



OTP Bank

**First Quarter 2004 Performance
Based on HAR**

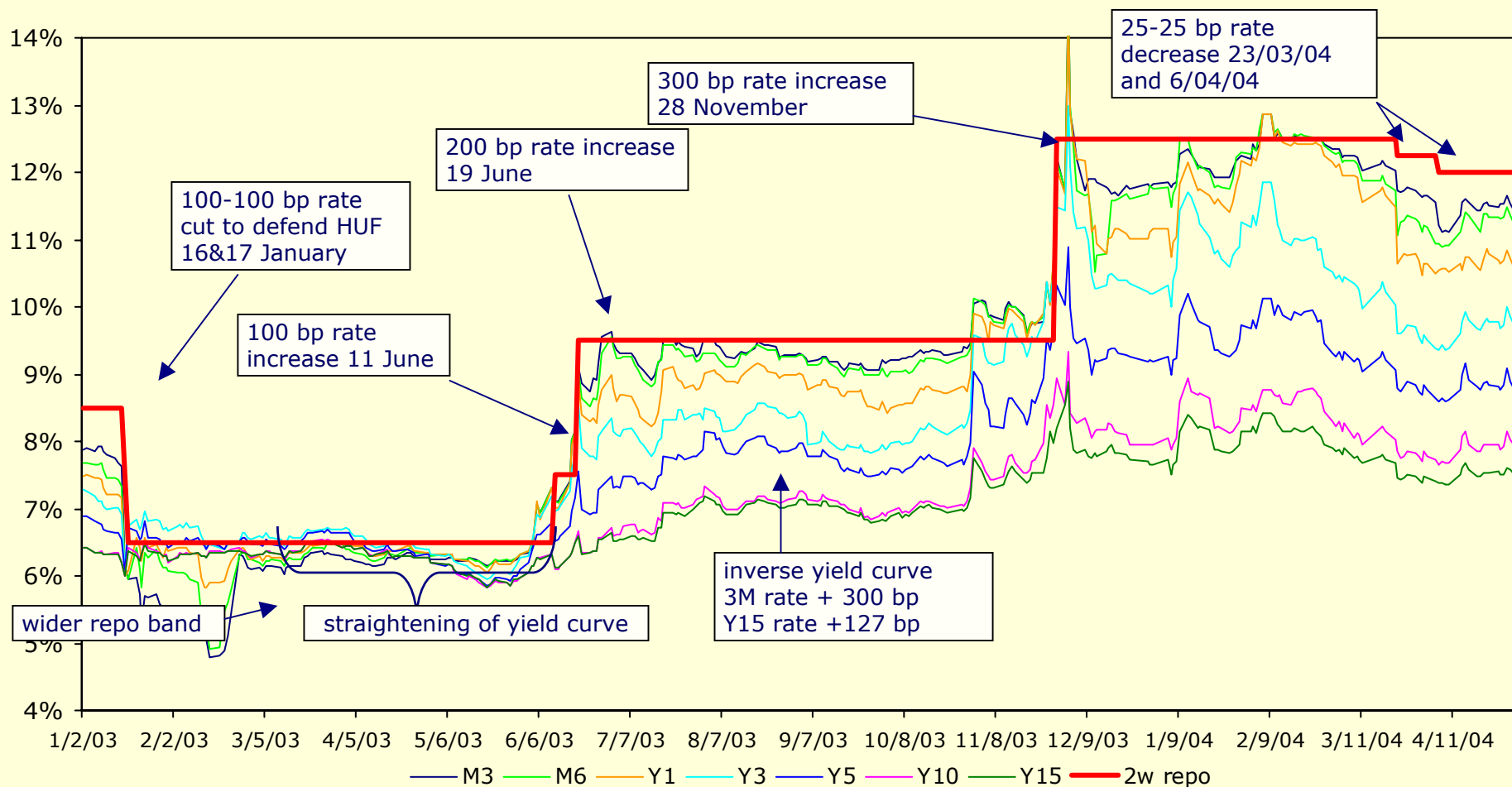
**Presented by:
Dr. Zoltán Spéder CFO**

May 2004

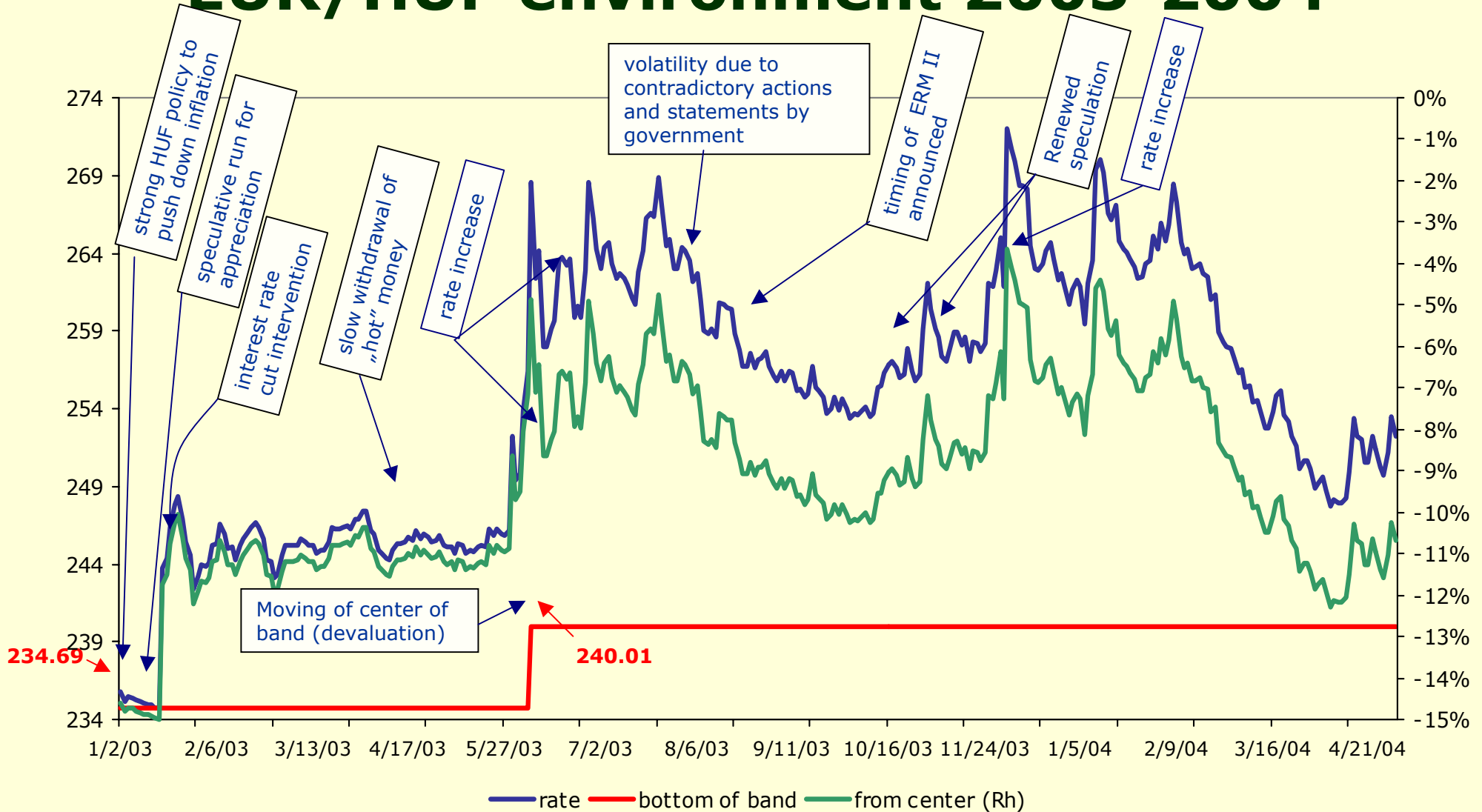
Forward looking statements

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.

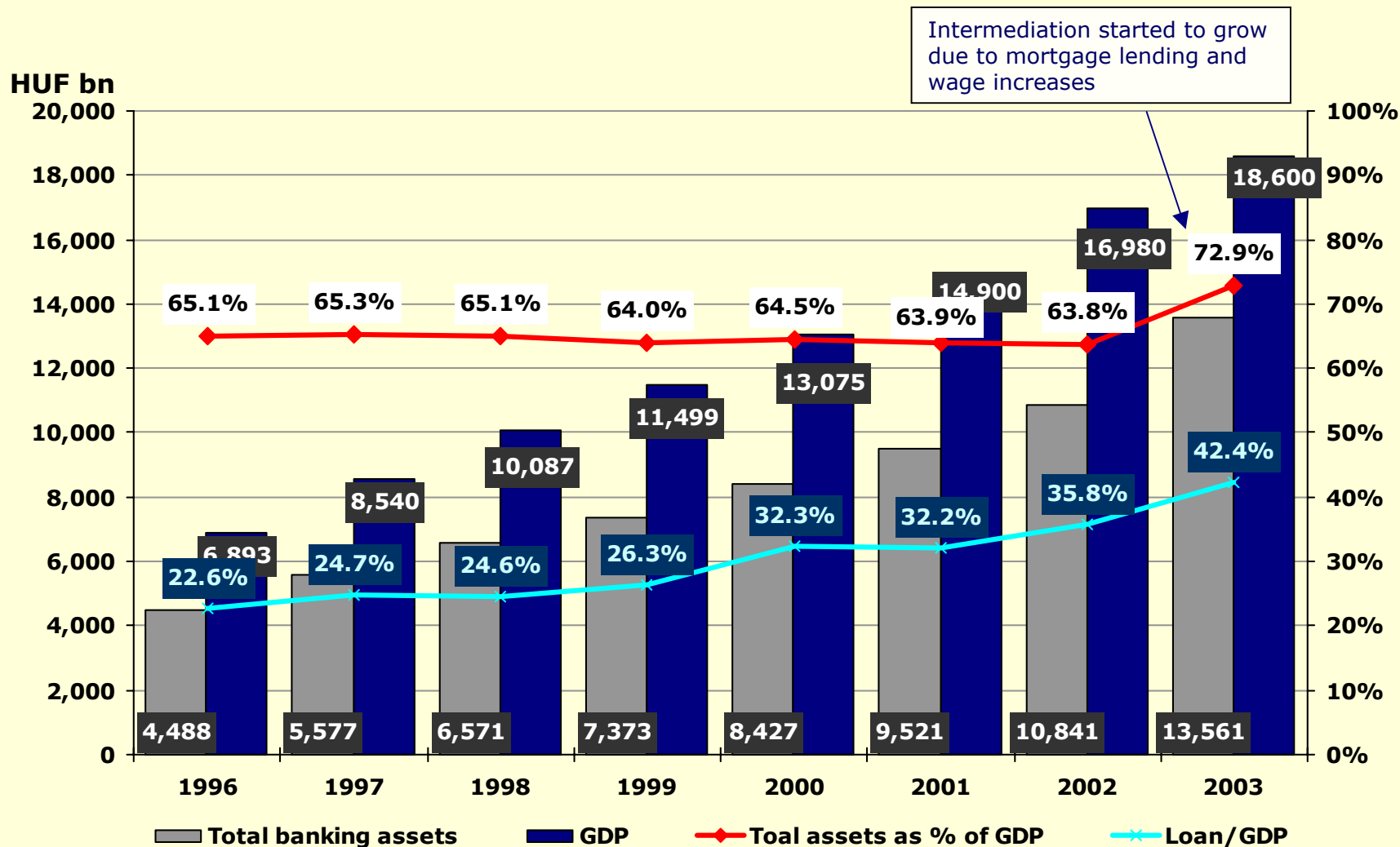
Interest rate environment 2003-2004



EUR/HUF environment 2003-2004

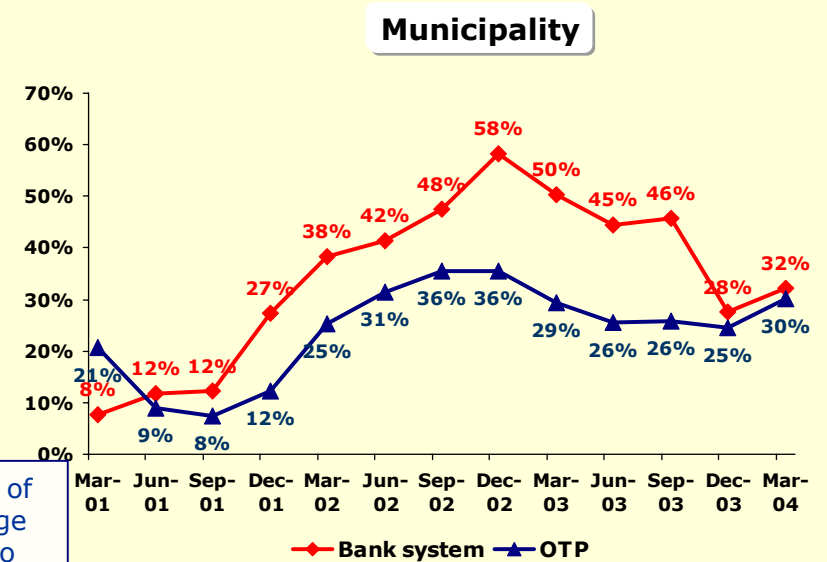
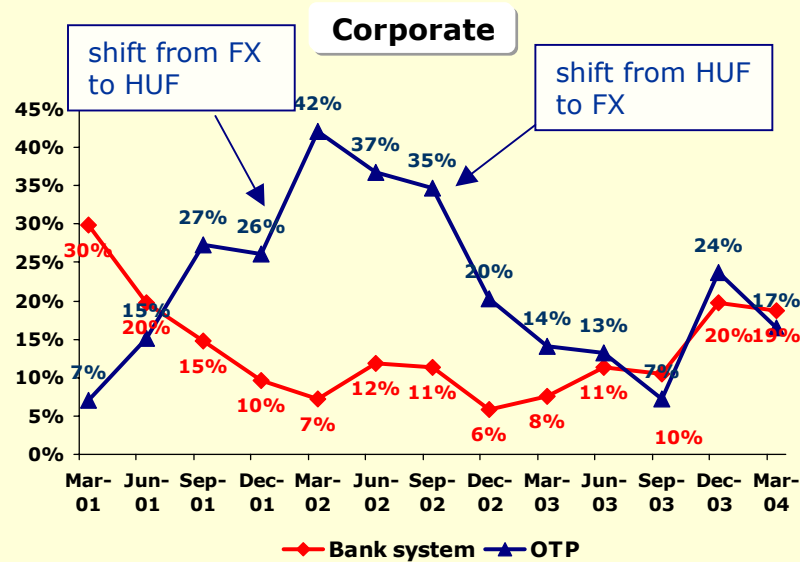


Evolution of banking system

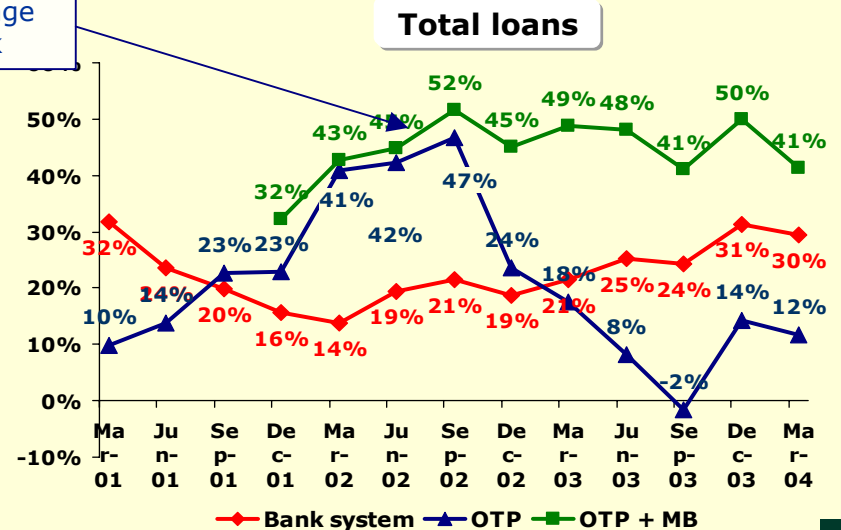
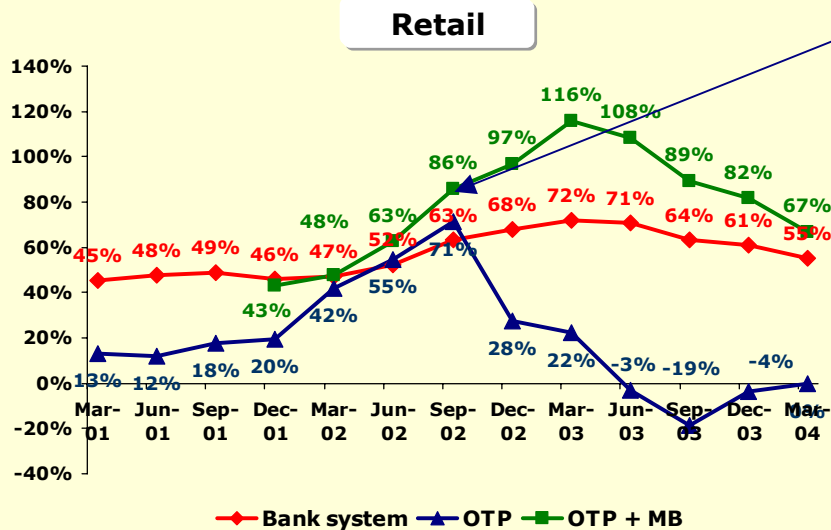


Source: NBH, NSB, OTP
 Note: GDP data for 2003 is estimated

Loan growth* (Y-on-Y)



transfer of mortgage loans to mortgage bank

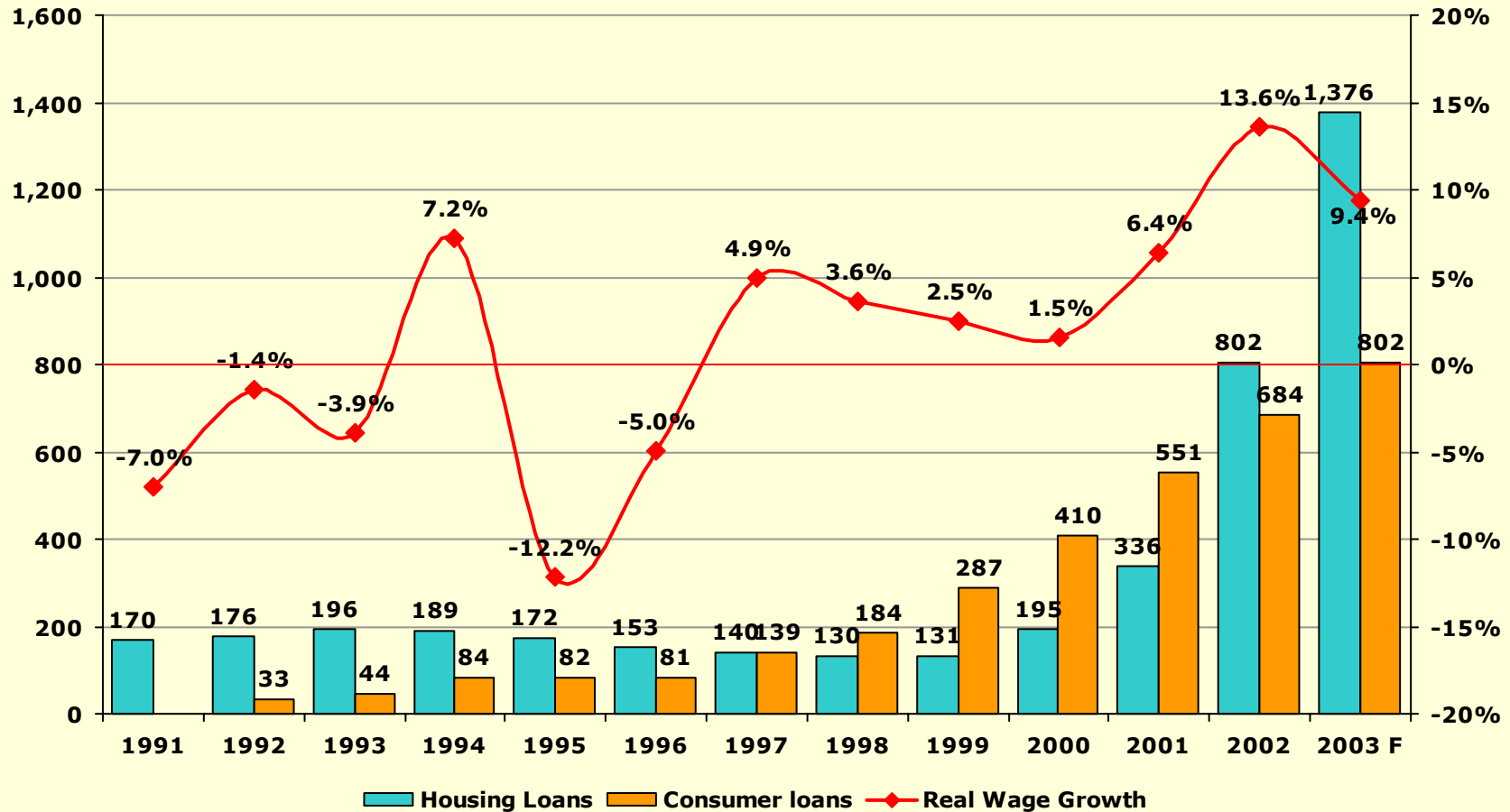


*Based on new NBH specification used since 1 January 2000. Source for sector data: NBH

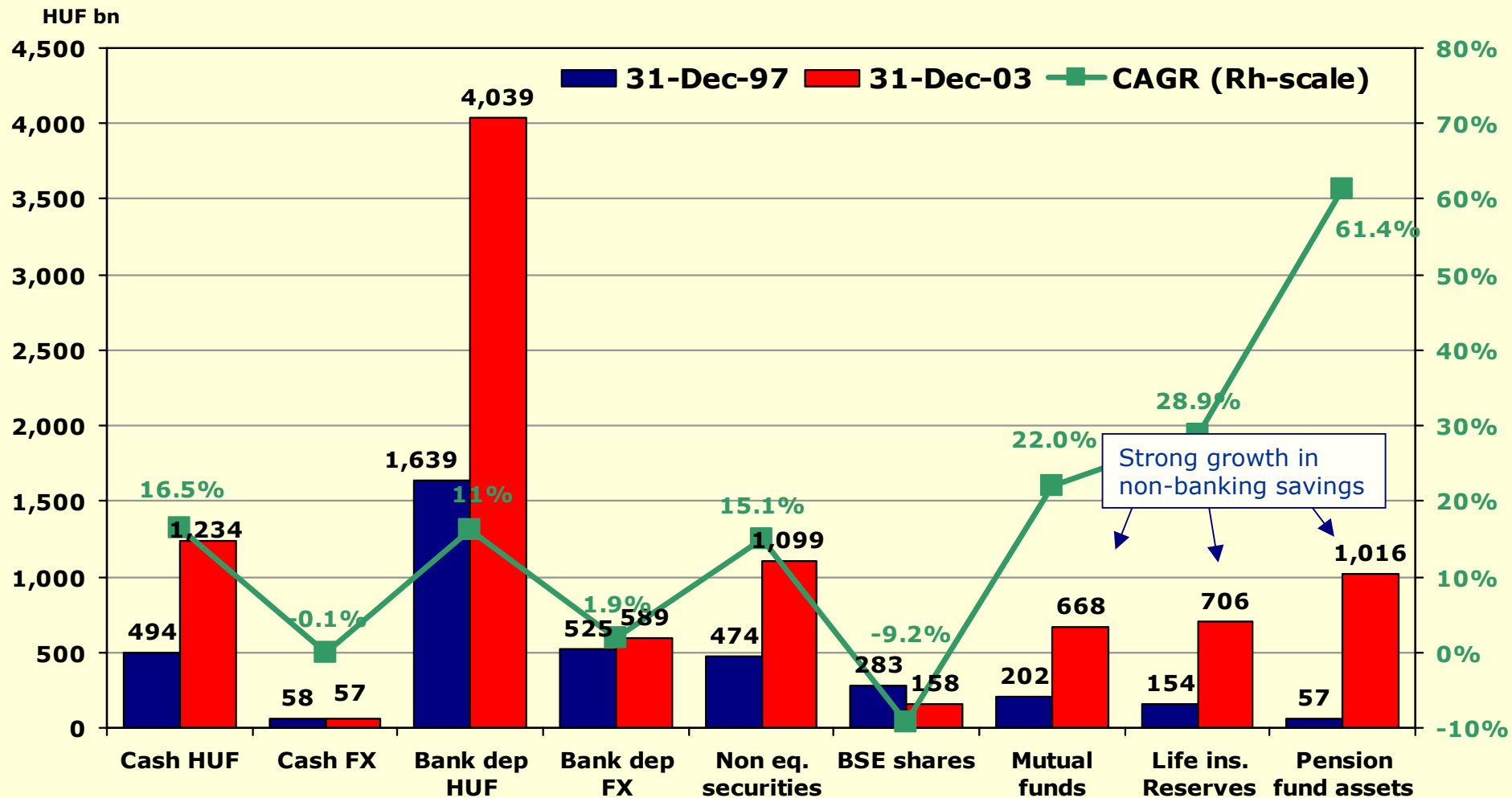


Rising Real Wages

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



Macro: Selected components of RFA



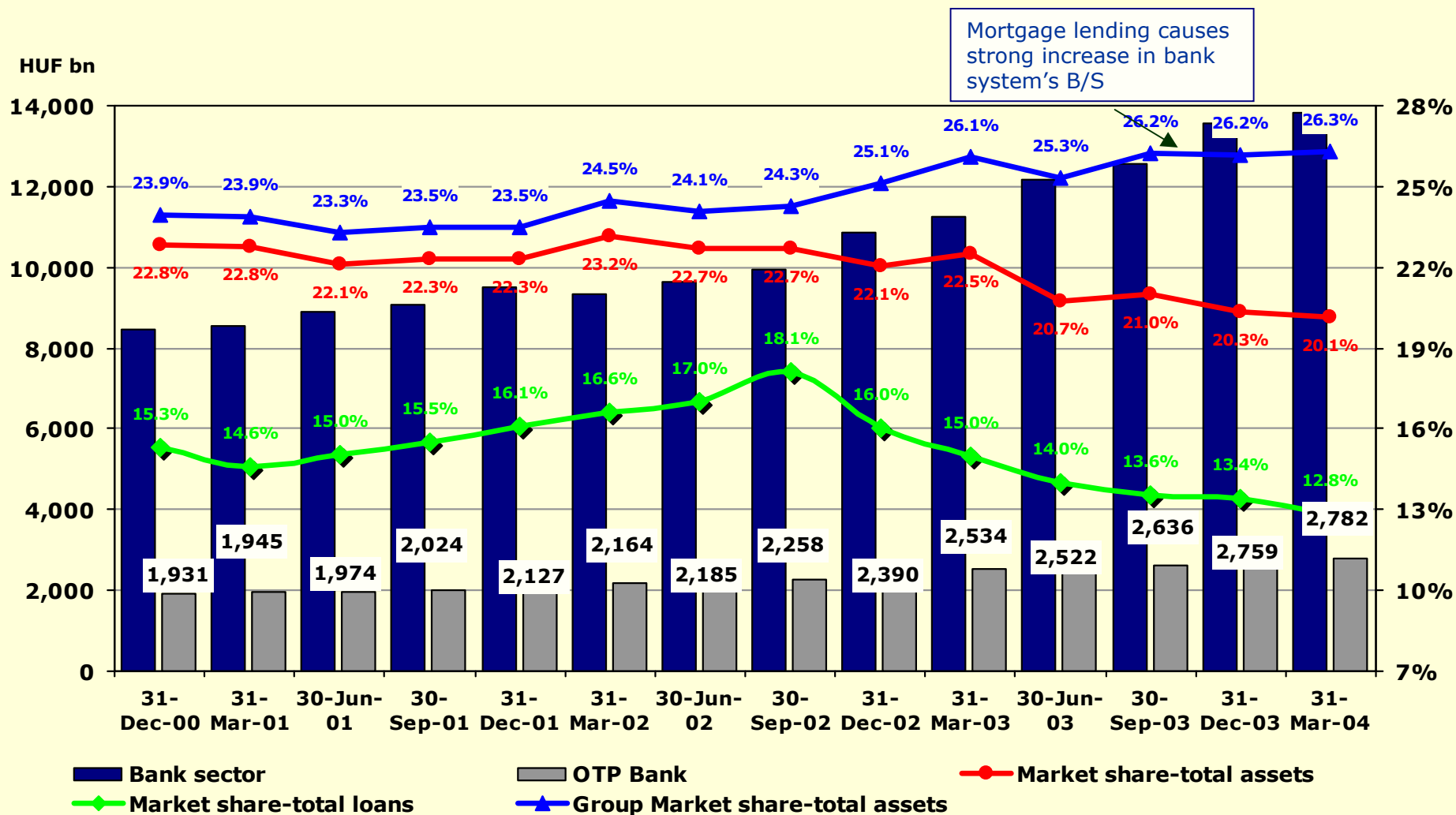
Macro assessment

	2003	2004F	2005F
Real GDP growth	2.9%	3.6%	3.6%
Inflation (average)	4.7%	6.7%	4.5%
Nominal wage increase	14.3%	7.0%	6.0%
Final consumption	5.9%	2.3%	1.9%
Household consumption	6.5%	2.8%	2.0%
Investment growth	4.7%	8.1%	7.4%
Budget deficit (cash flow based)			
	HUF -1,064 bn	HUF -1,285 bn	HUF -1,160 bn
as a % of GDP	-5.7%	-6.3%	-5.1%
Current Account Balance*			
	EUR -6.5 bn	EUR -6.3 bn	EUR -6.3 bn
as a % of GDP	-8.7%	-7.8%	-7.0%
1yr T-bill yield (average)	8.0%	10.4%	7.7%

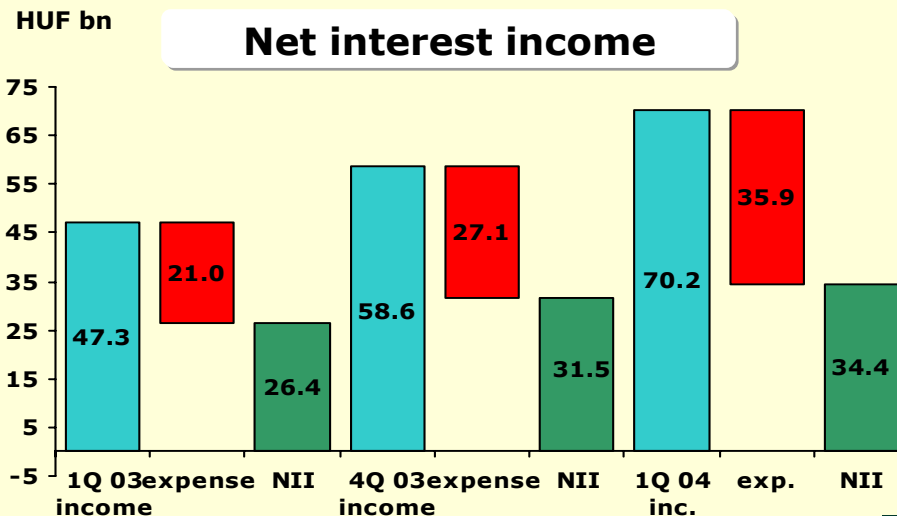
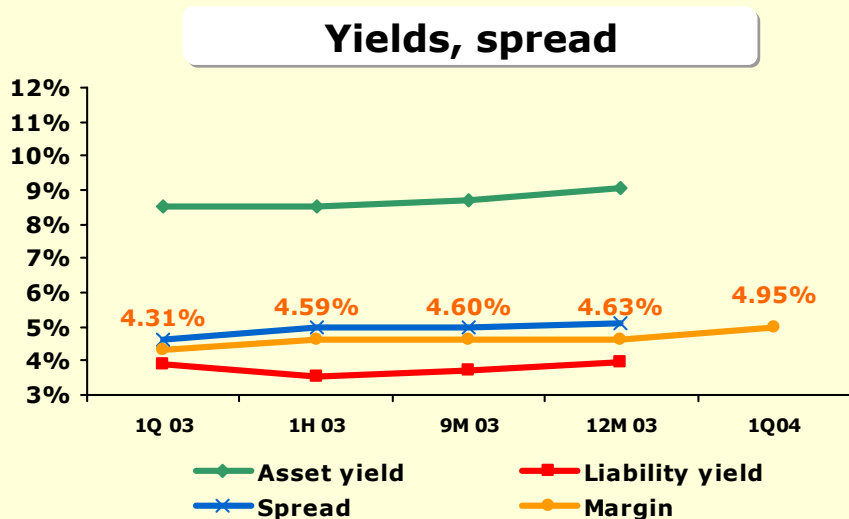
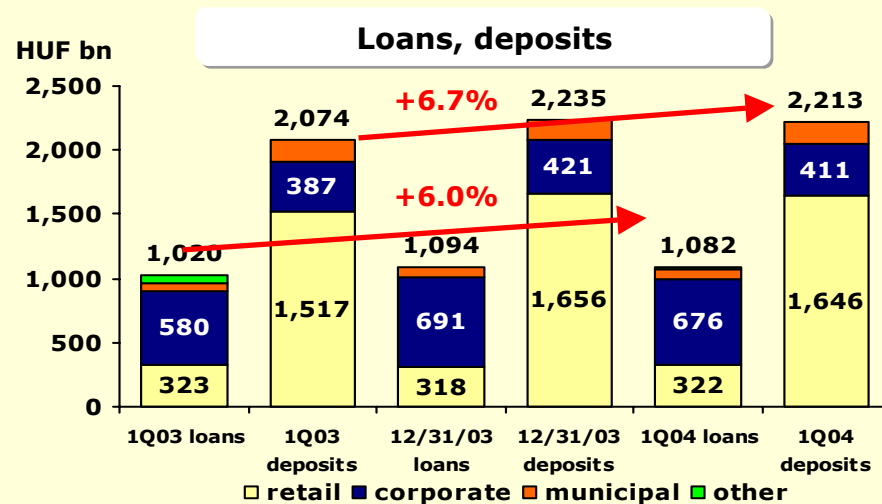
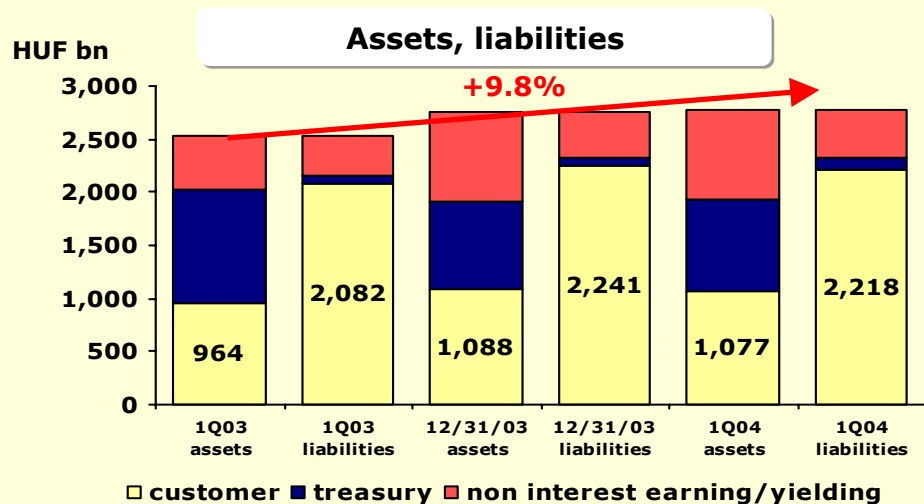
* Reinvested earnings calculated as FDI

Prepared by OTP Research Center in May 2004 based on sources from NSB, NBH

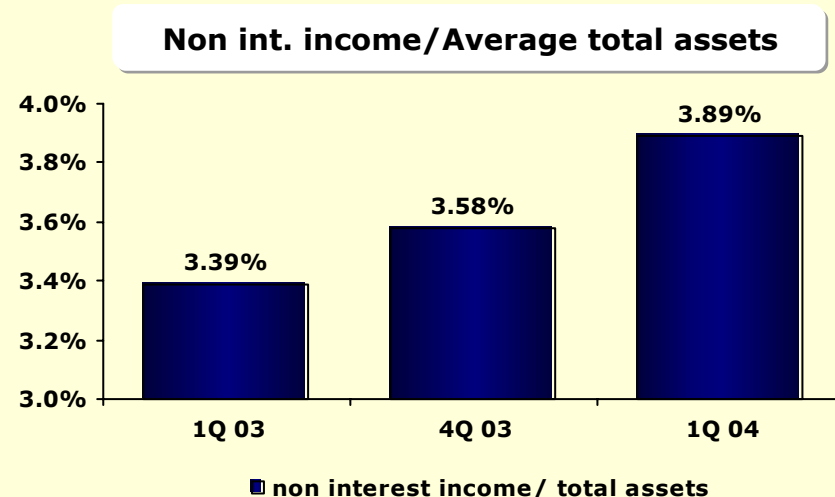
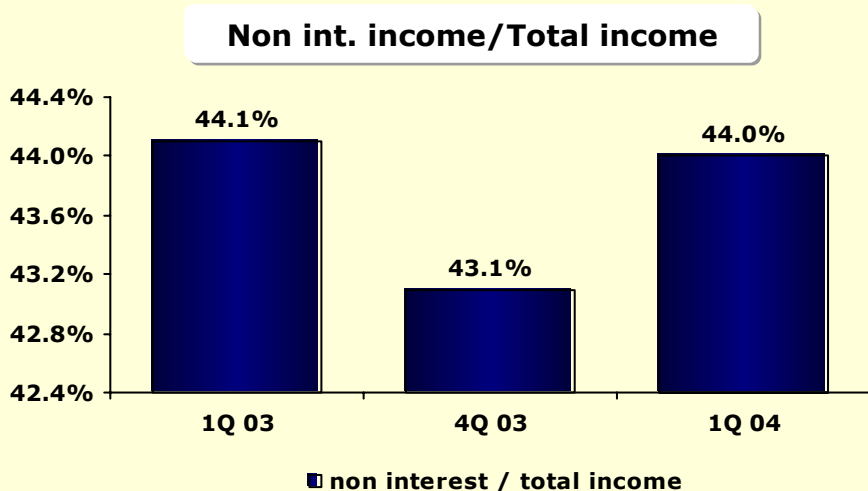
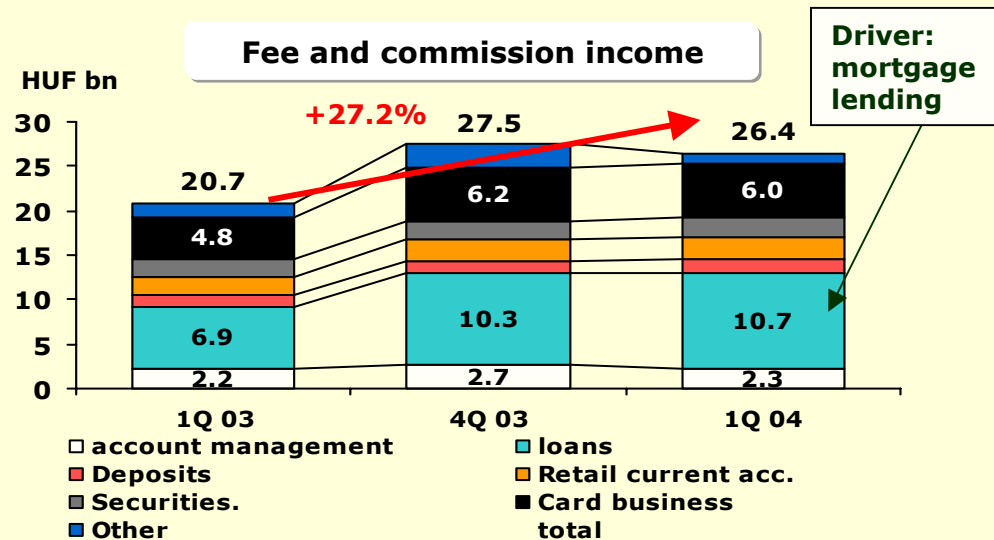
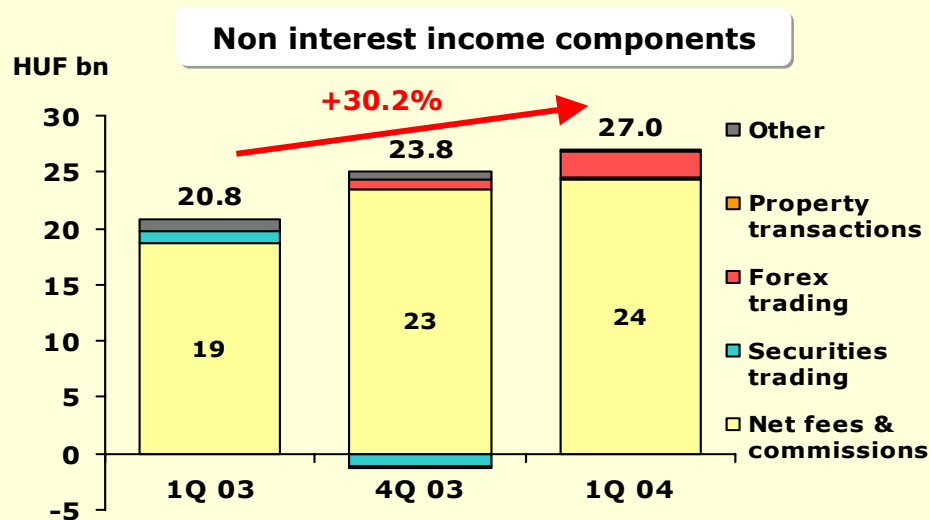
Market share-total assets



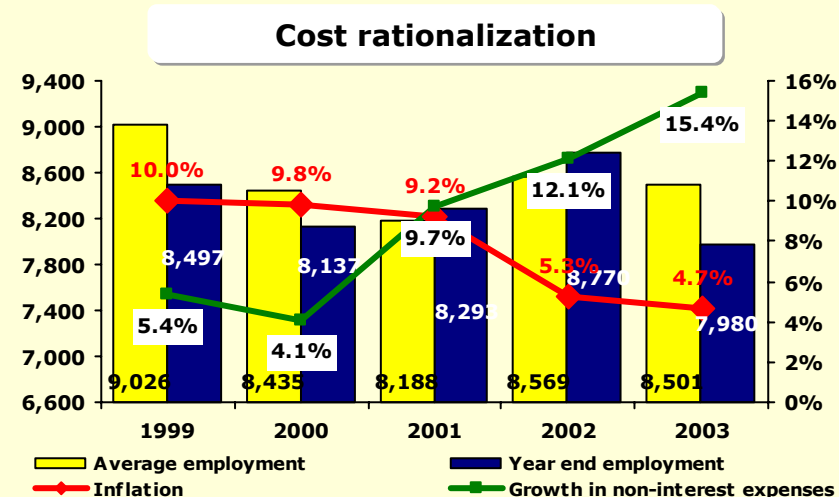
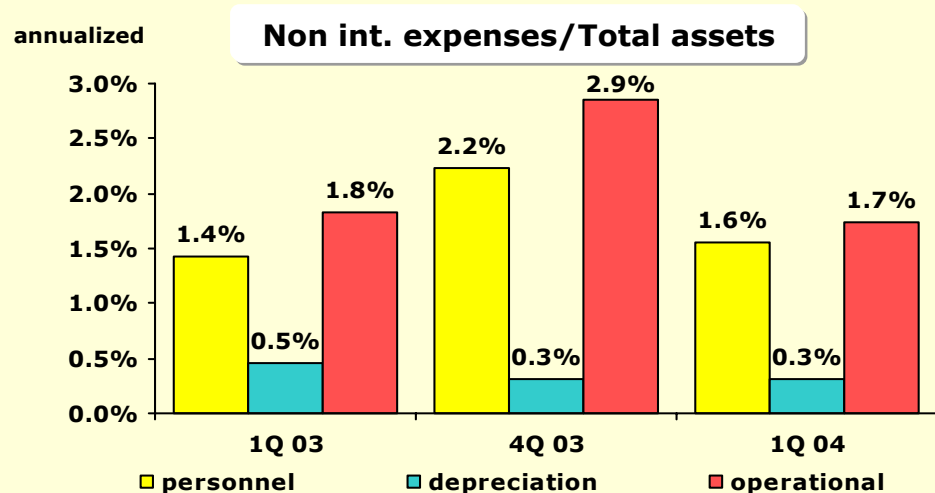
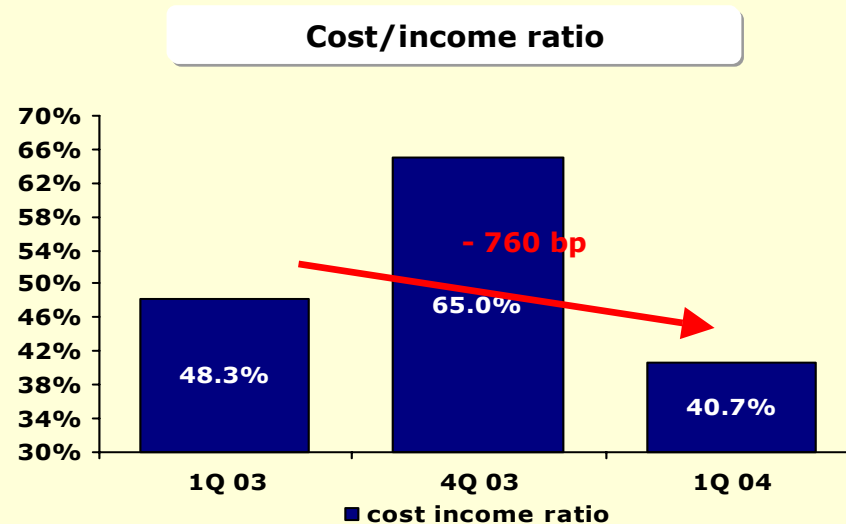
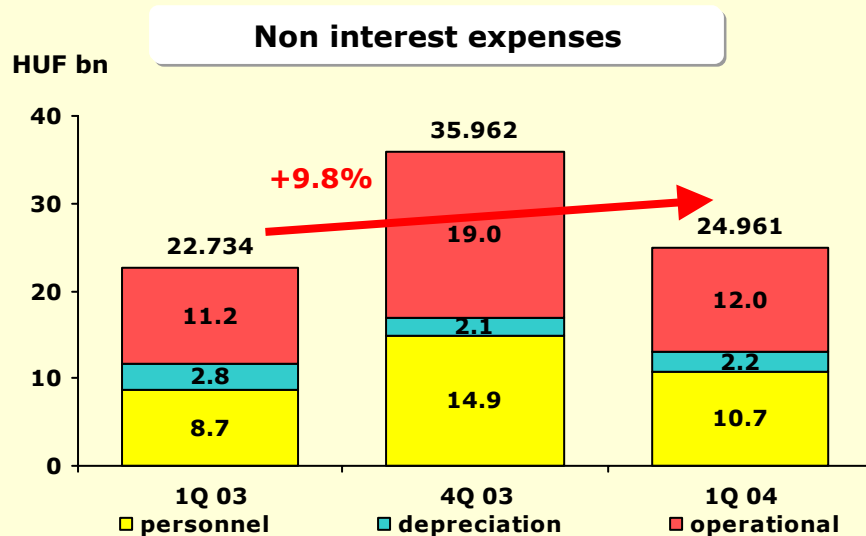
Balance sheet, interest income



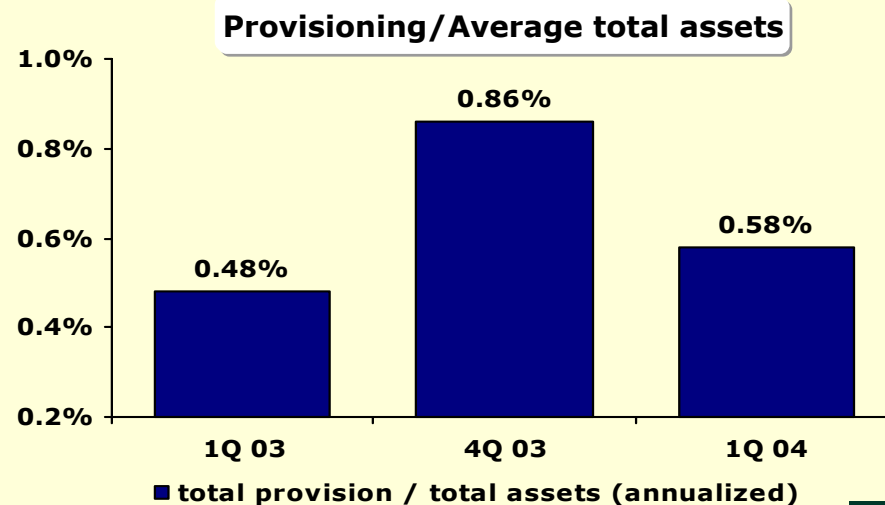
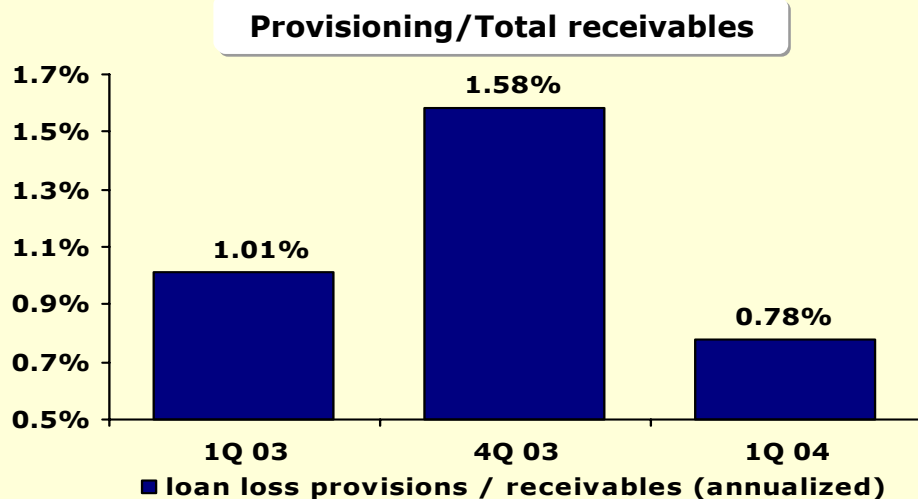
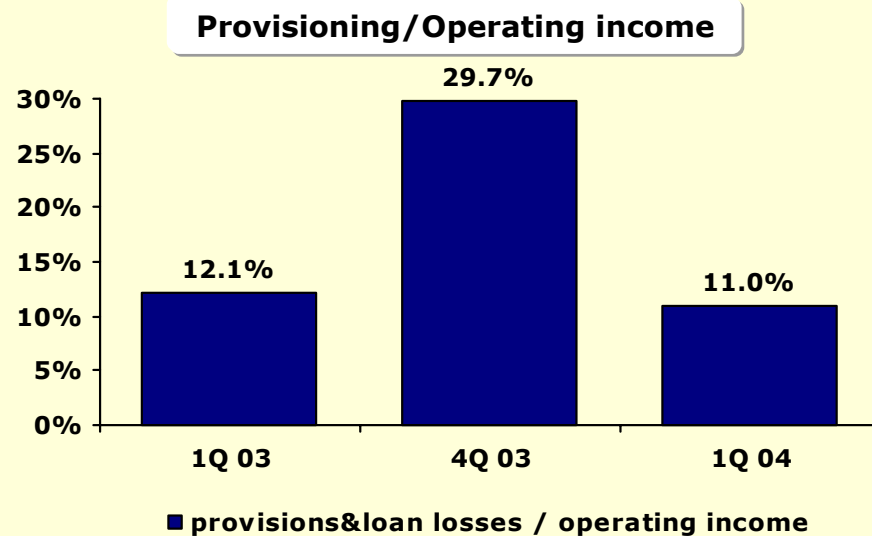
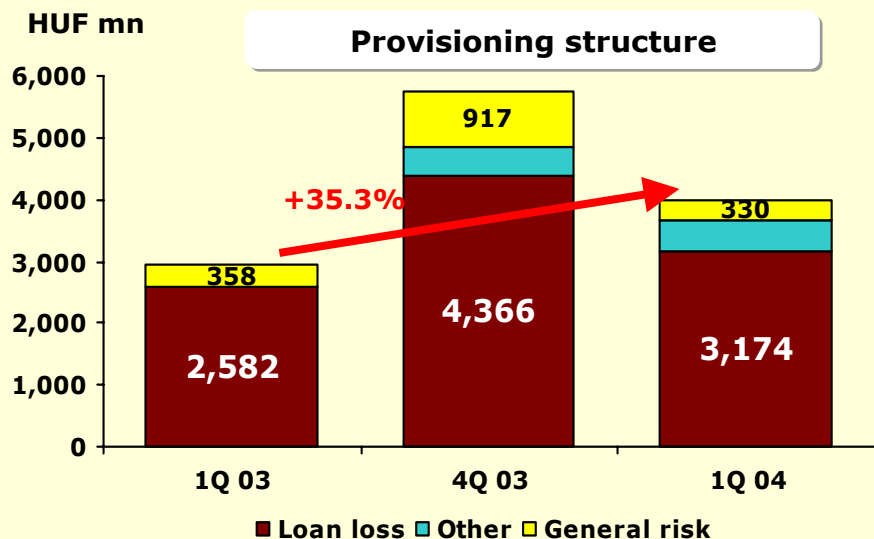
Non interest income



Non interest expenses

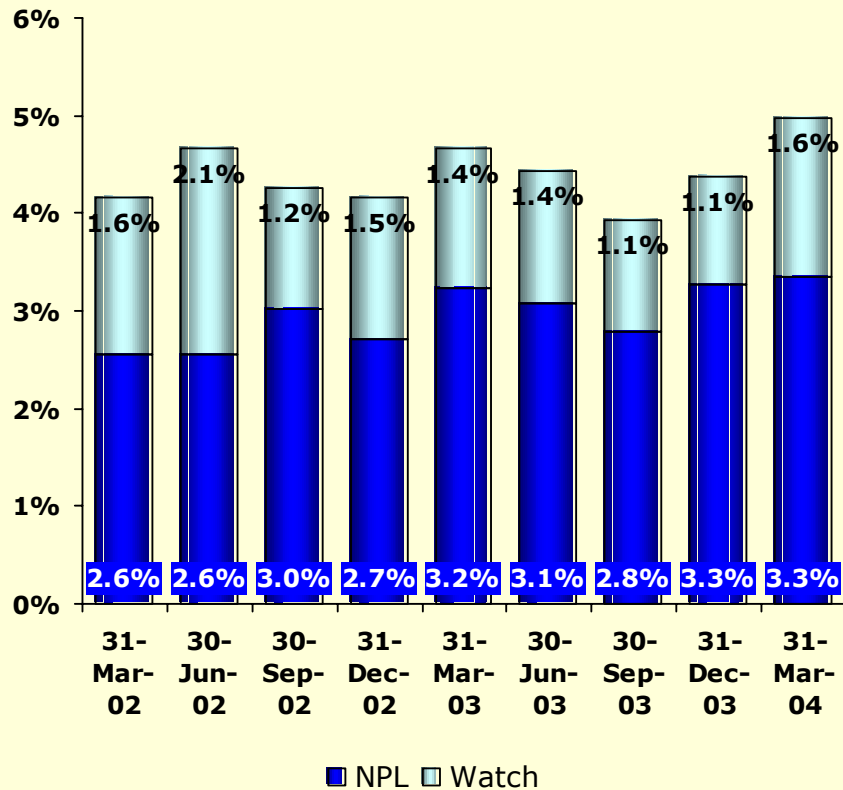


Provisioning/loan losses

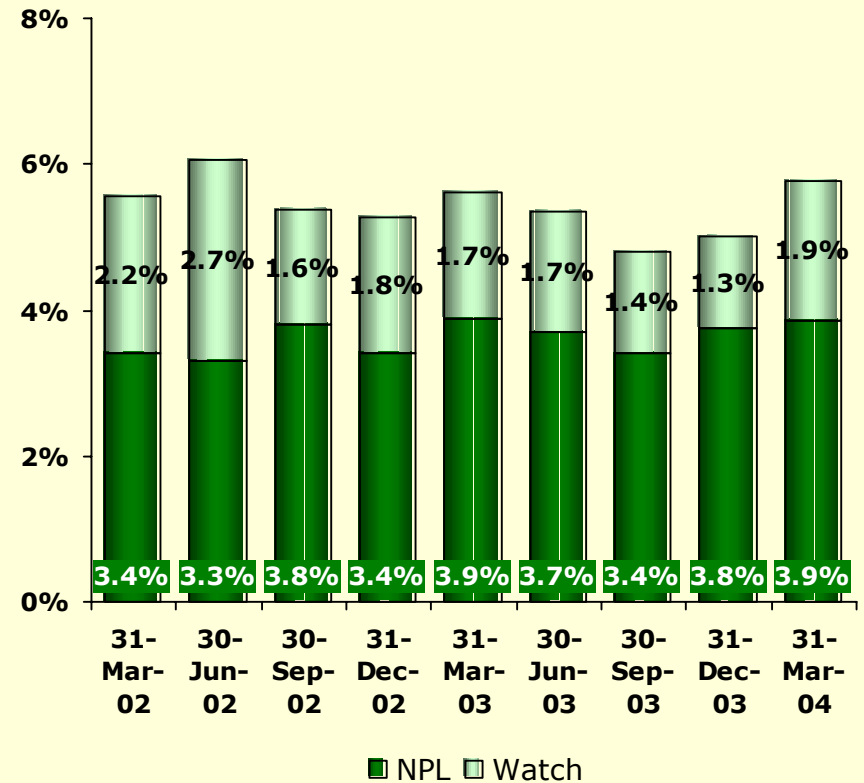


Loan quality

Qualified receivables as % of total receivables



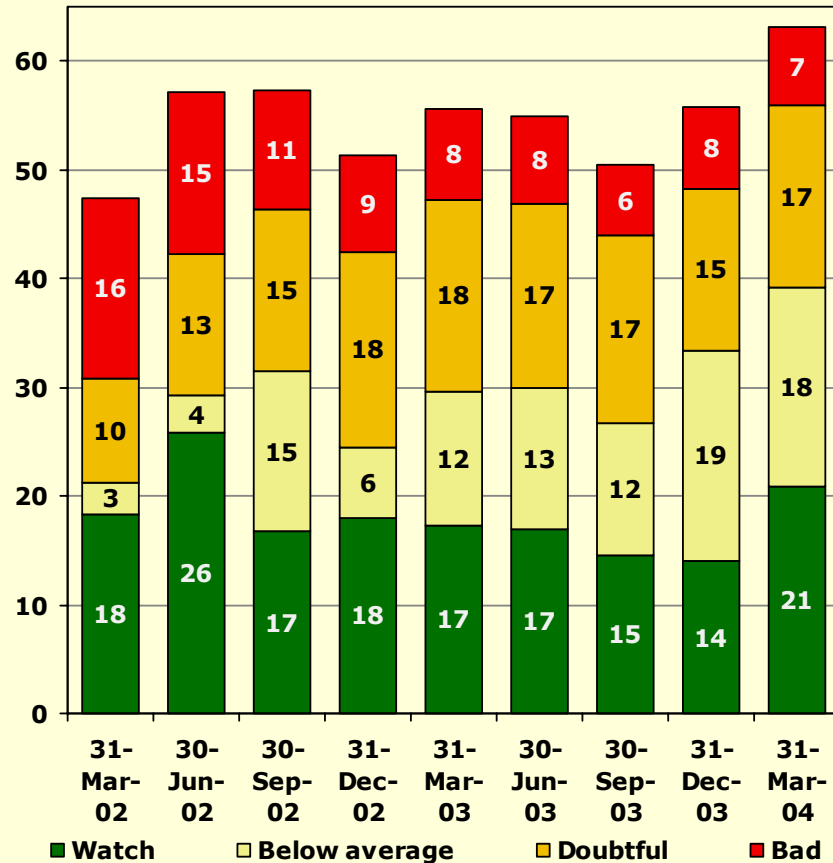
Qualified receivables as % of customer receivables



Loan quality

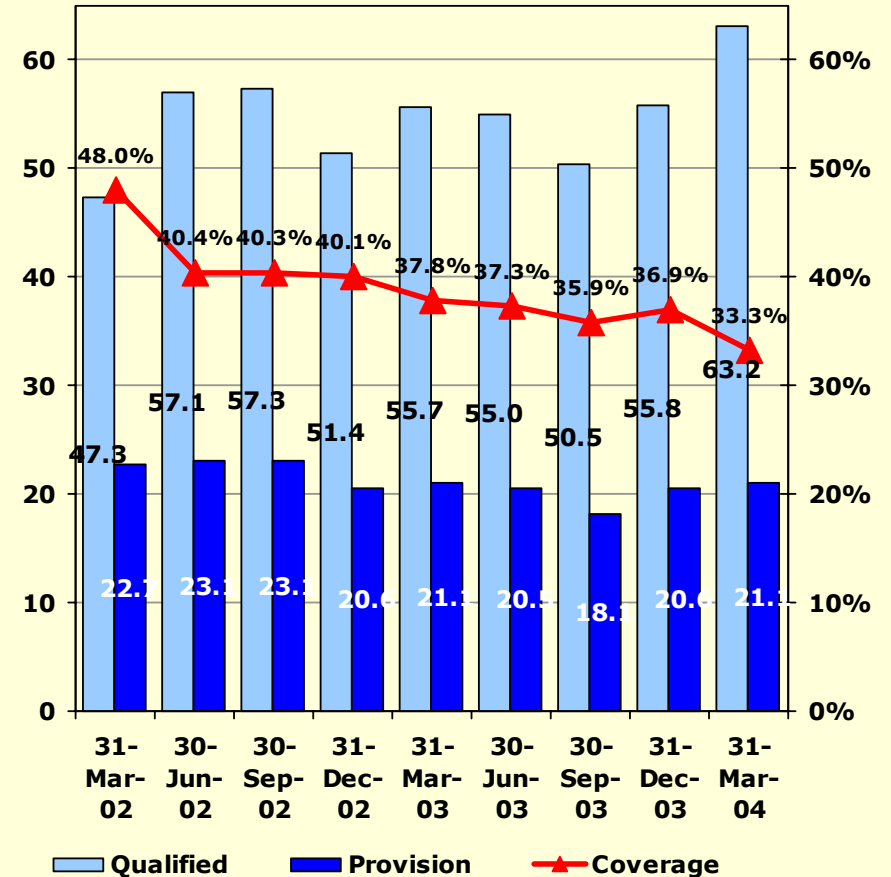
HUF bn

Qualified loans

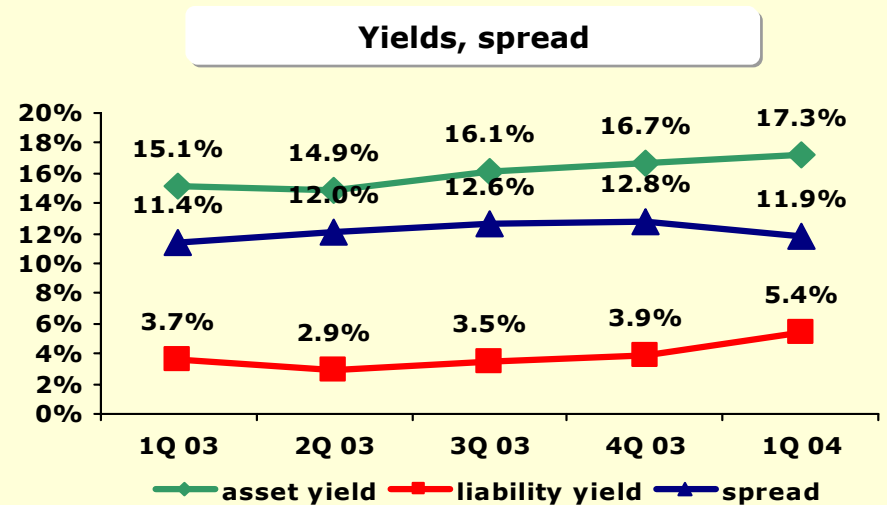
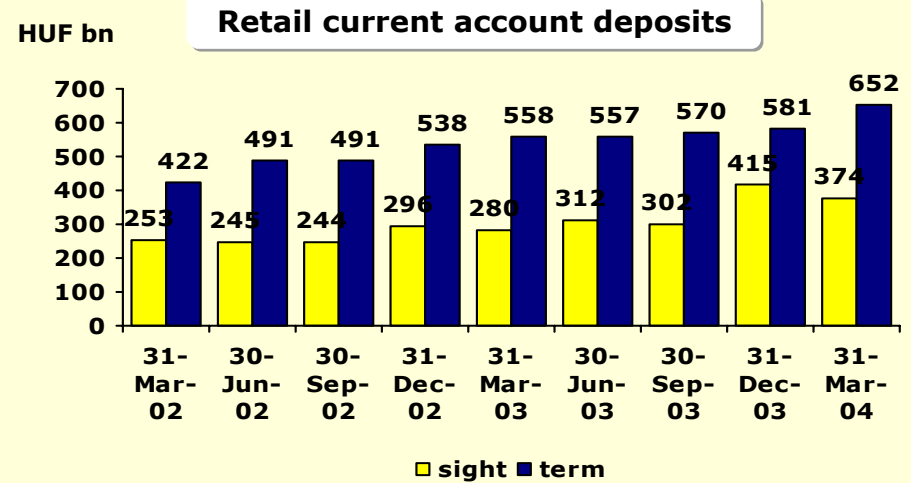
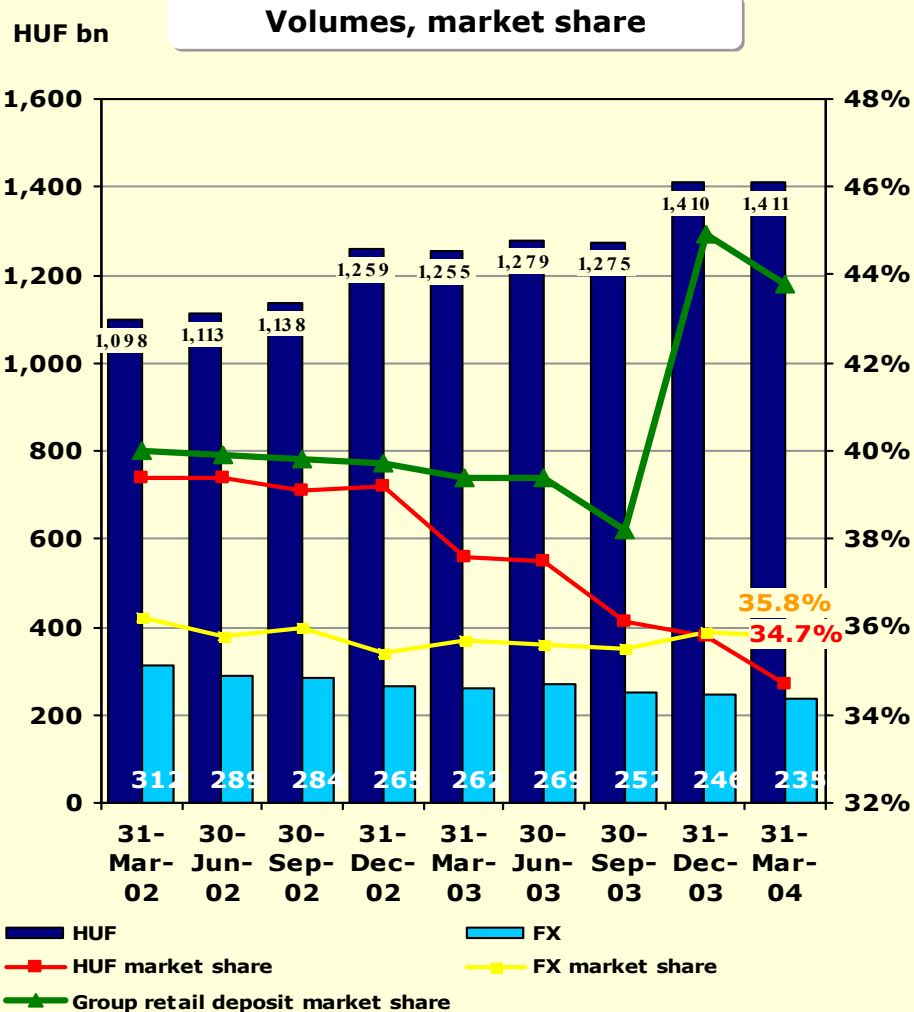


HUF bn

Provisions, coverage

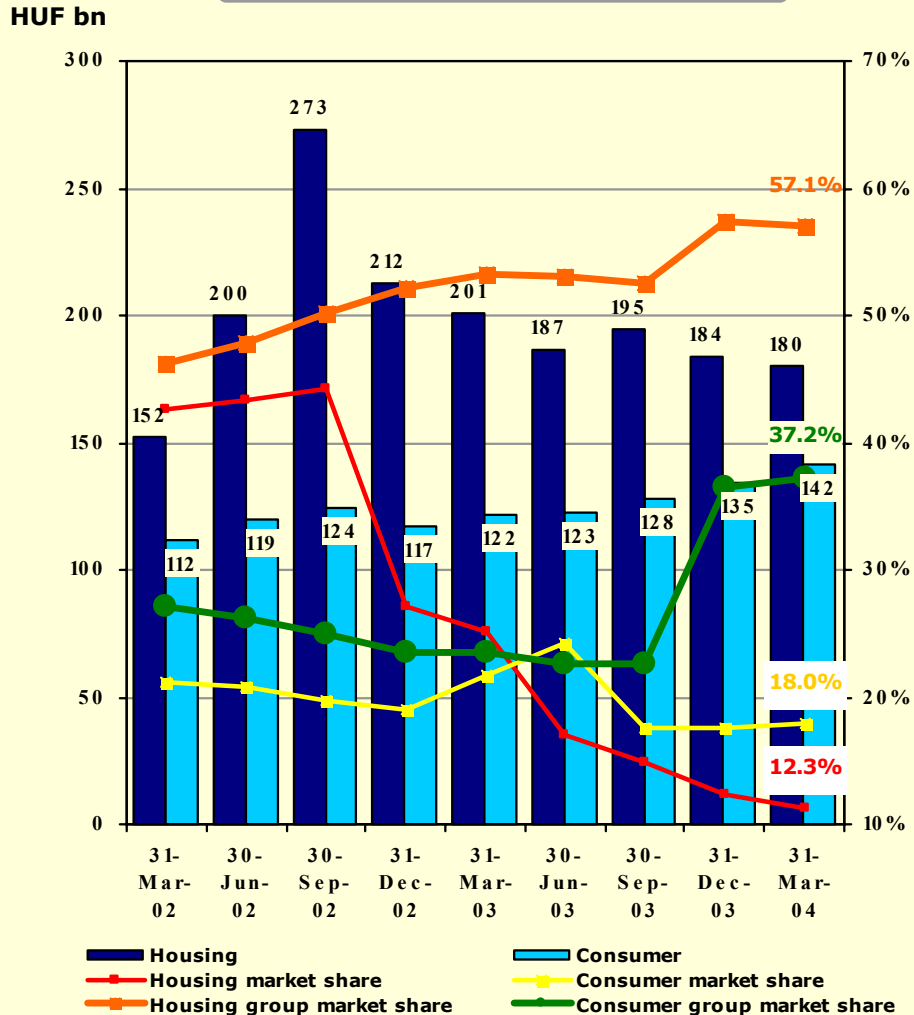


Retail deposits



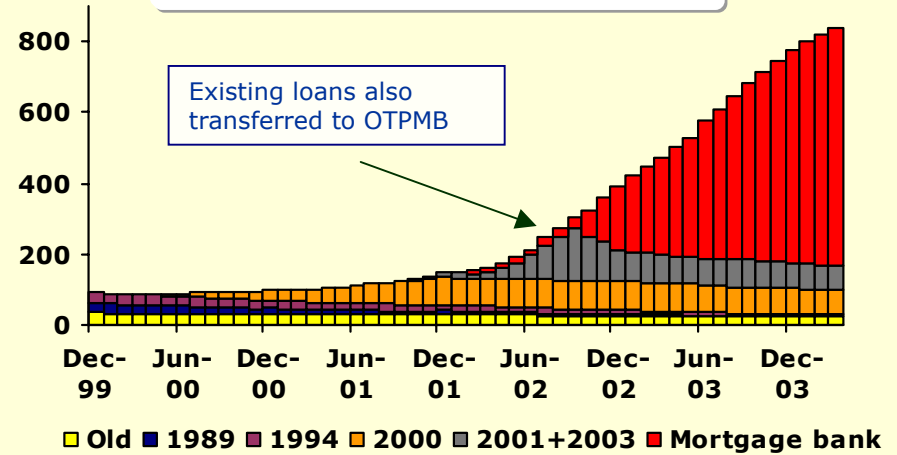
Retail loans

Volumes, market share



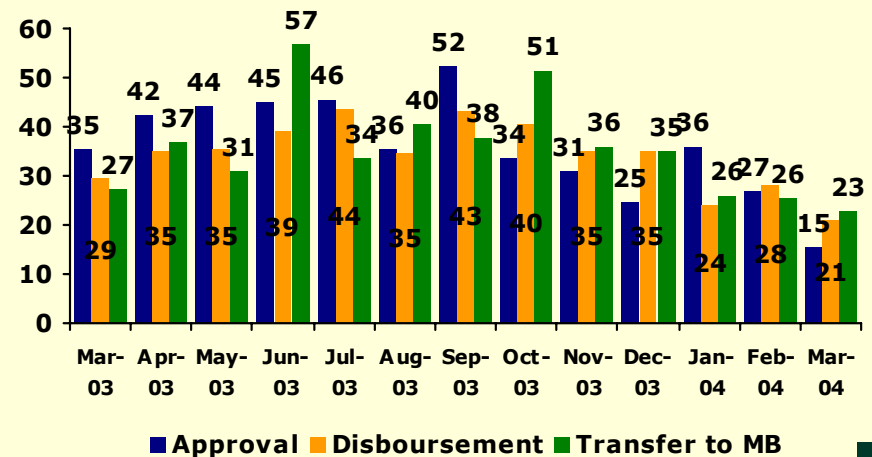
HUF bn

Housing loans

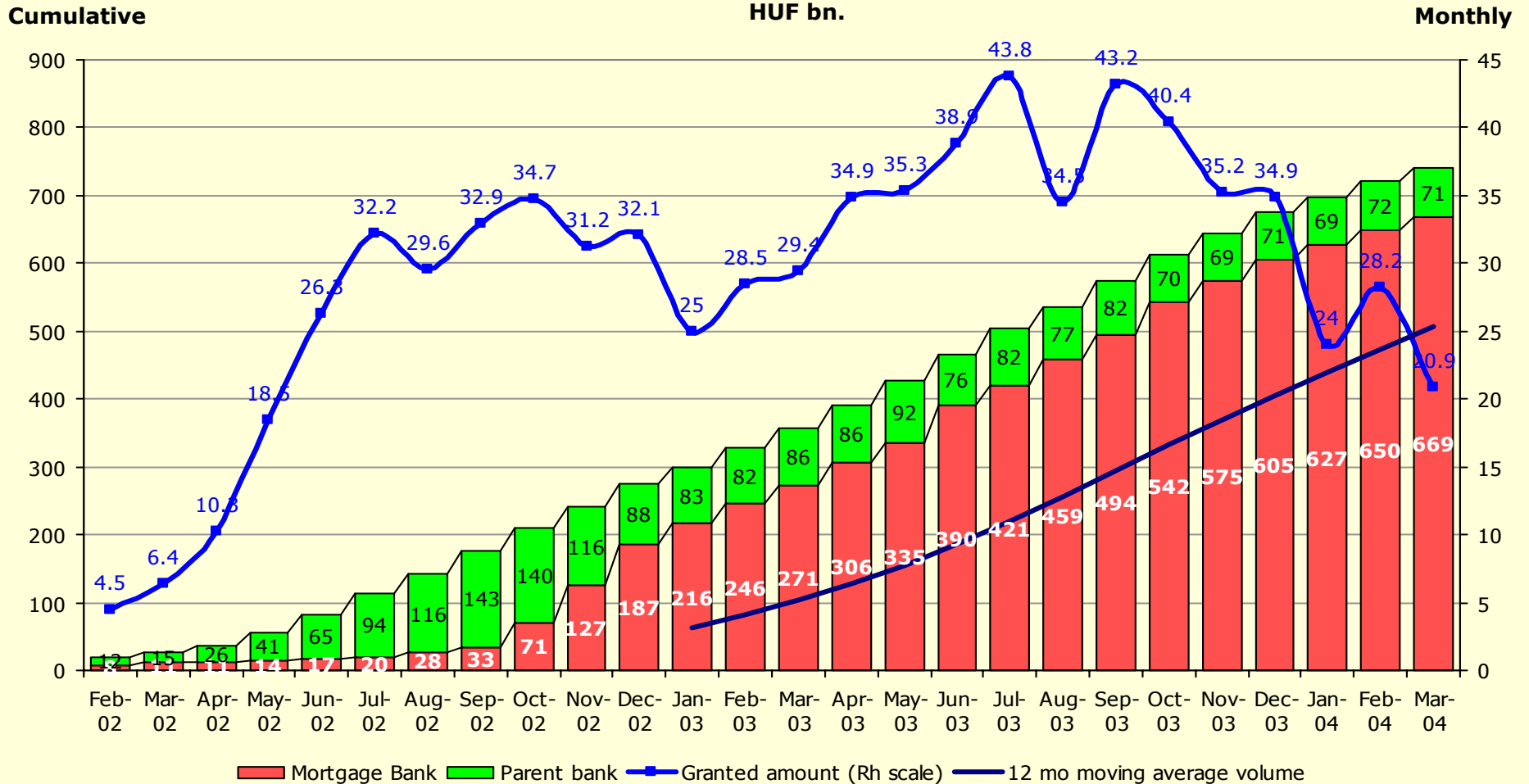


HUF bn

Subsidized housing loans



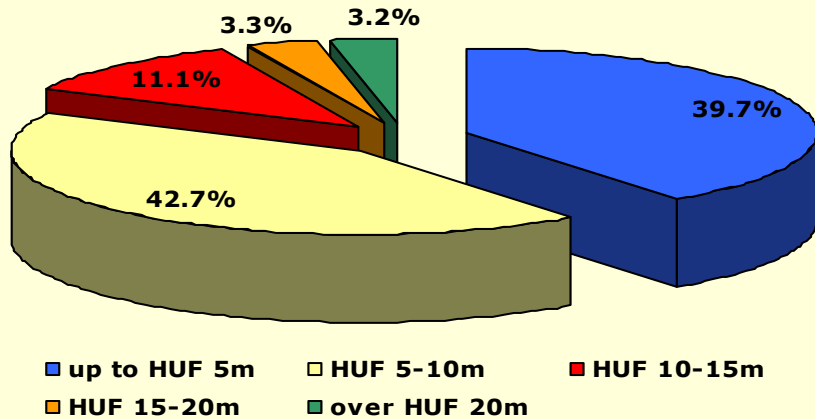
Mortgage Loans at OTP Group



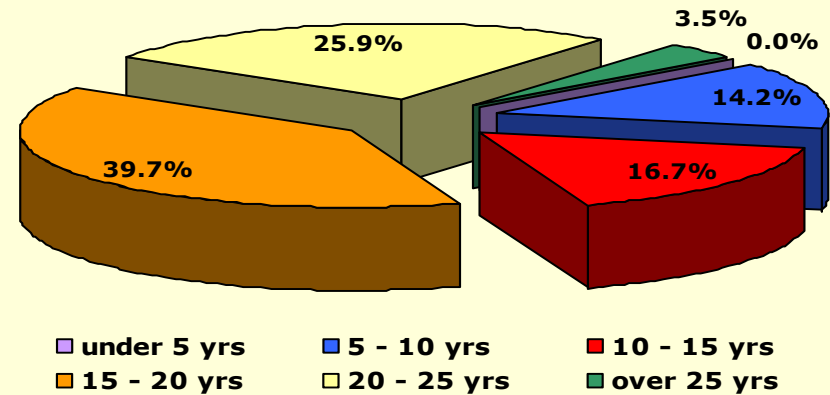
OTP Mortgage Bank selected data

All data as of 31 March 2004

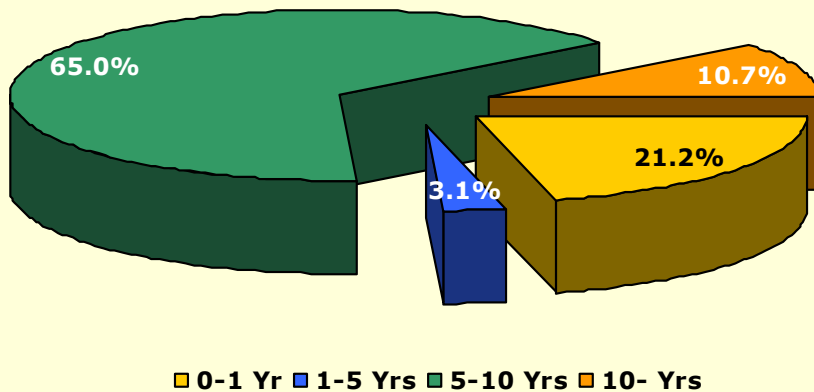
Distribution of mortgage portfolio by size



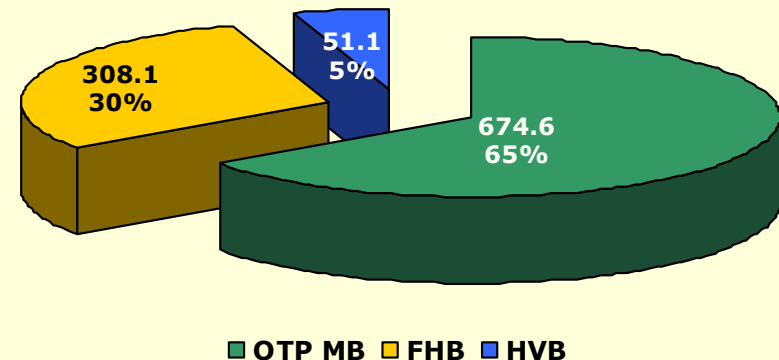
Distribution of portfolio by maturity



Mortgage bond maturity distribution



Market share of mortgage banks



Representative margin on mortgage loans

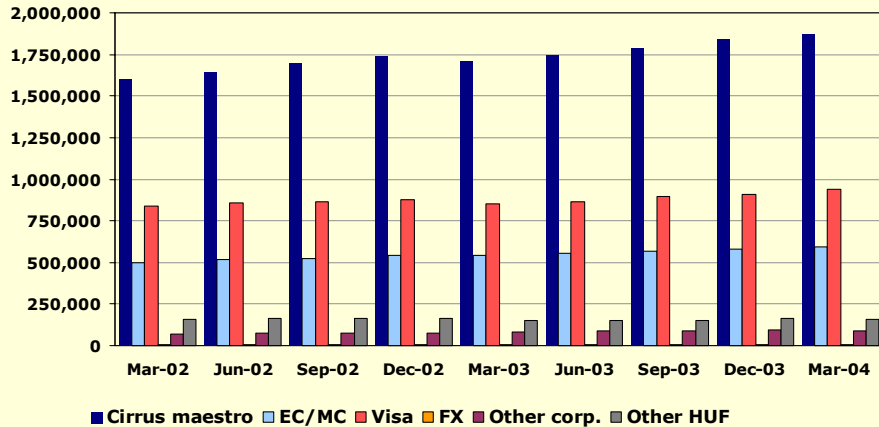
Validity	before 16 June 2003	after 16 June 2003	after 22 December 2003
Rate paid by customer	6% (4+2%) max.	5% (3+2%) max.	8%** (max. GBBY * 1.1 + 4% - GBBY * 0.6)
Liability side subsidy	10% (CMB coupon + 2% but max. 10%)	9.03% (GBBY * 1.05)	5.16% (GBBY* 0.6)
Total bank interest income	16% max.	14.03% 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 31 March 2004	HUF497.6 bn.	HUF142.5 bn.	HUF0.8 bn.

*GBBY = Government Bond Benchmark Yield based on CMB maturity

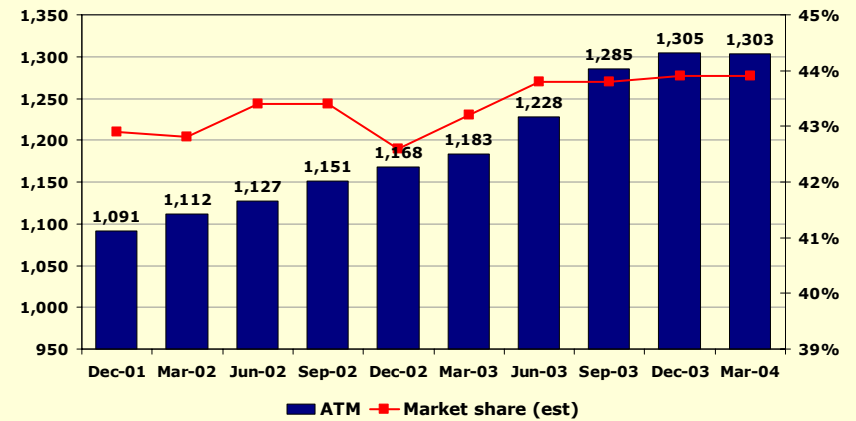
** for new lending varies monthly

Distribution technology

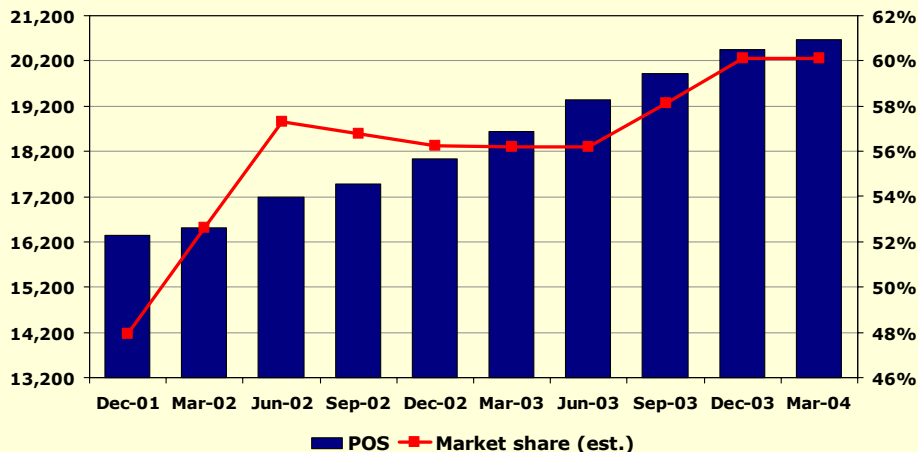
Bank cards



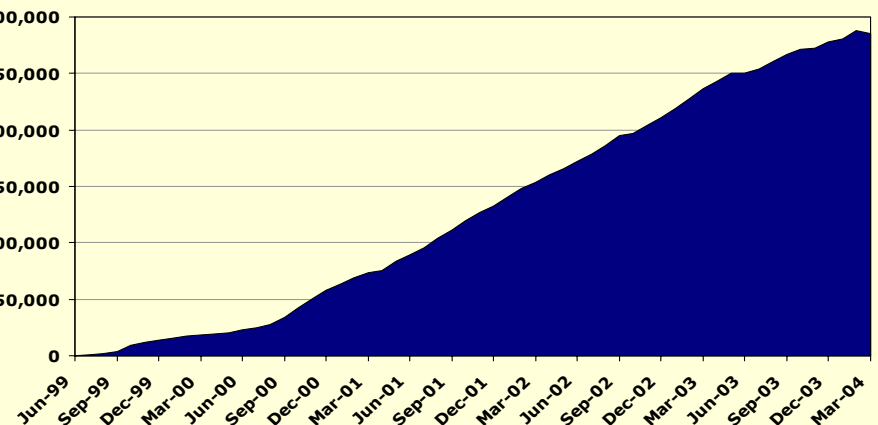
ATMs



POS terminals



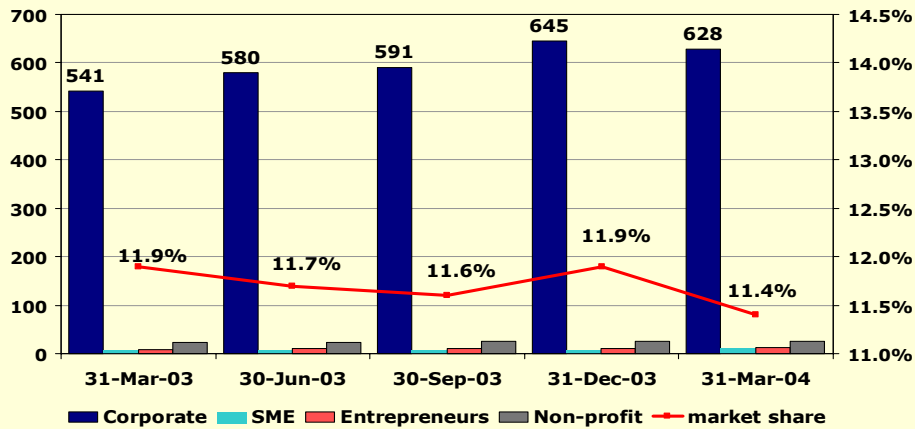
HáziB@NK users



Corporate business

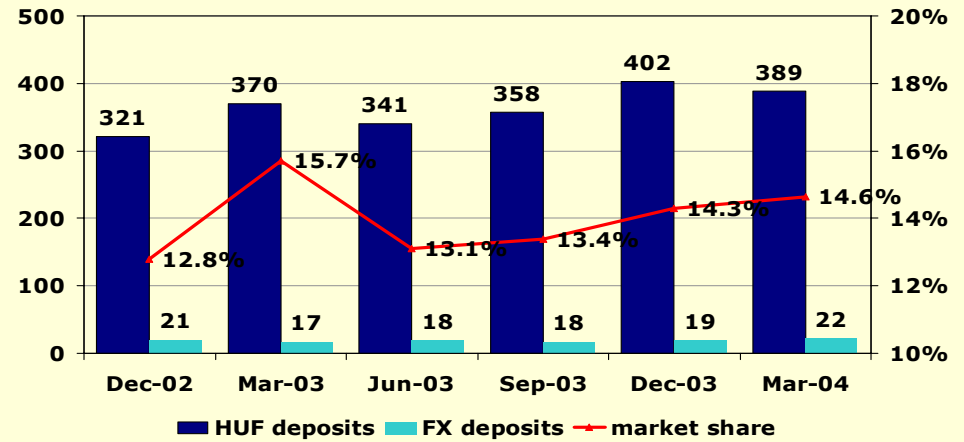
HUF bn

Corporate loans



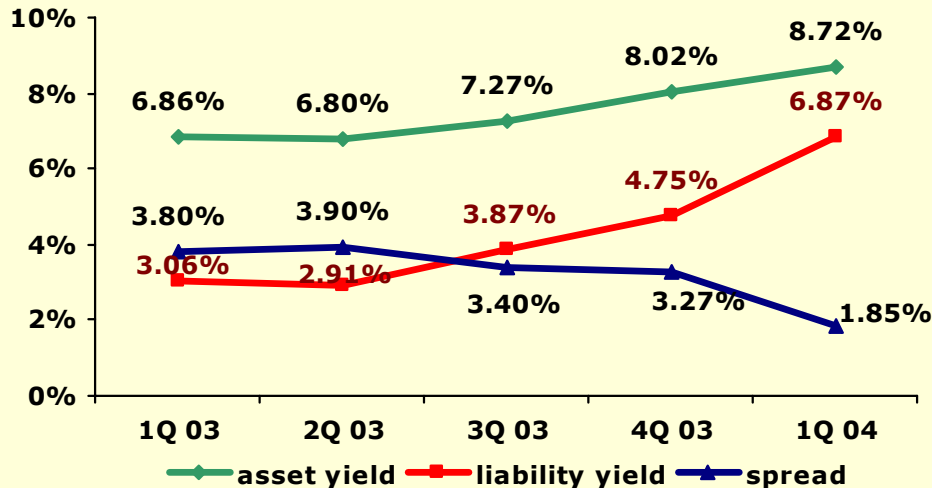
HUF bn

Corporate deposits



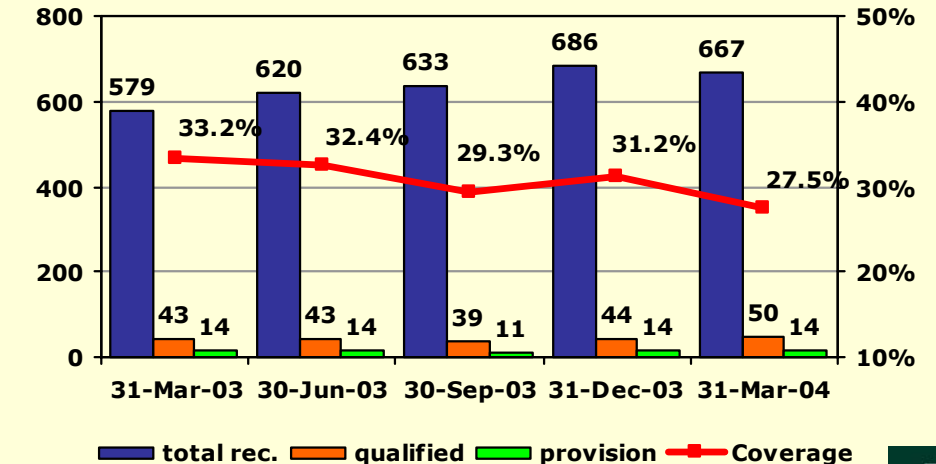
HUF bn

Yields, spread

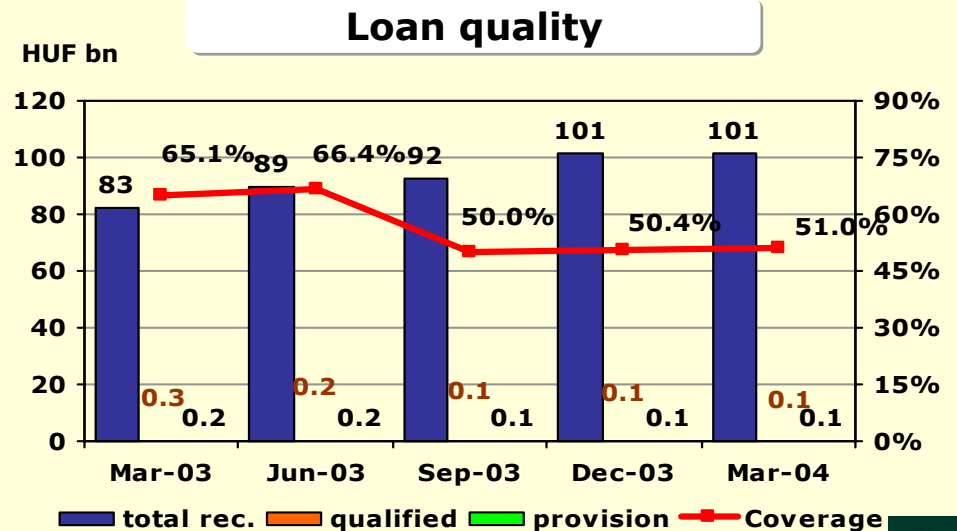
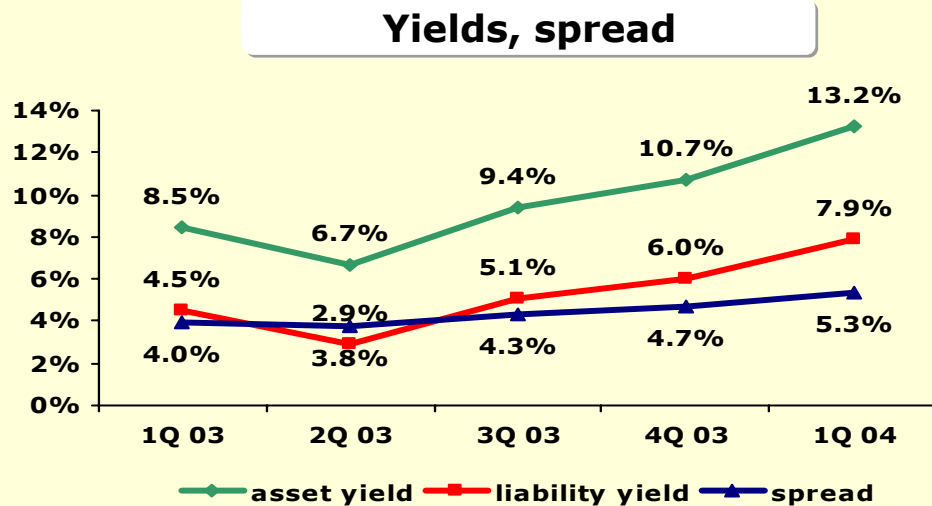
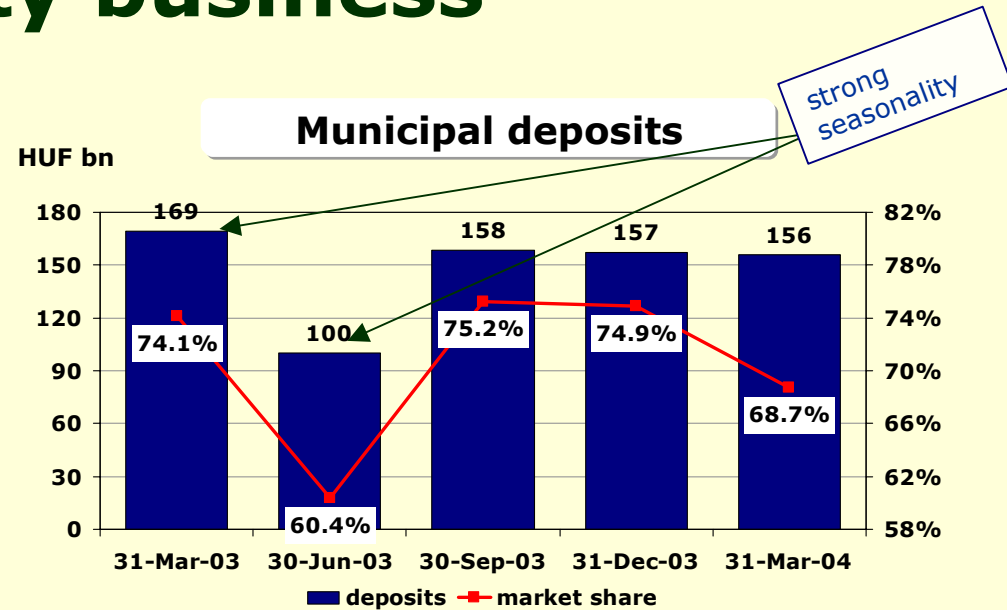
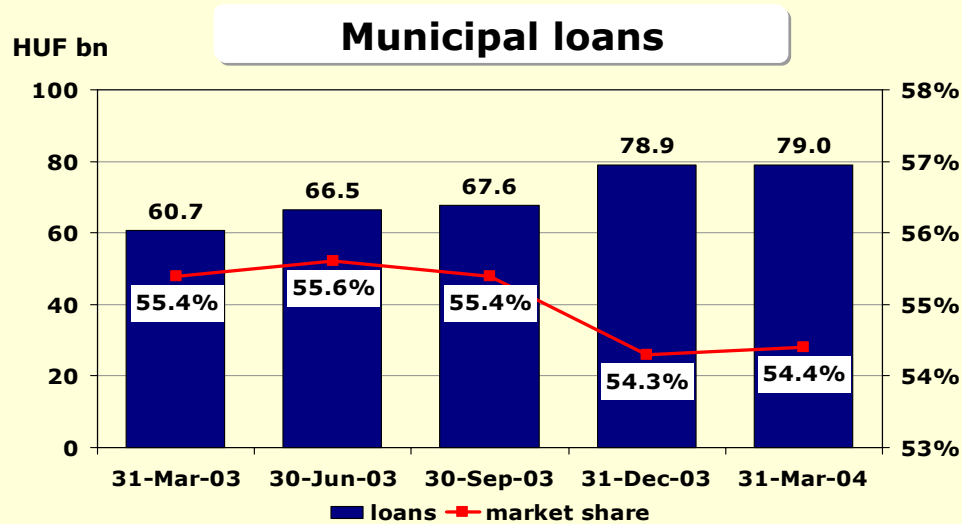


HUF bn

Loan quality



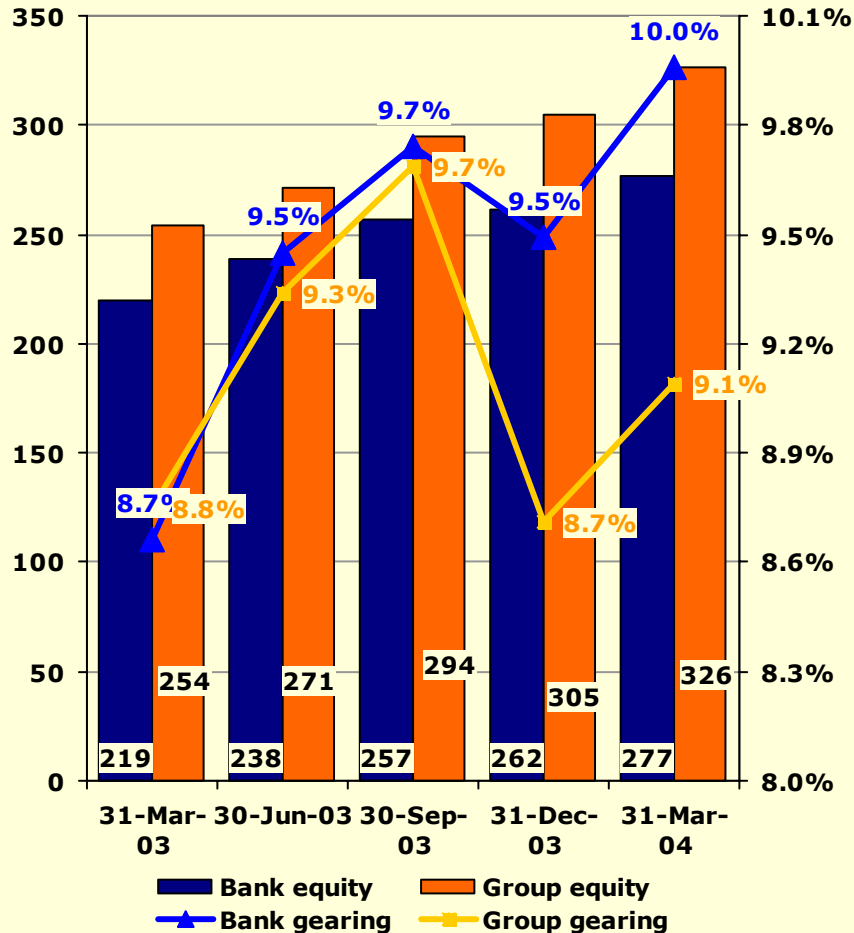
Municipality business



Equity, CAR

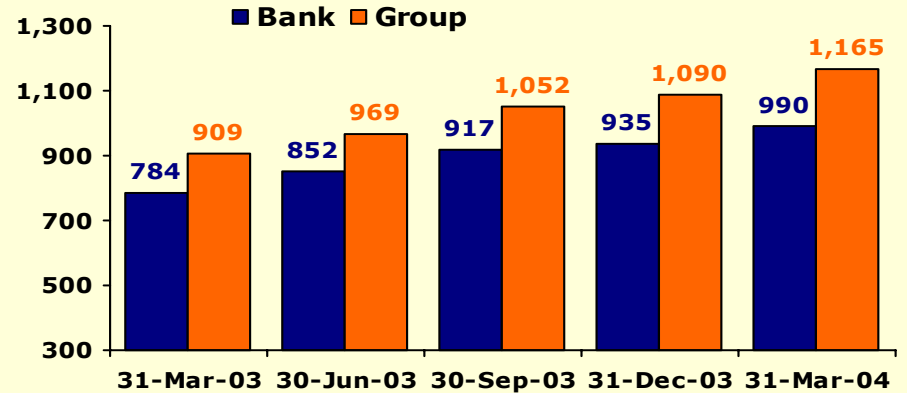
HUF bn

Equity, gearing

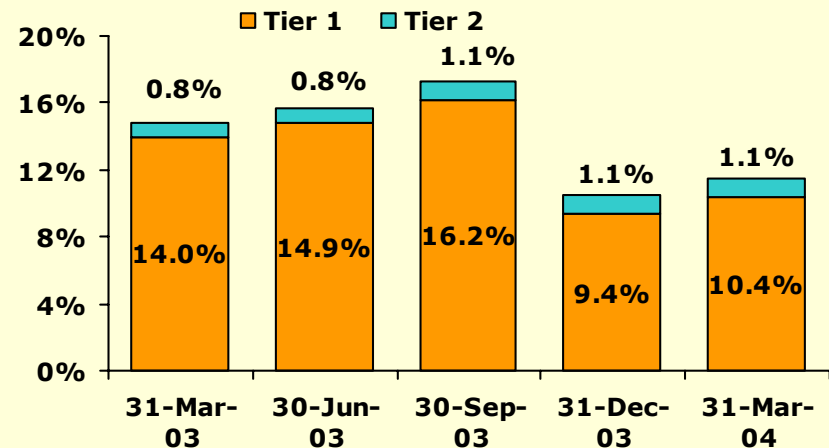


HUF

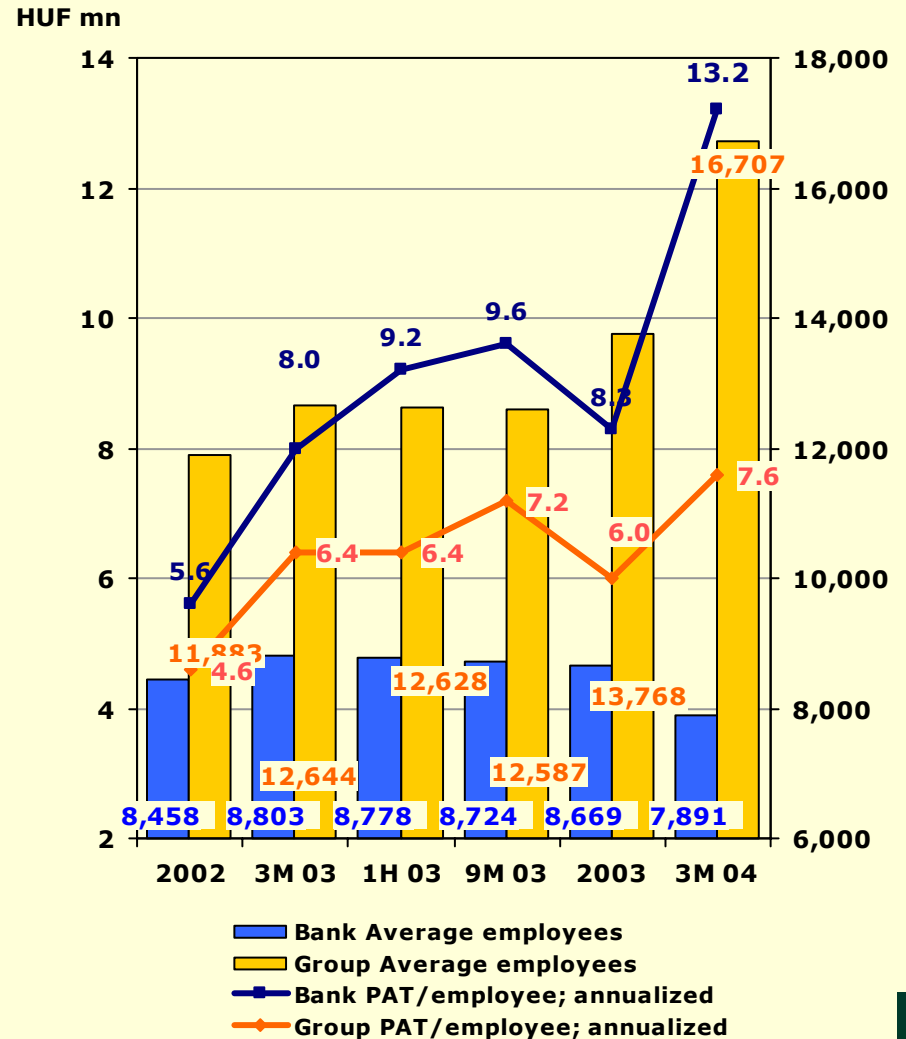
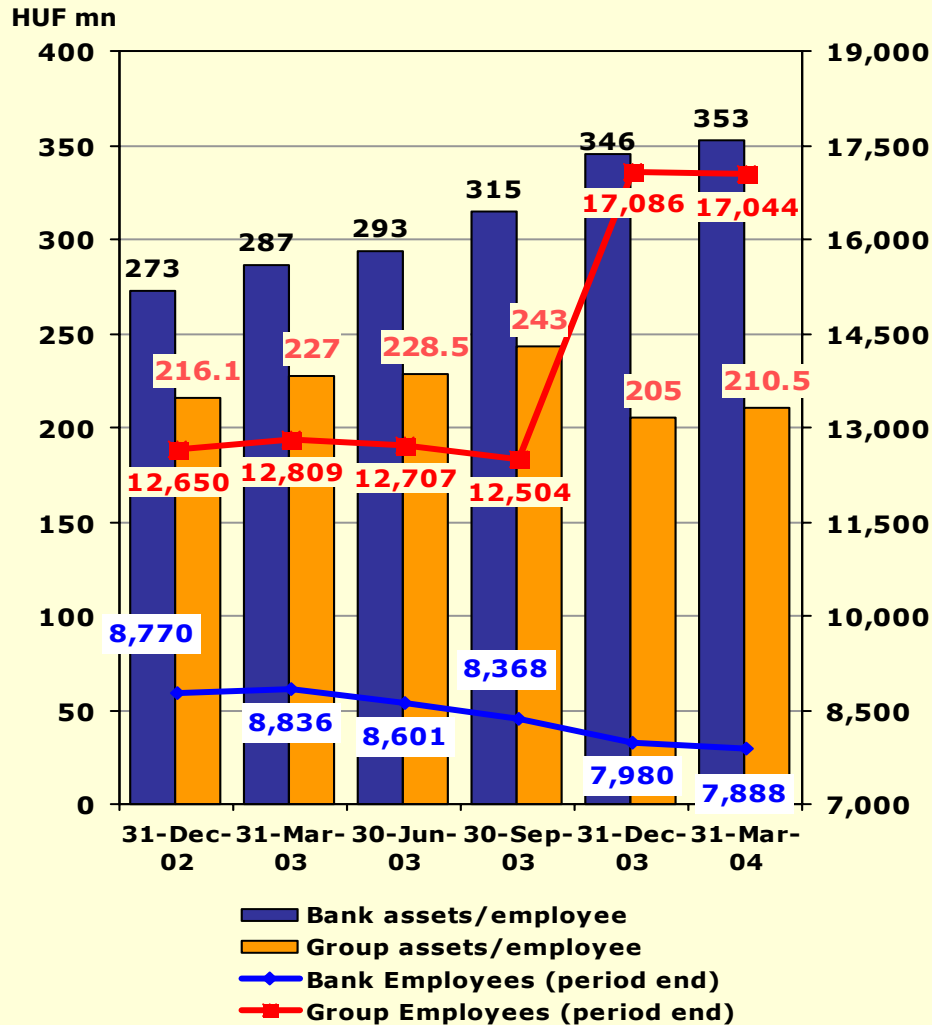
Book value per share



Capital adequacy

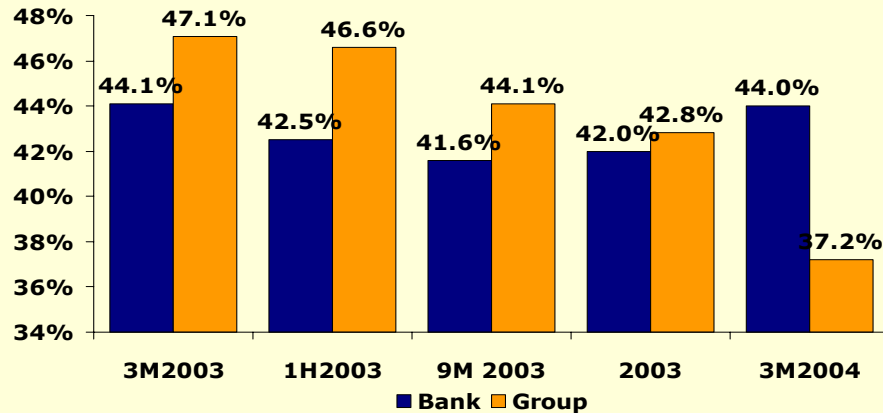


Efficiency, productivity

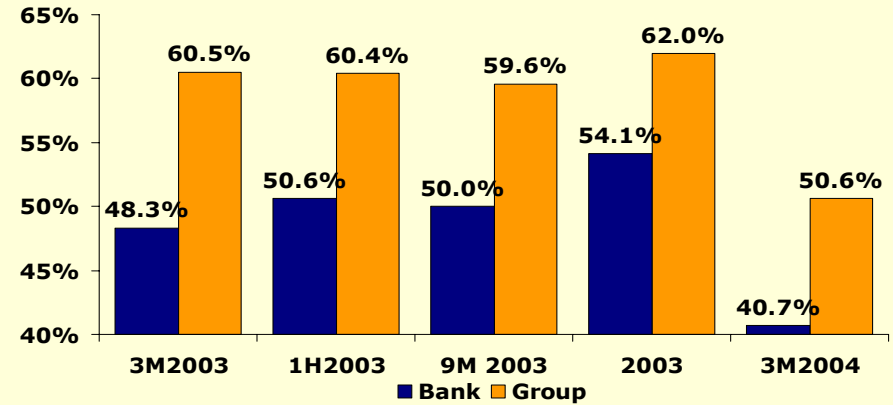


Performance indicators

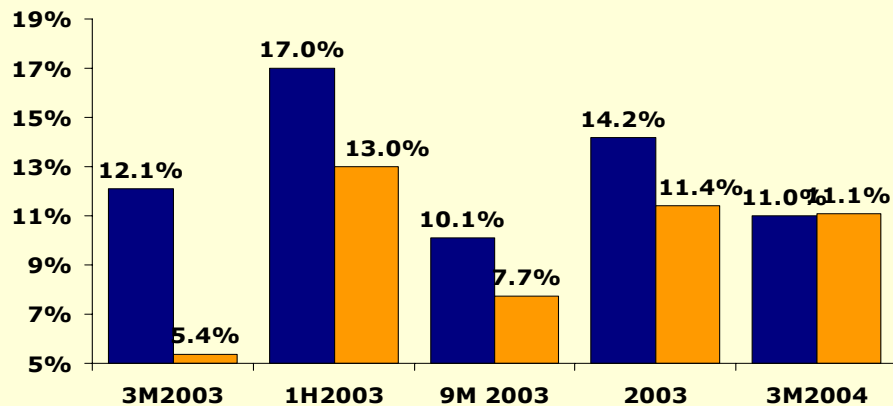
Non-interest vs. total income



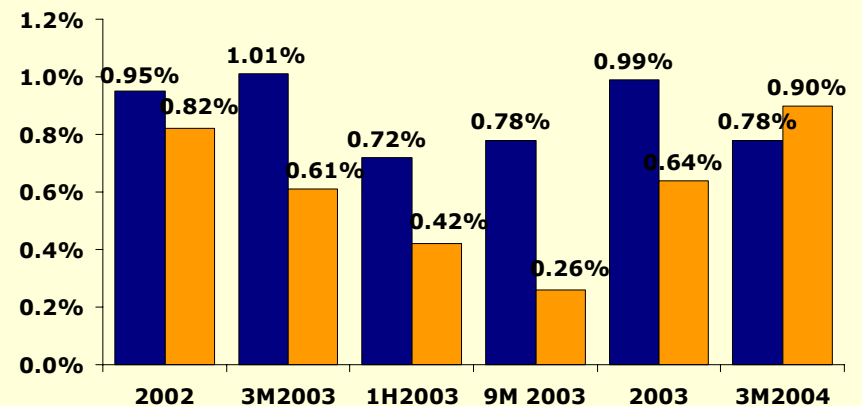
Cost income ratio



Provisioning vs. operating income

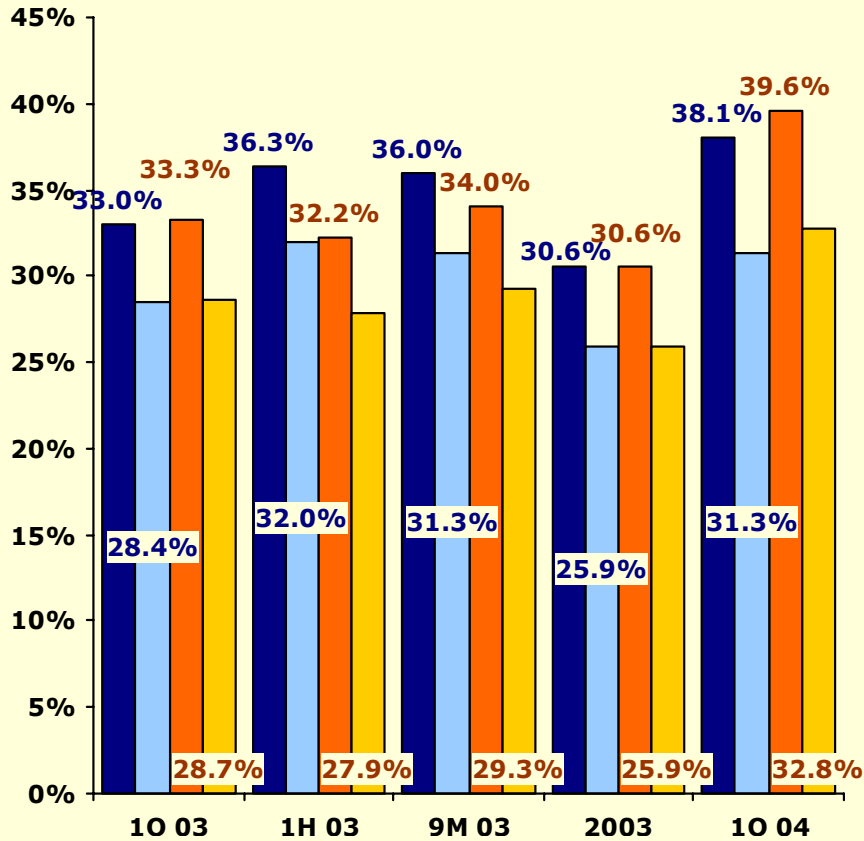


Provisioning vs. customer receivables



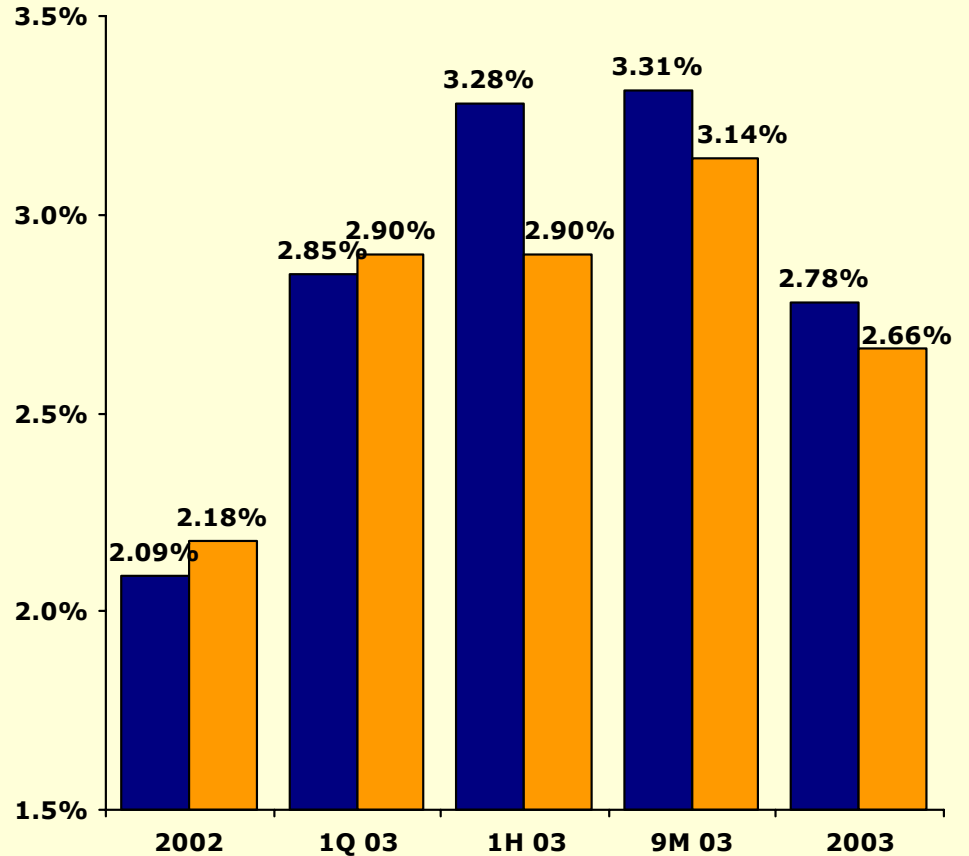
ROA, ROE

ROAE annualized



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

ROAA annualized



■ Bank only ■ Consolidated

Consolidated subsidiaries

	1Q 2003	4Q2003	1Q 2004	1Q04/1Q03
<i>Merkantil Bank Ltd.</i>	547	748	606	10.8%
<i>Merkantil-Car Ltd.</i>	304	454	797	162.2%
<i>Merkantil Bérlet Ltd.</i>	74	48	70	-5.4%
<i>NIMO 2002 Ltd.</i>	--	(38)	1	--
Merkantil Group	925	1,212	1,474	59.4%
<i>OTP Building Society Ltd.</i>	337	(12)	101	-70.0%
<i>OTP Mortgage Bank Ltd.</i>	1,467	2,507	1,851	26.2%
<i>OTP Banka Slovensko a. s.</i>	33	(111)	92	178.8%
<i>DSK Bank EAD</i>	--	1,587	2,738	--
<i>DSK subsidiaries</i>	--	(14)	(27)	--
DSK Group	--	1,573	2,711	--
<i>OTP-Garancia Insurance Ltd.</i>	503	1,044	760	51.1%
<i>OTP Fund Management Ltd.</i>	961	1,169	639	-33.5%
<i>HIF Ltd.</i>	53	80	48	-9.4%
<i>OTP Real Estate Ltd.</i>	287	348	291	1.4%
<i>OTP Factoring Management Ltd.</i>	2	25	(21)	--
<i>OTP Factoring Ltd.</i>	139	882	189	36.0%
OTP Factoring Group	141	907	168	19.1%
<i>Bank Center No. 1. Ltd.</i>	27	16	39	44.4%
<i>OTP Fund Servicing and Consulting Ltd.</i>	2	15	21	950.0%
<i>Other subsidiaries</i>	85	157	81	-4.7%
Subsidiaries total	4,821	8,905	8,276	71.7%
Consolidated pre-tax profits	25,423	19,373	37,845	48.9%
Subsidiaries' proportion	19.0%	46.0%	21.9%	2.9%

The 2008 vision for DSK Bank is a vision 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%

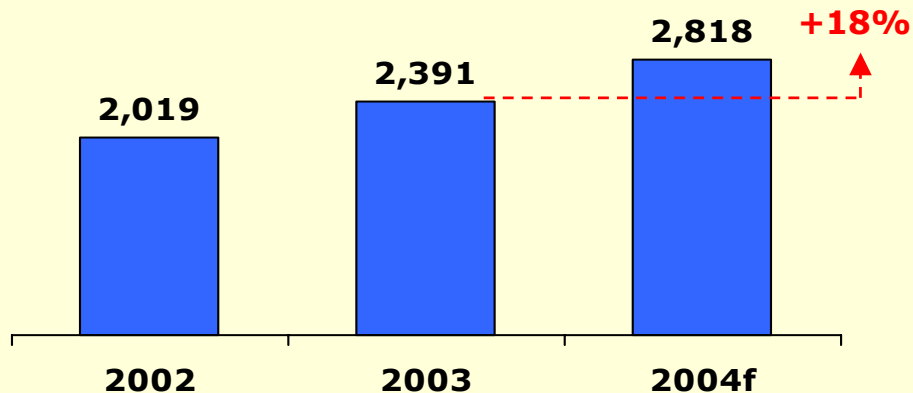
Key strategic direction

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

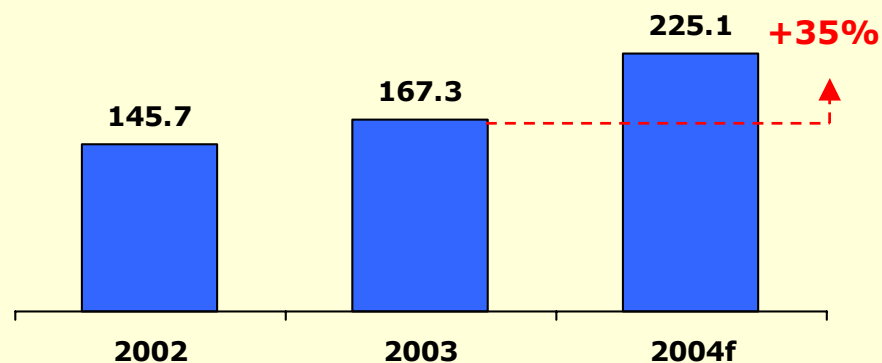
In 2004, DSK will continue its aggressive growth

BGN millions

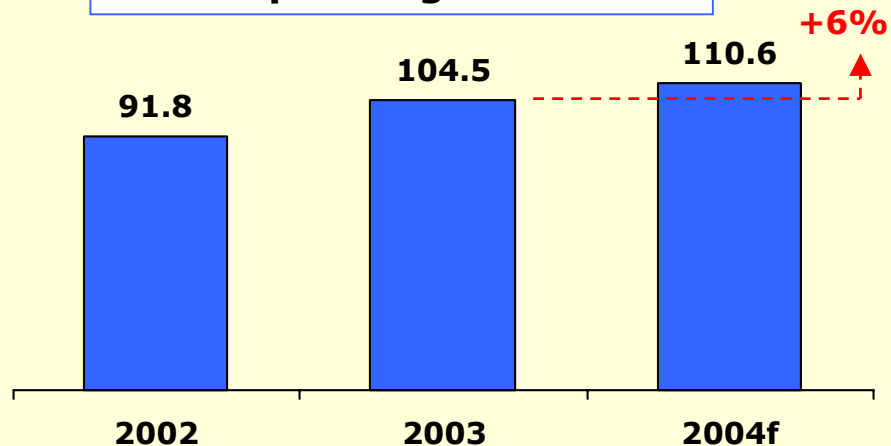
Total assets



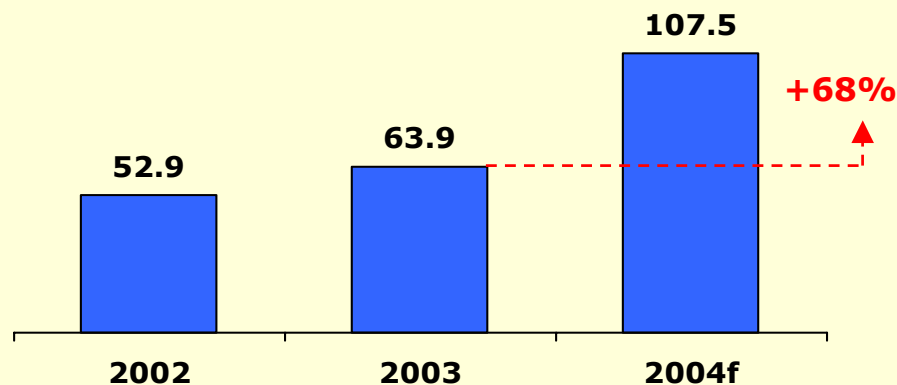
Net revenues *



Operating costs



Operating profit (no restructuring and tax)



* Includes currency revaluation adjustments but does not include provisions

2004 financial targets of DSK Bank

Financial indicators (BGN millions)	2003	2004	Change y-o-y %	1Q04
Net interest income	141.0	177.6	+26	41.4
Net non-interest income*	26.3	47.5	+81	10.8
Total revenues	167.3	225.1	+35	52.2
Operating cost	104.4	110.6**	+6	27.9
Gross operating income	62.8	114.5	+82	24.3
Net provisions/write downs	-1.1	7	n.m.	0.6
Operating profit before restr. costs, taxes	63.9	107.5	+68	
Restructuring cost, investment, taxes		30.5	n.m.	
Pre-tax profits	63.9	77	+21	24.9
Selected ratios				
Net interest income/Average earning assets	6.4%	6.8%	+0.4***	6.7%
Net non-interest income/Total revenues	15.7%	21.1%	+5.4***	20.7%
Cost income (operating costs/total revenues)	62.5%	49.1%	-13.4***	53.5%
ROAA	2.2%	2.4%	+0.2 ***	3.2%
ROAE	17.2%	18.5%	+1.3 ***	25.2%

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

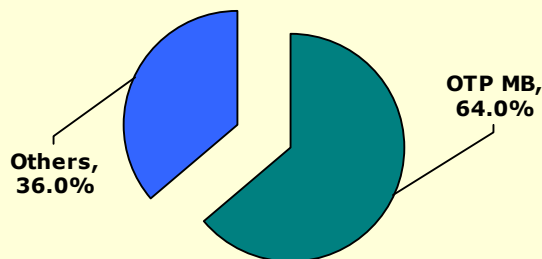
2004 target growth rates

Balance sheet related growth rates	Bank		Consolidated	
	HUF bn	Growth rate	HUF bn	Growth rate
Total assets	3,162.4	14.6%	4,087.0	16.7%
Total loans	1,168.0	7.3%	2,385.6	17.8%
Corporate loans	767.1	11.0%		
Retail loans	327.6	3.0%		
Mortgage loans	166.3	-9.4%		20.0%
Consumer loans	161.3	19.8%		
Municipality loans	73.3	-7.0%		
Total deposits	2,462.0	10.2%	2,987.9	10.5%
P&L related growth rates				
Net interest income	133.2	12.7%	196.3	10.9%
Non interest income	105.4	23.2%	181.7	37.3%
Fee & commission income	104.1	22.3%		15.0%
Insurance fee income		n.a.		12.0%
Real estate trading income		n.a.		100.0%
Total income	238.6	17.1%	378.0	22.2%
Cost base with goodwill	127.6	14.4%	240.7	24.1%
Cost base without goodwill	117.3	6.4%	230.5	20.1%
Personnel expenses	48.4	10.5%		8.0%
Other expenses	58.3	3.2%		7-8%
Other expenses w/o DSK		n.a.		5.0%
Provisions	13.7	3.2%	14.3	6.7%
Profits before taxes (incl dividend received)	108.2	28.4%	123.0	19.7%
Profits after taxes (incl dividend received)	92.9	29.8%	102.8	23.9%
Profit related performance indicators				
ROE	32.1%	+ 146 bp	30.7%	+ 10 bp
ROA	3.14%	+36 bp	2.71%	+ 5 bp
Cost/income ratio	51.1%	-300 bp	61.0%	- 100 bp
Net interest margin	4.50%	-15 bp	5.7-5.8%	

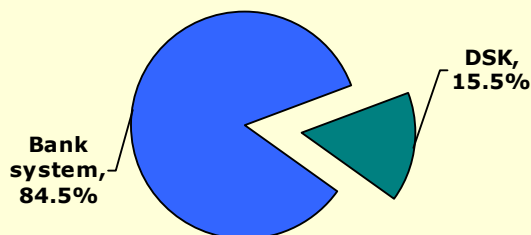
Market shares of the subsidiaries

(at 31 March 2004)

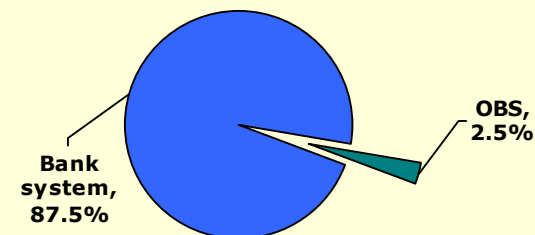
Mortgage Bank
by loan volume



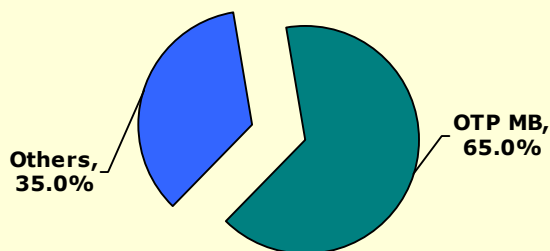
DSK Bank
by deposits



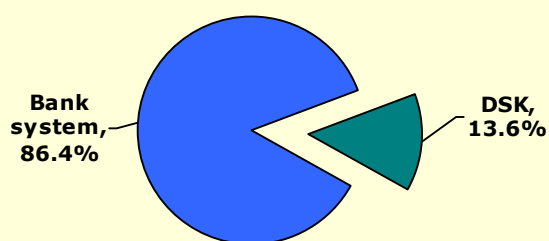
OTP Banka Slovensko
by deposits



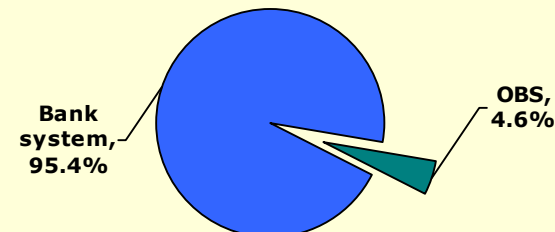
Mortgage Bank
by bonds issued



DSK Bank
by loans



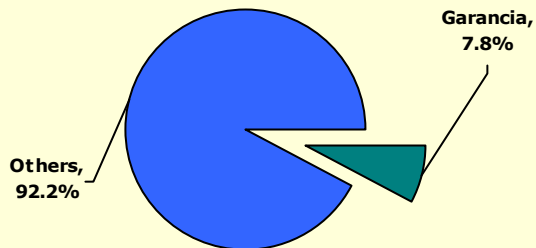
OTP Banka Slovensko
by loans



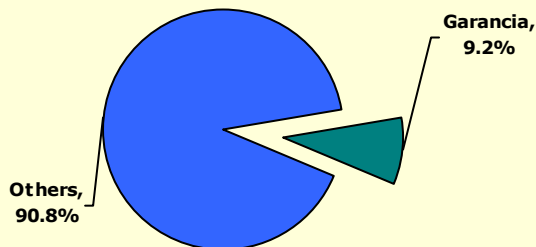
Market shares of the subsidiaries

(at 31 March 2004)

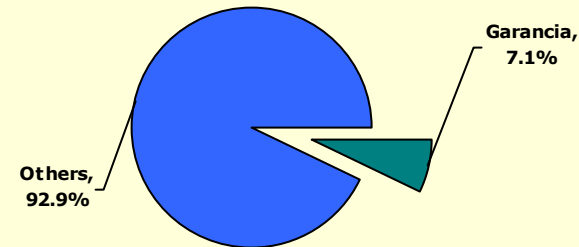
OTP-Garancia insurance



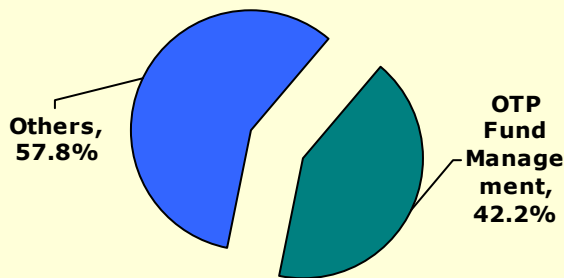
OTP-Garancia life insurance



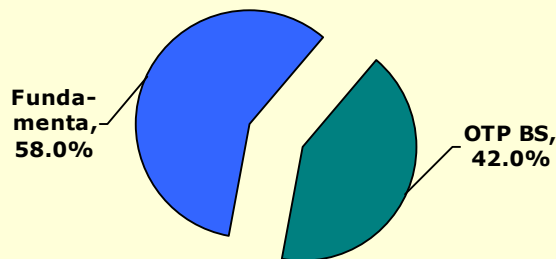
OTP-Garancia non-life insurance



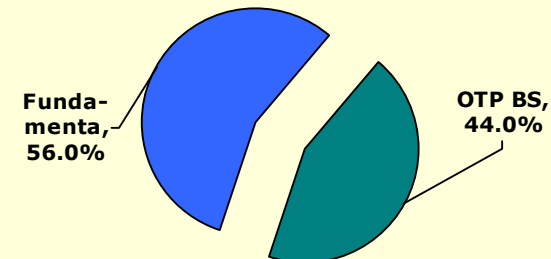
OTP Fund Management



OTP Building Society by volume of contracts*



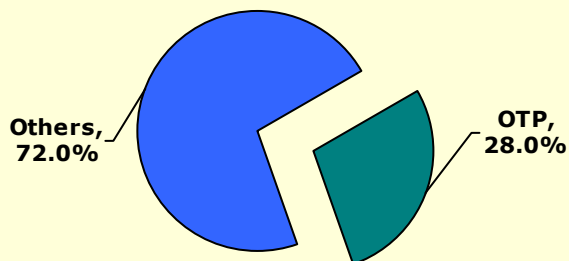
OTP Building Society by deposits*



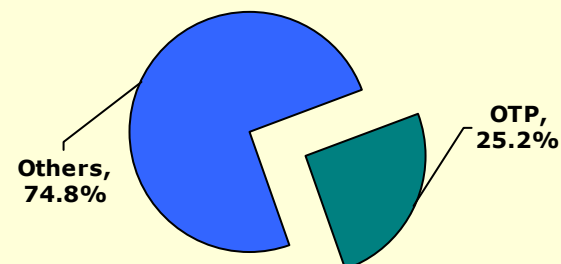
Market shares of the subsidiaries

(at 31 March 2004)

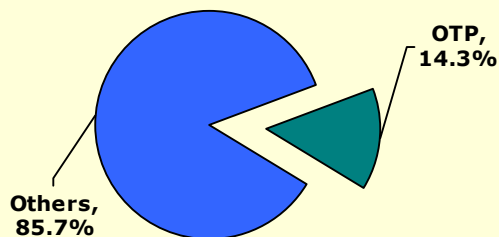
Private pension fund*
by membership



Private pension fund*
by managed assets



Voluntary pension fund*
by membership



Voluntary pension fund*
by managed assets

