

OTP Bank 2006 third quarter results

PRESS CONFERENCE
(translation of the Hungarian presentation)

Presented by: Dr. Zoltán Spéder, Vice Chairman, CFO

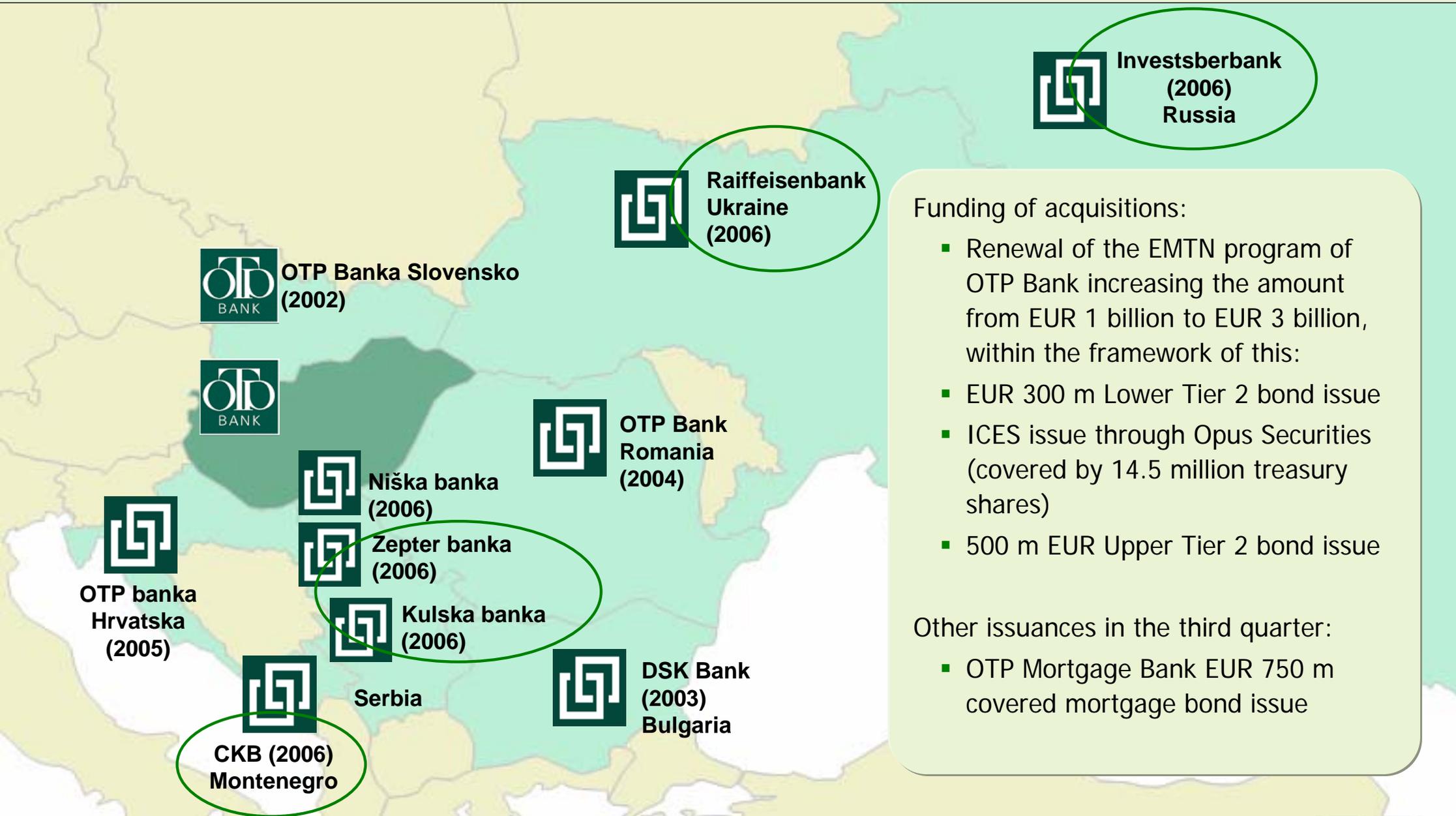
Budapest, November 14, 2006



Factors influencing the Group's activity and results in the third quarter

- As part of the austerity package, some tax changes have become effective from September 1 (5% increase of VAT, 4% „solidarity tax“ imposed on corporate, 20% tax on interest incomes from savings)
- Tightening monetary policy – with increase by 50-50 bps in July, August and September – Central Bank base rate stood at 7.75% instead of 7.50% forecasted earlier
- Strengthening of HUF/EUR exchange rate supported by cautiously positive acceptance of the modified convergence program and improving global investor sentiment
- Still strong demand for retail FX loans, proportion of FX loans increased to 32% in consumer lending and to 53% in mortgage lending within the outstanding loan volume of the banking sector
- The 20% tax on capital gains restructured the savings structure of the households: banking deposits dropped by HUF 318 billion in the whole banking sector, whereas total assets of investment funds increased by HUF 464 billion

In 3Q 2006, OTP Bank had intensive acquisition and capital market activity



Funding of acquisitions:

- Renewal of the EMTN program of OTP Bank increasing the amount from EUR 1 billion to EUR 3 billion, within the framework of this:
- EUR 300 m Lower Tier 2 bond issue
- ICES issue through Opus Securities (covered by 14.5 million treasury shares)
- 500 m EUR Upper Tier 2 bond issue

Other issuances in the third quarter:

- OTP Mortgage Bank EUR 750 m covered mortgage bond issue

OTP Bank issued in total EUR 1.3 billion bonds to finance acquisitions

Lower Tier 2

- EUR 300 m issue on September 19, 2006
- Maturity: 10 years
- Fixed 5.17% coupon (10 yrs midswap + 120bp)
- Book runners: Calyon, Citigroup

Income Certificate Exchangeable for Shares (ICES)

- Sale of 14.5 million treasury shares to Opus Securities S.A. (SPV, issuer)
- Issue of ICES on October 31, 2006; with a face value of EUR 514 million
- Perpetual, callable after 10 years
- Exchange period between 5th and 10th years
- For the first 10 years fixed 3.95% coupon, 3M Euribor + 300 bp thereafter
- Book runner: Merrill Lynch International

Upper Tier 2

- EUR 500 m EUR issue on November 7, 2006 (on 99.375%)
- Perpetual NC10
- For the first 10 years fixed 5.875% coupon, 3M Euribor + 300 bps thereafter
- Book runners: BNP Paribas, UBS Investment Bank



OTP Bank realised HUF 53.6 bn consolidated profit after tax in 3Q 2006

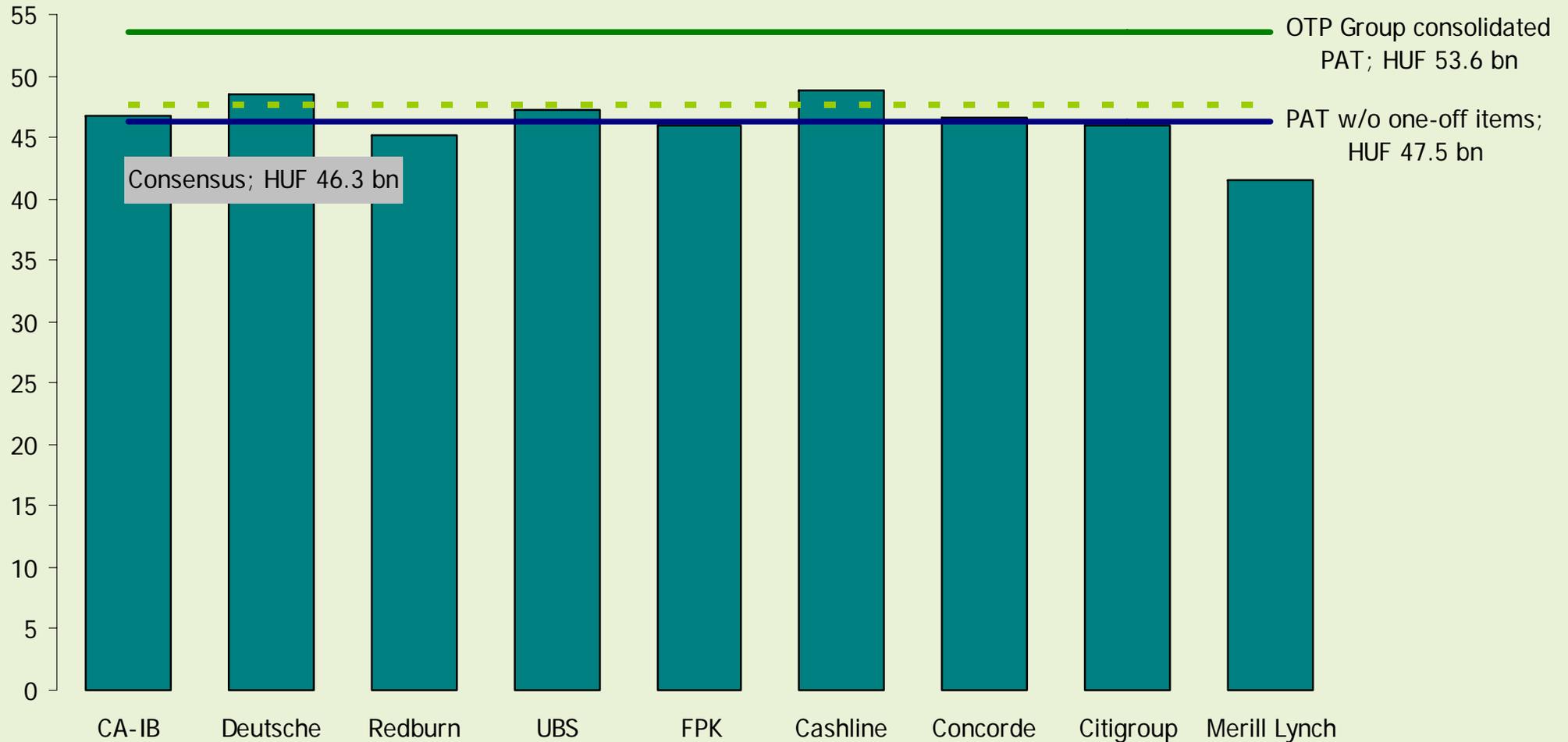
Financial highlights of OTP Group (consolidated, IFRS)

	2005 3Q	2006 2Q	2006 3Q	Q-o-Q	Y-o-Y	2005 9M	2006 9M	Y-o-Y
Total assets (HUF bn)	4,910.4	5,735.3	6,174.7	7.7%	25.7%	4,910.4	6,174.7	25.7%
Total loans and advances (HUF bn)	3,089.0	3,690.6	3,847.1	4.2%	24.5%	3,089.0	3,847.1	24.5%
Total deposits (HUF bn)	3,239.0	3,715.4	3,743.3	0.8%	15.6%	3,239.0	3,743.3	15.6%
Gross loan/deposit ratio	95.4%	99.3%	102.8%	3.4%	7.4%	95.4%	102.8%	7.4%
Shareholders' equity (HUF bn)	523.9	598.7	650.9	8.7%	24.2%	523.9	650.9	24.2%
Net interest income (HUF bn)	74.8	73.1	106.9	46.2%	42.9%	217.2	251.4	13.8%
Net interest income w/o swaps (HUF bn)	75.9	82.4	81.9	-0.7%	7.9%			13.8%
Net interest margin before provision	6.23%	5.23%	7.18%	1.95%	0.95%	6.38%	5.88%	-0.50%
Net interest margin w/o swaps	6.32%	5.90%	5.50%	-0.40%	-0.82%	6.30%	5.59%	-0.70%
Pre-tax profits (HUF bn)	49.1	56.8	62.9	10.8%	28.3%	141.5	174.1	23.0%
After tax profits (HUF bn)	41.0	46.7	53.6	14.7%	30.8%	117.4	146.5	24.8%
Total income (HUF bn)	133.5	136.5	155.6	14.0%	16.6%	363.6	421.7	16.0%
Operating expenses (HUF bn)	75.7	76.3	83.5	9.5%	10.3%	200.5	229.2	14.3%
Cost to income ratio	56.7%	55.9%	53.7%	-2.2%	-3.1%	55.1%	54.4%	-0.8%
Return on Assets	3.41%	3.34%	3.60%	0.26%	0.19%	3.45%	3.43%	-0.02%
Return on Equity	32.8%	32.9%	34.3%	1.4%	1.5%	32.7%	32.6%	-0.1%
EPS base (HUF)	156	181	208	14.8%	33.2%	447	568	27.1%
EPS fully diluted (HUF)	155	180	207	14.8%	33.5%	444	563	26.8%



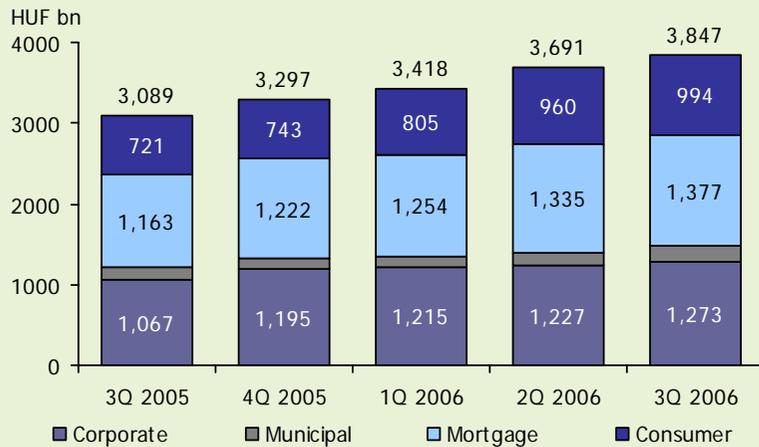
3Q 2006 profit after tax of OTP Group – without the effect of one-off items – slightly exceeds the average of analysts expectation

Analysts expectations for consolidated IFRS profit after tax for 3Q 2006

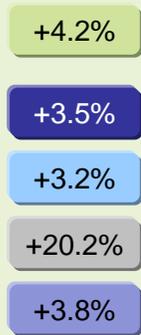


Loan volume grew by 24.5%; deposits increased by 15.6% on a yearly base

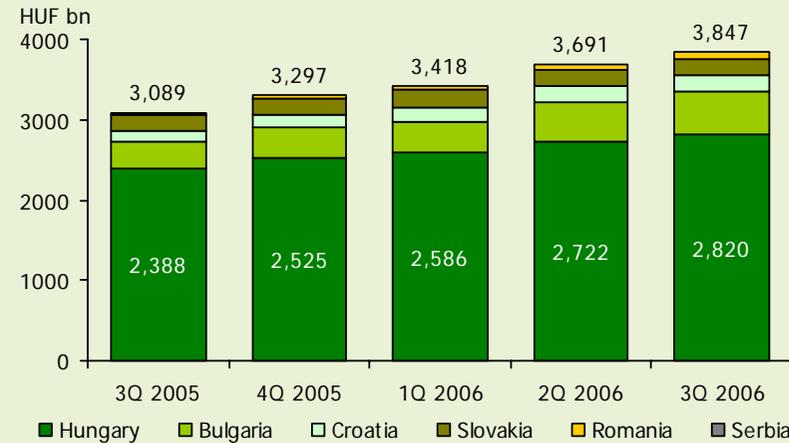
Gross loan volume by business lines



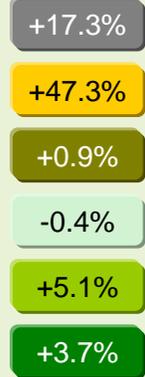
Change Q/Q



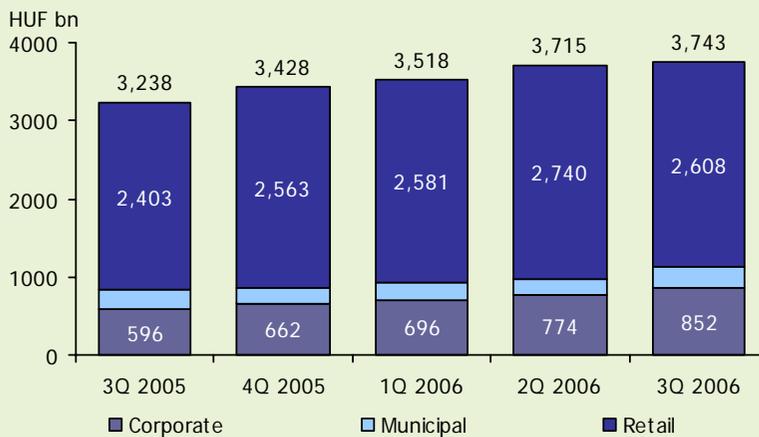
Gross loan volume by countries



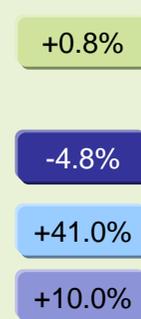
Change Q/Q



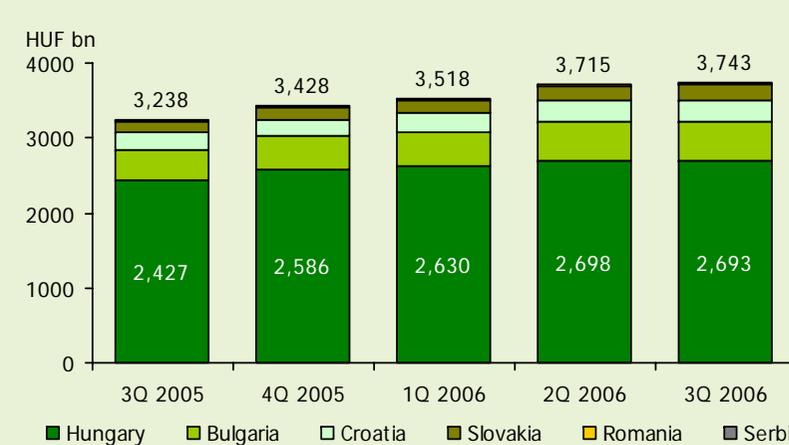
Deposits by business lines



Change Q/Q



Deposits by countries

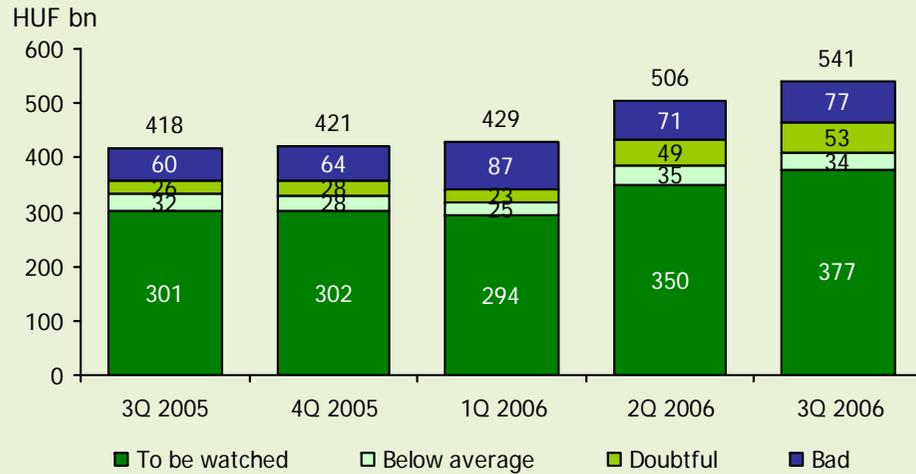


Change Q/Q

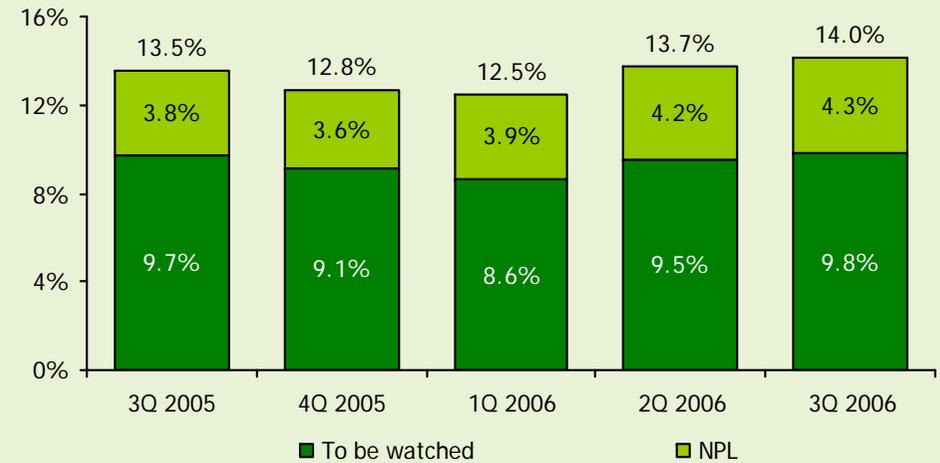


NPL ratio did not change significantly and stood at 4.3% on September 30, 2006

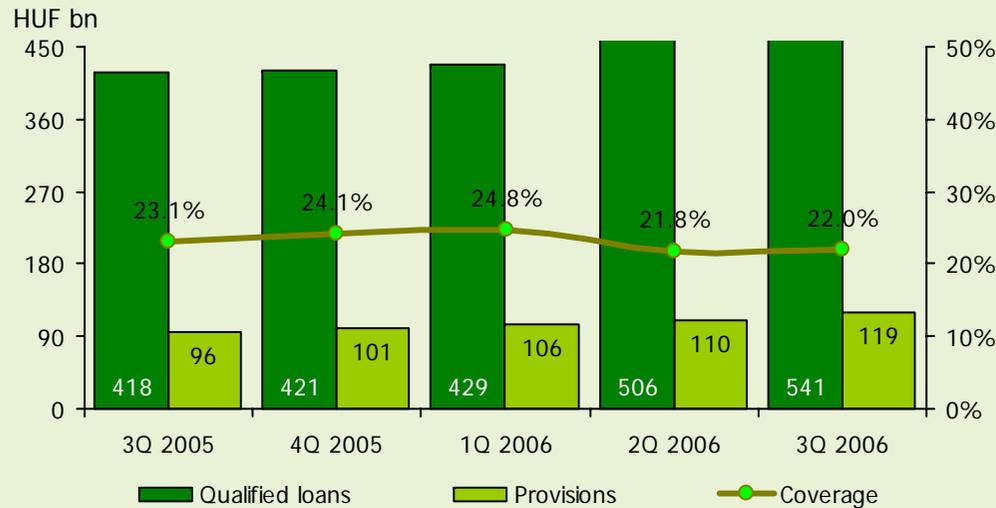
Volume of qualified loans



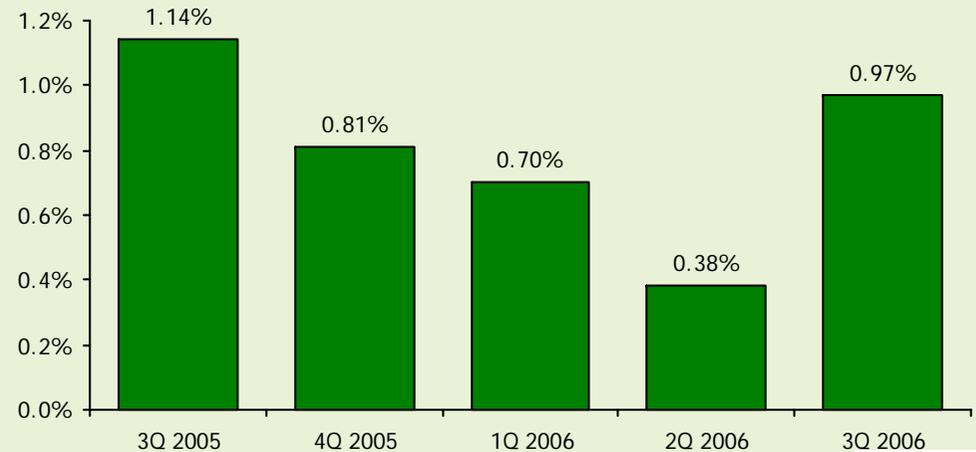
Share of qualified loans



Coverage

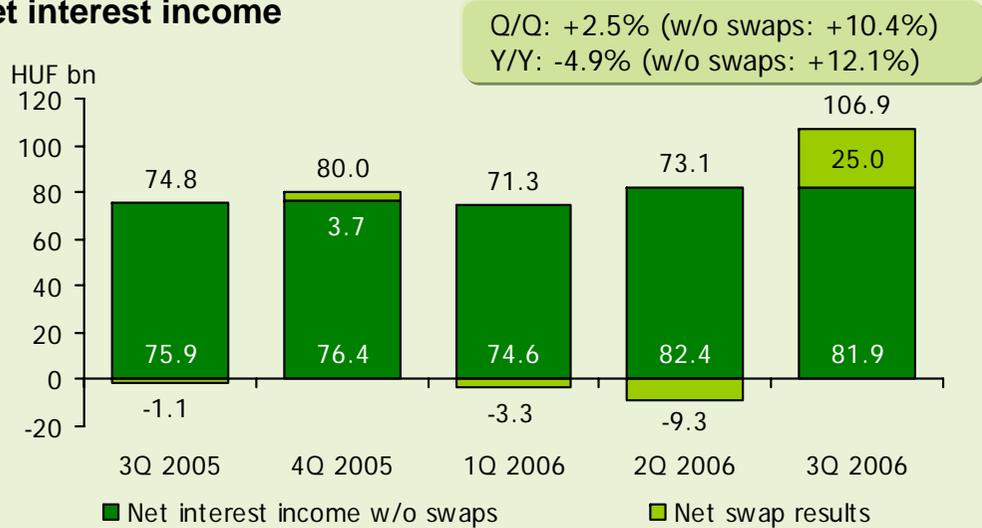


Cost of risk to the average loans



Net interest margin increased by 195 bps, however without swaps it decreased by 40 bps compared to the last quarter

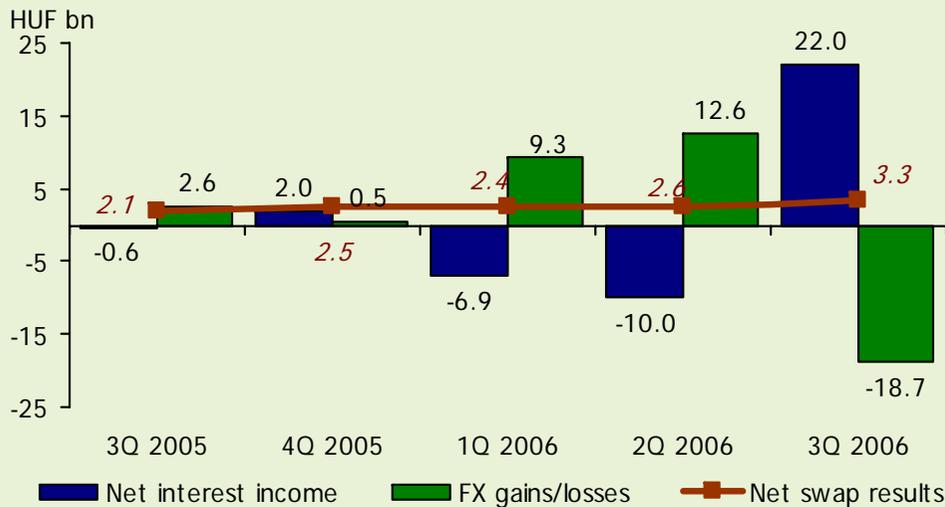
Net interest income



Net interest margin



FX-swap results (non consolidated)



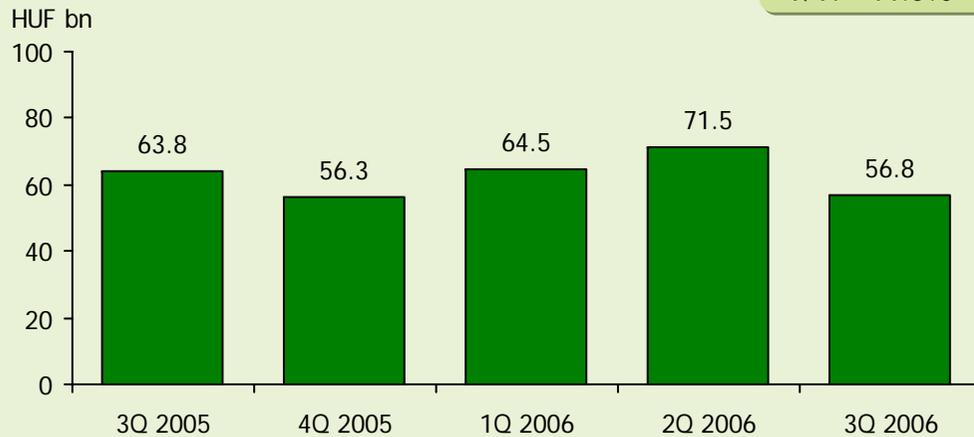
Changes of net interest margin



Non-interest income decreased by 11%, non-interest expenses grew by 13% compared to 9M 2005

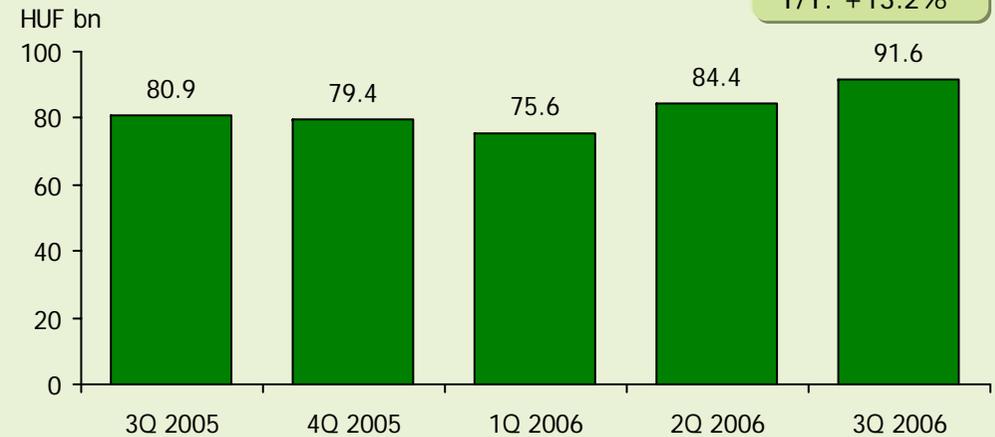
Non-interest income

Q/Q: -20.6%
Y/Y: -11.0%

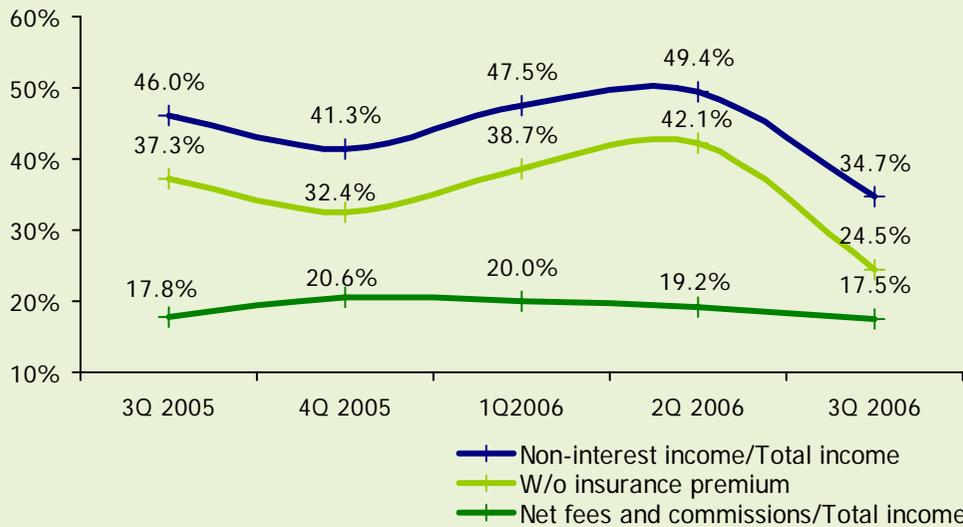


Non-interest expense

Q/Q: +8.6%
Y/Y: +13.2%



Ratio of non-interest expense



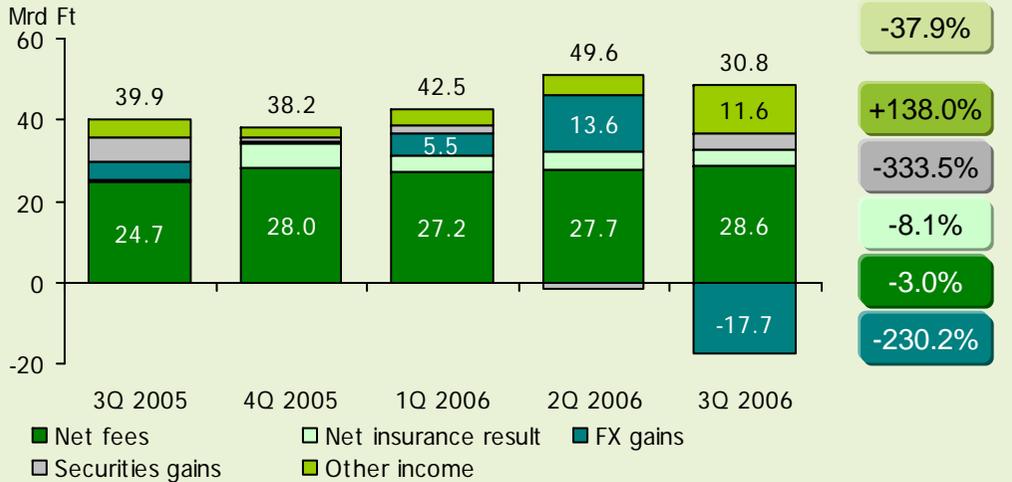
Cost/Income ratio

Q/Q: -2.2%-p
Y/Y: -3.1%-p

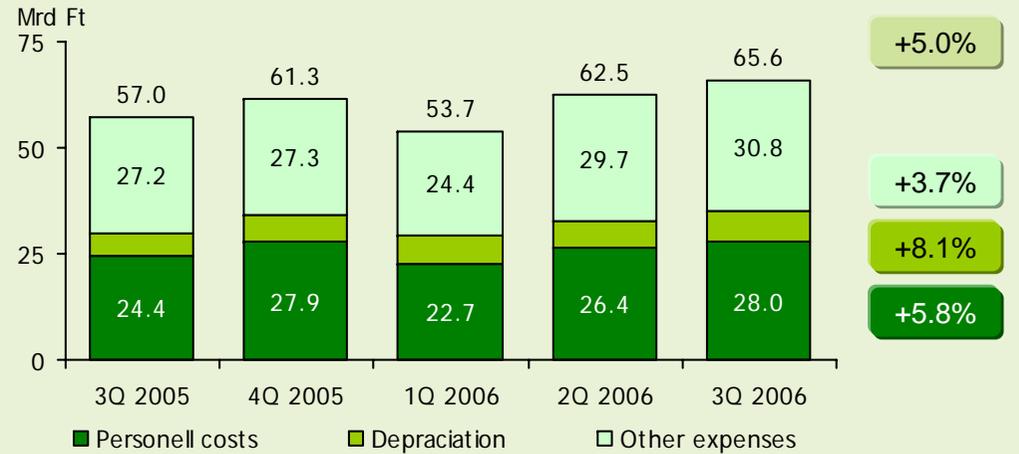


FX gain on FX swaps resulted in a significant change of structure of non-interest income

Non-interest income



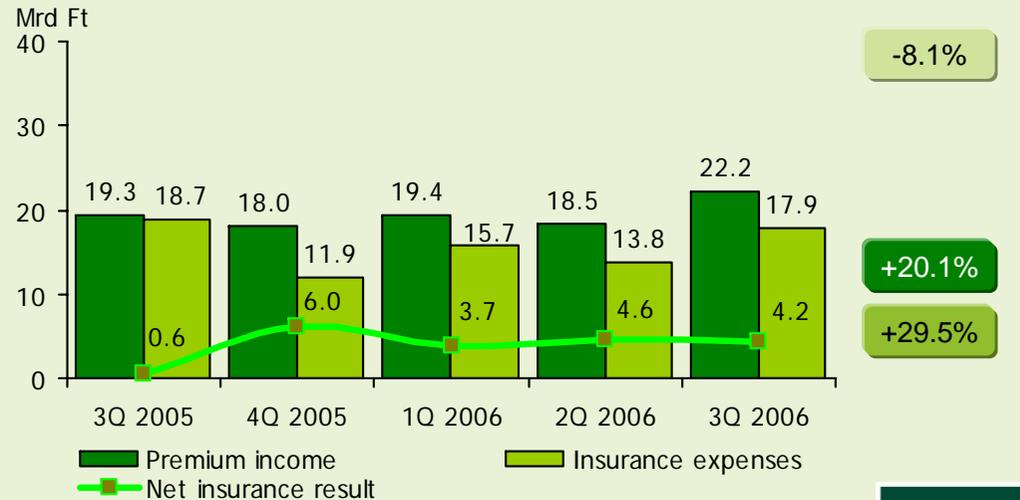
Operating costs



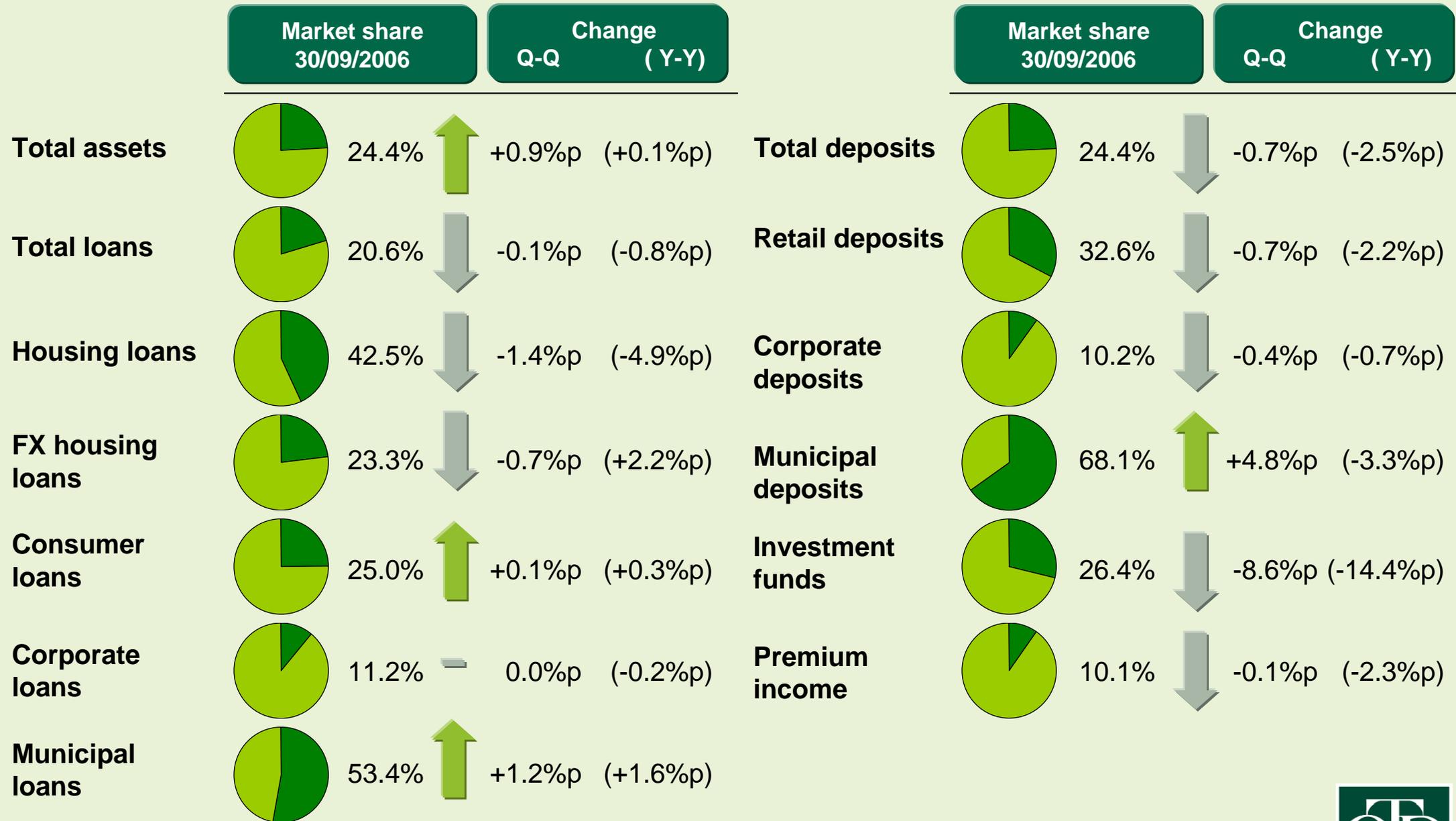
Net fee income



Net insurance result



Despite losing market share in some segments, OTP Group maintains its leading position on the Hungarian market



Within domestic subsidiaries, OTP Garancia Insurance reached HUF 1.6 bn; OTP Fund Management HUF 1.2 bn and Merkantil Group HUF 0.9 bn profit after tax

Main balance sheet items, HUF bn	OTP Bank (non-cons)			OTP Mortgage Bank			Merkantil Group			OTP Garancia Insurance			OTP Fund Management			
	2006 3Q	Change		2006 3Q	Change		2006 3Q	Change		2006 3Q	Change		2006 3Q	Change		
	Q-o-Q	Y-o-Y	Q-o-Q	Y-o-Y	Q-o-Q	Y-o-Y	Q-o-Q	Y-o-Y	Q-o-Q	Y-o-Y	Q-o-Q	Y-o-Y	Q-o-Q	Y-o-Y		
Total assets	4,120.1	4.2%	21.9%	1,188.6	10.7%	29.3%	354.0	6.9%	46.5%	182.2	5.8%	19.1%	12.3	13.2%	20.0%	
Shareholders' equity	528.4	10.2%	13.6%	41.8	6.7%	28.3%	27.9	3.4%	34.1%	19.8	6.7%	-12.4%	9.9	13.6%	8.0%	
	Gross loans		Gross loans		Gross loans		Insurance reserves		Assets under management							
	1,778.6	3.0%	13.4%	903.8	3.0%	13.4%	247.3	7.7%	36.2%	139.1	6.1%	34.0%	1,166.5	6.3%	29.2%	
Main P&L items, HUF million																
Net interest income	66,661	77.4%	53.6%	12,306	33.5%	10.9%	6,875	54.7%	42.8%	2,084	-34.6%	60.5%				
Non-interest income	36,784	-28.3%	-19.3%	-418	-117.4%	-109.8%	-356	-110.6%	-145.7%	23,262	21.5%	-5.2%	2,932	-5.1%	-2.4%	
Premium income										22,057	19.5%	9.2%				
Non-interest expenses	46,966	5.3%	12.5%	13,182	20.7%	-31.4%	4,034	-6.2%	59.4%	23,376	21.3%	-2.4%	1,545	-12.3%	-11.0%	
Insurance expenses										18,030	26.9%	-6.4%				
Net insurance result										4,026	-5.5%	331.7%				
Profit after tax	43,905	36.8%	26.8%	-1,465	281.5%	-54.3%	913	-54.0%	-36.7%	1,560	-39.0%	-2.4%	1,153	2.8%	8.0%	
Added value*				15,659	18.2%	7.4%							2,660	-5.3%	-5.4%	
Total income	98,035	17.5%	14.7%	3,190	3.7%	-212.4%	5,619	-15.7%	19.1%	24,040	13.0%	-3.3%	1,660	2.9%	13.5%	
Operating expenses	41,555		8.8%	4,483		338.5%	3,134	-1.2%	89.3%	22,071	21.1%	-3.8%	272	-3.7%	40.1%	
Cost/income ratio*	42.4%	-4.6%	-2.3%	140.5%	63.4%	176.6%	55.8%	8.2%	20.7%	93.5%	-2.5%	-5.2%	16.4%	-1.1%	3.1%	
Net Interest Margin	6.6%	2.7%	1.3%	4.4%	0.7%	-0.6%	8.0%	2.4%	-0.3%	4.7%	-2.9%	1.1%				
ROA	4.35%	1.02%	0.14%	-0.52%	-0.37%	0.90%	1.07%	-1.44%	-1.42%	3.52%	-2.56%	-0.89%	39.71%	-3.66%	-5.07%	
ROE	34.9%	7.3%	3.8%	-14.5%	-10.5%	23.4%	13.3%	-17.2%	-15.4%	32.6%	-22.2%	1.5%	49.8%	-4.6%	0.0%	
Market share, %																
Total assets	17.9%	0.5%	-0.2%	5.2%	0.5%	0.2%	0.9%	0.1%	0.2%							
Retail loans	12.3%	0.1%	-0.9%	19.6%	0.1%	-3.5%	3.0%	0.2%	0.8%							
Premium income										10.1%	-0.1%	-2.3%				
Investment funds													26.4%	-8.6%	-14.4%	

* Profit before tax + fees paid to OTP Bank and cash given free of charge

** In case of OTP Garancia Insurance, combined ratio



Contribution of foreign subsidiaries to the consolidated profit grew to 11.8% in 9M 2006

	 DSK Group			 OTP Banka Slovensko			 OTP banka Hrvatska*			 OTP Bank Romania			Niska banka		Share of foreign subsidiaries			
	2006 3Q	Change		2006 3Q	Change		2006 3Q	Change		2006 3Q	Change		2006 3Q	Change	2006 9M	Change		
	HUF bn	Q-o-Q	Y-o-Y	HUF bn	Q-o-Q	Y-o-Y	HUF bn	Q-o-Q	Y-o-Y	HUF bn	Q-o-Q	Y-o-Y	HUF bn	Q-o-Q	HUF bn	Q-o-Q	Y-o-Y	
Main balance sheet items, HUF bn																		
Total assets	780.0	5.8%	47.4%	315.6	-0.8%	29.3%	366.8	2.1%	28.5%	154.0	39.7%	175.2%	11.1	-1.9%	28.2%	0.0%	4.8%	
Gross loans*	459.4	-1.6%	34.3%	179.7	-0.3%	-0.7%	198.3	-0.4%	42.9%	90.2	47.3%	362.8%	2.9	17.3%	26.7%	0.2%	3.7%	
Deposits	524.4	1.4%	28.0%	199.2	4.4%	34.0%	289.2	4.6%	25.6%	38.0	17.1%	62.6%	4.9	6.1%	28.2%	0.7%	3.1%	
Shareholders' equity	92.4	2.9%	40.7%	19.5	2.7%	20.6%	32.0	-1.6%	25.4%	26.8	37.0%	77.4%	4.7	3.4%	27.9%	-0.8%	4.0%	
Gross loans/deposits ratio	87.6%	-2.7%	4.1%	90.2%	-4.3%	-31.5%	68.6%	-3.5%	8.3%	237.2%	48.7%	153.9%	59.9%	5.7%				
Main P&L items, HUF million																		
Net interest income	10,132	5.7%	18.3%	1,979	8.3%	30.1%	2,964	5.7%	22.5%	1,069	56.0%	161.4%	192	2.5%	19.1%	-2.1%	2.3%	
Non-interest income	4,749	20.7%	60.1%	841	-43.5%	-65.8%	1,944	-12.2%	36.7%	1,390	71.2%	207.5%	190	-50.0%	13.9%	1.4%	2.7%	
Non-interest expenses	6,299	0.2%	4.7%	2,111	2.8%	-14.7%	3,357	8.1%	31.8%	2,306	-1.2%	132.5%	392	9.3%	14.3%	-5.5%	-0.3%	
Profit after tax	5,617	9.0%	45.9%	628	155.3%	36.1%	856	-18.3%	-7.2%	-334			12	-73.5%	11.8%	0.3%	-0.1%	
Total income	14,660	10.5%	29.0%	2,642	-16.4%	-31.4%	4,457	-4.0%	28.4%	2,253	63.7%	170.6%	360	-34.2%				
Operating expenses	6,079	0.7%	3.8%	1,933	1.9%	-17.5%	2,906	6.4%	33.6%	2,100	-5.1%	118.0%	370	9.2%				
Cost/income ratio	41.5%	-4.0%	-10.0%	73.2%	13.1%	12.3%	65.2%	6.4%	2.5%	93.2%	-67.6%	-22.5%	102.6%	40.8%				
Net Interest Margin*	5.3%	-0.2%	-1.3%	2.5%	0.1%	0.0%	3.3%	0.0%	-0.22%	3.2%	0.1%	0.1%	6.9%	-				
ROA	2.96%	-0.04%	0.00%	0.79%	0.47%	0.03%	0.94%	-0.28%	-0.39%	-1.01%	3.90%	0.47%	0.42%	-				
ROE	24.7%	0.1%	0.7%	13.1%	7.7%	1.5%	10.6%	-2.9%	-4.1%	-5.8%	19.7%	1.0%	1.0%	-				
Market share, %																		
Total assets	14.7%	0.5%	-0.2%	3.1%	0.2%	0.2%	3.5%	0.1%	0.0%	-	-	-	0.3%	-0.1%				
Retail loans	36.4%	0.1%	-0.9%	3.7%	-0.1%	-0.2%	3.9%	0.0%	0.1%	1.3%	0.4%	0.9%	0.3%	0.0%				
Corporate loans	7.9%	0.2%	1.0%	4.2%	-0.1%	-2.6%	2.9%	-0.1%	0.1%	1.1%	0.1%	0.6%	0.1%	0.0%				
Retail deposits	22.5%	-0.5%	-1.0%	2.5%	0.1%	0.1%	5.5%	0.0%	-0.1%	0.6%	0.0%	0.0%	0.3%	-0.1%				
Corporate deposits	7.5%	0.3%	0.1%	2.9%	-0.1%	0.0%	2.2%	0.0%	0.2%	0.5%	0.1%	0.1%	0.3%	0.0%				

* In case of DSK, volume of loans adjusted by loans sold were HUF 554.7 bn (+5.2% q/q, +49.1% y/y), net interest margin calculated in BGN was 5.81% (-23bp q/q, -107bp y/y).



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