

OTP Bank

2006 first quarter results

PRESS CONFERENCE
(translation of the Hungarian presentation)

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Budapest, May 15, 2006



Main characteristics of 1Q 2006

Market trends:

- Unchanged base rate, in the same time further intensification of competition, especially on retail market: continuous deposit and loan campaigns
- Volatile, weakened forint
- In spite of that still strong demand for FX based loans

OTP Group performance:

- OTP Bank realised HUF 46.2 bn consolidated profit after tax, which is in line with plans
- Quarterly 4.4%, on a yearly bases 14.9% increase of total assets driven by loan growth of 3.7% Q/Q and 20.9% Y/Y
- Quality of loans portfolio remained stable, share of qualified loans changed from 12.8% to 12.5%, while NPL ratio from 3.6% to 3.9% Q/Q
- Improving performance indicators, cost to income ratio decreased by 2.7% to 53.5%, ROA increased by 0.2%-points to 3.47% and ROE by 3.5%-points to 34.0%
- Significant decrease of net interest margin (5.35%) by 97 bps, calculating without swap interest result by 43 bps

OTP Bank realised HUF 46.2 bn consolidated profit after tax in 1Q 2006

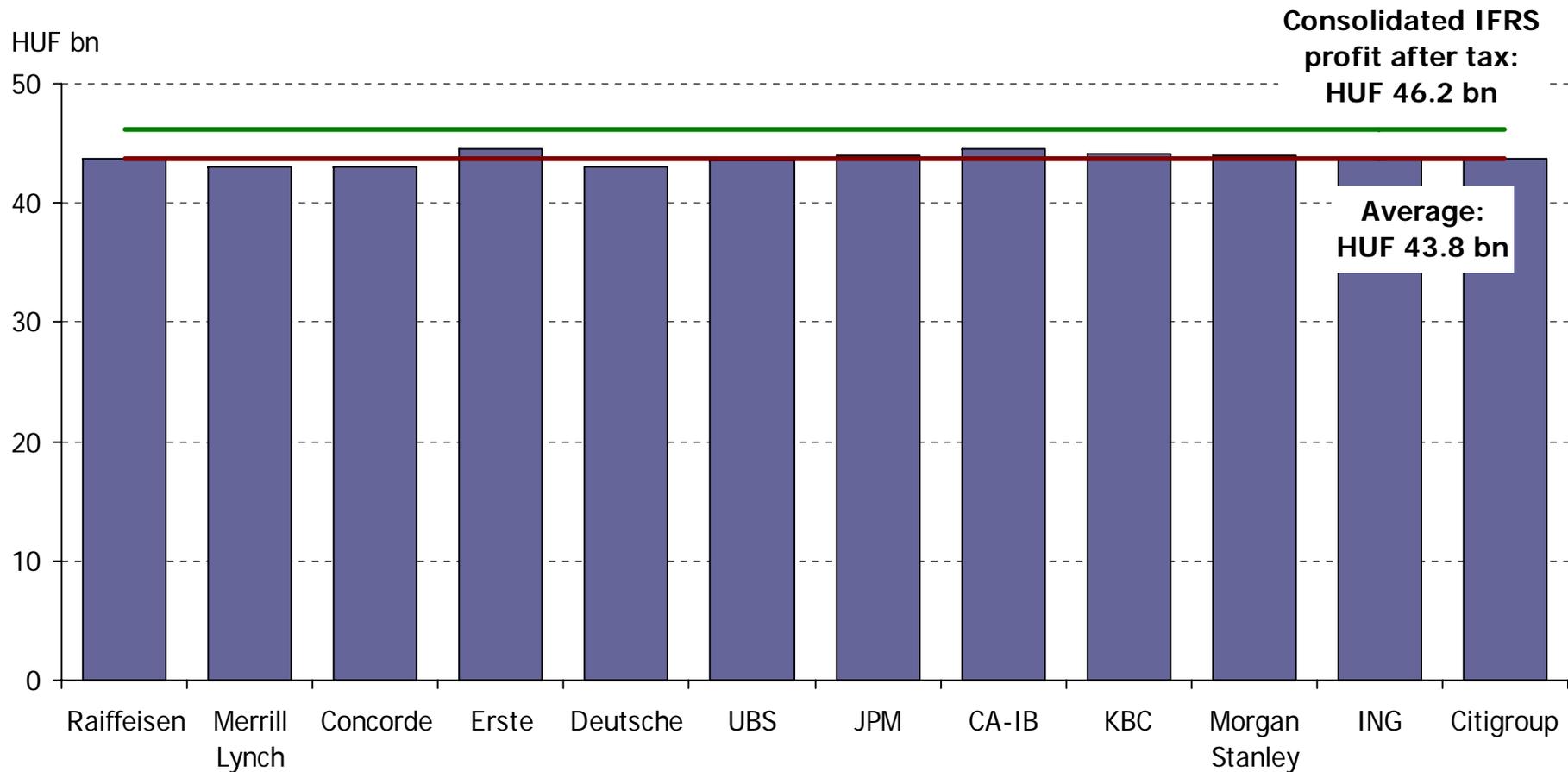
Financial highlights of OTP Group (consolidated, IFRS)

	1Q 2005	4Q 2005	1Q 2006	Q-o-Q	Y-o-Y
Total assets (HUF bn)	4,737.6	5,215.9	5,444.8	4.4%	14.9%
Total loans and advances (HUF bn)	2,827.1	3,297.2	3,417.7	3.7%	20.9%
Total deposits (HUF bn)	3,282.7	3,428.2	3,518.2	2.6%	7.2%
Gross loan/deposit ratio	86.1%	96.2%	97.1%	1.0%	11.0%
Shareholders' equity (HUF bn)	429.7	547.5	539.1	-1.5%	25.5%
Net interest income (HUF bn)	65.5	80.0	71.3	-10.9%	9.0%
Net interest margin before provision	5.88%	6.32%	5.35%	-0.97%	-0.53%
Net interest margin w/o swaps	5.83%	6.03%	5.60%	-0.43%	-0.23%
Pre-tax profits (HUF bn)	45.9	50.5	54.3	7.5%	18.2%
After tax profits (HUF bn)	38.4	40.9	46.2	13.0%	20.4%
Cost to income ratio	51.3%	56.2%	53.5%	-2.7%	2.2%
Return on Assets	3.45%	3.23%	3.47%	0.24%	0.02%
Return on Equity	35.5%	30.5%	34.0%	3.5%	-1.5%
EPS base (HUF)	146	156	179	14.9%	23.0%
EPS fully diluted (HUF)	146	155	179	15.6%	22.8%

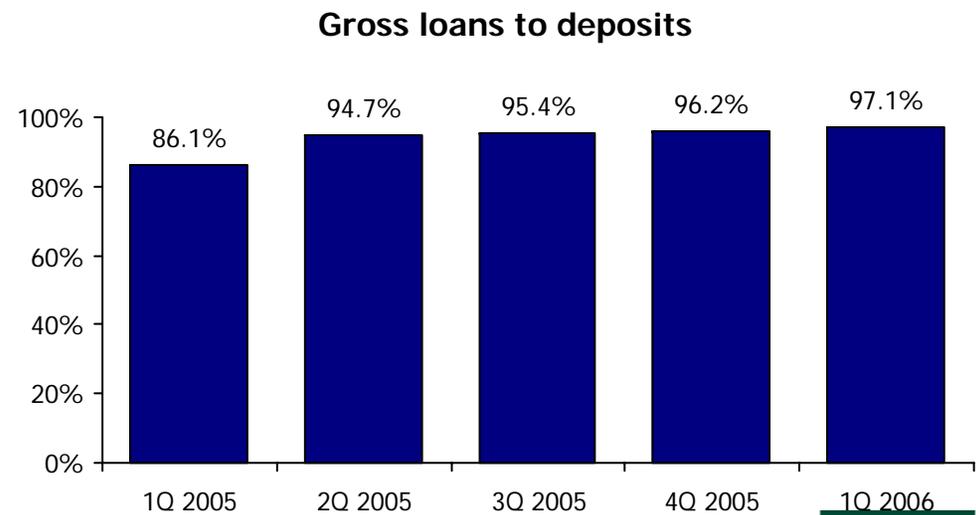
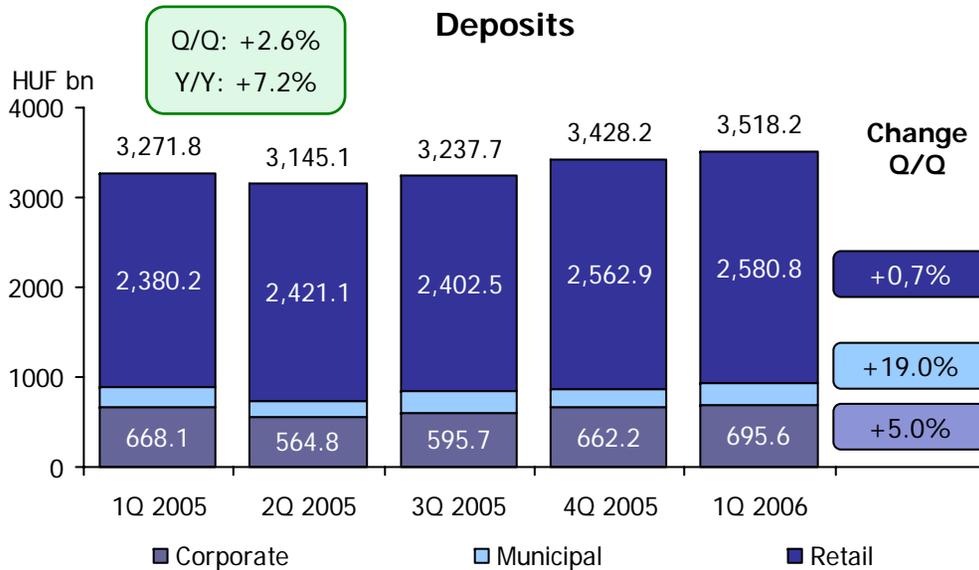
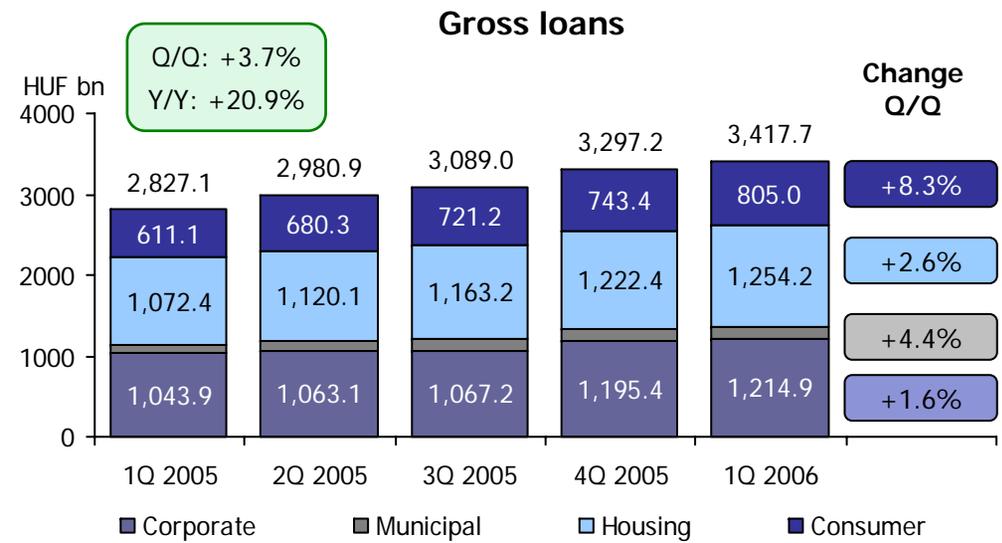
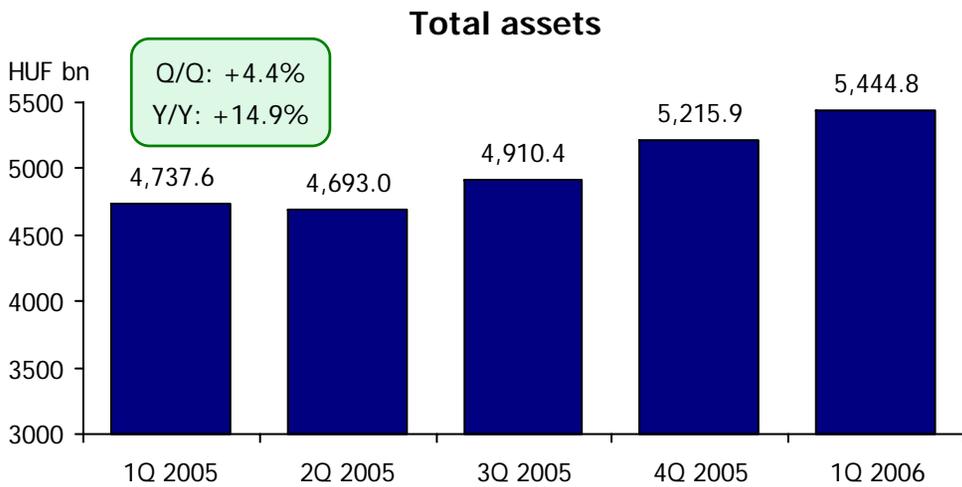


1Q 2006 profit after tax of OTP Group exceeds the average of analysts expectations

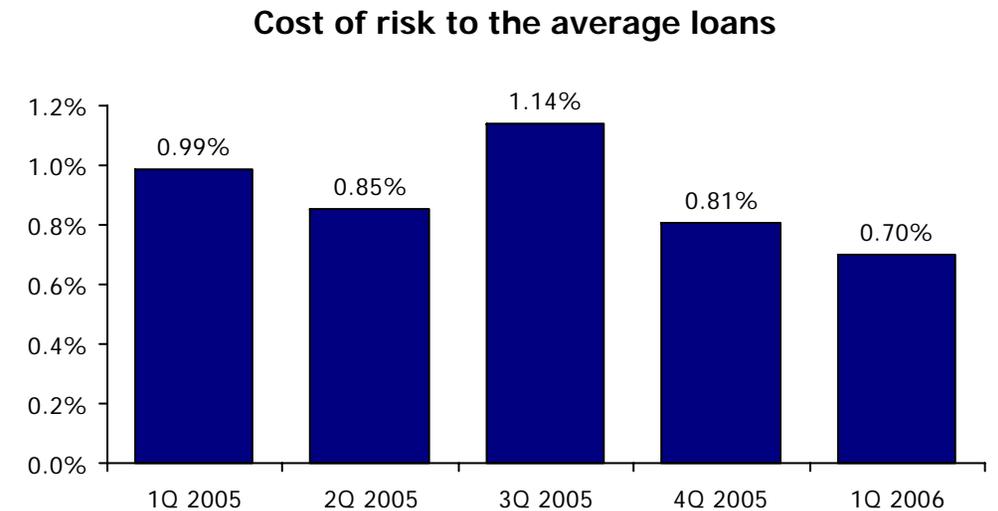
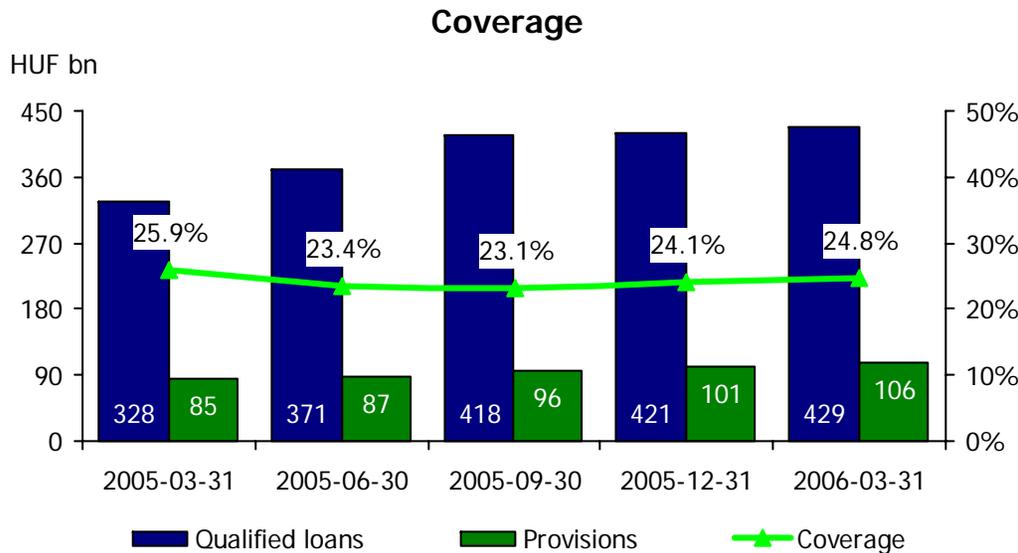
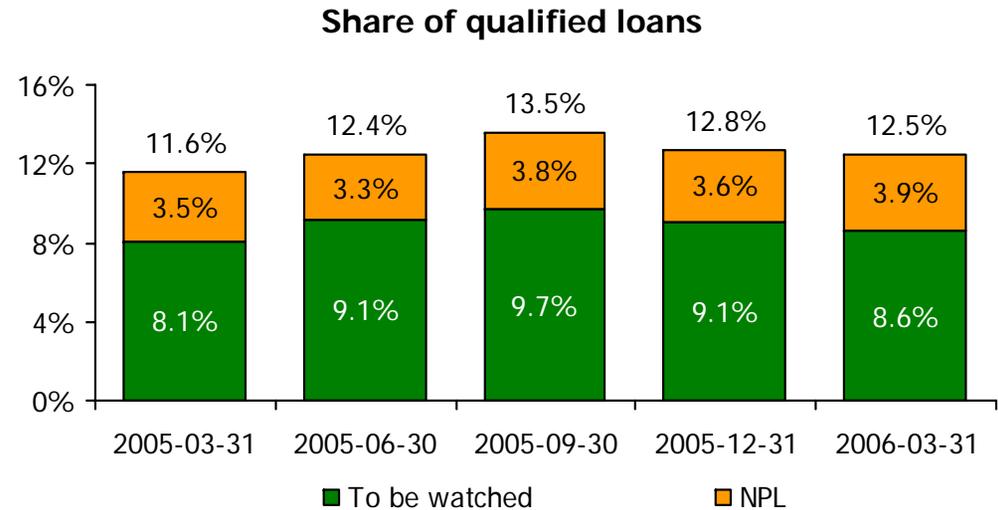
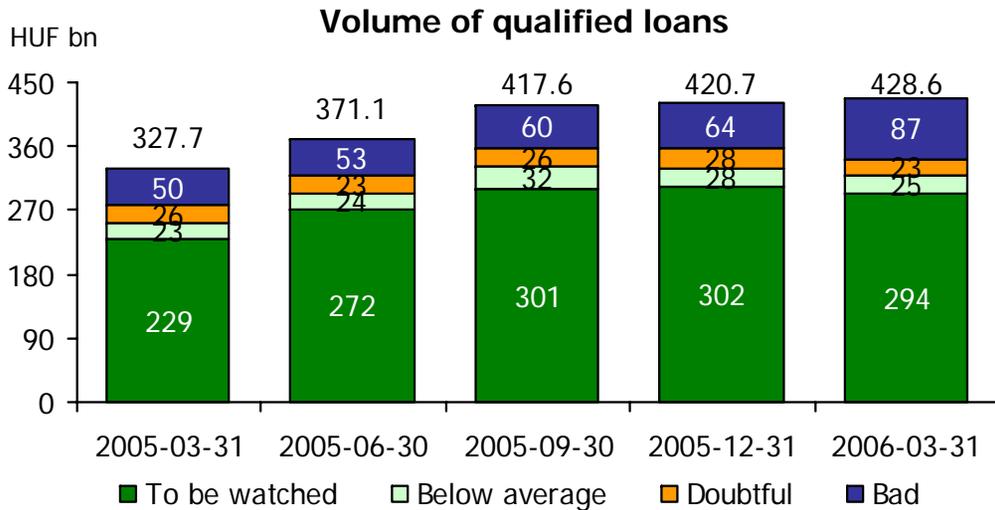
Analysts expectations for consolidated IFRS profit after tax for 1Q 2006



Consolidated gross loans increased by 3.7% Q/Q and by 20.9% Y/Y

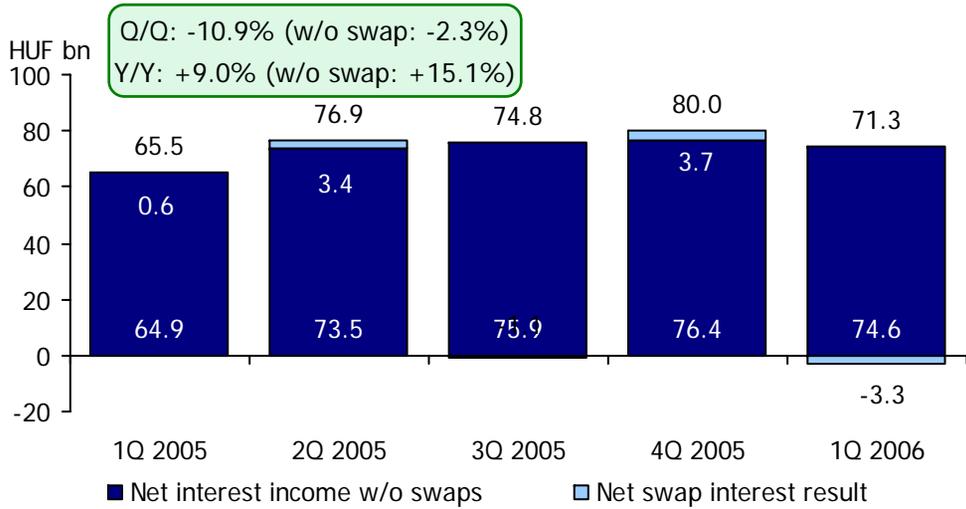


NPL ratio stood at 3.9% on March 31, 2006

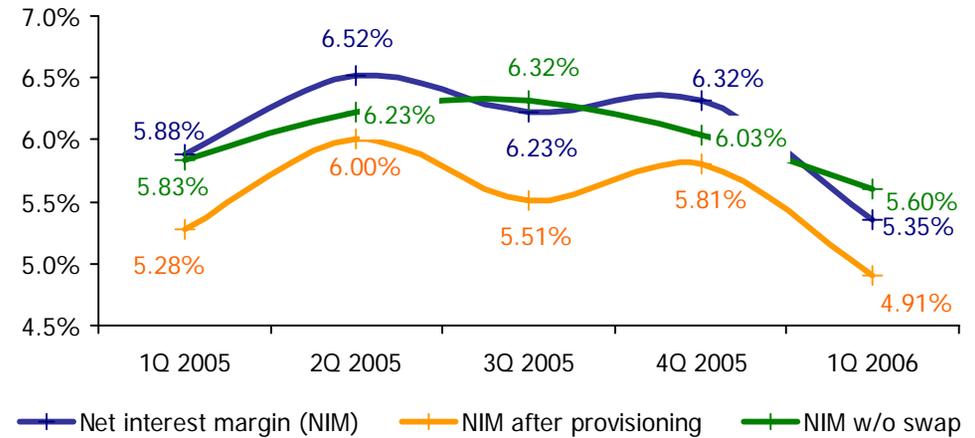


Net interest margin dropped by 97 bps, without swaps by 43 bps compared to 4Q 2005

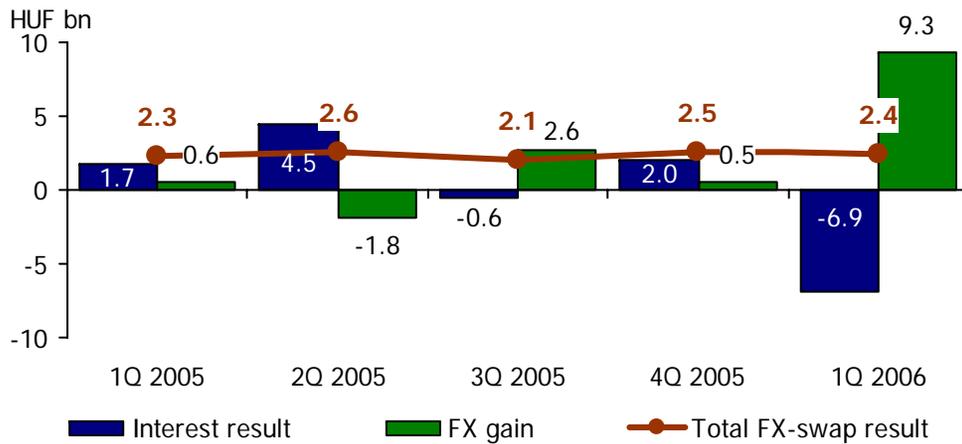
Net interest income



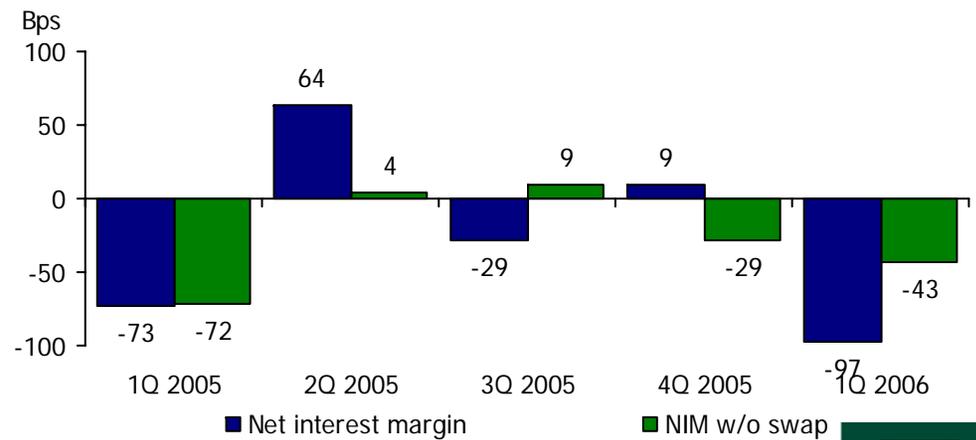
Net interest margin



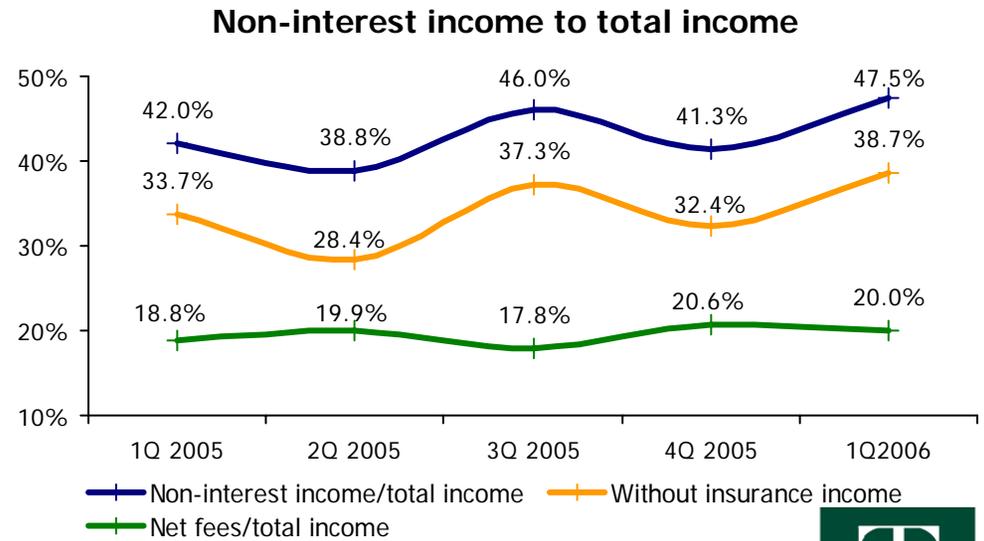
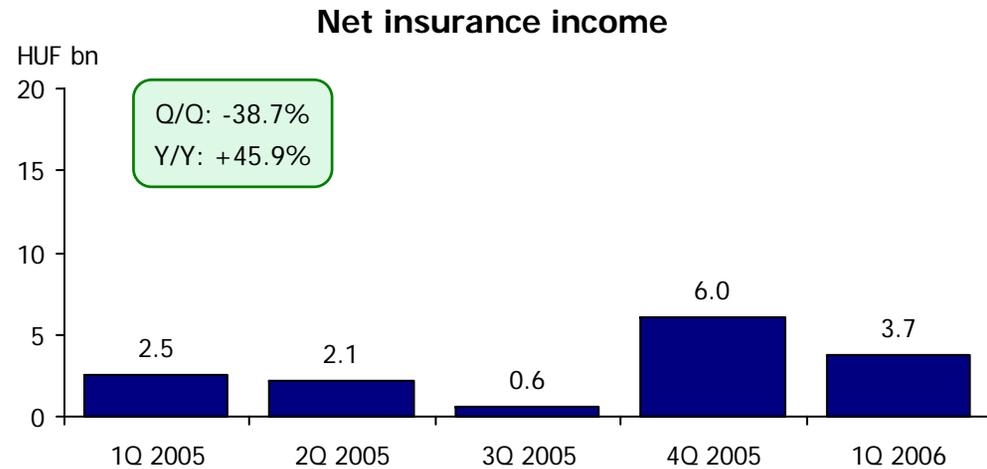
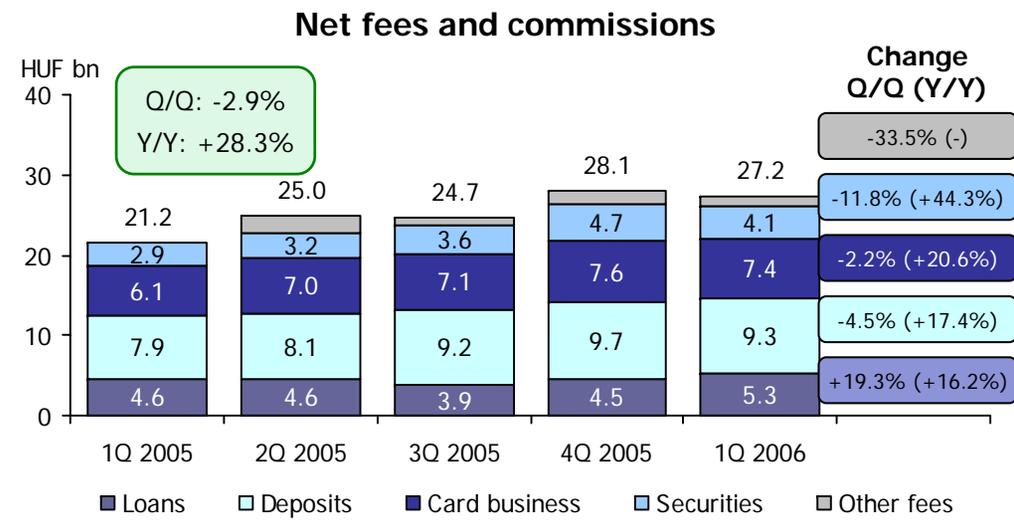
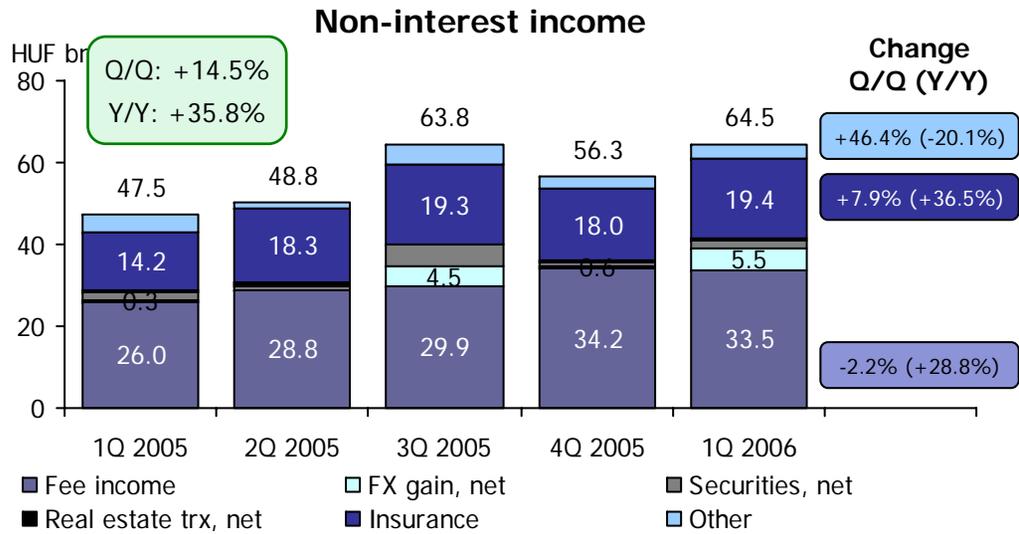
Total result on FX swaps, non-consolidated



Quarterly changes of net interest margin

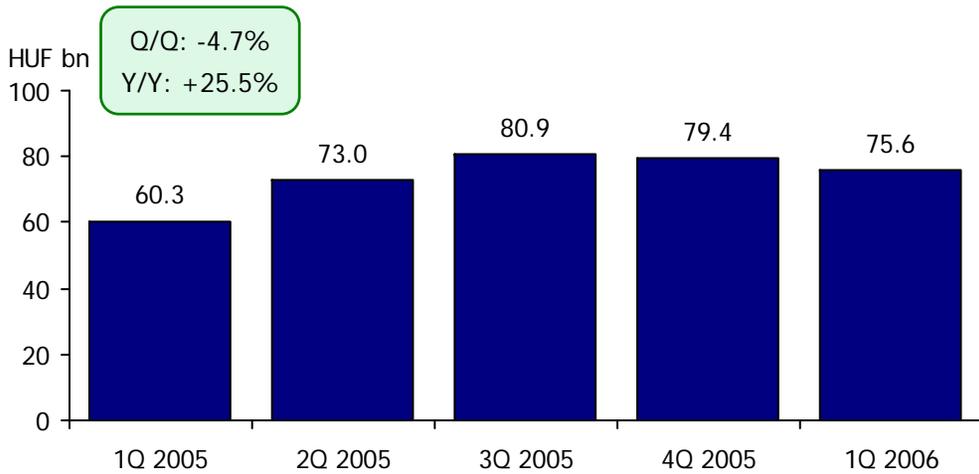


Non-interest income grew by 14.5% Q/Q and by 35.8% Y/Y

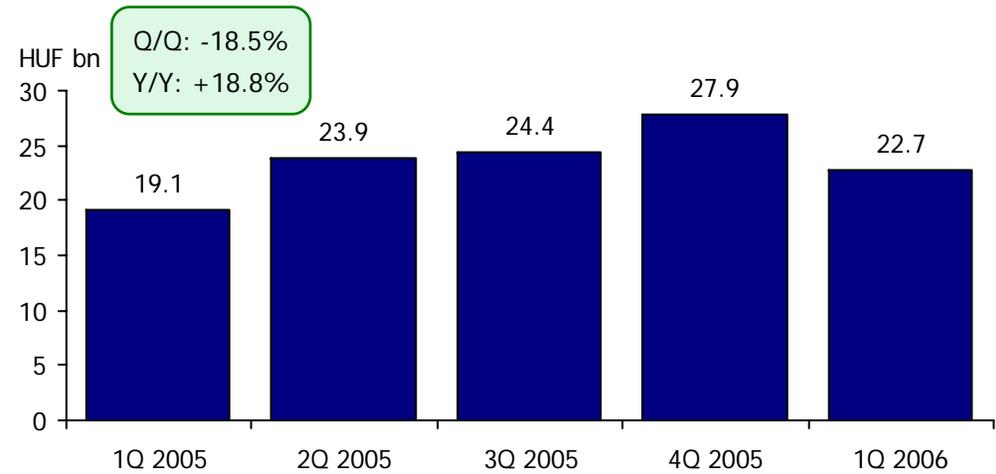


Non-interest expenses were by 4.7% lower than in 4Q 2005

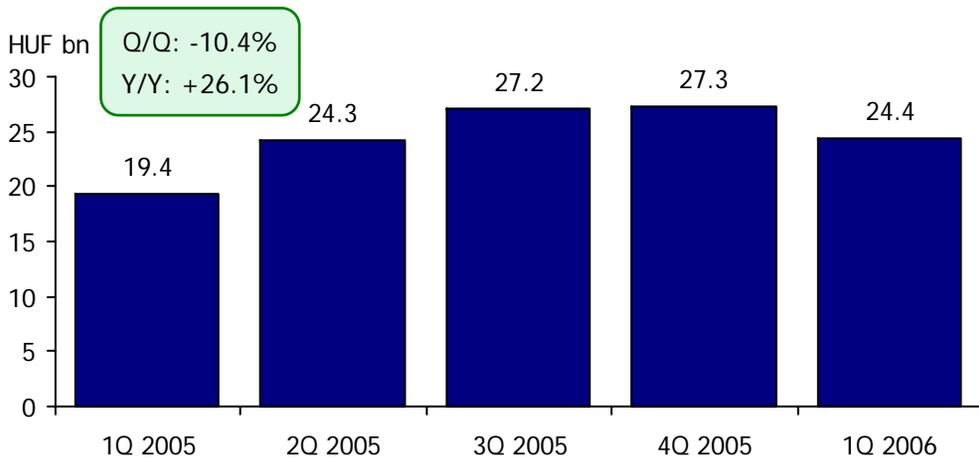
Non-interest expenses



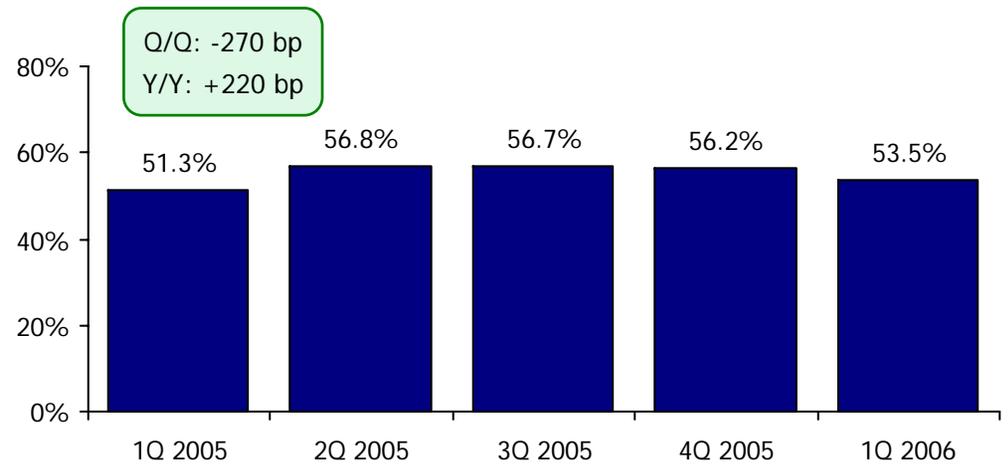
Personnel expenses



Other non-interest expenses

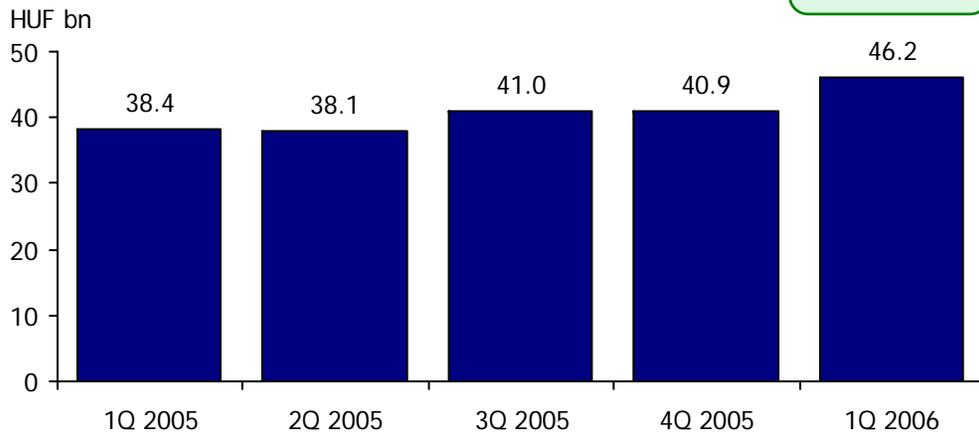


Cost to income ratio

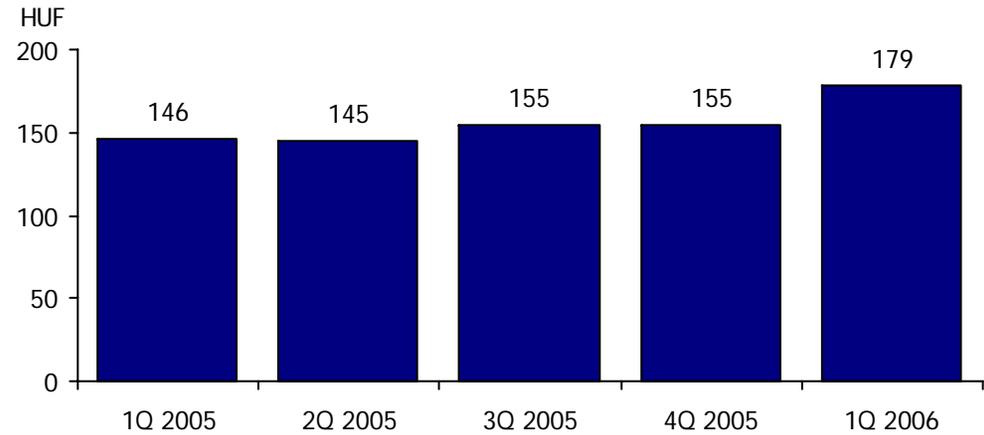


Consolidated ROE improved to 34.0%, ROA to 3.47%

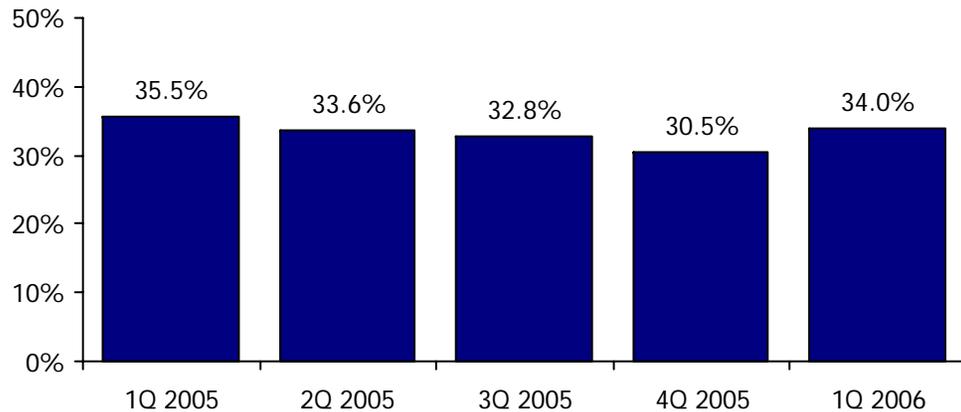
Profit after tax



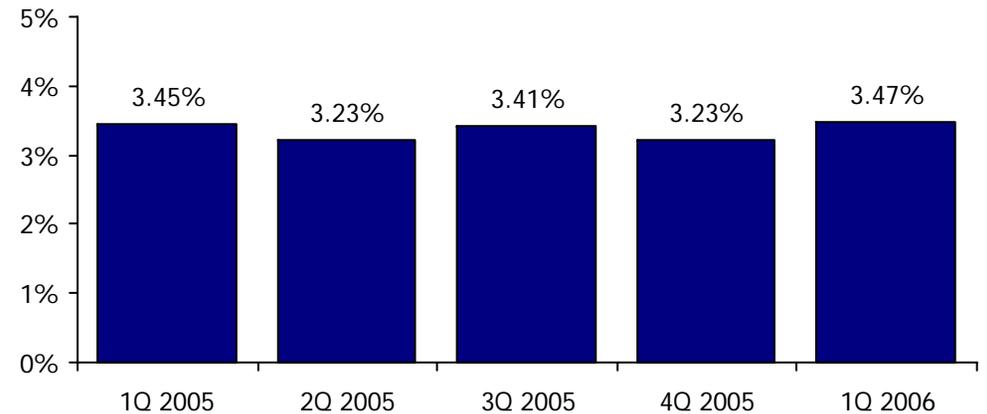
EPS, diluted



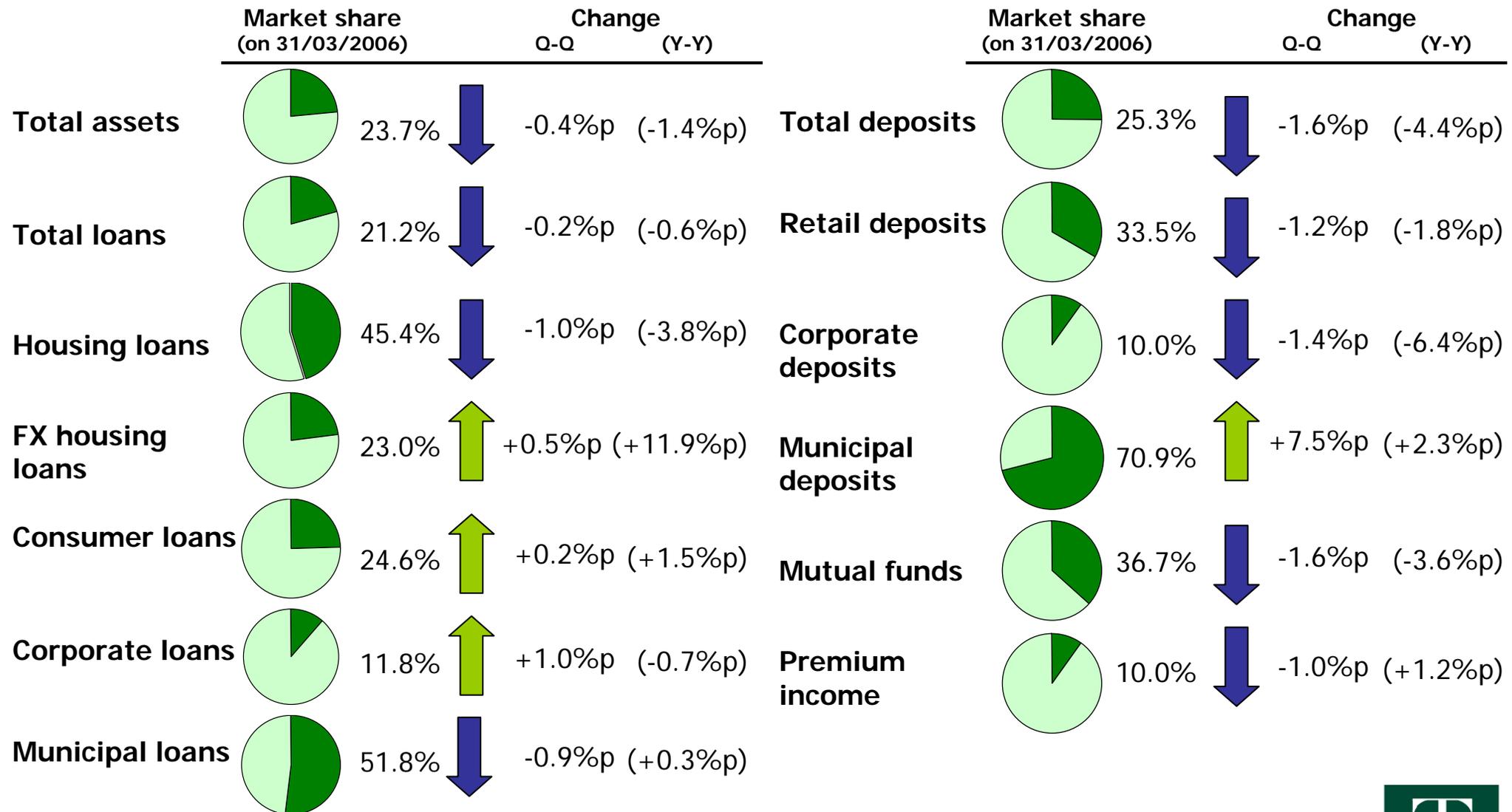
Return on average equity (ROE)



Return on average assets (ROA)



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



From domestic subsidiaries, OTP Mortgage Bank realised HUF 2.8 bn; OTP Garancia HUF 2.3 bn; Merkantil Group HUF 1.7 bn; while OTP Fund Management HUF 1.1 bn profit

	OTP Mortgage Bank			Merkantil Group			OTP Garancia Insurance			OTP Fund Management		
	2006 1Q	Change		2006 1Q	Change		2006 1Q	Change		2006 1Q	Change	
Main balance sheet items, HUF bn		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	951.7	-0.5%	8.2%	302.1	19.3%	50.1%	164.4	4.6%	28.9%	9.8	-14.9%	17.7%
Shareholders' equity	38.5	4.2%	25.1%	25.0	9.7%	45.6%	18.8	-11.7%	14.7%	7.8	-23.8%	9.6%
	Gross loans			Gross loans			Insurance reserves			Assets under management		
	874.9	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	11,610	5.3%	-9.0%	5,700	14.5%	29.5%						
Non-interest income	-87			606	-59.1%	-53.3%	21,820	16.7%	35.2%	2,911	-22.7%	36.8%
Premium income							19,296	4.6%	33.6%			
Non-interest expenses	8,820	-34.5%	-21.1%	2,852	6.3%	-7.1%	20,876	17.5%	25.7%	1,659	-29.3%	35.2%
Insurance expenses							15,424	22.5%	32.1%			
Profit after tax	2,788	203.2%	-18.7%	1,685	9.9%	42.5%	2,305	-21.1%	110.9%	1,057	-8.1%	39.2%
Total income	3,450	245.6%	-35.3%	5,429	-4.7%	31.4%	22,240	7.9%	30.2%	1,540	-23.2%	35.2%
Operating expenses	747		-22.1%	1,974	2.9%	31.2%	19,522	13.6%	23.7%	288	-51.0%	21.4%
Cost/income ratio	21.6%	29.4%	3.7%	36.4%	2.7%	-	87.8%	4.4%	-4.6%	18.7%	-10.6%	-2.1%
Net Interest Margin	4.9%	0.2%	-0.9%	8.2%	0.2%	-0.6%	4.4%	-2.0%	-1.4%			
ROA	1.17%	0.78%	-0.39%	2.43%	-0.05%	0.05%	5.73%	-1.80%	2.15%	39.65%	-2.55%	3.77%
ROE	29.6%	19.0%	-10.4%	28.2%	0.1%	-0.3%	45.9%	-7.3%	15.3%	46.8%	-0.7%	1.7%

Contribution of foreign subsidiaries to aggregated profit after tax grew to 10.3%

	 DSK Group			 OTP Banka Slovensko			 OTP banka Hrvatska*			 OTP Bank Romania			Share of foreign subsidiaries**		
	2006 1Q	Change Q-o-Q	Y-o-Y	2006 1Q	Change Q-o-Q	Y-o-Y	2006 1Q	Change Q-o-Q	Y-o-Y	2006 1Q	Change Q-o-Q	Y-o-Y	2006 1Q	Change Q-o-Q	Y-o-Y
Main balance sheet items, HUF bn															
Total assets	634.7	8.8%	24.1%	287.8	9.5%	40.5%	328.4	10.1%	28.7%	66.5	20.4%	37.7%	20.2%	0.7%	1.9%
Gross loans**	389.9	1.4%	10.3%	209.6	10.3%	46.1%	172.5	14.6%	39.6%	34.2	39.0%	102.2%	23.9%	0.6%	1.6%
Deposits	457.9	5.9%	22.3%	166.4	9.6%	22.9%	238.5	2.6%	10.7%	25.4	0.2%	-12.7%	25.2%	0.6%	2.5%
Shareholders' equity	78.1	9.7%	37.1%	18.3	6.8%	18.5%	29.3	-4.1%	27.0%	14.5	5.7%	78.9%	20.1%	1.8%	2.7%
Gross loans/deposits ratio	85.1%	-3.8%	-9.3%	126.0%	0.9%	20.0%	72.3%	7.6%	15.0%	134.6%	37.6%	76.5%			
Main P&L items, HUF million															
Net interest income**	9,183	0.3%	18.3%	1,690	33.7%	32.0%	2,633	0.1%	-	512	85.2%	-8.2%	20.1%	3.2%	5.2%
Non-interest income**	3,912	-1.7%	52.3%	657	-16.7%	-51.4%	1,633	28.4%	-	532	-25.0%	-52.0%	6.6%	-1.6%	-1.1%
Non-interest expenses	4,518	-32.5%	10.6%	1,922	-8.7%	-16.1%	2,703	-5.4%	-	1,477	-16.9%	74.3%	11.4%	-0.9%	0.2%
Profit after tax	5,386	25.2%	30.3%	237	-33.3%	-29.0%	732	44.6%	-	-583			10.3%	-0.2%	2.1%
Total income	12,948	0.3%	26.8%	2,199	17.8%	-13.0%	3,949	10.5%	-	993	3.4%	-39.2%			
Operating expenses	4,370	-32.5%	10.2%	1,774	-7.5%	-18.8%	2,386	-5.6%	-	1,426	-18.7%	75.2%			
Cost/income ratio	33.8%	-16.4%	-5.1%	80.7%	-22.1%	-5.8%	60.4%	-10.3%	-	143.7%	-39.0%	93.8%			
Net Interest Margin**	6.0%	-0.5%	-0.7%	2.5%	0.5%	0.0%	3.4%	-0.2%	-	3.4%	1.4%	-1.4%			
ROA	3.54%	0.45%	-0.05%	0.35%	-0.22%	-0.29%	0.93%	0.24%	-	-3.83%	4.21%	-3.38%			
ROE	28.8%	3.7%	-0.8%	5.4%	-3.2%	-3.4%	9.8%	2.6%	-	-16.5%	14.5%	-13.9%			
Market share, %															
Total assets	14.8%	1.2%	0.9%	2.9%	0.1%	0.5%	3.5%	0.1%	0.0%	-	-	-			
Retail loans	37.2%	-0.5%	-5.0%	3.9%	0.0%	0.2%	3.9%	0.0%	0.1%	0.3%	0.2%	0.3%			
Corporate loans	6.9%	1.6%	0.8%	6.2%	0.0%	-0.1%	2.8%	-0.1%	-0.1%	0.8%	0.3%	0.3%			
Retail deposits	23.5%	-0.6%	-2.0%	2.4%	0.0%	-0.2%	5.5%	0.0%	-0.2%	0.5%	0.0%	-0.3%			
Corporate deposits	7.4%	0.8%	0.7%	2.7%	-0.1%	0.3%	1.8%	-0.3%	-0.2%	0.4%	-0.1%	-0.2%			

* Date of first consolidation by OTP banka Hrvatska was 31 March, 2005.

** In case of DSK, gross loans including loans booked outside DSK balance sheet reached HUF 445 bn (+8.7% q/q, +25.9% y/y), calculating with this loans, net interest income would be HUF 9.6 bn (+2.3% q/q, +23.3% y/y), non-interest income HUF 3.5 bn (-6.7% q/q, +37.2% y/y), while net interest margin 6.29% (-44 bps q/q, -45bps y/y).

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