



**OTP Bank**

## **First Half 2002 Performance**

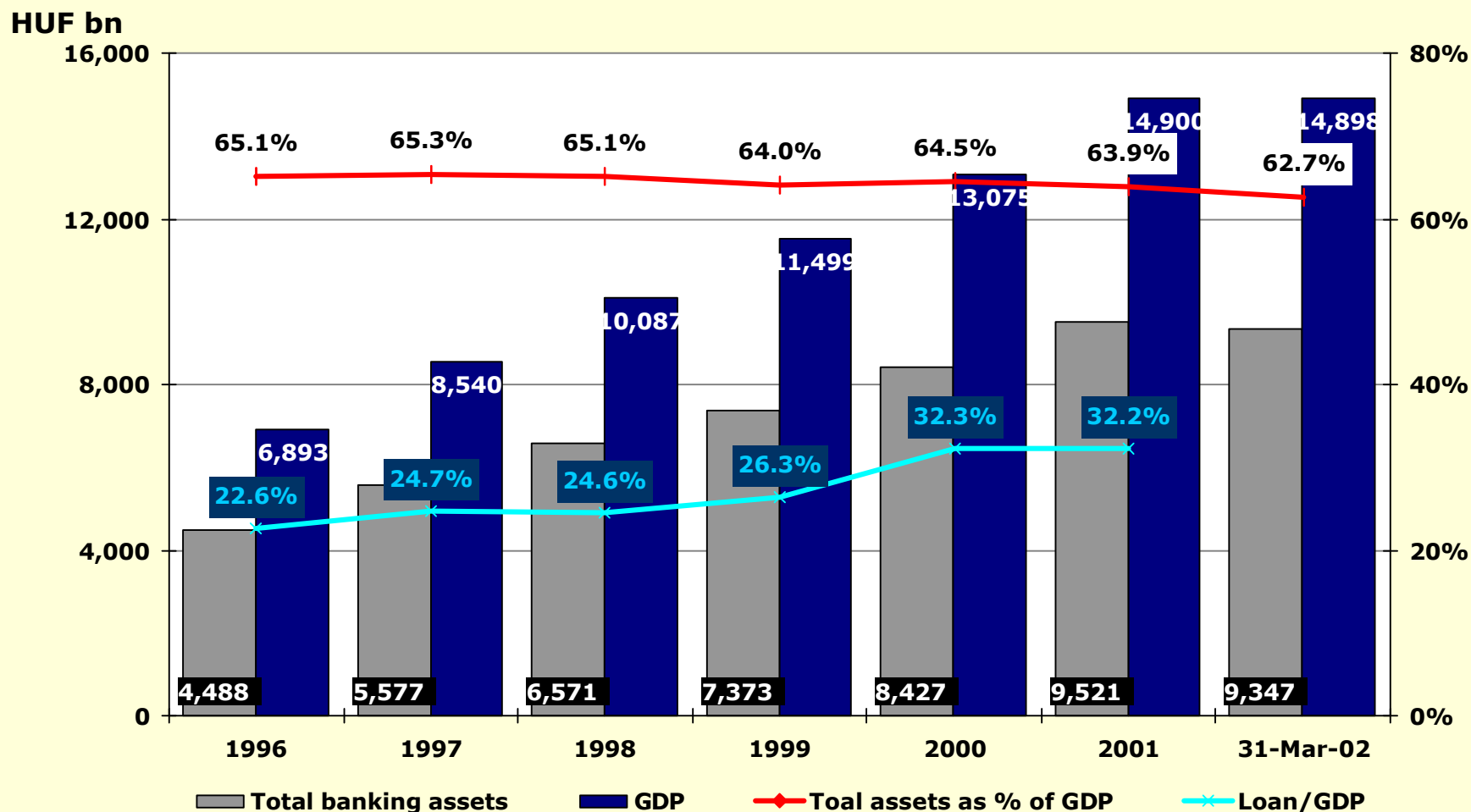
**Presented by:**

**Dr. Zoltán Spéder, Vice-Chairman, Deputy CEO, CFO**

**George Fenyo, Managing Director, IR**

**HSBC Conference – London, September 2002**

# Evolution of banking system

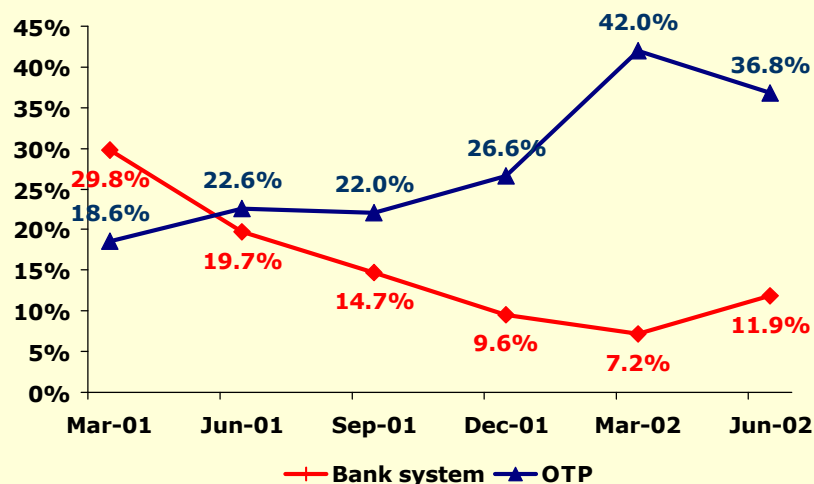


Source: NBH, NSB, OTP

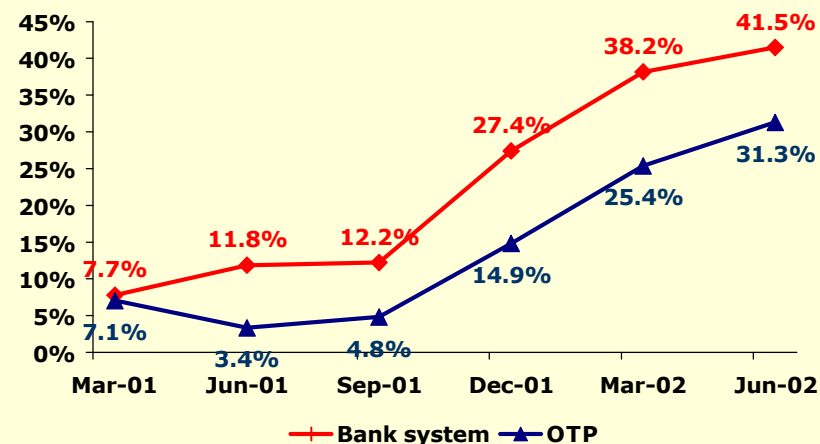
Note> GDP data for 31 March 2002 is annualized

# Loan growth in 2002\* (Y-on-Y)

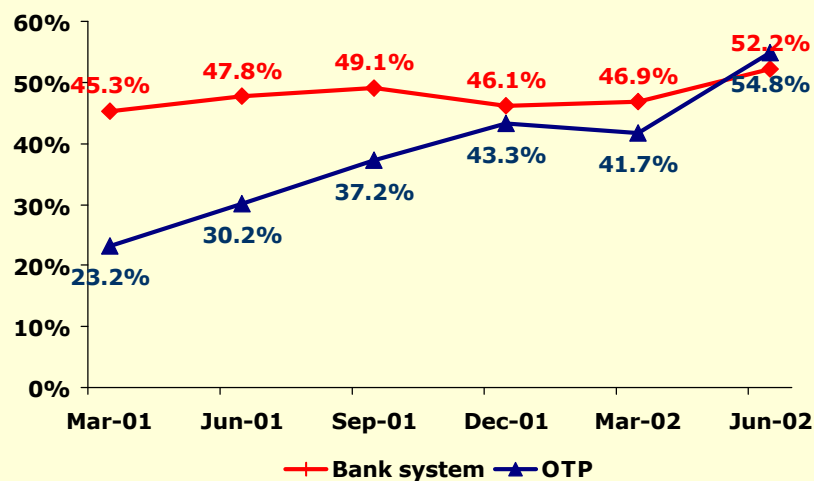
Corporate



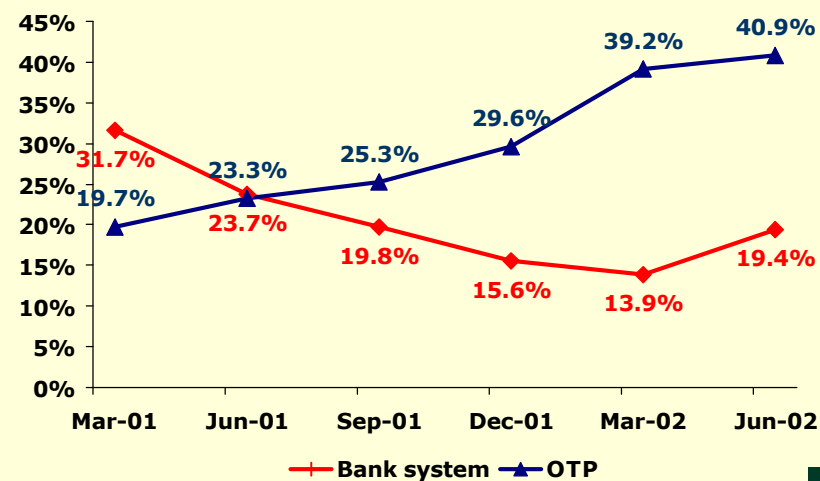
Municipality loans



Retail



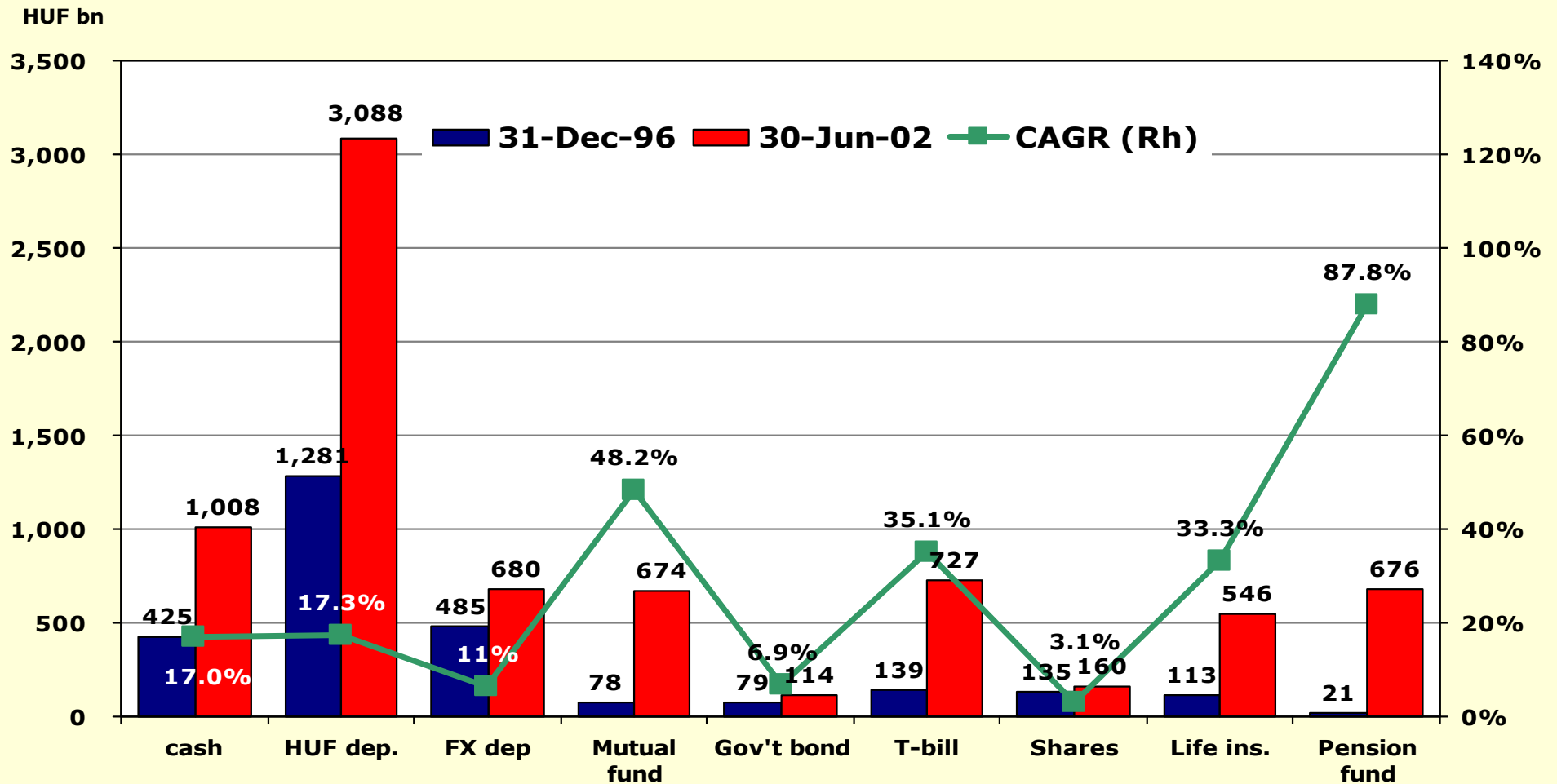
Total loans



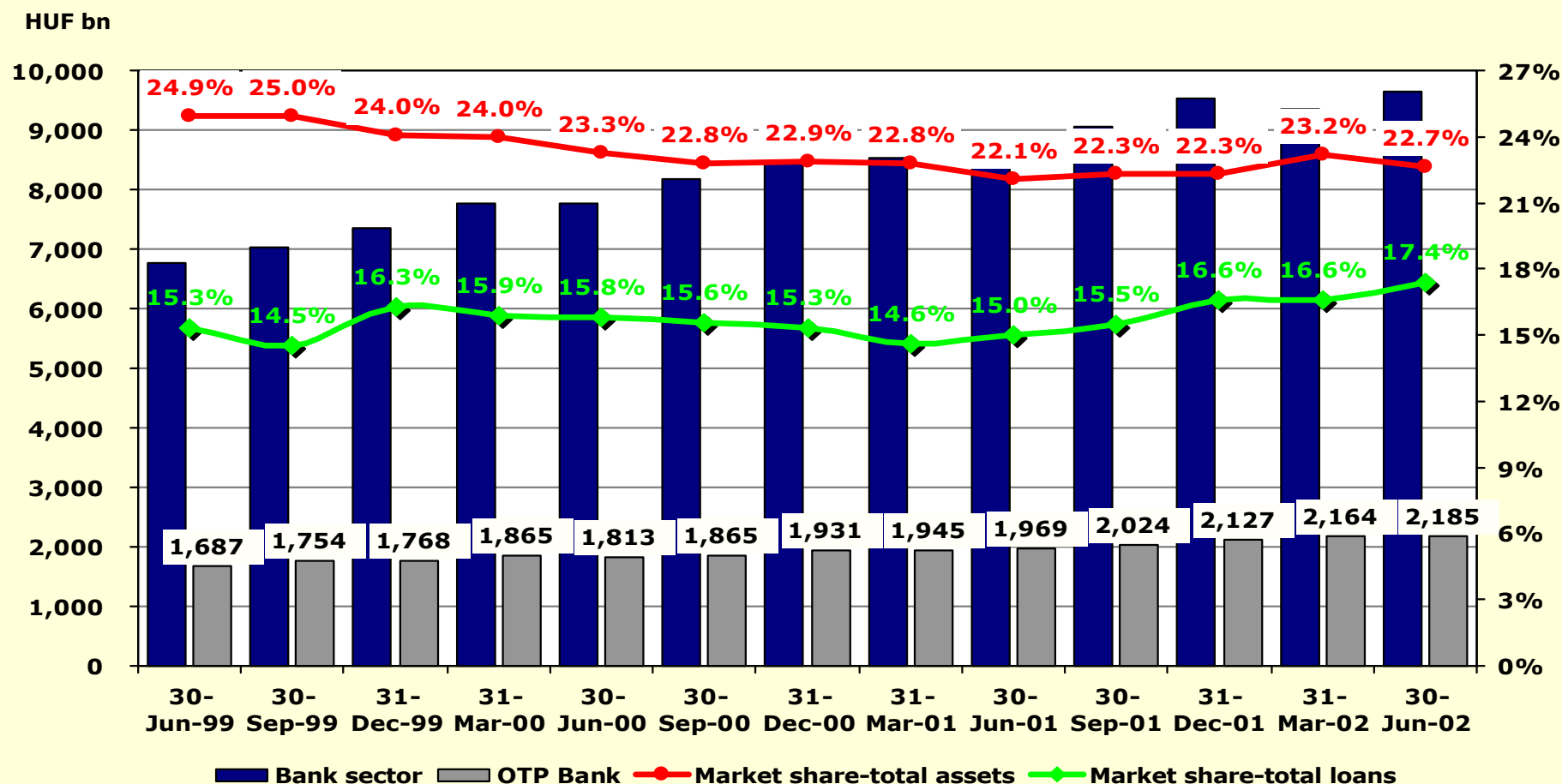
\*Based on new NBH specification used since 1 January 2000

**OTP Bank 1H 2002 results**

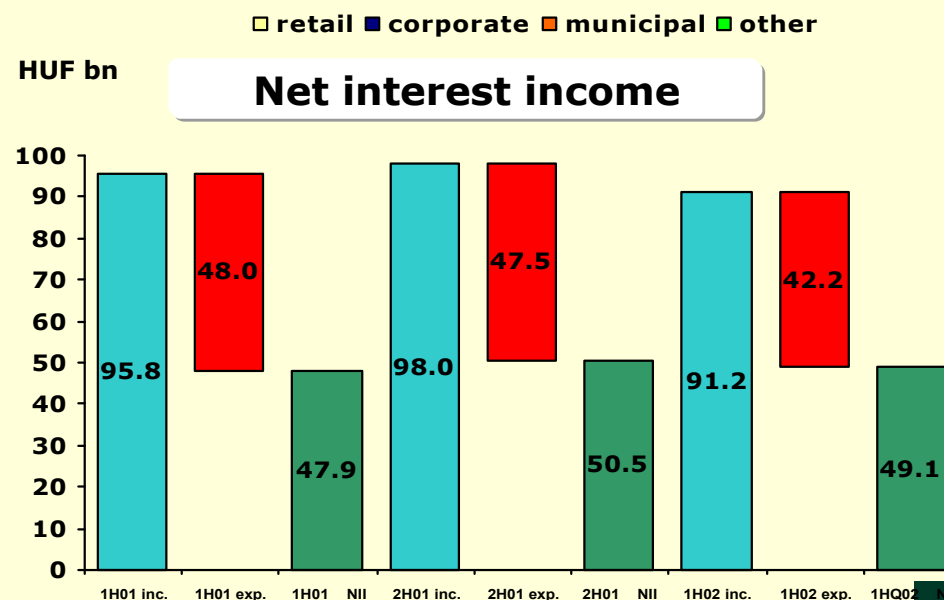
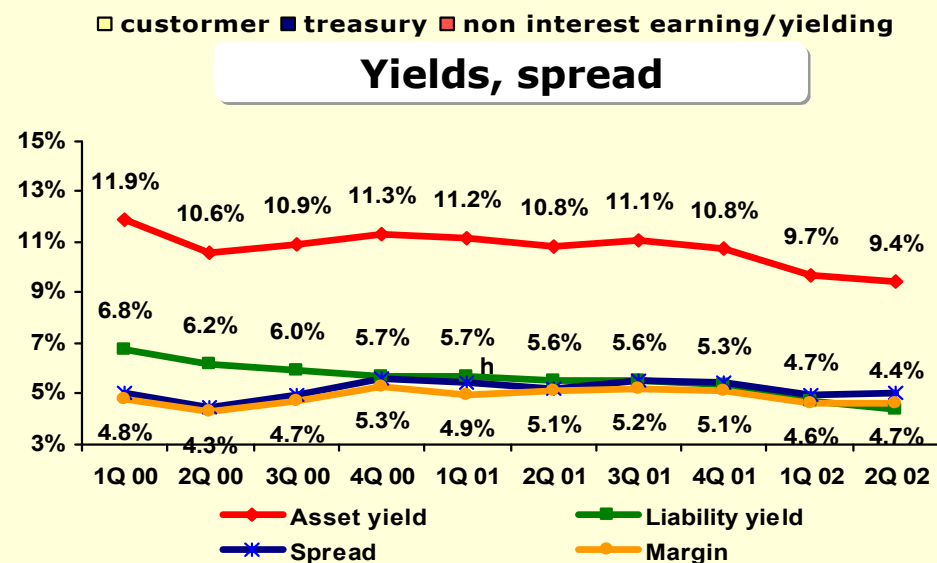
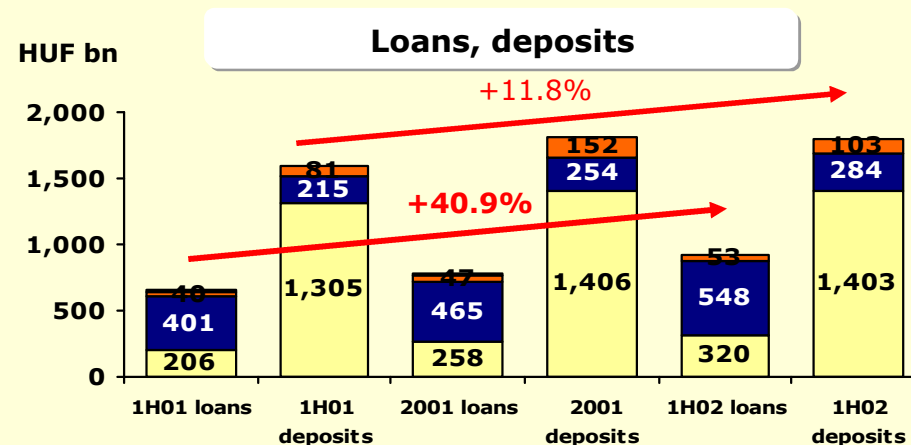
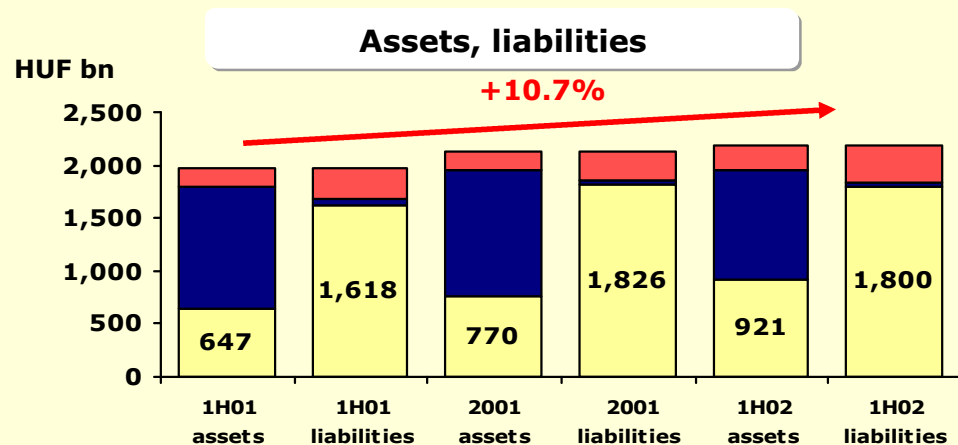
# Macro: Retail savings



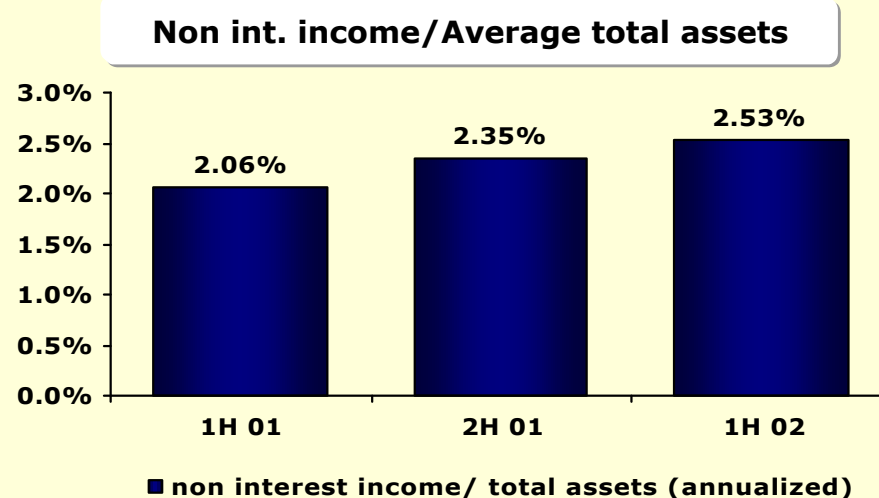
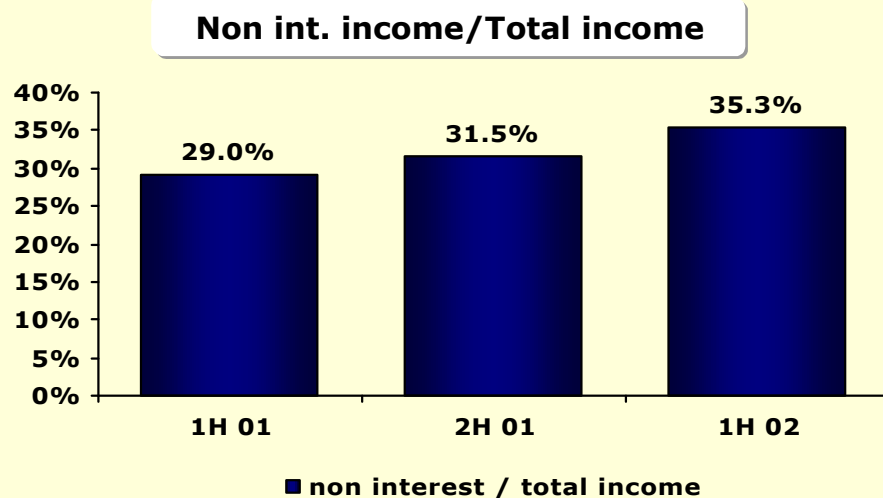
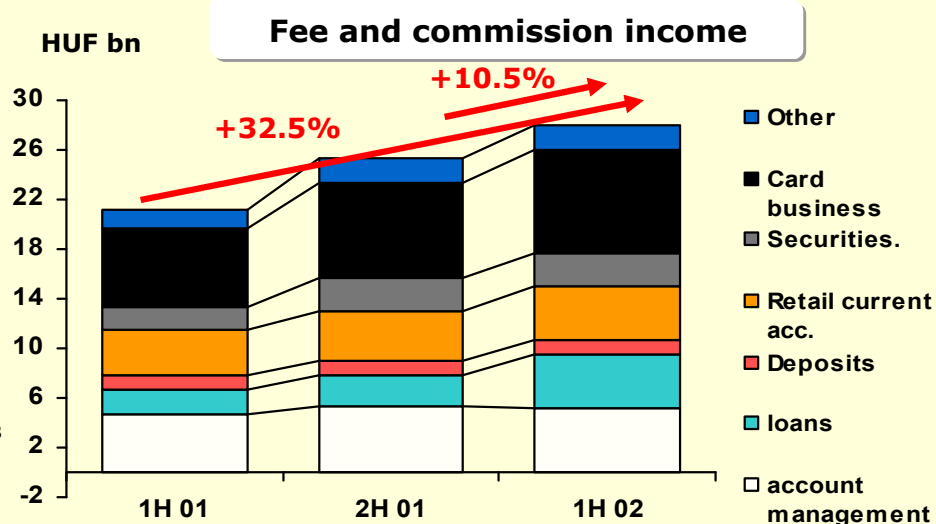
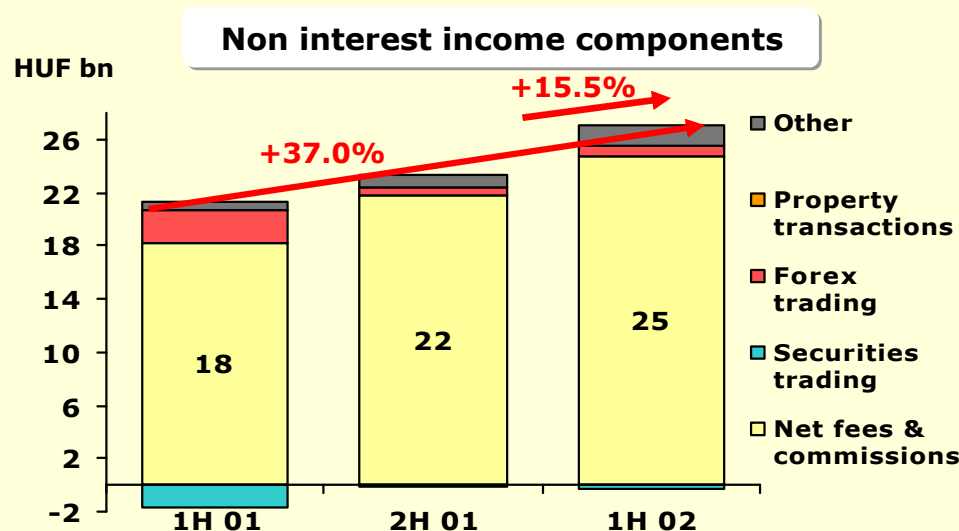
# Market share–total assets



# Balance sheet, interest income



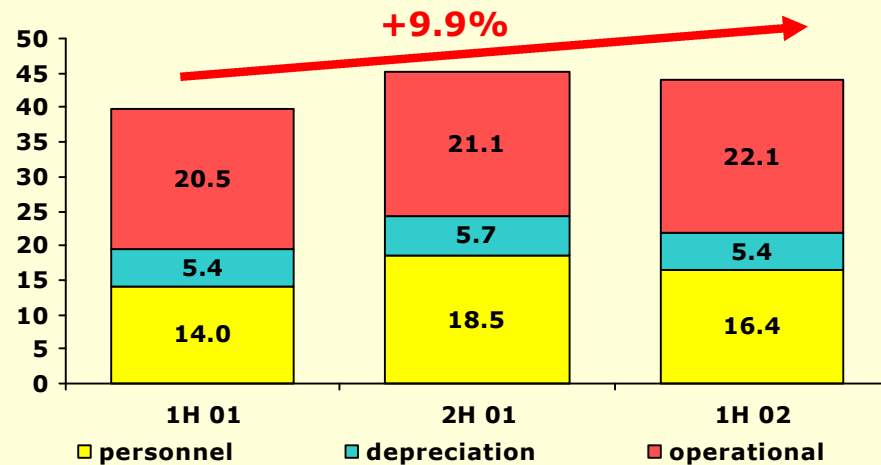
# Non interest income



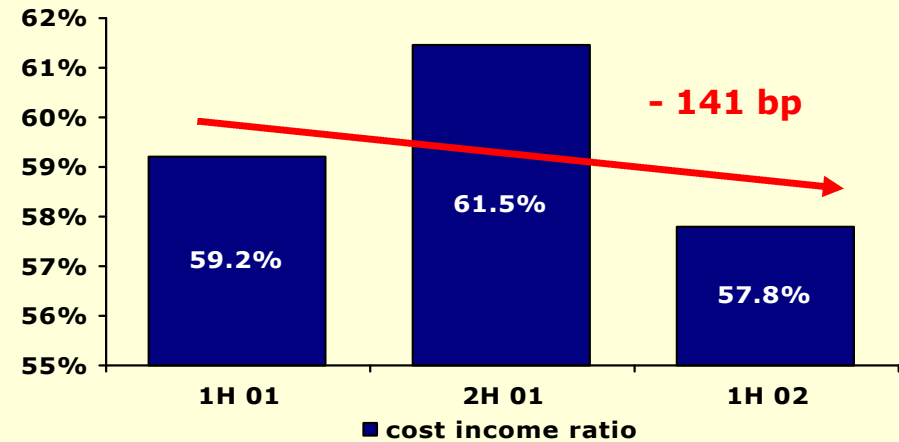
# Non interest expenses

Non interest expenses

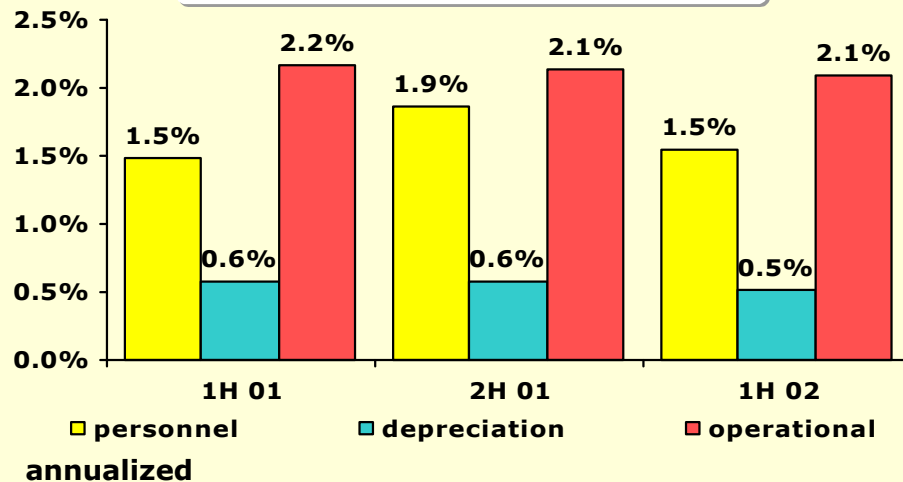
HUF bn



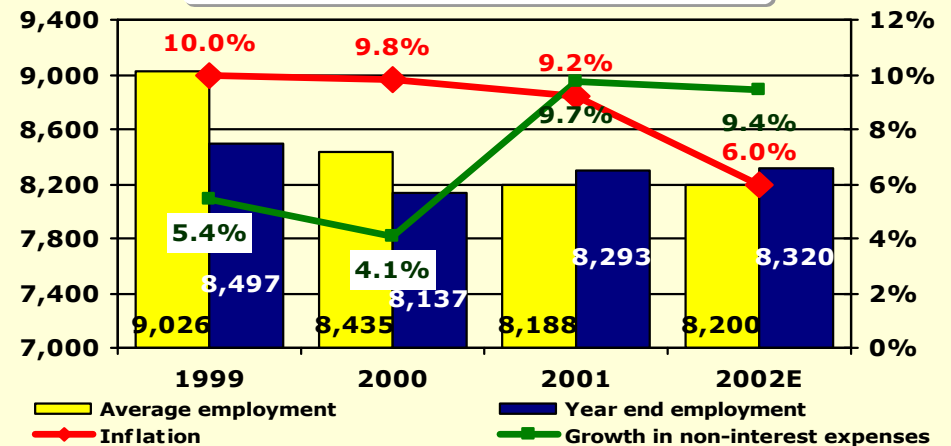
Cost/income ratio



Non int. expenses/Total assets

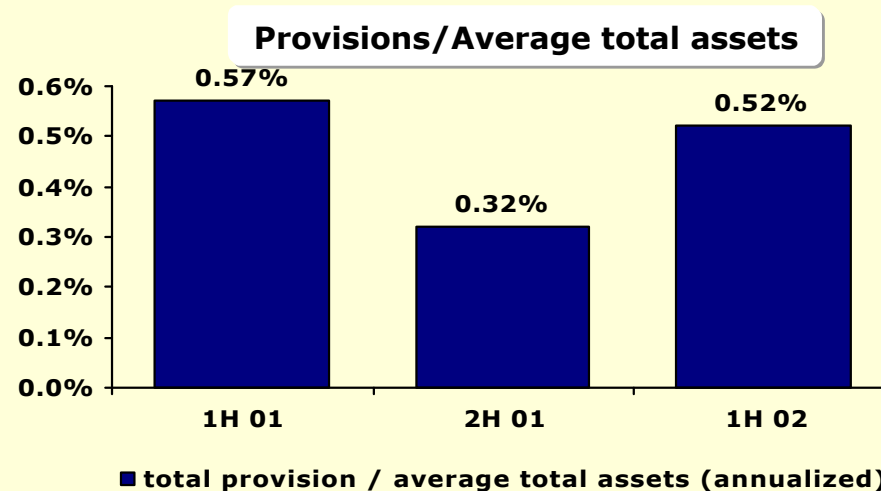
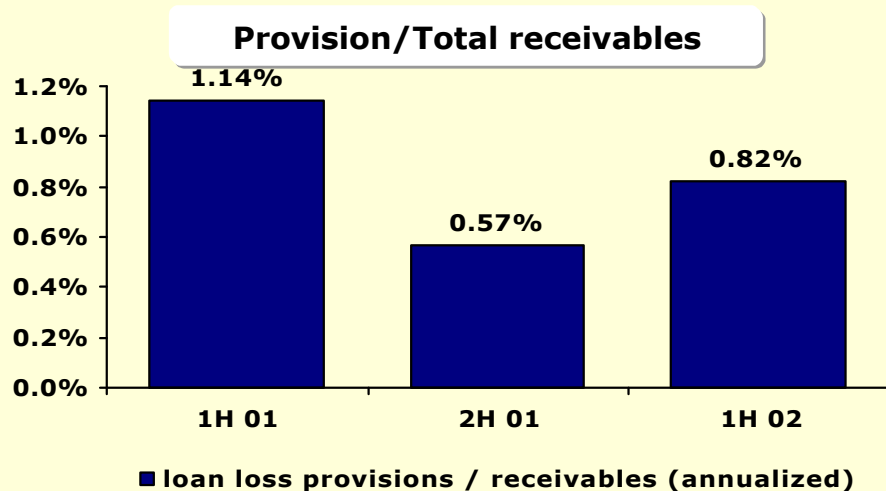
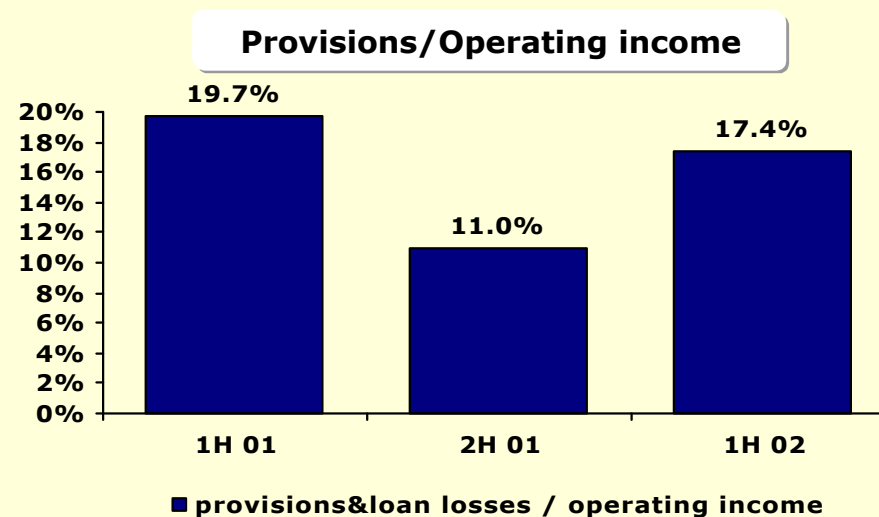
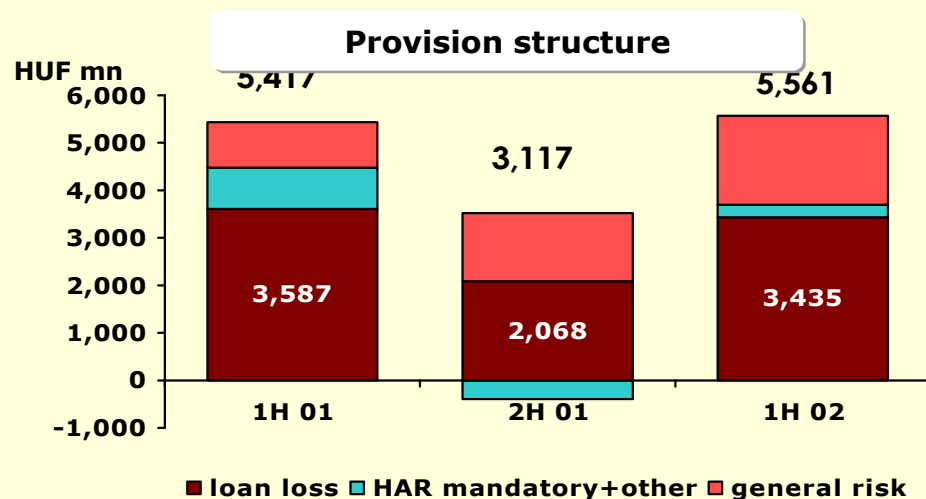


Cost rationalization



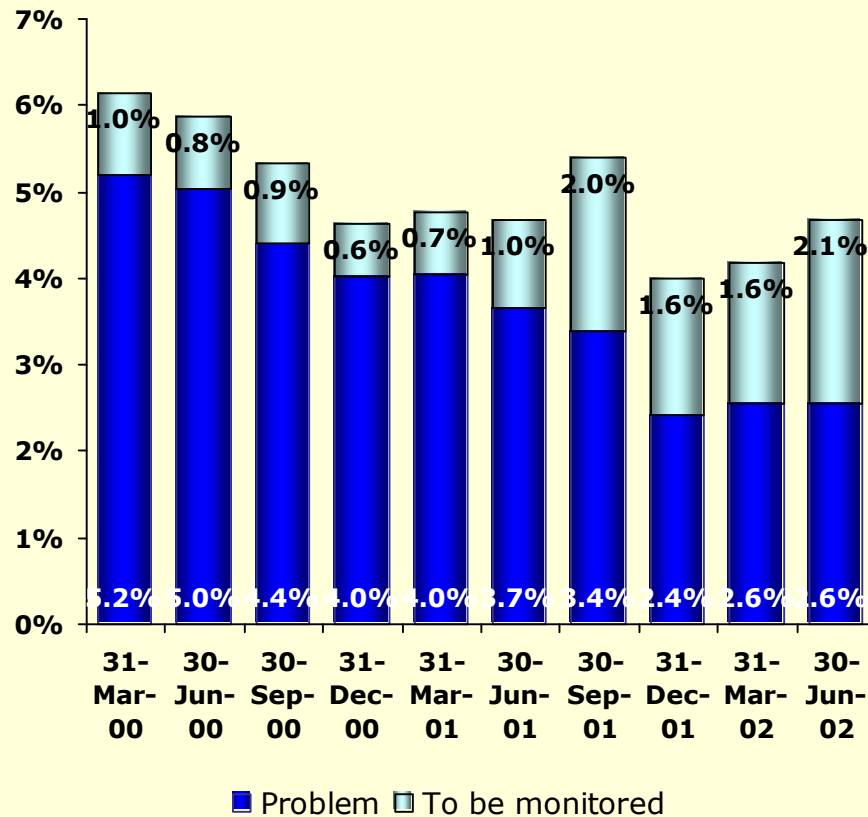


# Provisioning/loan losses

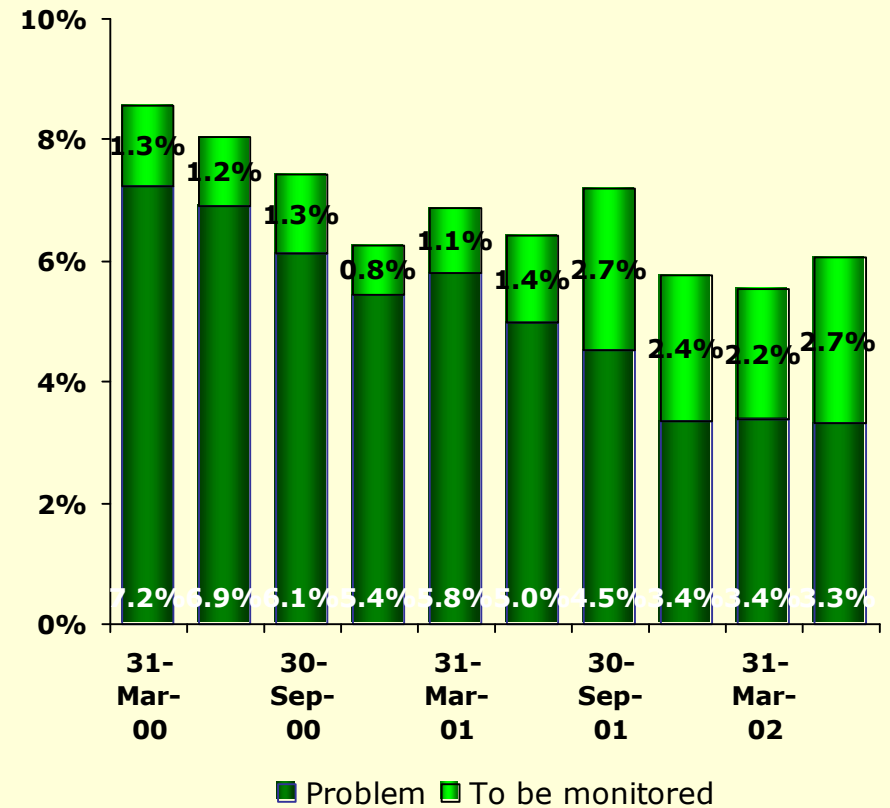


# Loan quality

**Qualified receivables as  
% of total receivables**



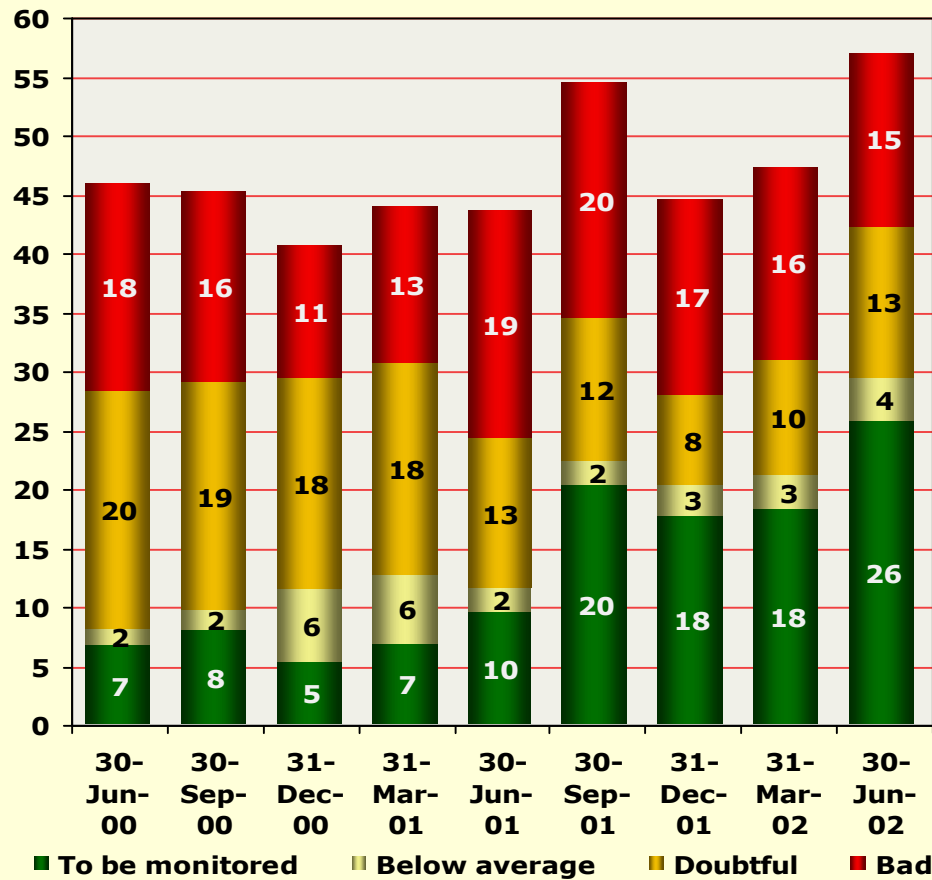
**Qualified receivables as  
% of customer receivables**



# Loan quality

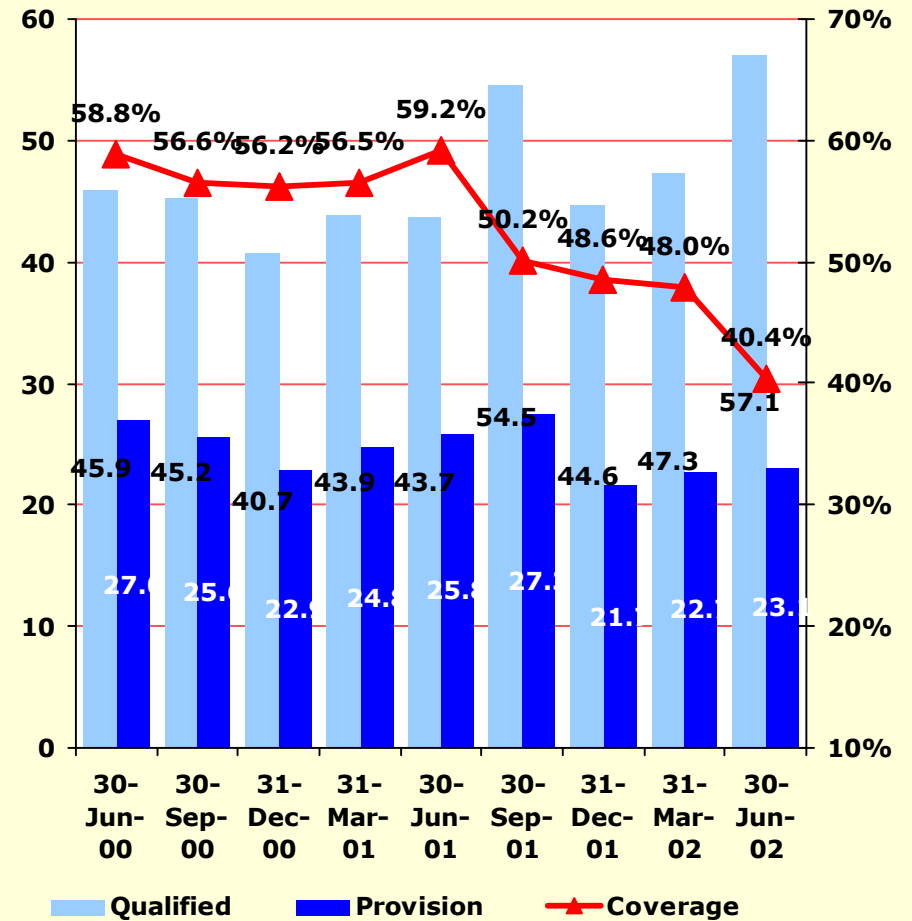
HUF bn

## Qualified loans



HUF bn

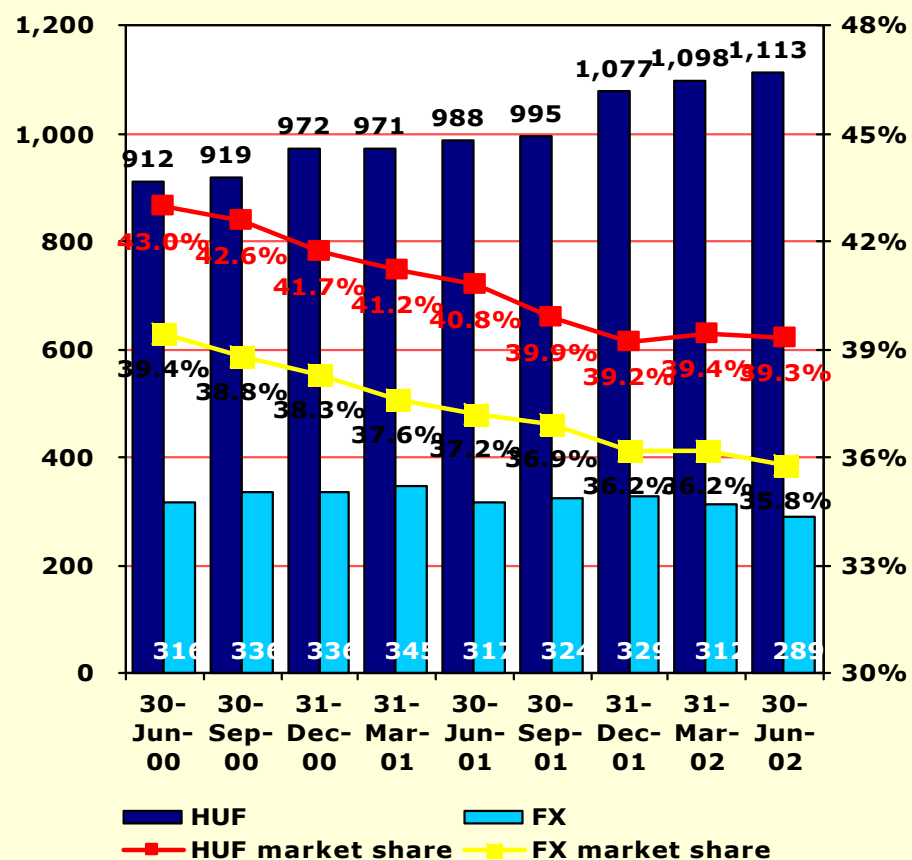
## Provisions, coverage



# Retail deposits

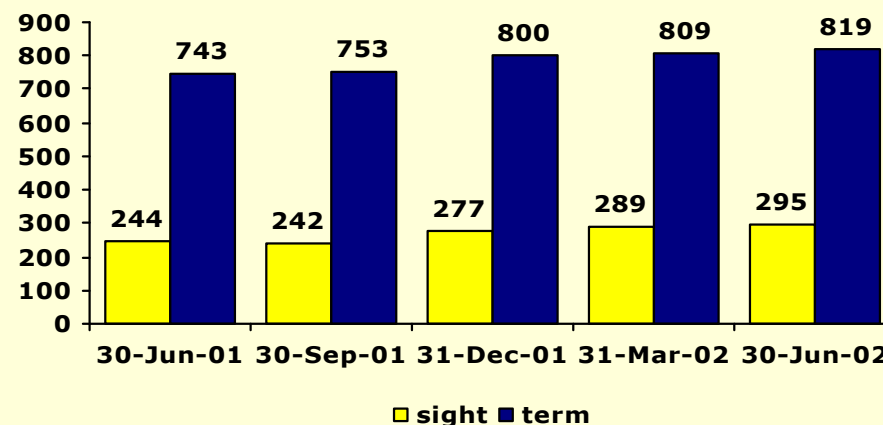
HUF bn

Volumes, market share

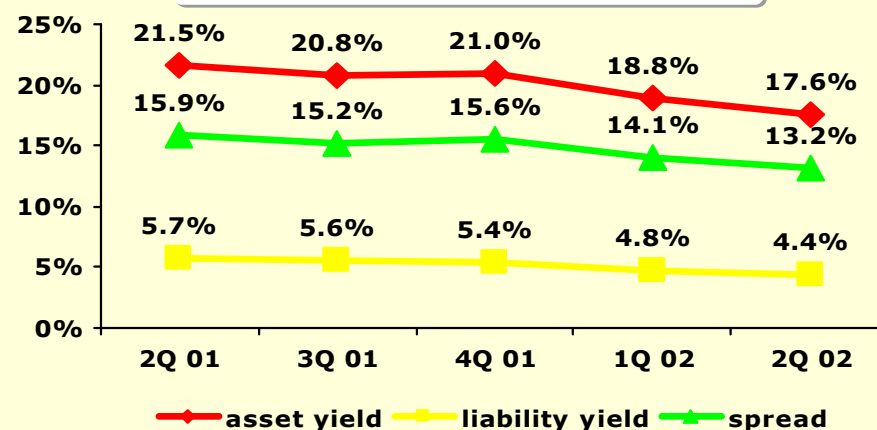


HUF bn

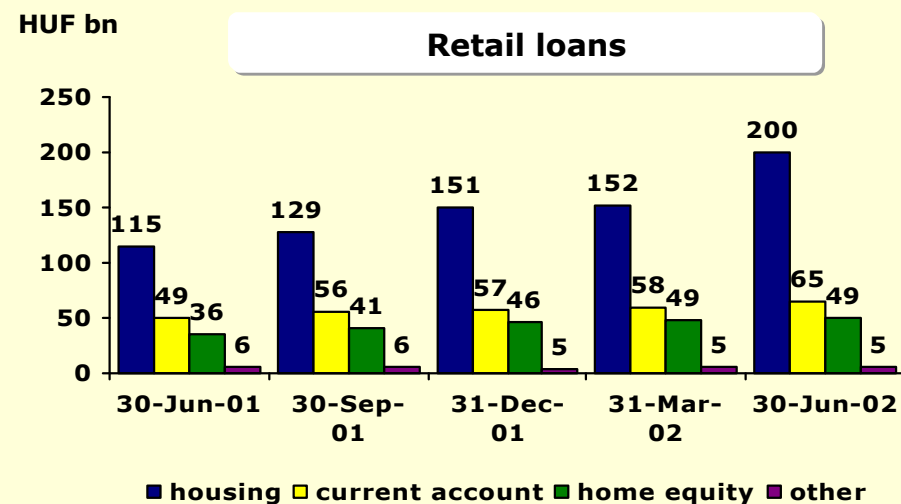
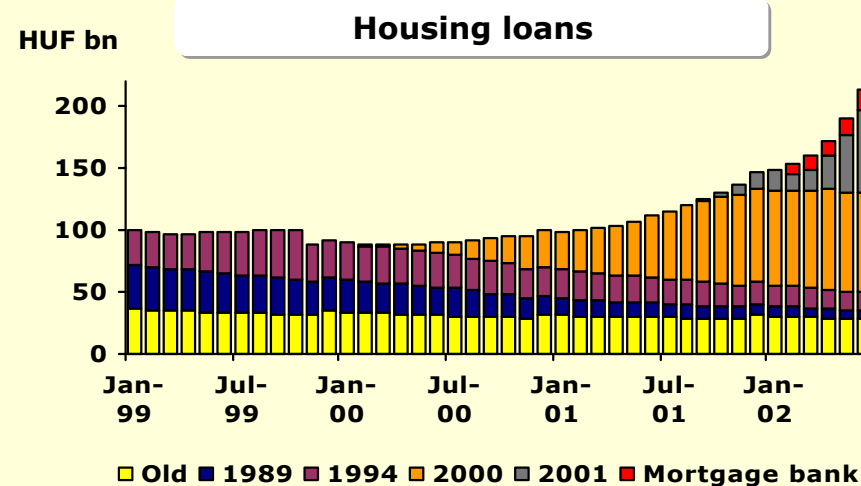
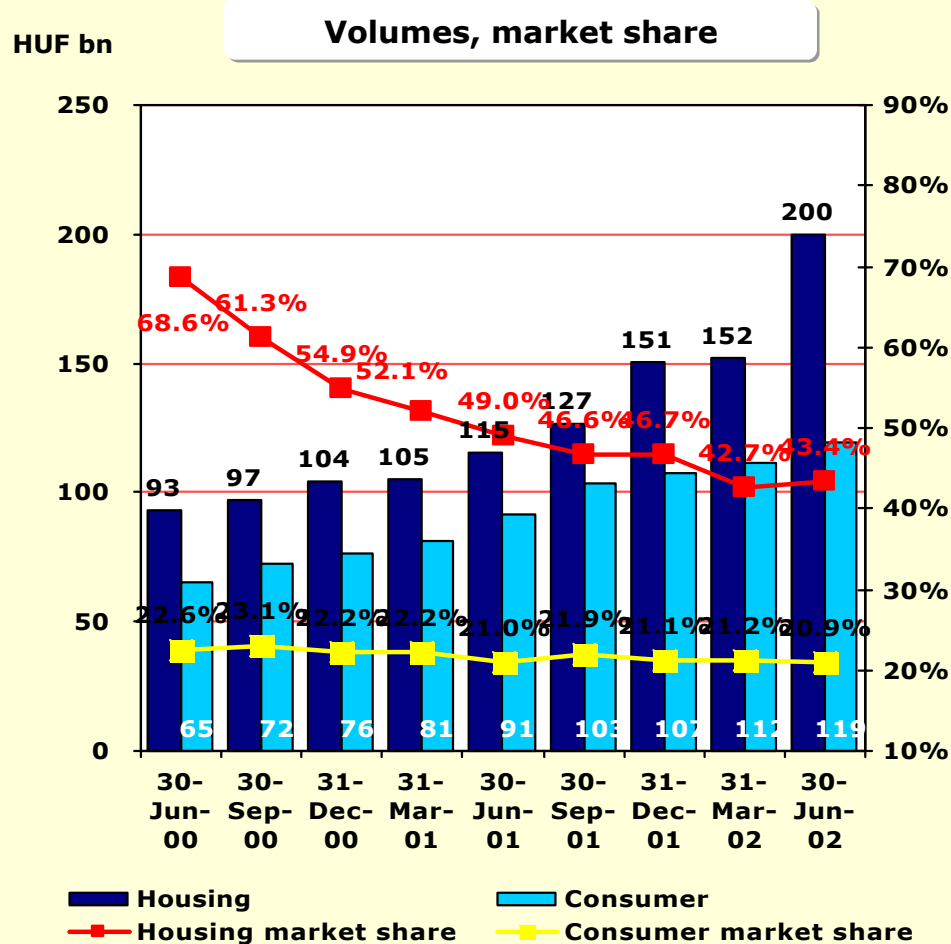
Sight, term deposits



Yields, spread

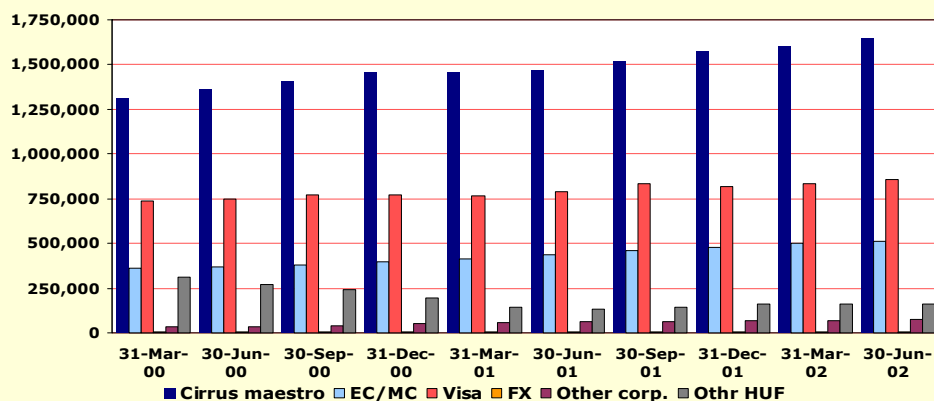


# Retail loans

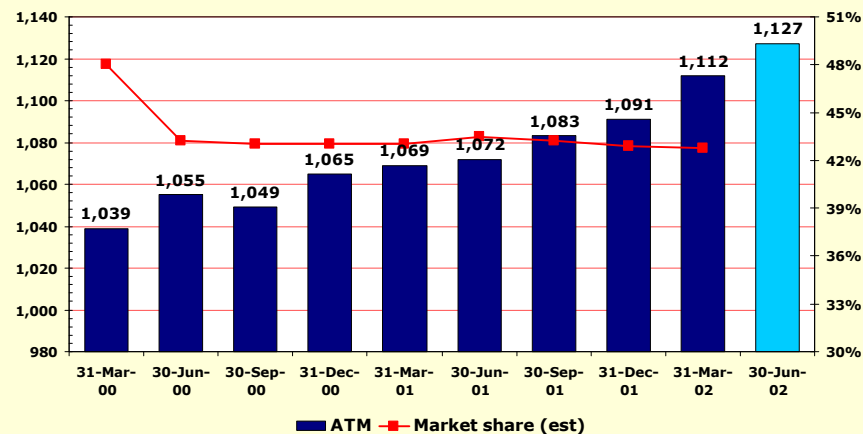


# Distribution technology

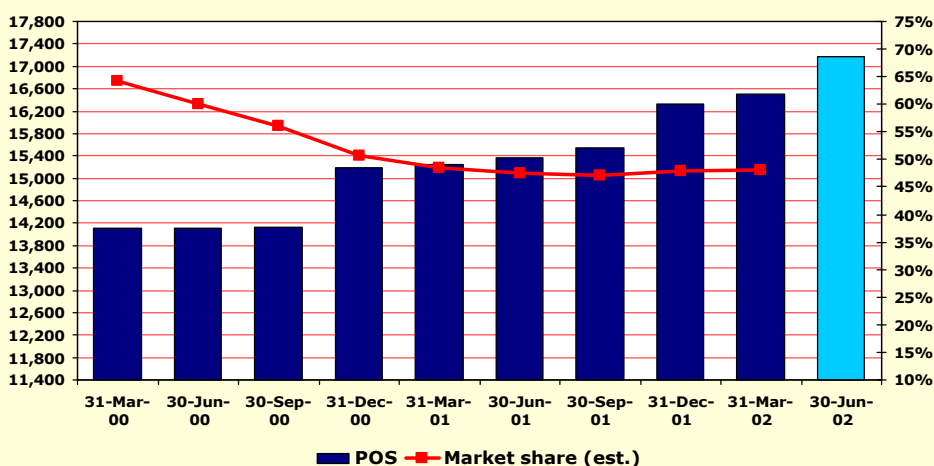
## Bank cards



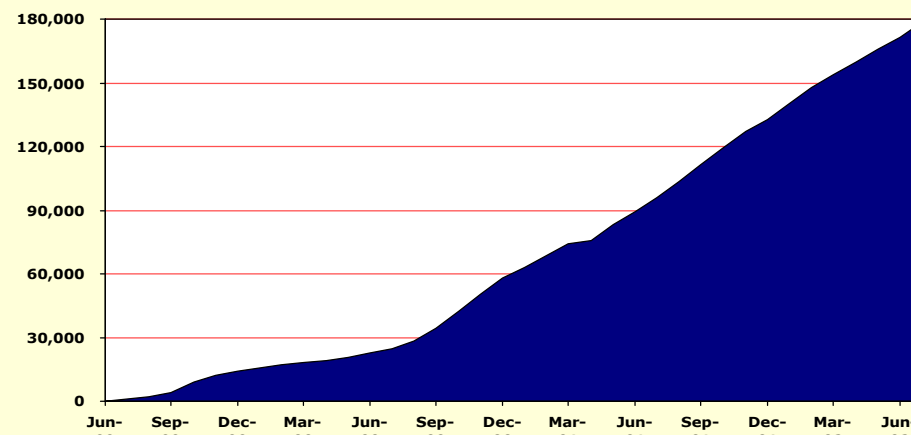
## ATMs



## POS terminals



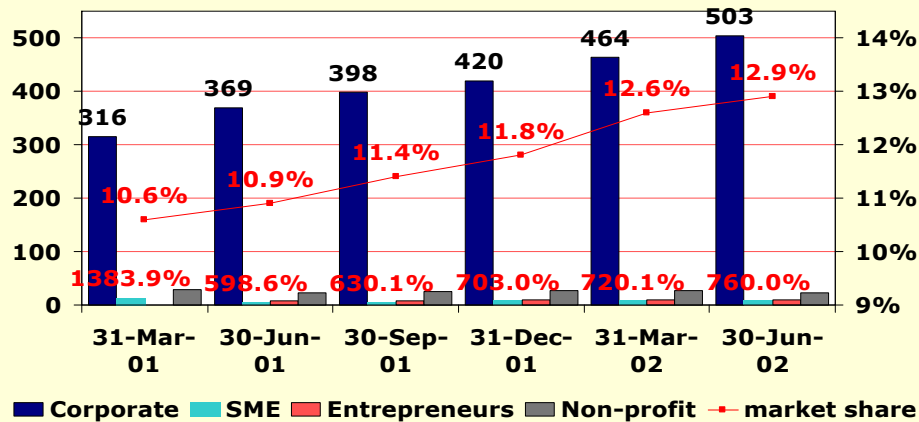
## HáziB@NK users



# Corporate business

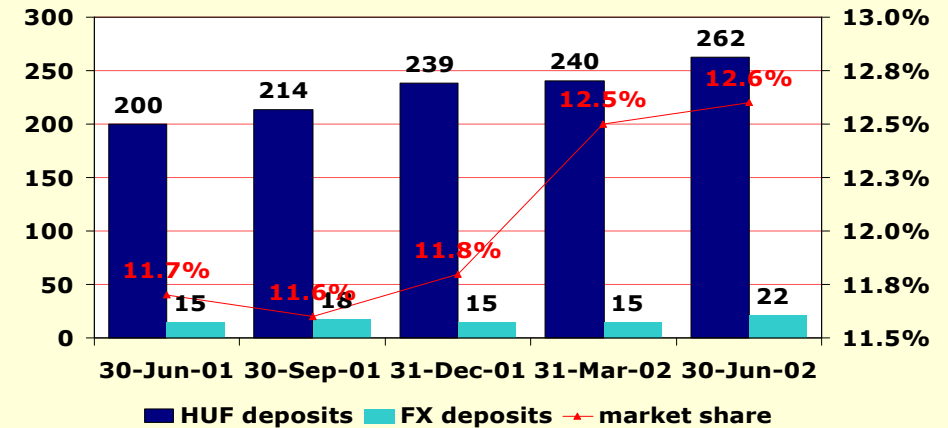
HUF bn

## Corporate loans



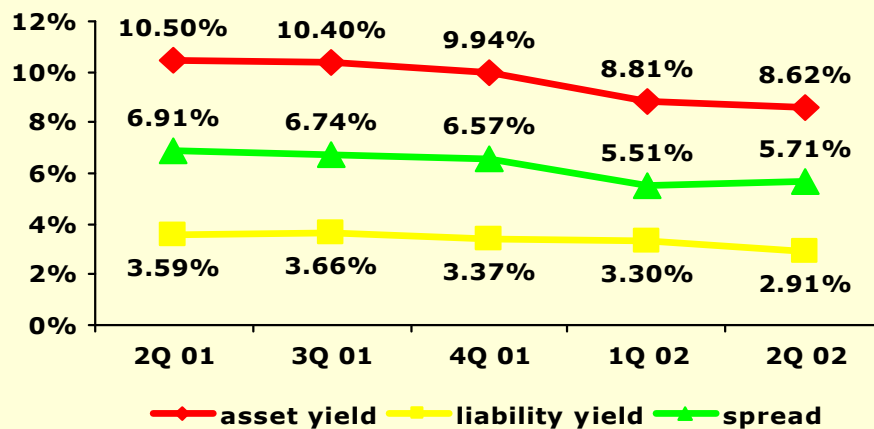
HUF bn

## Corporate deposits



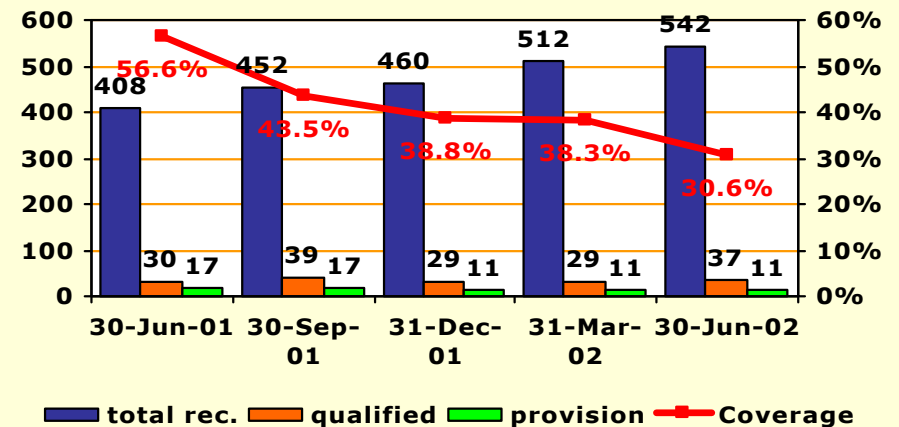
HUF bn

## Yields, spread



HUF bn

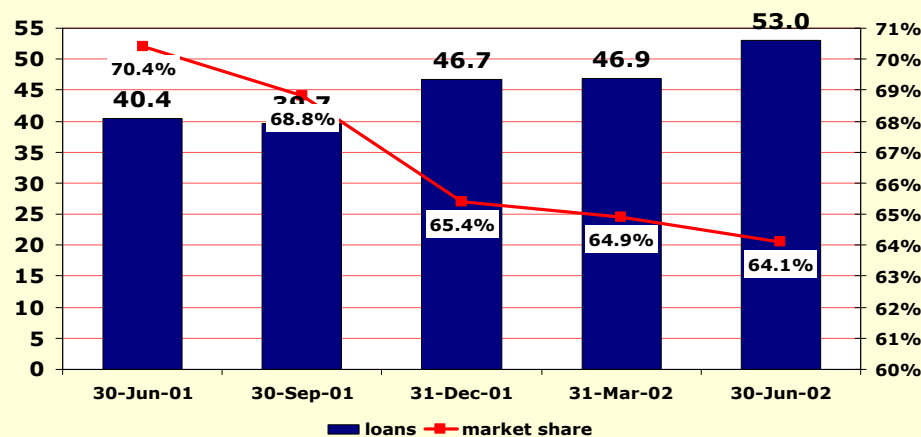
## Loan quality



# Municipality business

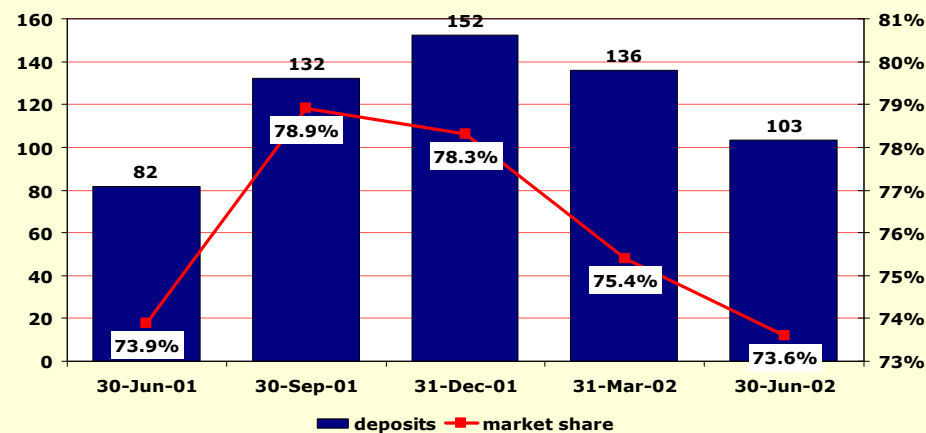
## Municipal loans

HUF bn

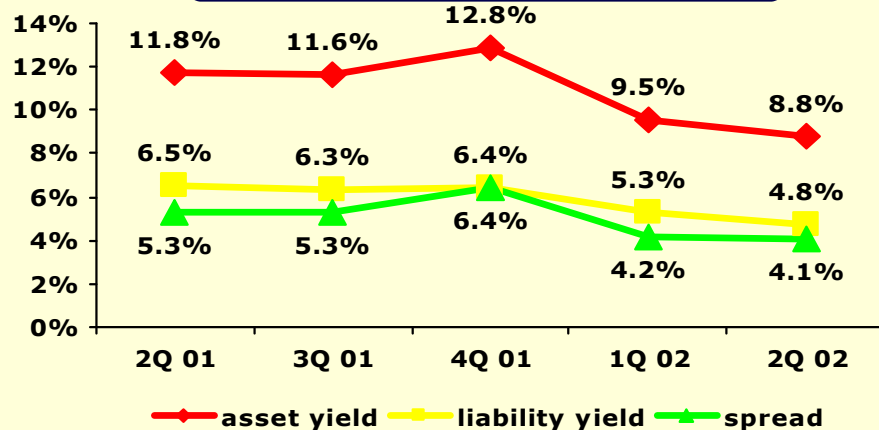


## Municipal deposits

HUF bn

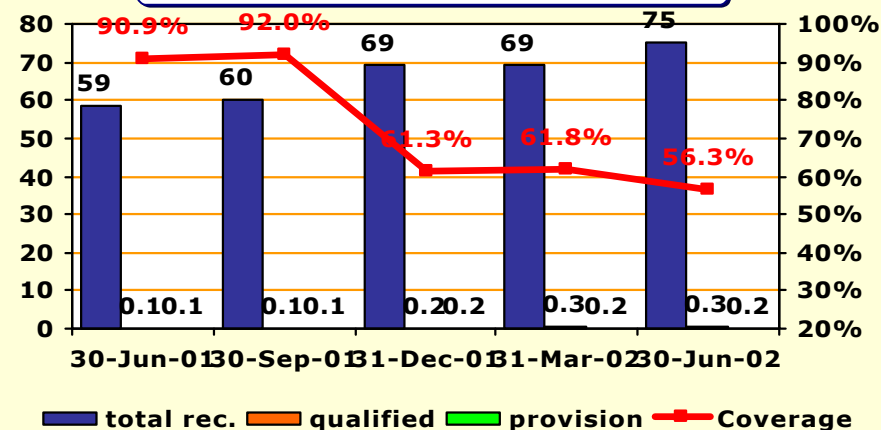


## Yields, spread



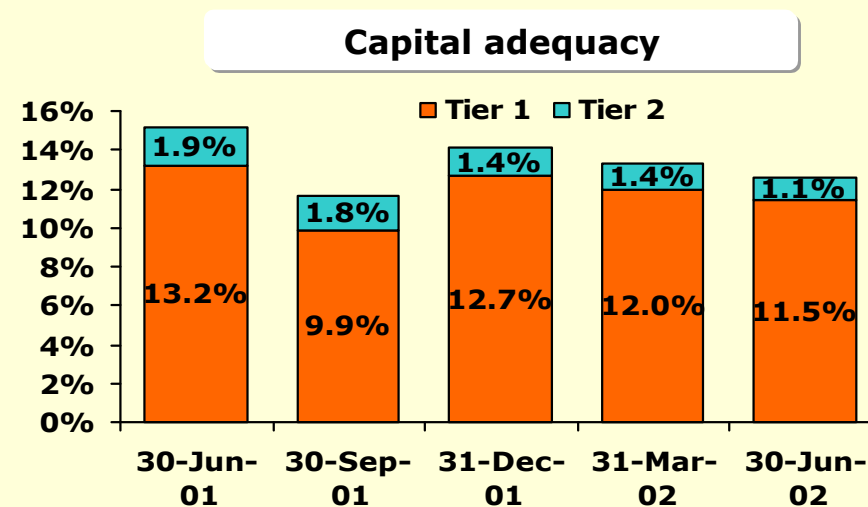
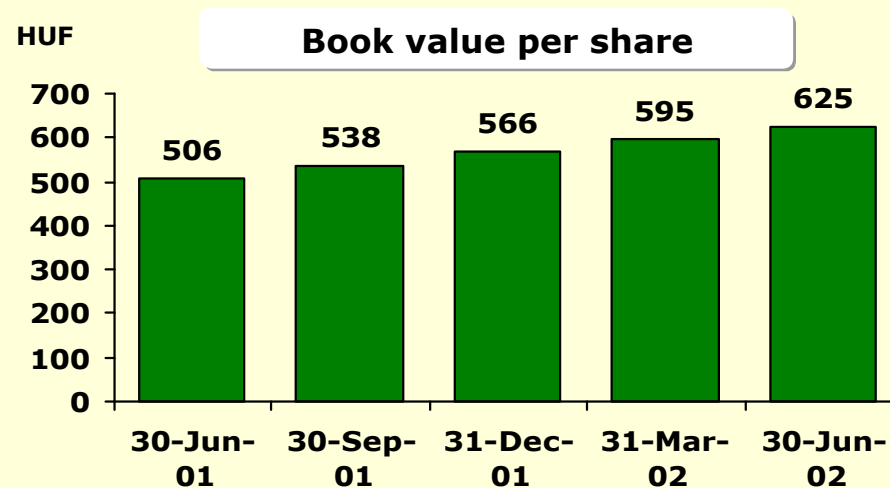
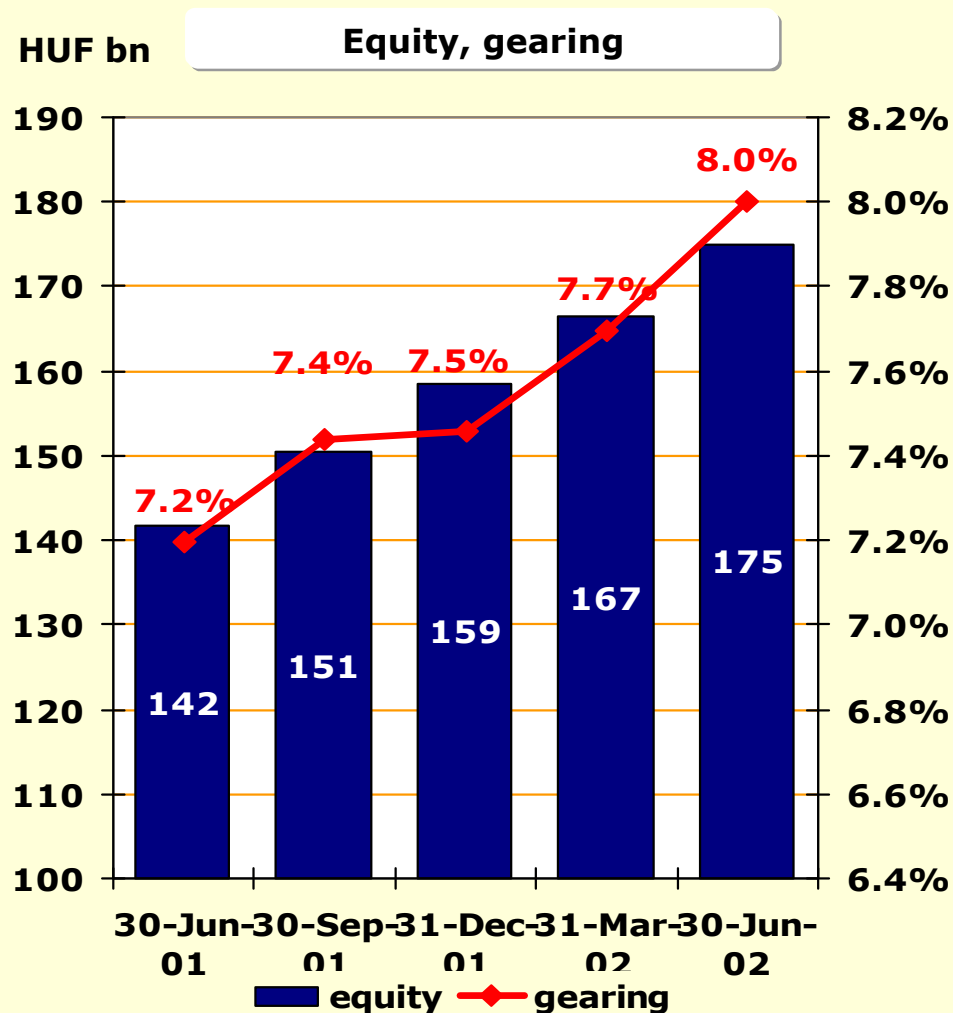
## Loan quality

HUF bn

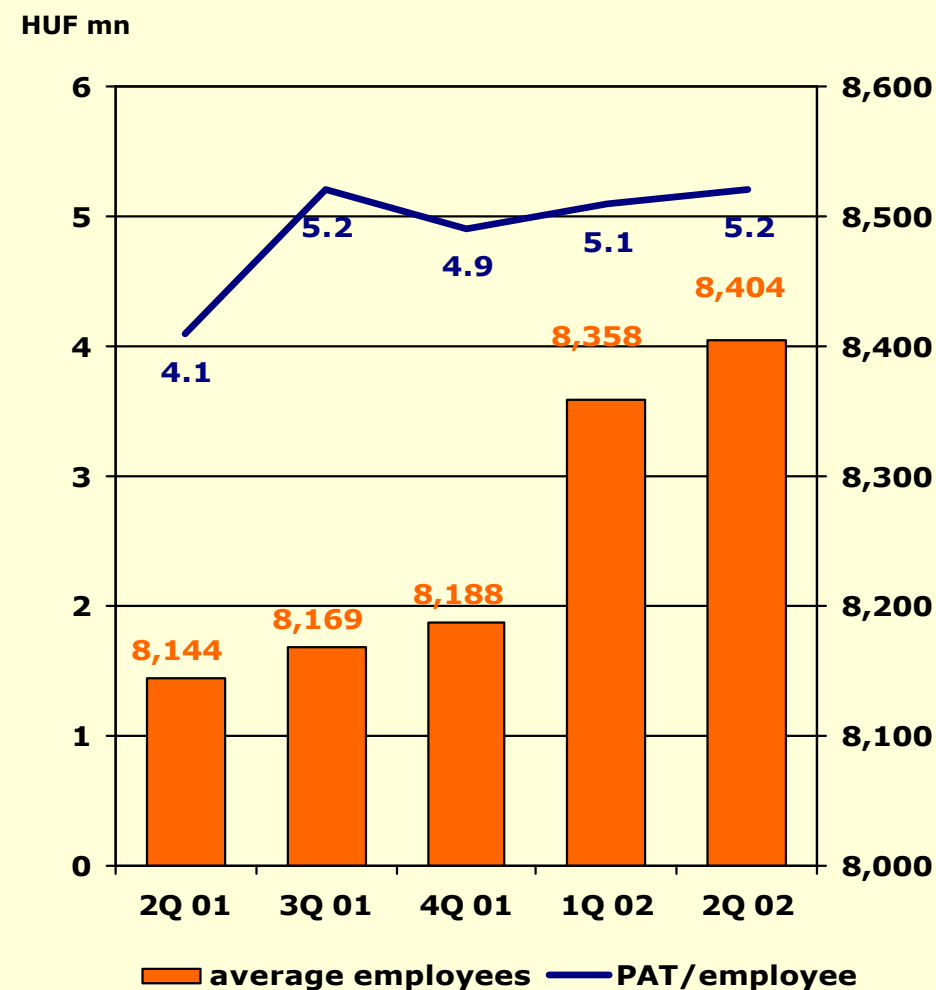
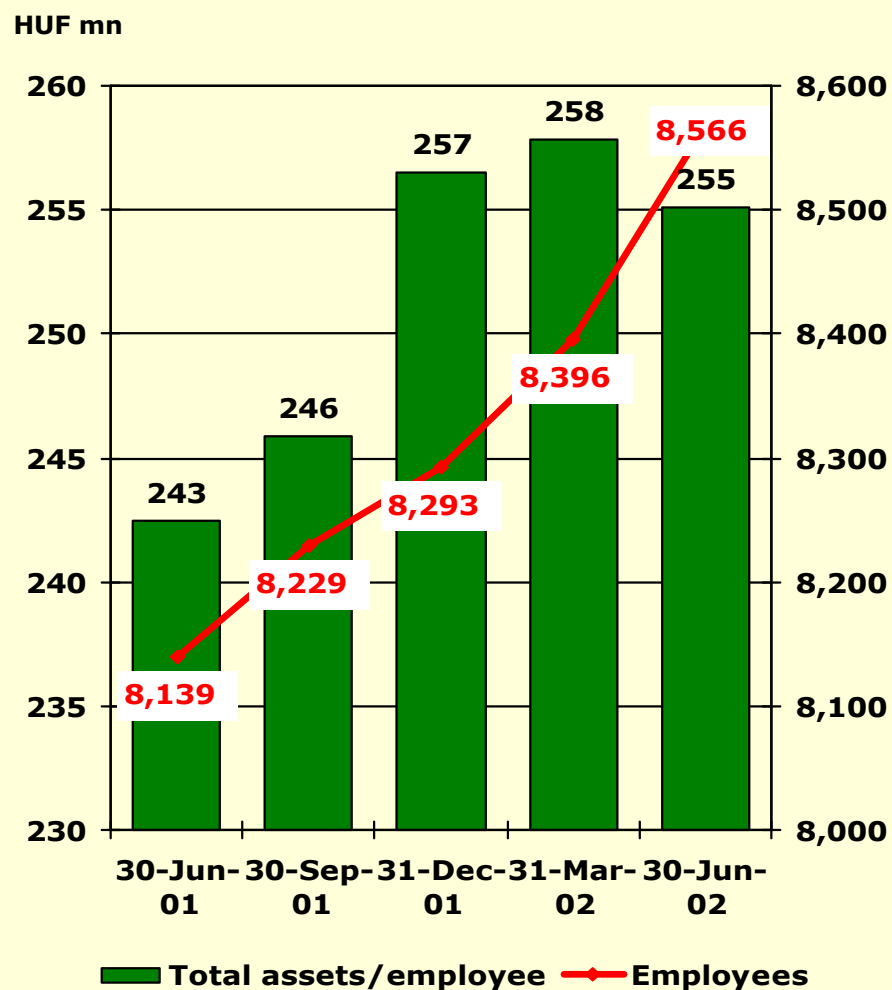




# Equity, CAR

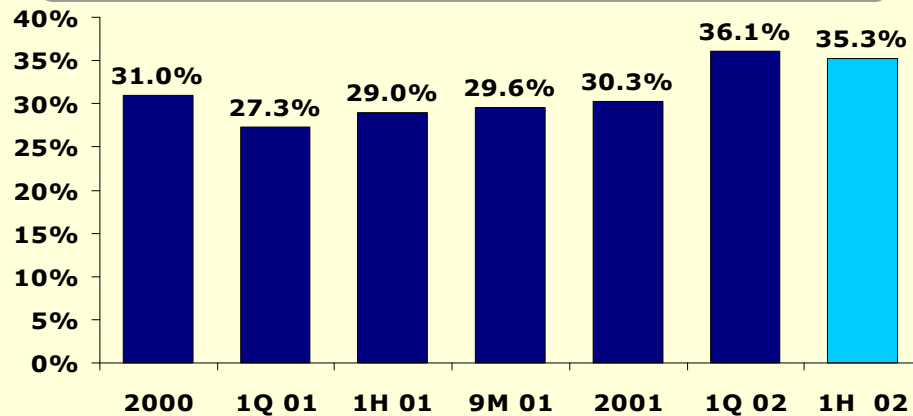


# Efficiency, productivity

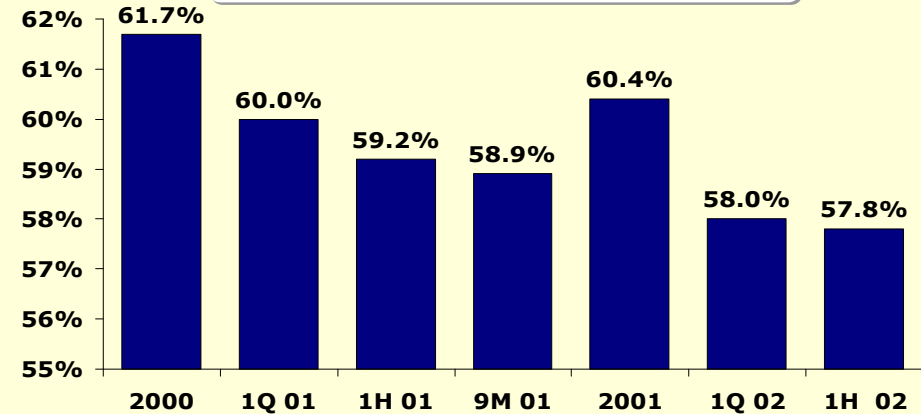


# Performance indicators

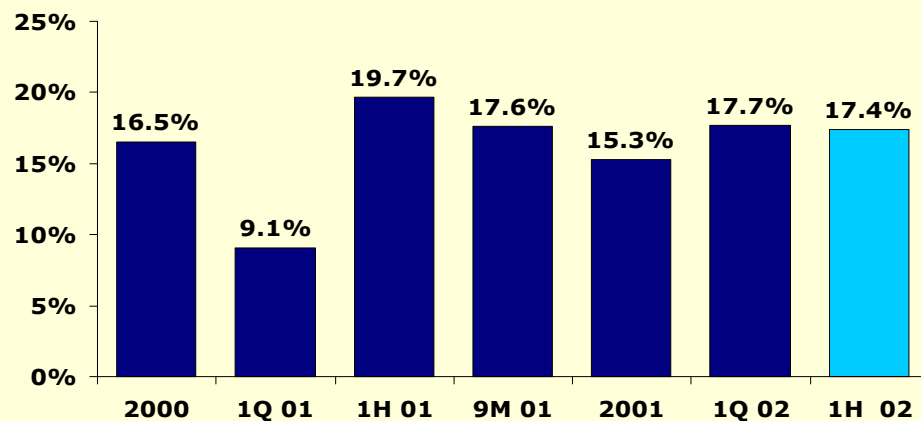
## Non-interest vs. total income



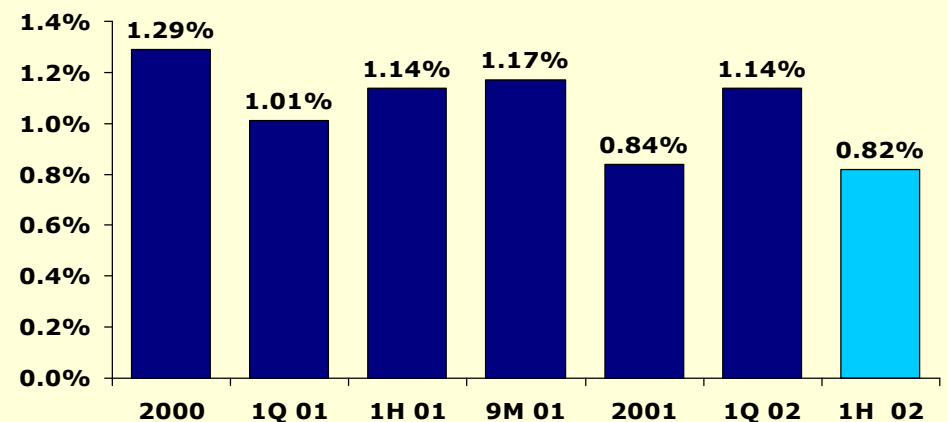
## Cost income ratio



## Provisioning vs. operating income

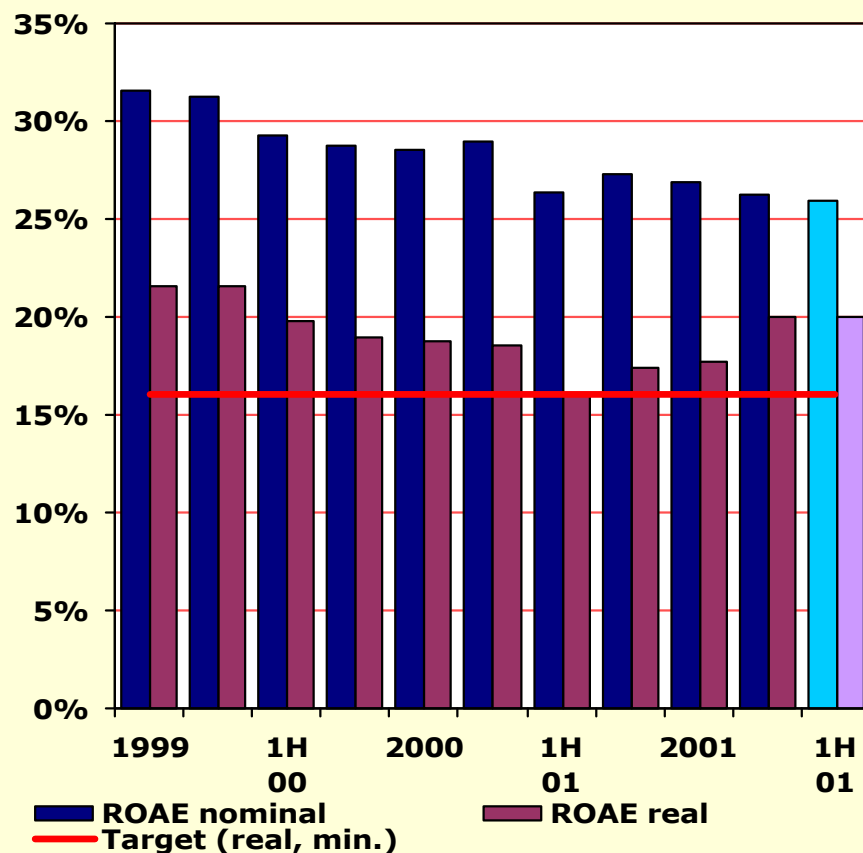


## Provisioning vs. customer receivables

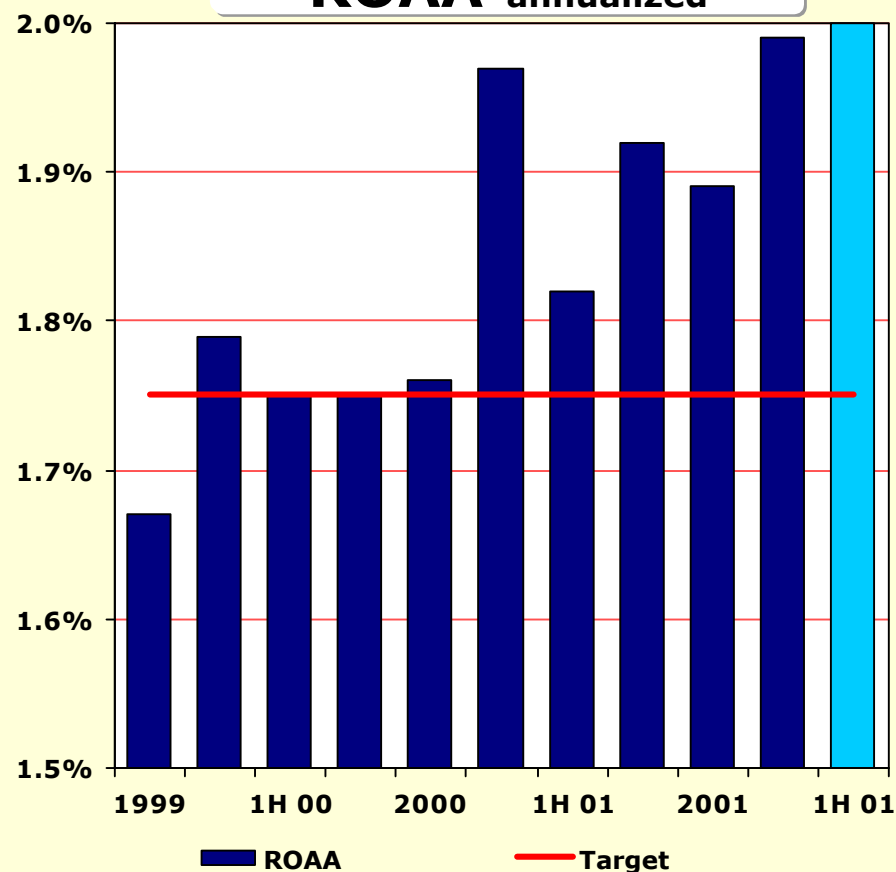


# Bank ROA, ROE

**ROAE annualized**



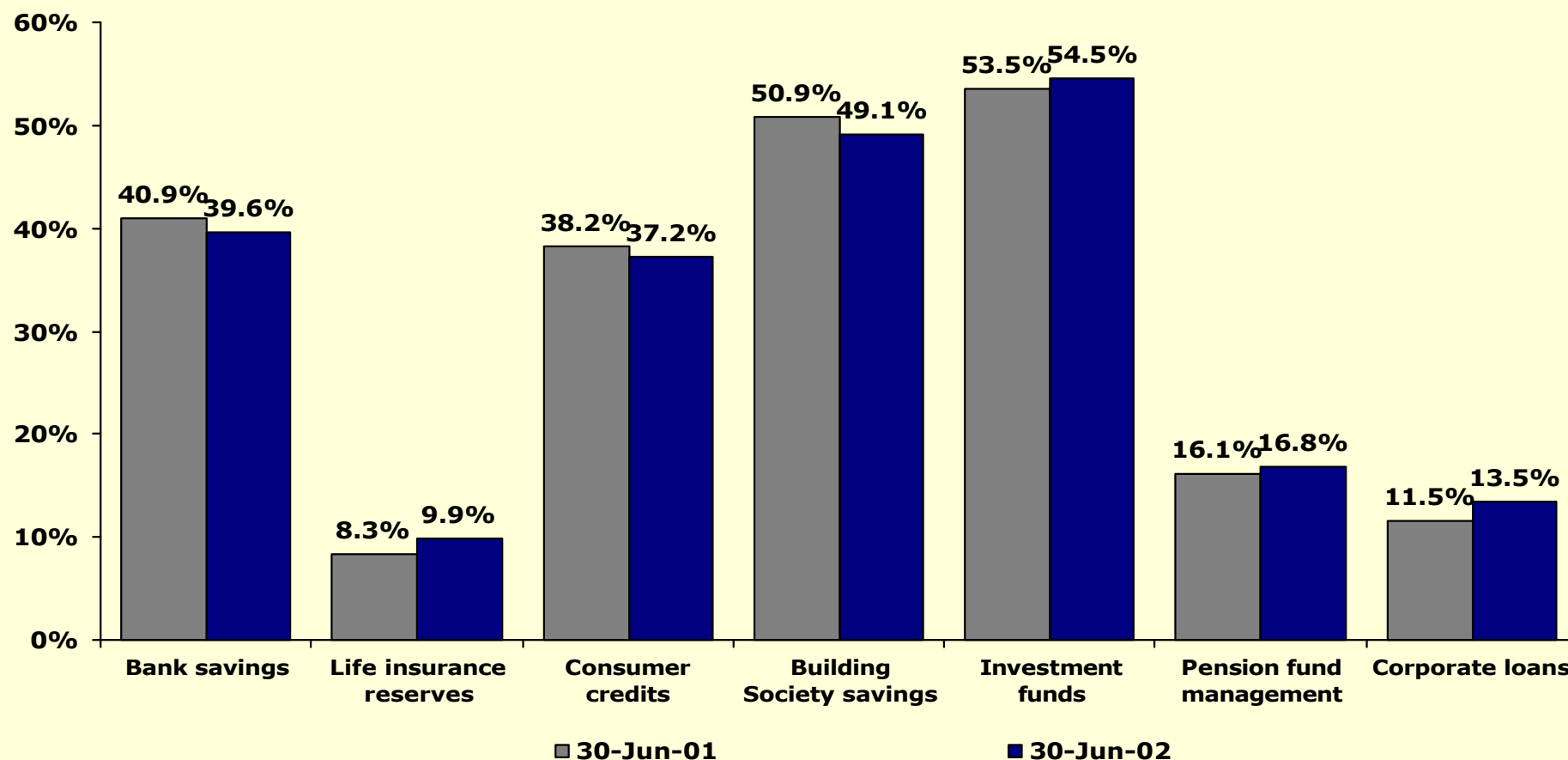
**ROAA annualized**



# Consolidated subsidiaries

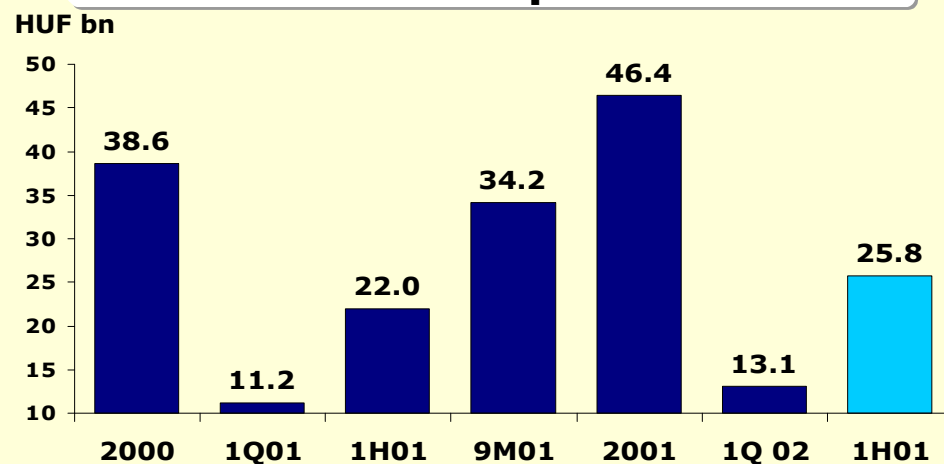
<i>HUF million rounded</i>	<i>1H 2001</i>	<i>1H 2002</i>	<i>Change</i>
<i>OTP-Garancia Insurance Ltd.</i>	621	805	29.6%
<i>Merkantil Bank Ltd.</i>	1,022	1,200	17.4%
<i>Merkantil Car Ltd.</i>	250	354	41.6%
<i>Merkantil Bérlet Ltd.</i>	141	39	-72.3%
<i>OTP Mortgage Bank</i>	-	315	
<i>Investicna a rozvojová Banka a.s.</i>	-	(84)	
<i>OTP Fund Management Ltd.</i>	1,034	1,621	56.8%
<i>OTP Fund Servicing and Consulting Ltd.</i>	-	30	
<i>OTP Building Society Ltd.</i>	908	997	9.8%
<i>HIF Ltd.</i>	109	140	28.4%
<i>OTP Securities Ltd.</i>	6	(53)	
<i>OTP Real Estate Ltd.</i>	642	486	-24.3%
<i>OTP Factoring Ltd.</i>	483	487	0.8%
<i>OTP Factoring Management Ltd.</i>	273	29	-89.4%
<i>Bank Center No I. Ltd.</i>	(2)	790	
<i>Other subsidiaries</i>	56	68	21.4%
<b><i>Pre-tax profits of subsidiaries</i></b>	<b>5,543</b>	<b>7,224</b>	<b>30.3%</b>
<b><i>Consolidated pre-tax profits</i></b>	<b>26,458</b>	<b>31,319</b>	<b>18.4%</b>
<b><i>Subsidiaries' proportion</i></b>	<b>20.9%</b>	<b>23.1%</b>	<b>2.1%</b>

# OTP Group – market shares

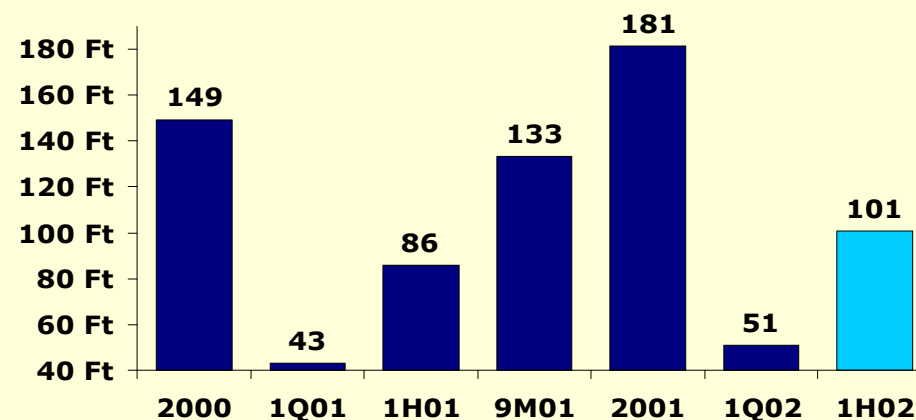


# Consolidated indicators

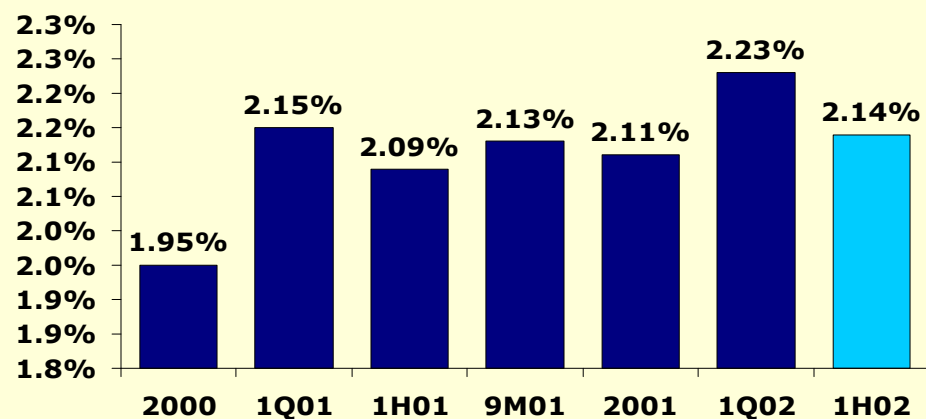
## After tax profits



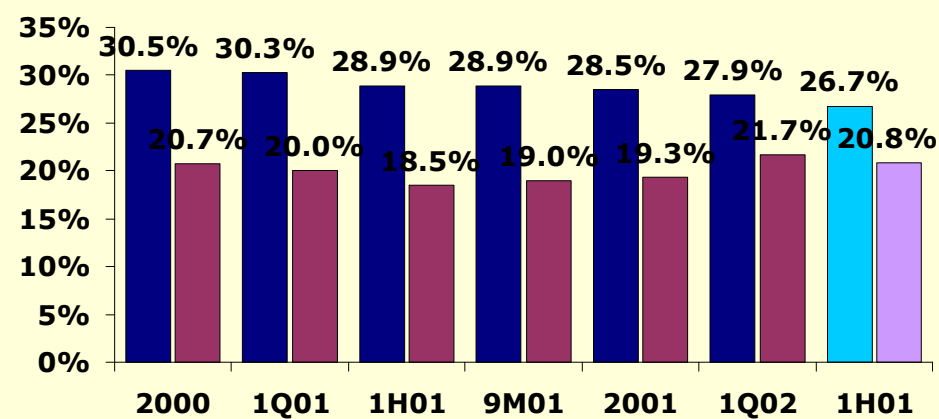
## Undiluted EPS



## ROAA (annualized)



## ROAE (annualized)



■ Nominal ■ Real

# 2002 targets

## Balance sheet

	Average HUF bn		Year end HUF bn	
	Target	1H 02	Target	1H 02
Balance sheet total	2,104.5	2,120.1	2,274.7	2,185.3
Loans	822.2	838.7	881.8	920.5
Retail	240.9	266.8	248.0	319.5
Housing	106.8	153.0	96.4	200.1
Consumer	134.1	113.8	151.6	119.4
Corporate	514.8	513.5	585.1	548.0
Municipal	45.6	58.3	48.7	53.0
Loan to asset ratio	39.0%	39.6%	38.8%	42.1%
Shareholders equity	171.4	166.7	188.6	174.9



# 2002 targets

## Profit generation

HUF billion	Target	1H 02
Interest income	184.5	91.2
Interest expenses	86.7	42.2
Net interest income	97.8	49.1
Net fee and commission	52.2	24.8
Other non interest income	6.3	1.7
Personnel expenses	36.8	16.4
Total non-interest expenses	93.3	43.9
Operating profit	62.3	32.0
Risk expenses	8.4	5.6
Pre-tax profit	53.9	26.5
After tax profit	44.2	21.6

# 2002 targets

## BSC indicators

	Target	1H 02
Net interest margin	4.65%	4.63%
Non interest income/total income	37.4%	35.3%
Cost income ratio	60.2%	57.8%
Risk expenses/loan portfolio	1.0%	0.8%
ROAA	2.1%	2.0%
ROAE	25.8%	25.9%
Real ROE	19.3%	20.0%
Dividend payout ratio (HUF 395/share)	25.0%	25.0%