,633	272	235
Total subsidiaries	2,390.9	1,609.7	825.3	216.9	29,564	(3,232)	31,380	57,713	43,467	14,246	11,499
Aggregate	5,723.7	2,918.8	3,286.5	607.2	65,471	(6,477)	76,266	135,260	73,260	62,000	54,176
Consolidated	4,737.6	2,742.1	3,282.7	429.7	65,460	(6,721)	47,489	106,228	60,284	45,944	38,352
Total foreign	1,047.7	651.9	755.3	105.8	9,773	(2,243)	5,859	13,389	8,205	5,184	4,429
Foreign ratio	22.1%	23.8%	23.0%	24.6%	14.9%	33.4%	12.3%	12.6%	13.6%	11.3%	11.5%

OTP Bank

**BUILDING A REGIONAL FRANCHISE THROUGH
ACQUISITION**



OTP HAVE SUCCESSFULLY TAKEN THE FIRST STEPS TO BECOME A REGIONAL PLAYER



OTP and subsidiaries



Targeted new markets

Major descriptive data, 2004, IFRS

OTP Group*

Number of branches**	843
Number of customers**	~8 mn
Total Assets	EUR 16,925.1 mn
Net Profit	EUR 572.5 mn
ROAE	37.8%
Cost/income ratio	57.6%

Slovakia – OTP Banka Slovensko

Number of branches	68
Number of customers	0.3 mn
Total assets	EUR 873.8 mn
Net profit	EUR 2.1 mn
ROAE	3.5%
Cost/income ratio	95.6%
Market share of asset	2.8%

Romania – OTP Bank Romania

Number of branches	15
Number of customers	0.03 mn
Total assets	EUR 181.3 mn
Net profit	EUR 0.2 mn
ROAE	0.7%
Cost/income ratio	80.6%
Market share of asset	~1%

Croatia – Nova banka

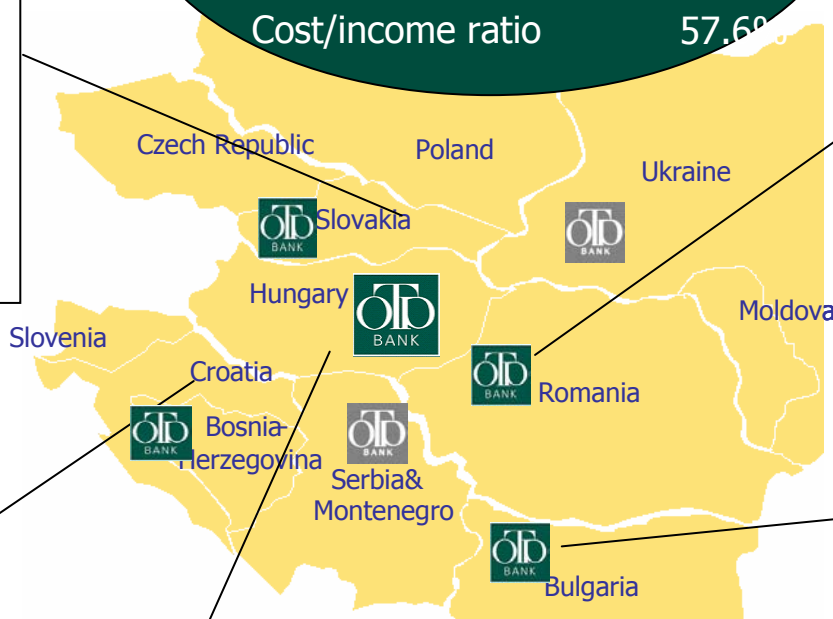
Number of branches	92
Number of customers	~0.3 mn
Total assets	EUR 1,070.2 mn
Net profit	EUR 20.3 mn
ROAE	21.2%
Cost/income ratio	84.0%
Market share of asset	3.8%

Hungary – OTP Bank

Number of branches	437
Number of customers	~3.5 mn
Total assets	EUR 12,420.2 mn
Net profit	EUR 517.2 mn
ROAE	38.2%
Cost/income ratio	46.1%
Market share of asset	19.4%

Bulgaria – DSK Bank***

Number of branches	323
Number of customers	~3.7 mn
Total asset	EUR 1,669.2 mn
Net profit	EUR 38.2 mn
ROAE	21.4%
Cost/income ratio	56.8%
Market share of asset	13.1%



* Consolidated banks without Nova banka

** Only banks

*** DSK Group, Bulgarian IFRS

OTP Bank

EXPECTED DEVELOPMENT OF BANKING IN THE REGION, AND OTP'S STRATEGY FOR GROWTH (BASED ON LOCAL GAAP)

Note on methodology used:

Only the organic growth of today's group members (including Nova banka) is considered. Free cash-flow is centralized at OTP Bank and withdrawn from the balance sheet as potential dividends to shareholders or funds available for acquisitions. The potential free cash-flows of a year have no effect on the result of the next years. Thus no interest revenue is calculated on excess capital, no revenue of newly acquired operations is taken into account and goodwill amortization is calculated only for subsidiaries owned today.

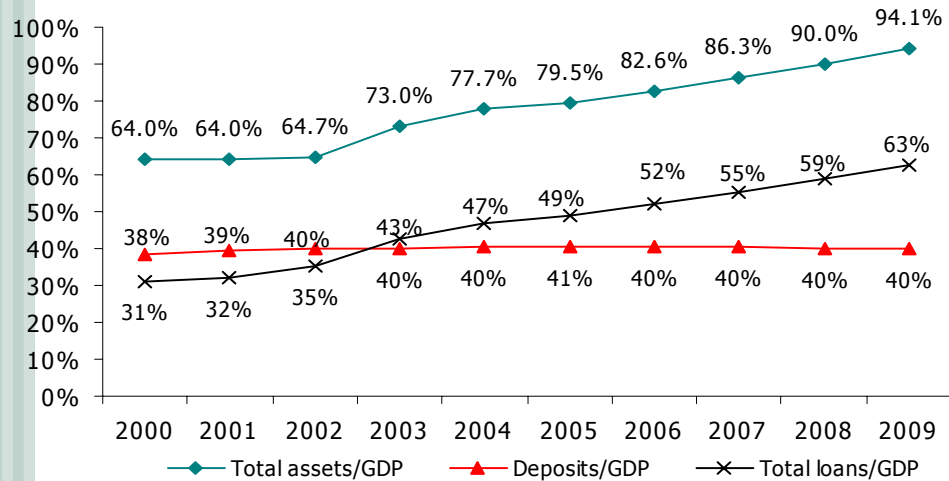
ROAE is calculated with the assumption that the profit beyond the capital need to ensure safe capital compliance with Basel I (~10%) and the formulation of general risk reserve is paid out as dividend or taken out from the balance sheet as funds available for acquisitions. If the Bank uses these funds for acquisitions both revenues (e.g. plus dividend) and costs (e.g. higher goodwill amortization) and therefore ROAA and ROAE may be different.



CREDIT EXPANSION WILL DETERMINE THE DEVELOPMENT OF THE HUNGARIAN BANKING SECTOR

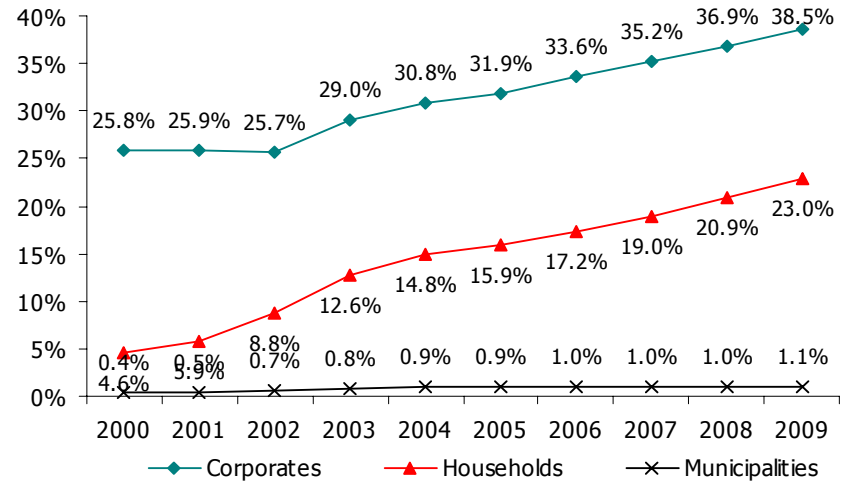
Expected development in the banking sector

Eurozone 2003: 257% 



Loan penetration

Eurozone-households: 64% 
Eurozone - corporates: 50% 



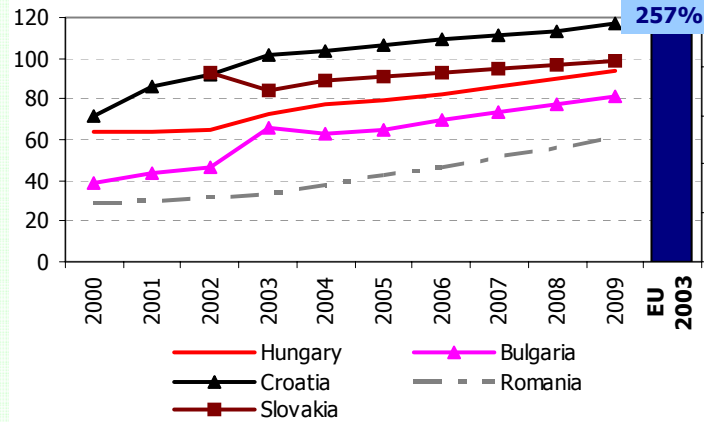
The prospects of the banking sector

- The financial intermediary sector is a reflection of the savings structure of the economy. Therefore we constructed a flow of funds model in order to forecast the size of the banking sector.
- Based on the changes in the net savings of the different sectors, total assets of the banking system will be higher than 90% of GDP by the end of the decade.
- This growth will be driven by the credit demand of the economy, resulting in an increase in the GDP share of loans, while the share of deposits slightly changes. Macroeconomic shocks that may adversely affect the demand for loans would slow the development of the banking sector.
- The structure of the loan portfolio depends on the relative indebtedness of households and corporates. Since the indebtedness of households is still behind that of the corporate sector, the growth of household loans will probably outperform the growth of corporate loans.

BANKING PENETRATION IS DRIVEN BY DYNAMIC CREDIT GROWTH

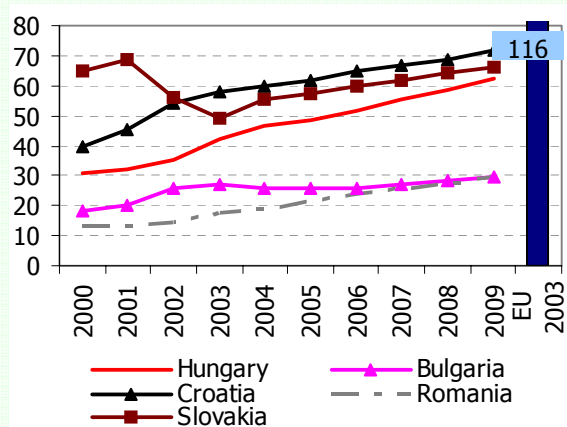
- Compared to Hungary the banking penetration is lower in Bulgaria and Romania, but in Slovakia and in Croatia the total assets of the banking system compared to GDP are significantly higher than in Hungary.

Total assets of the banking system compared to GDP (%)



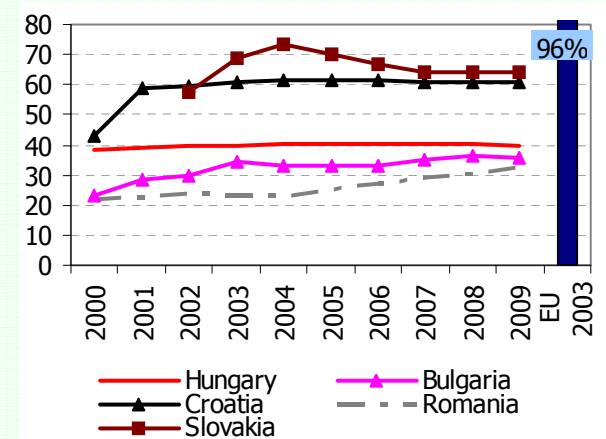
- Although the most dynamic growth is expected in Romania, the banking penetration in 2009 is not expected to reach the current Hungarian level.

Total loan to GDP (%)



- The dynamic growth of consumption and investment will significantly increase the size of the household and corporate credit market.

Total deposits to GDP (%)

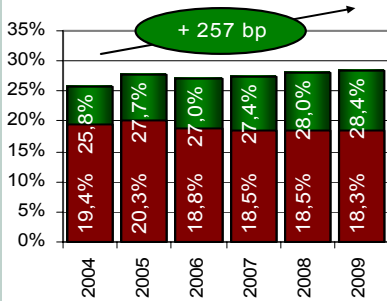


- The deposits to GDP ratio will increase in Romania and in Bulgaria. In Slovakia the deposit market is expected to shrink.

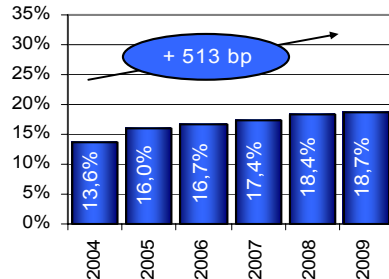
OTP GROUP AIMS AT IMPROVING ITS MARKET SHARE BY TOTAL ASSETS IN ALL COUNTRIES

Total assets

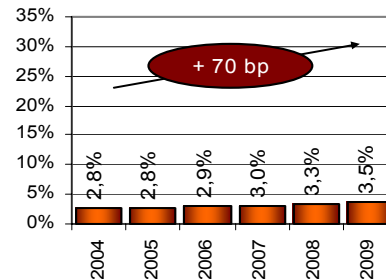
OTP Group - Total assets



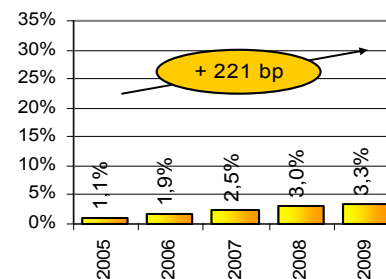
DSK – Total assets



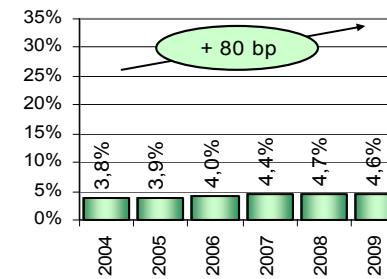
OBS – Total assets



Robank - Total assets

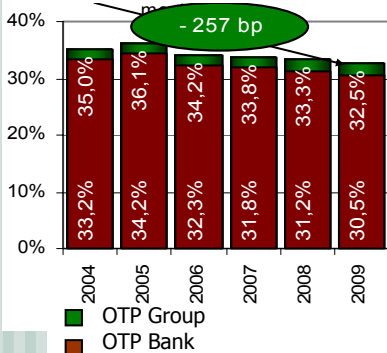


Nova banka – Total assets

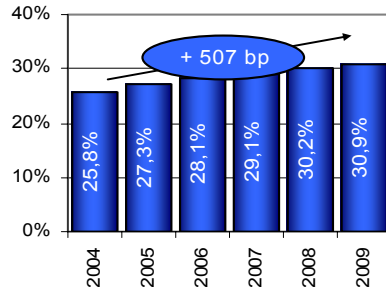


Retail deposits

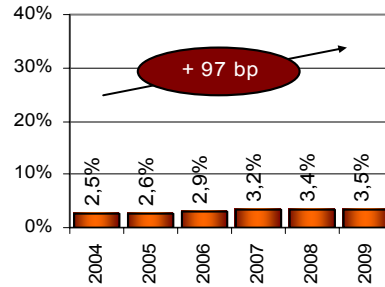
OTP Group – Retail deposits



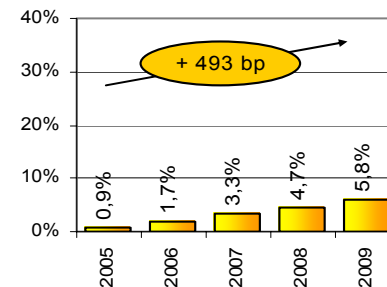
DSK – Retail deposits



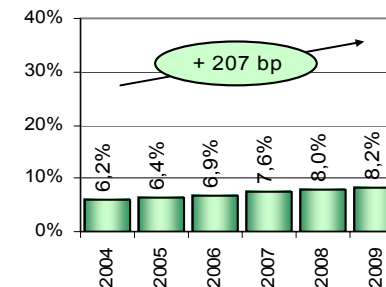
OBS – Retail deposits



Robank – Retail deposits



Nova Banka – Retail deposits



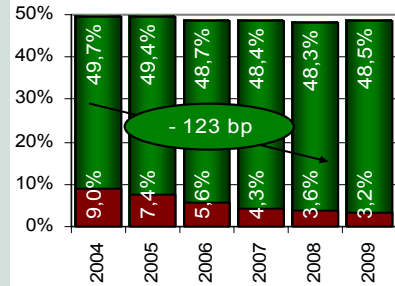
- DSK and Robank is planning the highest market share increase by total assets.
- The deposit market share growth rate is higher than that of total assets in Slovakia and Croatia.

Note: OTP Group's volume of deposits and credits includes OTP Bank Ltd., OTP Mortgage Bank Ltd. and OTP Building Society Ltd.

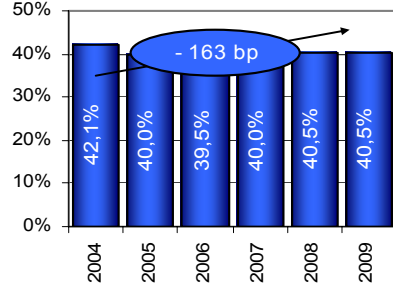
OTP GROUP TARGETS CONSIDERABLE MARKET SHARE INCREASE IN ALMOST ALL SEGMENTS OF THE RETAIL LENDING MARKET IN THE REGION

Housing loans

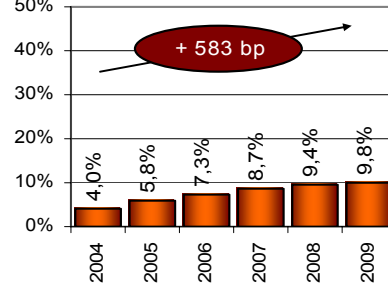
OTP Group – Housing loans



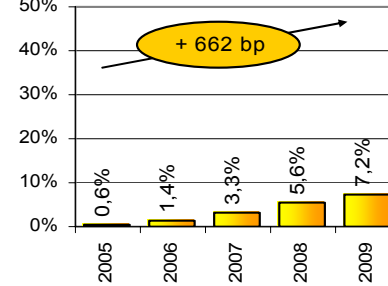
DSK – Housing loans



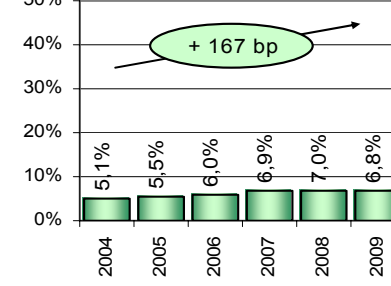
OBS – Housing loans



RoBank – Housing loans

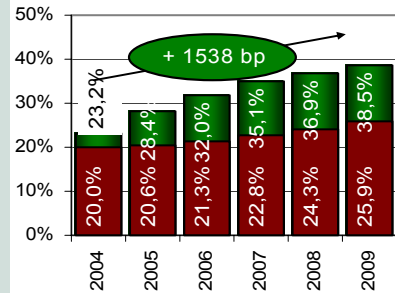


Nova Banka – Housing loans

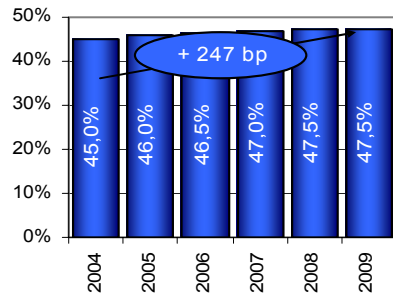


Consumer loans

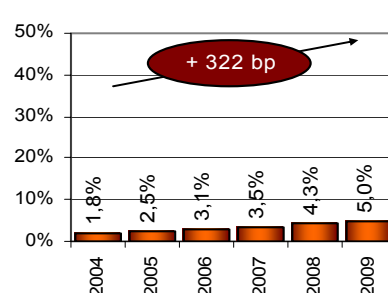
OTP Group – Consumer loans



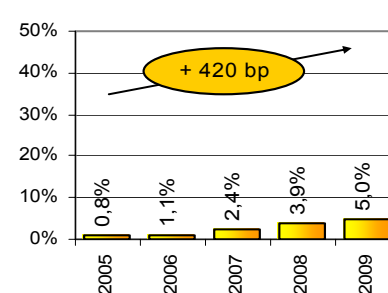
DSK – Consumer loans



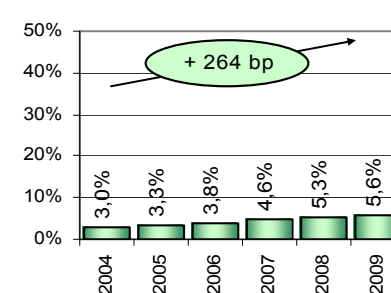
OBS – Consumer loans



RoBank – Consumer loans



Nova Banka – Consumer loans

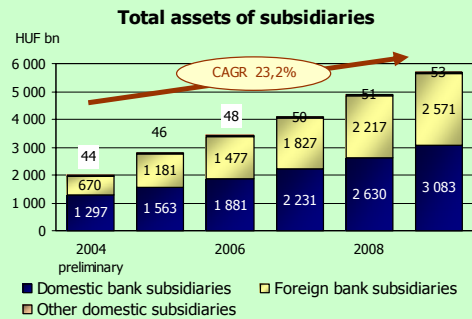
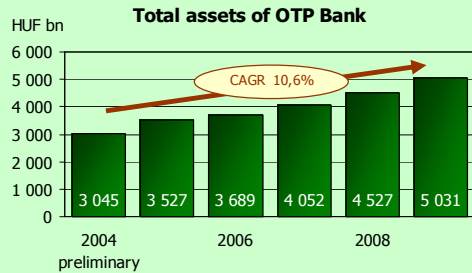


■ OTP Group
■ OTP Bank

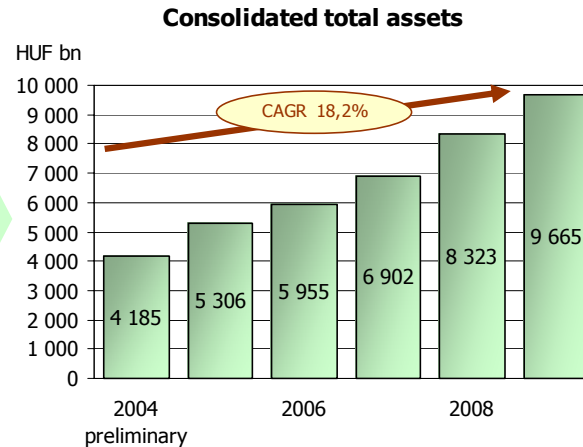
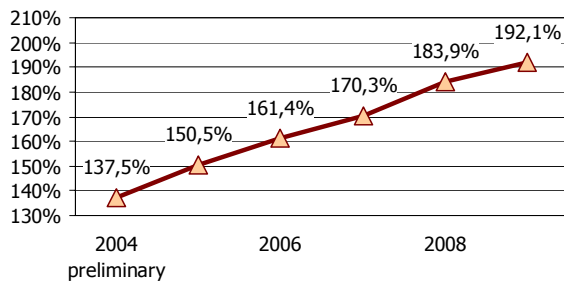
- OTP Group targets a 48.0-49.4% share from the annual growth housing loan market in Hungary.
- In the Hungarian consumer loan market OTP Group's market share without car loans will increase from 20% to 26%.

Note: OTP Group's volume of deposits and credits includes OTP Bank Ltd., OTP Mortgage Bank Ltd. and OTP Building Society Ltd.

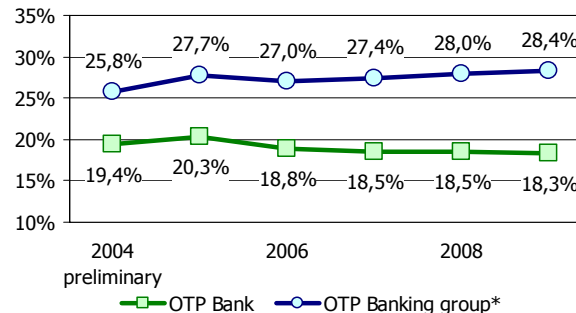
GROWTH RATE OF CONSOLIDATED BALANCE SHEET TOTAL** IS EXPECTED TO ACCELERATE



Consolidated/non-consolidated total assets



Market share based on total assets

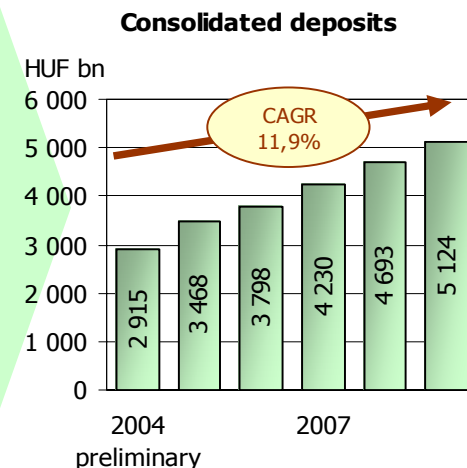
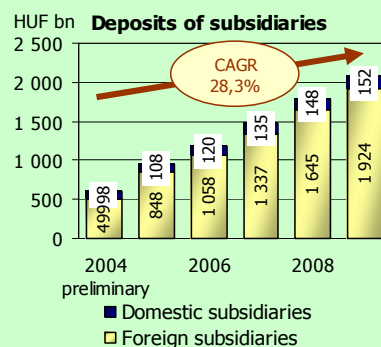
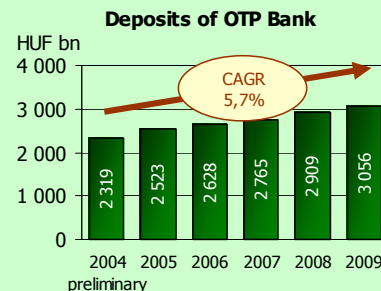
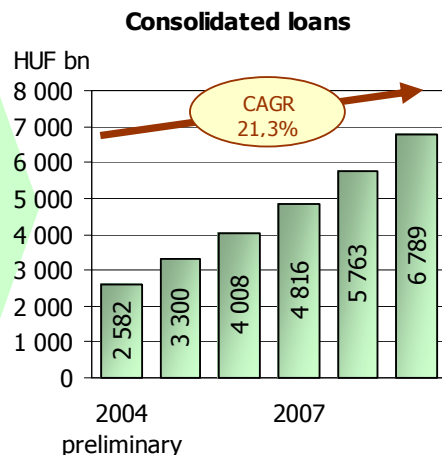
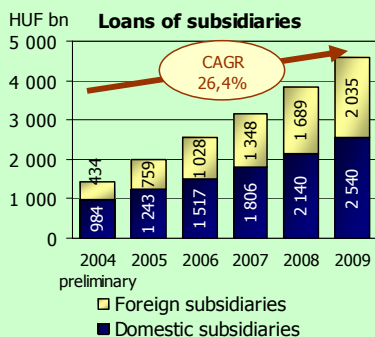
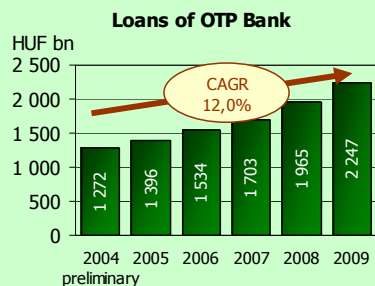


- Estimated average yearly growth of consolidated balance sheet is 18.2%, in case of the subsidiaries we expect 23.2% growth rate, still higher than at the Bank (10.6%).
- Consolidated/non-consolidated ratio of total assets changes from 138% in 2004 to 192% for 2009.
- Market share of the Bank based on balance sheet falls down from 19.4% in 2004 to 18.3% for 2009.
- Hungarian market share of the banking group based on aggregate balance sheet grows from 25.8% in 2004 to 28.4% for 2009.

* OTP Bank, OTP Mortgage Bank, Merkantil Bank and OTP Building Society together

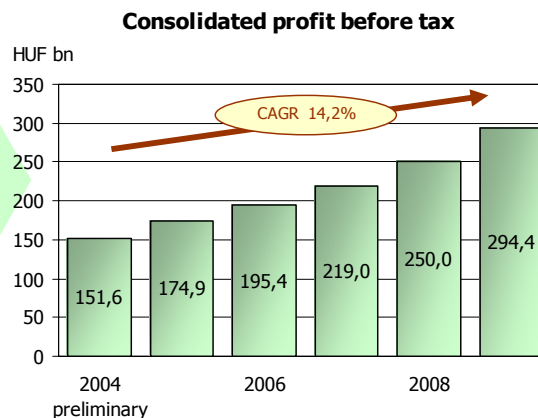
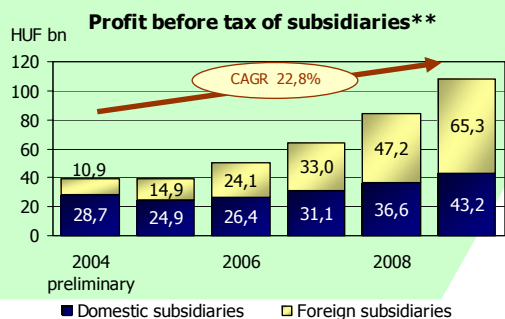
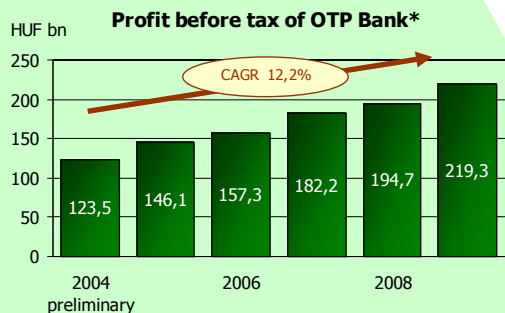
** Balance sheet total is based on OTP Bank and subsidiaries planes, calculated with aggregated filtering items.

INCREASE OF CUSTOMER VOLUMES IS HIGHER AT SUBSIDIARIES THAN AT OTP BANK

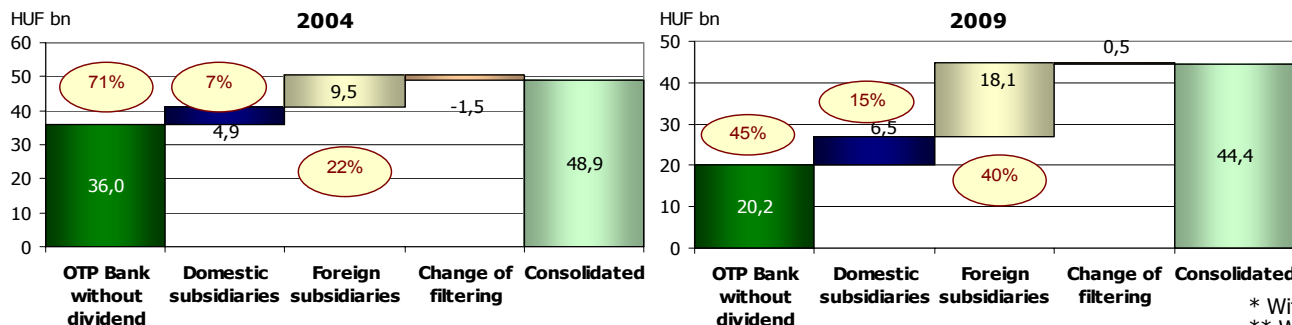


- To increasing of consolidated loans contributes OTP Mortgage Bank to the highest degree. As a result of increase in Fx-lending the volume of loans at OTP Bank grows by 12%, the aggregate volume of loans at the subsidiaries by 27%.
- Because of the possibility of issuing Fx-bonds under favorable conditions OTP Bank will give over to its subsidiary – OTP Mortgage Bank – Fx-based housing and mortgage loans from year 2005.
- Foreign subsidiaries have dominant proportion (HUF 1,479 bn) in increase of consolidated deposits, OTP Bank's deposits grow by HUF 738 bn over the strategic period.

CONTRIBUTION OF FOREIGN SUBSIDIARIES TO CONSOLIDATED PRE-TAX PROFIT IS ALREADY SIGNIFICANT, BUT OTP BANK'S PERFORMANCE REMAINS DOMINANT



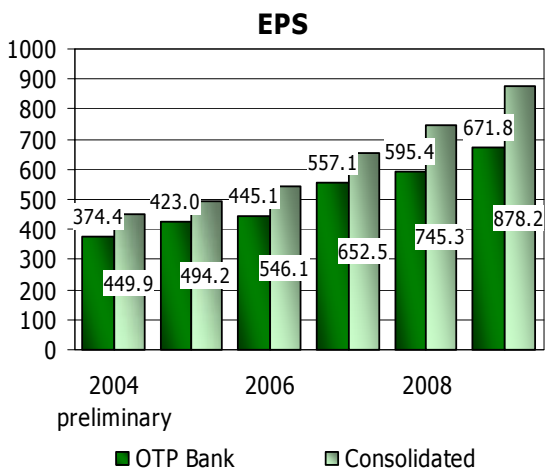
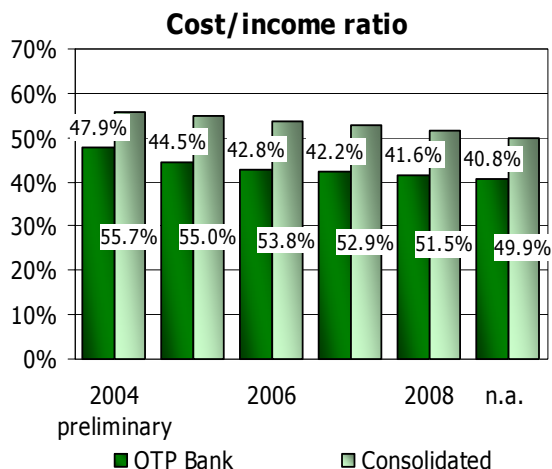
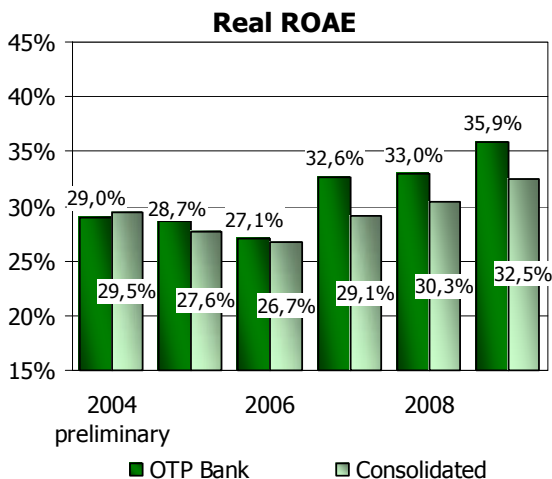
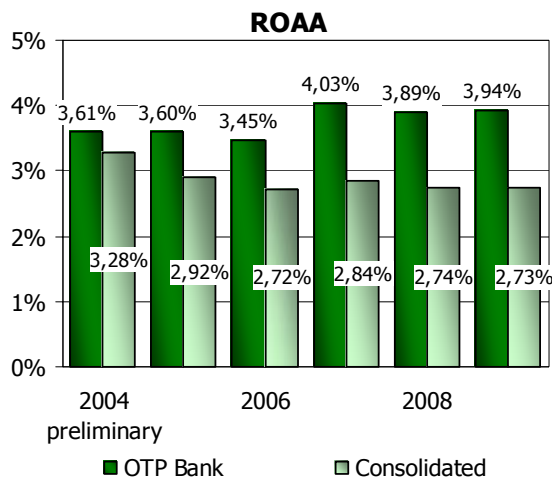
Proportion of group members to pre-tax profit growth



* With dividend received
 ** Without acquisitions planned for 2005

- HUF 294.4 bn targeted pre-tax profit of banking group in 2009 is higher by HUF 143 bn than in 2004, which translates to an average yearly growth of 14%.
- HUF 40 bn of pre-tax profit of subsidiaries in 2004 grows to HUF 109 bn in 2009, the targeted average yearly growth is 23%.
- Contribution of foreign subsidiaries to sum of group members profit is growing constantly. Their proportion to the pre-tax profit growth changes from 22% in 2004 to 40% in 2009.

CONSTANT ABOVE 30% RETURN ON EQUITY IS ACHIEVABLE THROUGH CONSTANTLY IMPROVING EFFICIENCY RATIOS



- OTP Bank's return on assets grows from 3.61% in 2004 to 3.94% for 2009, but consolidated ROAA falls down to 2.73%.
- 29% real ROAE in 2004 at OTP Bank reaches 36% in 2009, consolidated real ROAE changes from 29.5% to 32.7%.
- Cost/income ratio of OTP Bank decreases from 47.9% in 2004 to 40.8% in 2009. In case of the banking group the ratio changes from 55.7% to 49.9%.
- Consolidated earnings per share in 2009 reaches HUF 878.2 under HAR.

* Assuming free capital is used for dividends or acquisitions

Further information

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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.